

Nextech AR Solutions

(OTCQB: NEXCF)

AR 3D Subscriptions Grow 189% Sequentially in Q3

Based on an EV to estimated EV/2023 sales multiple of 5xs, we believe Nextech stock could be worth \$1.33 per share.

Current Price (11/17/2022) US\$0.84
Valuation US\$1.33

OUTLOOK

Nextech AR is a technology start-up and a unique public company investment in Augmented Reality and the Metaverse. It does not produce hardware, but rather uses AR to improve eCommerce results for customers as well as its company-owned sites. It plans to spin out its ARway 3D mapping and Metaverse builder business to shareholders this fall. The company is landing new large customers for its modeling business and we expect that business to ramp rapidly. It is winding down its eCommerce business to become a pure play in 3D by year-end. As one of the first movers in a multi-billion-dollar market growing at almost 300% per year, Nextech should be able to grow rapidly as this nascent market explodes.

SUMMARY DATA

52-Week High US\$1.64
52-Week Low US\$0.29
One-Year Return (%) -40.8
Beta 1.9
Average Daily Volume (sh) 149,321

Shares Outstanding (mil) 102.6
Market Capitalization (\$mil) US\$86.2
Short Interest Ratio (days) 0.3
Institutional Ownership (%) 0
Insider Ownership (%) 10.3

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/M
P/E using 2022 Estimate N/M
P/E using 2023 Estimate N/M

Risk Level High
Type of Stock Small Growth
Industry IT Services

ZACKS ESTIMATES

Revenue

(In millions of CAN\$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	\$2.5 A	\$3.5 A	\$4.7 A	\$7.0 A	\$17.7 A
2021	\$7.7 A	\$6.1 A	\$5.7 A	\$6.4 A	\$25.9 A
2022	\$3.5 A	\$3.2 A	\$3.0 A	\$2.1 E	\$11.8 E
2023					\$22.0 E

Earnings per Share

(IFRS)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	-\$0.02 A	-\$0.04 A	-\$0.07 A	-\$0.12 A	-\$0.23 A
2021	-\$0.12 A	-\$0.07 A	-\$0.09 A	-\$0.11 A	-\$0.39 A
2022	-\$0.08 A	-\$0.09 A	-\$0.05 A	-\$0.05 E	-\$0.26 E
2023					-\$0.13 E

AR 3D Subscriptions Grow 189% Sequentially in Q3

Nextech AR's Q3 report showed a rapid uptake of its AR 3D model subscription business which grew 192% sequentially. It plans to deliver \$700,000 worth of models to Amazon (we believe) alone in Q4 and the business continues to thrive. Just as importantly, the company has reduced its cash burn so as to have enough cash on hand to last the next twelve months at least, alleviating the fear of any dilution. In addition, since its successful spin-off of ARway in October, it also now owns 13 million shares of a publicly-traded stock worth CN\$26 million. Although it has a lock-up, some of those shares are currently tradable and if nothing else, provide a reserve for cash if ever needed.

Amazon has started to order models and has a \$6.7 million purchase order to be delivered in 2023. This is above and beyond the \$700,000 being booked in Q4. So far, it has primarily ordered only home goods items. It is expected that Amazon will allow vendors that sell on its platform to put their own 3D models on its site and will identify Nextech as a preferred vendor for those models early next year.

After the successful spin-off of ARway, we expect Nextech is contemplating other possible spin-offs from its portfolio of products and technologies although we do not expect anything near term.

Nextech now trades at an enterprise value of CN\$108 million or US\$80.7 million. It also owns 13 million shares of ARWY valued at CD\$25.6 million or US\$19.2 million. We estimate revenues of CN\$22 million next year making EV to sales 4.9 times or 3.7 times if we subtract out the value of the ARway holding.

Q3 2022 Financial Results

Nextech reported revenues of \$3.0 million versus \$5.7 million a year ago, down 47%.

ECommerce reported revenues of \$2.1 million, down from \$4.6 million in Q3 2021 or down 54%, and down sequentially from \$2.7 million in Q2. The company is winding this business down by year-end.

The technology services revenues declined again to \$45,768 from \$931,000 in Q3 2021, as the video conferencing business almost disappears.

All eyes are focused on the renewable software license revenues which contributed \$875,000 versus \$226,000 last year, up 286%. Annual recurring revenues have now grown to \$1,076,000 in Q3 2022. The increase in license revenue is a result of software licenses being a new revenue stream that was established after the acquisition of Map Dynamics, and ThreedyAi Inc. This quarter's revenue growth is driven by a 192% sequential increase in revenue from AR 3D subscriptions and a 1% increase in recognized revenue from MapD compared to Q2 2022.

Gross margin was 44.6% of revenues or \$1.3 million compared to 31.4% and \$1.8 million a year ago and 52.2% or \$1.7 million in Q2 2022. The gross margin for eCommerce was 37.7% versus 41.5% last year. Nextech expects gross margins to decline in this business as it winds down. Technology services and Renewable software license revenues combined increased its gross margin from a negative 16% in Q3 2021 to 60.3% as it is now selling more profitable 3D and AR products.

Operating expenses were down to \$5.5 million from last year's \$10.0 million. Sales and marketing was down \$2.7 million. Less was spent in that area on both eCommerce and services. G&A decreased by \$1.1 million.

Other expenses included a currency loss of \$567,000 and a loss on short-term investments of \$90,744. Stock-based compensation also increased year over year. It was \$311,301 in the quarter compared to a negative \$574,131 in last year's quarter.

The pre-tax loss was \$4.5 million compared to \$8.2 million a year ago and \$9.1 million in Q2 2022. The net loss from continuing operations was \$4.4 million. Loss per share was \$0.05 compared to \$0.10 a year ago. The non-IFRS loss was \$4.0 million compared to \$8.7 million last year, taking out stock-based compensation. Non-IFRS loss per share was also approximately \$0.05 versus \$0.10 last year. Primary shares outstanding were 98.6 million for the period, up 15%.

The company showed a negative operating and free cash flow of \$3.0 million versus a negative \$7.9 million last year. In Q1 the negative cash flow was \$5.7 million so the company is making strides in reducing cash losses. We expect further improvement in Q4 as ARway is spun off reducing expenses by another \$100,000 a month and eCommerce winds down.

Discontinued operations in Q3 included the operations of Infinite Pet Life which NexTech plans to sell in Q1 2023.

Balance Sheet

Nextech ended the September quarter with \$5.3 million in cash, working capital of \$5.0 million, and no debt. The company is working to reduce its cash burn and believes it will have enough cash for the next twelve months. In addition, the company owns 13 million shares of ARway worth \$25.6 million under a three-year lockup. Ten percent of the shares are free trading today and another 15% get unlocked every six months. The primary share count as of November 17, 2022, was 102,598,165. The company also has 16,549,697 options outstanding at exercise prices ranging from \$0.50 to \$6.51 and 18,012,010 warrants outstanding at exercise prices ranging from \$0.84 to \$6.00.

During the Quarter

On July 6, 2022, Nextech launched its WooCommerce app.

On Aug 3, 2022, Nextech added AR Wayfinding to ARway and [Map D](#), its self-serve event management software solution.

On Aug 9, 2022, Nextech launched its ARitize Configurator as an upgrade to the ARitize 3D app in Shopify. ARitize Configurator allows eCommerce sites to display multiple product variations such as colors, parts, materials, and textures from only one 3D model. As of August 9th, the ARitize 3D app for Shopify had a 40% conversion rate with 312 downloads, and 124 merchants chose paid subscriptions.

On September 22, 2022, Nextech launched its AI-Powered SaaS software platform “Toggle 3D” which is part of its CAD-3D Model market.

After the Quarter Ended

On October 18, 2022, Nextech announced a \$6.7 million 3D model purchase order from Amazon for delivery over the next 12 months of which \$700,000 is expected to be filled in Q4 2022.

On October 25, 2022, Nextech signed a deal with the Kid Cudi-backed XR Music App “Encore” for ARway.

ARway Now Trades as a Public Company

On October 26th, ARway (CSE: ARWY) shares began trading as a separate public company on the Canadian Securities Exchange, the US OTC, and the German Frankfurt exchange. It now has 26.6 primary shares outstanding and fully diluted, including warrants that are in the money there are 33.3 million shares. and the OTC Market. Nextech now owns 13 million common shares of ARway (48.9%.) Due to having control, ARway will still be consolidated with Nextech’s income statement. At today’s price, its ARway holdings are worth US\$19.2 million.

KEY POINTS

- Nextech AR is a startup based in Toronto that was formed to provide services for and invest in, businesses using Augmented Reality (AR), holograms, and other technologies in the Metaverse. These technologies are used to improve sales and profits for eCommerce sites, and other verticals such as entertainment and education. The technology converts two-dimensional images of real objects and people into three dimensions. Using AR is a proven way to boost sales and reduce returns in eCommerce, and provides an engaging, economic way to provide information in the education and training space.
- Augmented Reality (AR) and 3D Models are just beginning to make their way into mainstream use and the market is exploding. Nextech AR is the only public pure-play we know of that is providing services to allow companies to use AR and 3D in marketing and advertising their goods. At a small price to vendors per month per SKU, the adoption of just a tiny percent of the trillions of products sold worldwide will create a massive revenue stream for Nextech AR.
- The company currently has three sources of revenue:
 - Its largest revenue generator had been an eCommerce business that is used as a test lab and is driven by the use of AR, 3D Models, and holograms in its marketing. Its main website sells vacuum cleaners and accessories. It recently has started to expand the number of brands it carries. It uses these websites primarily for in-house testing. Ultimately we expect this business to go away as Nextech focuses on its SaaS model.
 - It also has SaaS offerings to businesses that provide AR, 3D models, holograms, and metaverses created by Nextech AR, or by the customer themselves, for use on their shopping websites and mobile apps, or in ad campaigns. eCommerce customers are charged a monthly fee based on the number of SKUs or per model.
 - A very small part of the business still remains from the platform LiveX, which allows virtual remote meetings integrated with augmented reality with more security and features than available from mainstream video conferencing platforms, but will work with them seamlessly. It also owns Map D which provides in-person conferencing services.
- With a nascent market projected to increase by 289% per year over the next five years, Nextech is a unique public pure play that could deserve a higher valuation. It currently trades at an enterprise value of approximately US\$81 million or 4.9xs projected 2023 sales of US\$17 million.

VALUATION

We have taken a group of companies involved in augmented reality, companies that provide conferencing plus Roblox the metaverse company. At current valuations, we get an average of 4.2 times EV/2023 Sales. However, given Nextech's rapid growth versus the comps, we believe it deserves at least the high end of the range or 5.4 times revenues which is Roblox. That stock has come down since our last valuation. Nextech is however growing much faster than Roblox and deserves an 8 multiple.

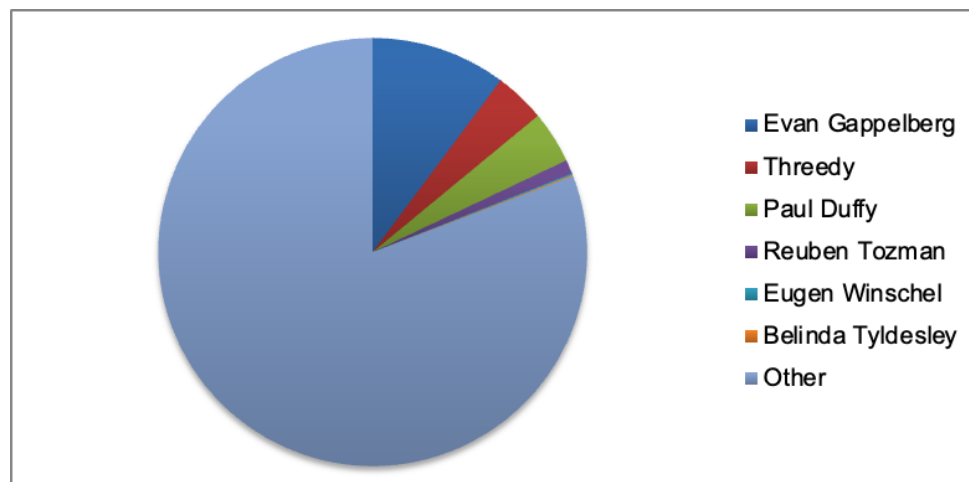
So, using US\$16.2 million for 2023 estimated sales, and an 8 multiple, Nextech could be worth an enterprise value as high as US\$130 million or a market value of US\$134 million. Dividing by the current shares of 102.6 million, this would be approximately US\$1.33 per share. Nextech's ownership of ARway of 13 million shares adds \$19.2 million to the valuation as an asset. Keep in mind that if revenues can double from 2023 to 2024 a year from now the valuation would also almost double.

Company	Ticker	Calendar	Calendar	LTM	EBIDTA Margin	Enterprise Value / Sales			Enterprise Value
		Revenue 2023E	Revenue 2022E			2023E	2022E	LTM	
Roblox	RBLX	3,270	2,840	2,210	-30%	5.4	6.2	7.9	17,500
Salesforce	CRM	35,500	30,990	29,320	8%	4.1	4.7	5.0	147,000
Snap	SNAP	5,040	4,610	4,600	-17%	3.4	3.7	3.7	16,900
Zoom	ZM	4,800	4,400	4,300	23%	4.0	4.3	4.4	19,000
Average						4.2	4.7	5.3	45,764

RISKS

- Nextech is a start-up with limited operating history in its current businesses. There is no assurance it will evolve into a sustainable, profitable going concern.
- The company is operating at a loss, and though it is not expected, it may need to raise capital until it reaches cash flow break-even which could result in the dilution of current shareholders.
- AR usage is beginning to be used by early adopters and it is hard to predict how fast AR will be put into use by mainstream eCommerce sites. The company's business with AR customers is still very small although it seems to be beginning to garner meaningful traction.
- This industry will attract many larger companies with much greater resources who could compete with Nextech in the future.
- The company is constantly launching new products and features that may or may not be commercially successful.
- With the return to normal business operations, the need for virtual conferencing capabilities has waned further and is reducing revenues.
- Some of the value of Nextech is based on its ability to successfully spin out other parts of its business at high valuations. These spin-outs may not occur or reach the valuations investor might expect.

OWNERSHIP



INCOME STATEMENT

	Mar 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	June 30, 2022	Sept 30, 2022	Dec 31, 2022E	2020	2021	2022E	2023E
3D Models Produced	-	-	-	-	-	2,776	5,830	-	-	-	-	-
Product sales	\$6,009,259	\$4,430,519	\$4,367,003	4,438,349	\$2,988,105	\$2,681,368	\$2,091,656	\$500,000	\$13,932,871	\$19,245,130	\$8,261,129	\$0
Yr-to-Yr Growth	146%	43%	15%	-3%	-50%	-39%	-52%	-89%	252.6%	38.1%	-57.1%	-100.0%
Gross margin	43.9%	41.7%	41.5%	NA	41.6%	55.3%	37.7%	25.0%	50.3%	-	-	-
Technology services	1,350,066	1,371,056	931,494	1,643,160	36,763	35,478	45,768	40,000	3,417,501	5,295,779	158,009	100,000
Yr-to-Yr Growth	2831%	632%	22%	-26%	-97%	-97%	-95%	-98%	6413.1%	55.0%	-97.0%	-36.7%
Renewable Software licenses	367,378	289,977	226,405	510,313	459,469	517,889	875,016	1,560,000	335,280	1,394,070	3,412,374	21,900,000
Yr-to-Yr Growth	NA	19%	153%	173%	25%	79%	286%	206%	NA	315.8%	144.8%	541.8%
Total Software and Services	1,717,444	1,661,033	1,157,899	2,153,473	496,232	553,367	920,784	1,600,000	3,752,781	6,689,849	3,570,383	22,000,000
Gross margin	39%	26.9%	-16%	NA	48.7%	37.2%	60.3%	65%	-	-	-	-
Net Revenue	\$7,726,703	\$6,091,552	\$5,737,585	\$6,379,140	\$3,484,337	\$3,234,735	\$3,012,440	\$2,100,000	\$17,685,652	\$25,934,980	\$11,831,512	\$22,000,000
Yr-to-Yr Growth	210%	73%	23%	-9%	-55%	-47%	-47%	-67%	341.7%	46.6%	-54.4%	85.9%
Cost of goods	4,412,278	3,798,987	3,936,309	3,948,838	2,000,937	1,546,479	1,668,490	935,000	7,834,668	16,096,412	6,150,906	11,000,000
Gross margin	3,314,425	2,292,565	1,801,276	2,430,302	1,483,400	1,688,256	1,343,950	1,165,000	9,850,984	9,838,568	5,680,606	11,000,000
Percent of revenues	42.9%	37.6%	31.4%	38.1%	42.6%	52.2%	44.6%	55.5%	55.7%	37.9%	48.0%	50.0%
Operating expenses												
Sales and marketing	4,640,087	4,047,840	4,358,738	3,768,379	2,616,948	1,827,030	1,702,695	1,800,000	9,609,441	16,815,044	7,946,673	7,200,000
General and administrative	3,747,723	3,418,151	3,735,240	2,979,976	3,820,600	4,503,273	2,592,343	2,292,343	5,840,760	13,881,090	13,208,559	9,169,372
R&D	1,793,479	1,330,534	1,863,785	1,624,462	1,027,194	880,272	1,157,408	1,157,408	3,591,653	6,612,260	4,222,282	4,629,632
Total operating expenses	10,181,289	8,796,525	9,957,763	8,372,817	7,464,742	7,210,575	5,452,446	5,249,751	19,041,854	37,308,394	25,377,514	20,999,004
Other income												
Stock-based compensation	2,402,628	556,415	(574,131)	2,645,537	578,805	878,286	311,301	300,000	5,665,051	5,030,449	2,068,392	1,200,000
Amortization	380,220	179,378	682,889	807,660	728,378	750,429	597,354	550,000	603,134	2,050,147	2,626,161	2,200,000
Right of use amortization	-	45,011	64,733	96,433	63,082	63,770	77,624	80,000	68,982	206,179	284,476	200,000
Realized gain on Bitcoin	(219,321)	-	-	-	-	-	-	-	-	(219,321)	-	-
Gain on short-term investments	-	-	-	-	-	-	(90,744)	-	-	-	-	-
Gain on contingent consideration	-	(1,516,048)	102,400	(159,660)	-	-	-	-	-	(1,573,308)	-	-
Depreciation	27,950	32,085	37,286	35,824	37,117	37,124	36,941	36,900	82,983	133,145	148,082	147,600
Impairment	-	-	-	-	-	2,702,313	-	-	69,423	-	2,702,313	-
Minority income	-	-	-	-	-	-	-	(200,000)	-	-	(200,000)	-
Foreign exchange loss (gain)	(274,564)	52,877	(252,992)	207,002	446,626	(845,966)	(566,648)	-	10,095	(267,677)	(965,988)	-
Total other expense	2,316,913	(650,282)	60,187	3,632,796	1,854,008	3,585,956	365,828	766,900	6,499,668	5,359,614	6,663,436	3,747,600
Income before income taxes	(9,183,777)	(5,853,678)	(8,216,674)	(9,575,311)	(7,835,350)	(9,108,275)	(4,474,324)	(4,851,651)	(15,690,538)	(32,829,440)	(26,360,344)	(13,746,604)
Income taxes	-	-	-	177,386	131,805	114,724	119,649	125,000	96,956	177,386	491,178	-
Tax rate	0.0%	0.0%	0.0%	-1.9%	-1.7%	-1.3%	-2.7%	-2.6%	-0.6%	-0.5%	-1.9%	0.0%
Net income	(9,183,777)	(5,853,678)	(8,216,674)	(9,397,925)	(7,703,545)	(8,993,551)	(4,354,675)	(4,726,651)	(15,593,582)	(32,652,054)	(25,869,166)	(13,746,604)
Income from discontinued ops.	-	-	-	-	-	-	(49,090)	-	-	-	-	-
Non-IFRS net income	(7,000,470)	(6,813,311)	(8,688,405)	(6,912,048)	(6,474,740)	(4,416,952)	(4,043,374)	(4,426,651)	(9,859,108)	(29,194,913)	(21,098,461)	(12,546,604)
Exchange differences on translating foreign operations	(52,491)	(65,056)	413,553	(69,154)	(24,687)	9,555	(183,470)	-	(252,612)	226,852	(198,602)	-
Exchange differences on discontinued	-	-	-	-	-	-	10,286	-	-	-	-	-
Total comprehensive loss	(9,236,268)	(5,918,734)	(7,803,121)	(9,467,079)	(7,728,232)	(8,983,996)	(4,576,949)	(4,726,651)	(15,846,194)	(32,425,202)	(26,067,768)	(13,746,604)
Earnings per share	\$(0.12)	\$(0.07)	\$(0.10)	\$(0.10)	\$(0.08)	\$(0.09)	\$(0.05)	\$(0.05)	\$(0.23)	\$(0.39)	\$(0.26)	\$(0.13)
Non-IFRS earnings per share	\$(0.09)	\$(0.08)	\$(0.10)	\$(0.08)	\$(0.07)	\$(0.04)	\$(0.05)	\$(0.04)	\$(0.14)	\$(0.35)	\$(0.21)	\$(0.11)
Shares outstanding	77,489,618	82,298,423	86,125,077	90,077,002	97,550,931	99,725,256	98,641,286	102,600,000	68,657,254	83,888,487	99,629,368	109,742,857
Yr-to-Yr Growth	26%	25%	20%	21%	26%	21%	15%	14%	17.8%	22.2%	18.8%	10.2%
All in shares	82,864,618	91,511,320	93,000,000	99,116,767	115,451,931	117,626,256	133,202,993	137,161,707	73,658,543	92,224,652	125,860,722	146,294,706
Adjusted EBITDA	(6,866,864)	(6,503,960)	(8,156,487)	(5,942,515)	(5,981,342)	(5,522,319)	(4,108,496)	(4,084,751)	(9,190,870)	(27,469,826)	(19,696,908)	(9,999,004)

BALANCE SHEET

Canadian Dollars	Sept 30, 2022	June 30, 2022	Qtr-Qtr % Change	Sept 30, 2021	Yr-Yr % Change
Assets:					
Cash and cash equivalents	5,278,516	7,063,268	-25%	8,258,563	-36%
Accounts receivable	624,694	418,792	49%	1,895,277	-67%
Deferred asset	260,639	153,185	70%	0	NM
Prepaid expenses	472,442	532,169	-11%	895,117	-47%
Contract assets	261,692	193,635	35%	267,865	-2%
Inventory	640,852	2,366,759	-73%	4,581,632	-86%
Non-current assets held for sale	534,664				
Total current assets	8,073,499	10,727,808	-25%	15,898,454	-49%
Equipment	354,527	371,603	-5%	367,784	-4%
Right of use assets	919,096	967,529	-5%	1,147,661	-20%
Intangible assets	4,200,687	4,560,991	-8%	7,239,443	-42%
Goodwill	7,061,970	6,783,493	4%	7,832,208	-10%
Total Assets	20,609,779	23,411,424	-12%	32,485,550	-37%
Current Liabilities:					
AP & accrued liabilities	2,309,942	2,649,937	-13%	3,832,913	-40%
Deferred revenue	471,835	422,140	12%	1,573,270	-70%
Lease liabilities	259,348	273,974	-5%	288,966	-10%
Contingent consideration	0	0	0%	463,030	-100%
Total current liabilities	3,041,125	3,346,051	-9%	6,158,179	-51%
Lease liabilities	644,420	683,759	-6%	860,152	-25%
Deferred income tax liability	399,962	492,242	-19%	0	NM
Loan payable	0	78,521	-100%	0	NM
Total Liabilities	4,085,507	4,600,573	-11%	7,018,331	-42%
Stockholders' Equity					
Share capital	82,185,705	80,352,960	2%	65,020,985	26%
Reserves	12,608,012	12,150,387	4%	10,041,357	26%
Accum. other comprehensive inc	1,790,153	1,963,337	-9%	0	0%
Deficit	(80,059,598)	(75,655,833)	6%	(49,595,123)	61%
Total Stockholders' Equity	16,524,272	18,810,851	-12%	25,467,219	-35%
Total Liabilities and Stockholders' Equity	20,609,779	23,411,424	-12%	32,485,550	-37%
Equity					
Current ratios	2.7	3.2	-17%	2.6	3%
Quick ratio	2.4	2.5	-2%	1.8	33%
Cash	5,278,516	7,063,268	-25%	8,258,563	-36%
Cash as % of assets	26%	30%	-15%	25%	1%
Working Capital	5,032,374	7,381,757	-32%	9,740,275	-48%
Debt	0	78,521	-100%	0	0%
Debt/Total Assets	0.0%	0.3%	-100%	0%	0%

CASH FLOW

	Year	3 Months	3 Months	3 Months	3 Months	Year	3 Months	3 Months	3 Months
	2020	Ending	Ending	Ending	Ending	2021	Ending	Ending	Ending
		Mar 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021		Mar 31, 2022	June 30, 2022	Sept 30, 2022
Net Income	\$ (15,593,582)	\$ (9,183,777)	\$ (5,853,678)	\$ (8,216,674)	\$ (9,397,925)	\$ (32,652,054)	\$ (7,703,545)	\$ (8,993,551)	\$ (4,354,675)
Discontinued operations									\$ (49,090)
Adjustments to reconcile net loss to net cash used in operating activities:									
Amortization	672,116	380,220	179,378	682,889	807,660	2,050,147	728,378	750,429	597,354
Right of use assets	68,982	34,311	45,011	13,466	113,391	206,179	63,082	63,770	77,624
Gain on sale of bitcoin	0	(219,321)	0	0	0	(219,321)	0	0	0
Deferred income tax recovery	(96,956)	0	0	0	0	0	(138,933)	(121,852)	(126,777)
Depreciation	82,983	27,950	32,085	37,286	35,824	133,145	37,117	37,124	36,941
Gain on short-term investment									(90,744)
Gain on contingent consideration	0	0	(1,516,048)	102,400	(159,660)	(1,573,308)	0	0	0
Shares issues to settle related party liabilities	38,239	0	0	0	0	0	0	0	0
Stock-based compensation	5,665,051	2,402,628	556,415	0	2,071,406	5,030,449	578,805	878,286	311,301
Options and warrants exercised shares out	0	6,300	0	0	(6,300)	0	0	0	0
Share-based payments	1,202,694	22,156	(22,156)	(574,131)	574,131	0	0	0	0
Shares for services	35,074	1,299,845	0	78,535	211,514	1,589,894	717,066	148,500	581,286
Impairment of intangible asset & goodwill	85,664	0	0	0	0	0	0	2,702,313	0
Changes in assets and liabilities:									
Receivables	(893,109)	(783,405)	997,883	(797,207)	814,113	231,384	62,150	600,222	223,510
Deferred asset									(153,185)
Contract asset	(244,478)	(115,582)	22,853	69,342	(118,337)	(141,724)	261,220	(68,653)	(68,057)
Prepaid expenses	(1,152,606)	(390,207)	437,732	411,727	145,643	604,895	(145,331)	362,636	59,727
Inventory	(1,858,091)	(1,462,220)	606,386	(514,123)	1,192,534	(177,423)	861,905	160,434	1,228,785
Accounts payable and accrued liabilities	1,034,116	1,448,960	(1,543,259)	1,399,775	(1,073,896)	231,580	(848,858)	739,778	(342,533)
Other payables	(229,984)	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	(205,898)	(205,898)	0	0	0
Deferred revenue	383,022	810,047	246,841	133,360	(964,269)	225,979	13,897	(200,758)	49,695
Net Cash Used In Operating Activities	(10,800,865)	(5,722,095)	(5,810,557)	(7,173,355)	(5,960,069)	(24,666,076)	(5,513,047)	(3,094,507)	(2,716,519)
Net cash from discontinued									296,392
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchase of Bitcoin	0	2,765,356	0	0	(2,765,356)	0	0	0	0
Sale of bitcoin	(2,546,035)	0	0	0	2,765,356	2,765,356	0	0	0
Purchase of equipment	(18,639)	(50,414)	(60,505)	(27,653)	(40,200)	(178,772)	(46,553)	(37,485)	(15,951)
Purchase of intangibles	(937,396)	0	0	0	0	0	0	0	0
Interest on lease liability	0	0	0	0	0	0	(6,712)	(6,890)	(8,441)
Acquisition of Map Dynamics	(777,900)	0	0	0	0	0	0	0	0
Net Cash Used In Investing Activities	(4,279,970)	2,714,942	(60,505)	(27,653)	(40,200)	2,586,584	(53,265)	(44,375)	(24,392)
					(40,200)				
CASH FLOWS FROM FINANCING ACTIVITIES:									
Convertible debenture	0	0	0	0	0	0	0	0	0
Capital contribution	0	0	0	0	0	0	0	0	0
Proceeds from the issue of shares	15,133,164	0	12,632,937	0	4,271,962	16,904,899	8,936,496	1,910	0
Repayment of loan									(90,896)
Proceeds from options and warrants	7,763,538	486,464	800,184	123,986	800,697	2,211,331	0	0	0
Proceeds from employee pay program									1,488,526
Lease payments	(75,065)	(44,567)	(91,212)	(13,145)	(72,304)	(221,228)	(73,398)	(74,369)	(90,934)
Business acquisition installment payments	0	0	0	(18,902)	99	(18,803)	0	0	0
Net Cash Provided By Financing Activities	22,821,637	441,897	13,341,909	91,939	5,000,454	18,876,199	8,863,098	(72,459)	1,306,696
Foreign exchange	94,807	(219,680)	24,142	(27,373)	(21,452)	(244,363)	247,693	(507,166)	(634,979)
Net Increase in Cash	7,740,802	(2,565,256)	7,470,847	(7,109,069)	(999,815)	(3,203,293)	3,296,786	(3,211,341)	(1,137,823)
Cash - Beginning of Period	2,849,344	10,684,953	7,900,017	15,395,006	8,258,564	10,684,953	7,237,297	10,781,776	7,063,269
Cash - End of Period	10,684,953	7,900,017	15,395,006	8,258,564	7,237,297	7,237,297	10,781,776	7,063,269	5,278,517
Cash - End of Period, discontinued									11,950
Operating cash flow	(7,839,735)	(5,229,688)	(6,578,993)	(7,876,229)	(5,749,959)	(25,434,869)	(5,718,030)	(4,534,981)	(3,016,780)
Free cash flow	(7,858,374)	(5,280,102)	(6,639,498)	(7,903,882)	(5,790,159)	(25,613,641)	(5,764,583)	(4,572,466)	(3,032,731)
Supplemental information									
Taxes paid	306	0	8,967	(224)	(6,584)	2,159	0	21,571	220
Interest paid	8,237	1,261	6,014	9,022	8,549	24,846	9,550	8,308	5,600
Interest received	13,446	9,298	12,171	(54,895)	73,762	40,336	11,830	27,498	34,392

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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