

Nextech AR Solutions

(OTCQB: NEXCF)

Q2 Shows More Progress in 3D Model Ramp and Cost Cutting

Based on a peer blended average EV to estimated EV/2023 sales multiple of 5.3xs, we believe Nextech stock could be worth \$0.98 per share.

Current Price (8/18/2022)

US\$0.68

Valuation

US\$0.98

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\$1.74
52-Week Low	US\$0.29
One-Year Return (%)	-54.5
Beta	1.8
Average Daily Volume (sh)	155,073

Shares Outstanding (mil)	101.3
Market Capitalization (\$mil)	US\$69
Short Interest Ratio (days)	1.2
Institutional Ownership (%)	0
Insider Ownership (%)	11.5

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 Blend
Industry	IT Services

ZACKS ESTIMATES

Revenue

(In millions of CAN\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(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	\$2.6 E	\$2.6 E	\$12.0 E
2023					\$22.0 E

Earnings per Share

(IFRS)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2020	-\$0.02 A	-\$0.04 A	-\$0.07 A	-\$0.12 A	-\$0.23 A
2021	-\$0.12 A	-\$0.07 A	-\$0.10 A	-\$0.10 A	-\$0.39 A
2022	-\$0.08 A	-\$0.09 A	-\$0.06 E	-\$0.06 E	-\$0.28 E
2023					-\$0.17 E

Nextech Continues its Transition to AR and Metaverse Pure Play in Q2

Q2 showed further progress in Nextech's journey to become a pure play in Augmented Reality, 3D Modeling and the Metaverse. Its major revenue provider, eCommerce sales continued its decline with the company vowing to wind down the operation by year end and taking a write off this quarter for goodwill and intangibles.

Nextech is working to build a SaaS business with high recurring revenue. As of June 30th its subscription revenue for all existing contracts as of June 30th, excluding non-recurring fees, and with a subscription term of one-year or longer, annualized to the amount of \$991,000. This was a 29% sequential increase from Q1 2022.

With the wind down of the eCommerce business, Nextech will be a pure play in 3D and Web3.0 with the added kicker of a dividend of its Metaverse mapping business ARway scheduled for this fall. A record date has not as of yet been determined. Although investors are disappointed that SaaS sales are not ramping faster and the cash burn continues, the company is making great progress in conserving cash and signing new customers. It believes in the future of AR and 3D in marketing and sales as customers claim a 40% reduction in returns, 93% higher click-through rates and up to a 250% increase in conversions to sales.

It has landed Amazon as a customer and expects to book its first revenues from it in Q3 with increasing sales going forward. It has a number of other large customers and expects that next year, this business will provide more in revenues than eCommerce did. It also plans new offerings in virtual product photography which can replace traditional photography. An example of this is populating pictures of an empty house with virtual furniture to show buyers on a real estate web site rather than hiring stagers and filling rooms with actual furniture. Other technologies Nextech has to exploit are its CAD files to 3D model capability that has a more industrial bent as blueprints can be displayed as 3D images whether it be a building or a boat. With the hard R&D work done, all Nextech has to do is convert its capabilities into revenues.

Nextech should be considered a startup heavy with technology and promise rather than focusing on near term revenues. While numbers will look ugly as eCommerce winds down, the remaining company will be focused on the future and capitalizing on the industry shift to 3D and Web3.0.

The company continues to reduce cash burn with \$1.5 million in cash payment being converted to stock payments going forward, the spinoff of ARway reducing expenses about \$100,000 per month and another \$4.8 million coming out of annual costs when eCommerce shuts down completely. As a result, the company believes it has 12 months of runway.

Despite declining year over year revenue due to the wind down of eCommerce, investors should look to the ramping services revenue and the potential for the company and its spin off ARway based on where the industry is heading. Using US\$17 million for 2023 estimated sales, and a 5.4 multiple based on average peers, Nextech could be worth an enterprise value as high as US\$92 million, a market value of US\$99 million, or \$0.98 per share. The spinoff of ARway should add incremental value to investors.

Q2 2022 Financial Results

Nextech reported revenues of \$3.2 million versus \$6.1 million a year ago, down 47%. eCommerce reported revenues of \$2.7 million, down from \$4.4 million in Q2 2021 or down 39%, and down sequentially from \$3.0 million in Q1. The company is winding this business down by year end.

The technology services revenues declined again to \$35,478 from \$1.4 million in Q2 2021, as the video conferencing business almost disappeared.

Renewable software licenses contributed \$518,000 versus \$290,000 last year, up 79%. The increase is from the acquisition of Map Dynamics and ThreeduAI, Current quarter revenue growth is driven by a 40% sequential increase in recognized revenue from AR 3D subscriptions and a 1% increase in recognized revenue from MapD compared to Q1 2022.

Gross margin was 52.2% of revenues or \$1.7 million compared to 37.6% and \$2.3 million a year ago and 42.6% or \$1.5 million in Q1 2022. Gross margin for eCommerce was 55.3% versus 41.7% last year. eCommerce had supply chain issues and focused more on profitable items that were in limited availability. 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 26.9% in Q2 2021 to 37.2% as it is now selling more profitable 3D and AR products.

Operating expenses were down to \$7.2 million from last year's \$8.8 million. Sales and marketing was down \$2.2 million. Less was spent in that area on both eCommerce and services. G&A increased \$1.1 million but \$996,000 of that was in one-time expenses. This charge was related to the payment of certain bonus clauses from previous acquisitions, and settlement of employment contractor agreement obligations from former contractors.

Other expense included a \$2.7 million impairment charge related to the wind down of the eCommerce business as well as currency gain of \$846,000. Stock-based compensation also increased year over year. It was \$878,286 in the quarter compared to \$556,415 in last year's quarter. We expect that number to go up as the company works to cut cash expenses and encourages staff to take compensation in stock.

The pretax loss was \$9.1 million compared to \$5.9 million a year ago and \$7.8 million in Q1 2022. The net loss was \$9.0 million. Loss per share was \$0.09 compared to \$0.07 a year ago. Non-IFRS loss was \$4.4 million compared to \$6.8 million last year, taking out stock-based compensation, the impairment charge and the one-time expenses in G&A. Non-IFRS loss per share was \$0.04 versus \$0.08 last year. Primary shares outstanding were 99.7 million for the period, up 21%.

The company showed negative operating cash flow of \$4.5 million and free cash flow of \$4.6 million versus a negative \$6.6 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 Q3 and again in Q4 as ARway is spun off reducing expenses another \$100,000 a month and eCommerce winds down.

Balance Sheet

Nextech ended the June quarter with \$7.1 million in cash, working capital of \$7.4 million, and \$79,000 in debt. The company is working to reduce its cash burn to and believes it will have enough cash for the next twelve months.

The primary share count as of August 18, 2022 was 101.3 million.

On April 1, 2022, the company entered into a new employment agreement with its CEO that could result in the issuance of up to 11,956,152 share purchase options exercisable at \$1.00 per share based upon meeting certain company market capitalization targets ranging from \$200 million to \$1 billion over the next five years.

During the Quarter

On April 6, 2022, the Company announced it had filed four pivotal non-provisional utility patents with

respect to its ARitize 3D and ARitize CAD products for 3D model making.

On April 20, 2022, Nextech launched ARitize Maps, an all-in-one Metaverse creation tool, with features such as augmented reality mapping, localization, drag and drop of AR content, and navigation of user created maps.

On May 10, 2022, Nextech voluntarily delisted its common shares from the NEO Exchange to reduce associated costs from being listed on multiple exchanges in Canada.

After the Quarter Ended

On July 7, 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 August 9th the ARitize 3D app for Shopify had a 40% conversion rate with 312 downloads, and 124 merchants choosing paid subscriptions.

Nextech AR Plans to Spin Out ARway to Shareholders

Nextech AR plans to spin off its ARway platform and its associated assets into a separate public company. Plans are for Nextech to own approximately 65%, Nextech shareholders to own 20% (on a pro rata basis), as a dividend or return of capital, and approximately 15% being distributed to certain service providers of Nextech in consideration of past services. It is expected that Nextech will receive 16 million common shares of ARway and 4 million ARway shares being distributed to the shareholders of Nextech on a pro rata basis. Nextech currently intends to transfer an aggregate of 3 million of the 16 million ARway shares which it receives to certain service providers in consideration of past services and other indebtedness.

A private placement is planned to fund ARway after which the above percentages will be adjusted on a pro-rata basis. Nextech entered into an arrangement on July 29, 2022 with a special purpose financing company, 1373222 B.C. Ltd. to raise funds in a private placement of a minimum of 6 million subscription receipts at a price of CN\$0.25 and raise gross proceeds of a minimum of CN\$1,500,000. Each subscription receipt will convert into units with each unit being comprised of one common share and one share purchase warrant at an exercise price of C\$0.50 for a period of three years from the date of issuance. The private placement is anticipated to close prior to August 31, 2022.

The directors and officers of ARway are anticipated to be Evan Gappelberg (Chairman of the Board), Paul Duffy (director and President), Belinda Tyldesley (director and Corporate Secretary) and Andrew Chan (CFO). Nextech intends to seek a direct listing of ARway on the CSE. This transaction requires shareholder and court approval. The company expects a shareholder vote to occur in October.

With the ARway mobile app, anyone can spatially map their location within minutes, and populate it with interactive 3D content, augmented reality navigation, audio, text, images and more. Nextech provides a number of created and pre-loaded 3D objects, and creators can also upload their own OBJ/GLB files and create their own 3D objects to populate their Metaverse. Users can publish and share their Metaverse for others to experience while in the location.

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, 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 has 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 web site sells vacuum cleaners and accessories. It recently has started to expand the number of brands it carries. It uses these web sites 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 provides 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, that 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 that provides in person conferencing services.
- With a nascent market projected to increase by 289% per year over the next five years, Nextech as a unique public pure play that could deserve a higher valuation. It currently trades at an enterprise value of approximately US \$71 million or 4.2xs projected 2023 sales of US\$17 million.

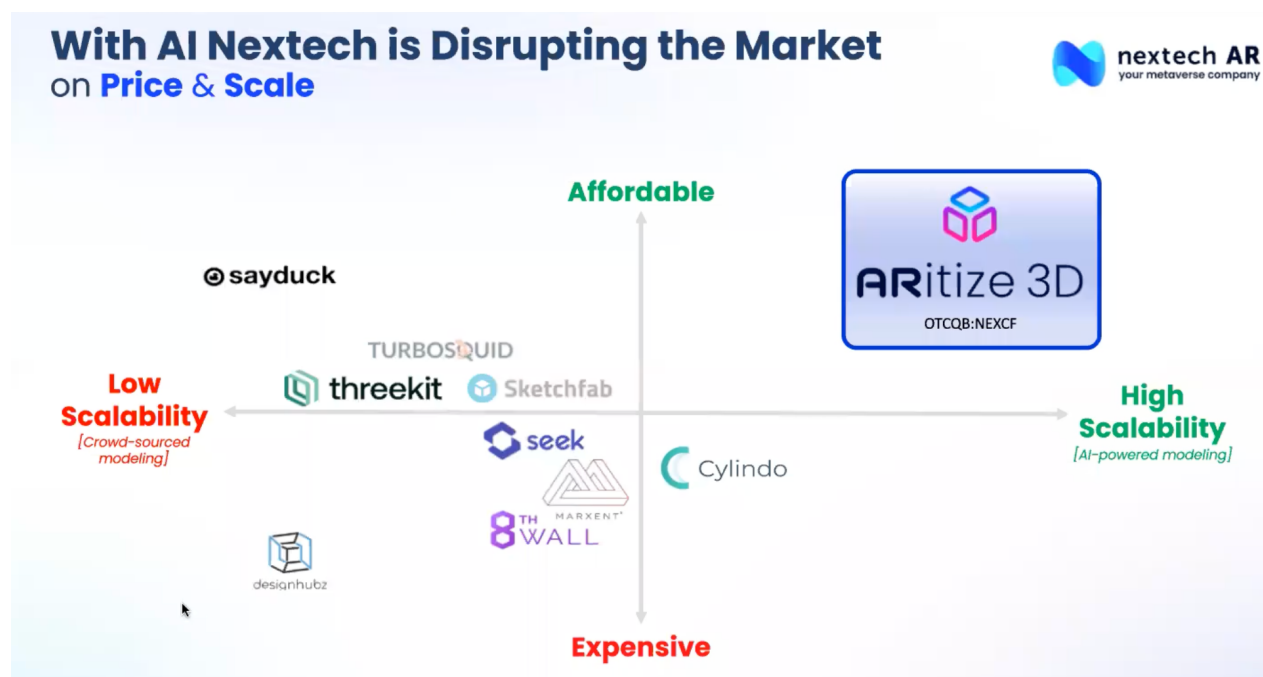
VALUATION

We have taken a group of companies involved in augmented reality, companies that provide conferencing and Roblox the metaverse company. At current valuations we get an average of 5.4 times EV/2023 Sales. So, using US\$17 million for 2023 estimated sales, and a 5.4 multiple, Nextech could be worth an enterprise value as high as US\$92 million or a market value of US\$99 million. Dividing by the current shares of approximately 101.3 million, this would be a market value of US\$0.98 per share. However, current shareholders will also be getting shares of ARway in a spin off. If ARway is valued at US\$100 million as a Metaverse startup or acquisition, and shareholders get four out of the 20 million shares, that holding would be worth \$25 million. Keep in mind that if revenues can double from 2023 to 2024 a year from now the valuation would also almost double.

Public Company Comparables

Company	Ticker	Calendar	Calendar	LTM	EBIDTA Margin	Enterprise Value / Sales			Enterprise Value
		Revenue 2023E	Revenue 2022E			2023E	2022E	LTM	
Roblox	RBLX	3,220	2,820	2,210	-21%	7.4	8.4	10.7	23,700
Salesforce	CRM	37,280	31,770	27,940	10%	5.2	6.0	6.9	192,000
Snap	SNAP	5,340	4,560	4,540	-15%	3.8	4.4	4.4	20,100
WIMI Hologram Cloud	WIMI	NA	192	934	-12%	NA	0.3	0.1	61
Zoom	ZM	5,120	4,540	4,220	27%	5.3	5.9	6.4	27,000
Average						5.4	6.2	7.1	47,863

Private Company Competitors



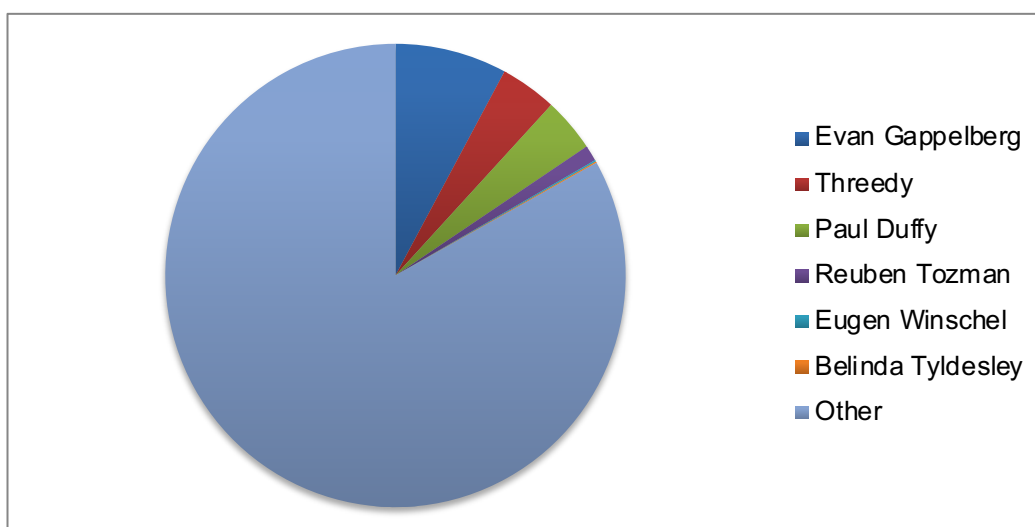
Source: Nextech AR

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 may continue to need to raise capital until it reaches cash flow break-even which could result in dilution of current shareholders.
- To date, Nextech has depended heavily on funding from senior management.

- 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 which 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 ARway at a high valuation based on its leading-edge capabilities in the Metaverse. The spin out may not occur or reach 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, 2022E	Dec 31, 2022E	2020	2021	2022E	2023E
Product sales	\$6,009,259	\$4,430,519	\$4,579,686	4,225,666	\$2,988,105	\$2,681,368	\$1,700,000	\$1,000,000	\$13,932,871	\$19,245,130	\$8,369,473	\$0
Yr-to-Yr Growth	146%	43%	20%	-8%	-50%	-39%	-63%	-76%	252.6%	38.1%	-56.5%	-100.0%
Gross margin	43.9%	41.7%			41.6%	55.3%			50.3%			
Technology services	1,350,066	1,371,056	931,494	1,643,160	36,763	35,478	35,478	-	3,417,501	5,295,779	107,719	100,000
Yr-to-Yr Growth	2831%	632%	22%	-26%	-97%	-97%	-96%	-100%	6413.1%	55.0%	-98.0%	-7.2%
Renewable Software licenses	367,378	289,977	226,405	510,313	459,469	517,889	873,256	1,635,232	335,280	1,394,070	3,485,846	21,900,000
Yr-to-Yr Growth	NA	19%	153%	173%	25%	79%	286%	220%	NA	315.8%	150.0%	528.3%
Total Software and Services	1,717,444	1,661,033	1,157,899	2,153,473	496,232	553,367	908,734	1,635,232	3,752,781	6,689,849	3,593,565	22,000,000
Gross margin	39%	26.9%			48.7%	37.2%						
Net Revenue	\$7,726,703	\$6,091,552	\$5,737,585	\$6,379,140	\$3,484,337	\$3,234,735	\$2,608,734	\$2,635,232	\$17,685,652	\$25,934,980	\$11,963,038	\$22,000,000
Yr-to-Yr Growth	210%	73%	23%	-9%	-55%	-47%	-55%	-59%	341.7%	46.6%	-53.9%	83.9%
Cost of goods	4,412,278	3,798,987	3,936,309	3,948,838	2,000,937	1,546,479	1,310,240	1,431,139	7,834,668	16,096,412	6,288,796	11,000,000
Gross margin	3,314,425	2,292,565	1,801,276	2,430,302	1,483,400	1,688,256	1,298,493	1,204,093	9,850,984	9,838,568	5,674,242	11,000,000
Percent of revenues	42.9%	37.6%	31.4%	38.1%	42.6%	52.2%	49.8%	45.7%	55.7%	37.9%	47.4%	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	1,450,000	1,800,000	9,609,441	16,815,044	7,693,978	7,200,000
General and administrative	3,747,723	3,418,151	3,735,240	2,979,976	3,820,600	4,503,273	2,400,000	2,100,000	5,840,760	13,881,090	12,823,873	8,400,000
R&D	1,793,479	1,330,534	1,863,785	1,624,462	1,027,194	880,272	550,000	550,000	3,591,653	6,612,260	3,007,466	2,200,000
Total operating expenses	10,181,289	8,796,525	9,957,763	8,372,817	7,464,742	7,210,575	4,400,000	4,450,000	19,041,854	37,308,394	23,525,317	17,800,000
Other income												
Stock-based compensation	2,402,628	556,415	(574,131)	2,645,537	578,805	878,286	2,378,286	2,378,286	5,665,051	5,030,449	6,213,663	9,513,144
Amortization	380,220	179,378	682,889	807,660	728,378	750,429	500,000	500,000	603,134	2,050,147	2,478,807	2,000,000
Right of use amortization	-	45,011	64,735	96,433	63,082	63,770	63,770	63,770	68,982	206,179	254,392	200,000
Realized gain on Bitcoin	(219,321)	-	-	-	-	-	-	-	-	(219,321)	-	-
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	30,000	30,000	82,983	133,145	134,241	120,000
Impairment	-	-	-	-	-	2,702,313	-	-	69,423	-	2,702,313	-
Foreign exchange loss (gain)	(274,564)	52,877	(252,992)	207,002	446,626	(845,966)	-	-	10,095	(267,677)	(399,340)	-
Total other expense	2,316,913	(650,282)	60,187	3,632,796	1,854,008	3,585,956	2,972,056	2,972,056	6,499,668	5,359,614	11,384,076	11,833,144
Income before income taxes	(9,183,777)	(5,853,678)	(8,216,674)	(9,575,311)	(7,835,350)	(9,108,275)	(6,073,563)	(6,217,963)	(15,690,538)	(32,829,440)	(29,235,151)	(18,633,144)
Income taxes	-	-	-	177,386	131,805	114,724	114,724	200,000	96,956	177,386	561,253	-
Tax rate	0.0%	0.0%	0.0%	-1.9%	-1.7%	-1.3%	-1.9%	-3.2%	-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)	(5,958,839)	(6,017,963)	(15,593,582)	(32,652,054)	(28,673,898)	(18,633,144)
Non-IFRS net income	(7,000,470)	(6,813,311)	(8,688,405)	(6,912,048)	(6,474,740)	(4,416,952)	(3,580,553)	(3,639,677)	(9,859,108)	(29,194,913)	(19,757,922)	(9,120,000)
Exchange differences on translating foreign operations	(52,491)	(65,056)	413,553	(69,154)	(24,687)	9,555	-	-	(252,612)	226,852	(15,132)	-
Total comprehensive loss	(9,236,268)	(5,918,734)	(7,803,121)	(9,467,079)	(7,728,232)	(8,983,996)	(5,958,839)	(6,017,963)	(15,846,194)	(32,425,202)	(28,689,030)	(18,633,144)
Earnings per share	\$(0.12)	\$(0.07)	\$(0.10)	\$(0.10)	\$(0.08)	\$(0.09)	\$(0.06)	\$(0.06)	\$(0.23)	\$(0.39)	\$(0.28)	\$(0.17)
Non-IFRS earnings per share	\$(0.09)	\$(0.08)	\$(0.10)	\$(0.08)	\$(0.07)	\$(0.04)	\$(0.03)	\$(0.03)	\$(0.14)	\$(0.35)	\$(0.20)	\$(0.08)
Shares outstanding	77,489,618	82,298,423	86,125,077	90,077,002	97,550,931	99,725,256	103,040,344	104,340,344	68,657,254	83,888,487	101,164,219	111,483,201
Yr-to-Yr Growth	26%	25%	20%	21%	26%	21%	20%	16%	17.8%	22.2%	20.6%	10.2%
All in shares	82,864,618	91,511,320	93,000,000	99,116,767	115,451,931	117,626,256	139,592,193	140,892,193	73,658,543	92,224,652	128,390,643	148,035,050

BALANCE SHEET

Canadian Dollars	June 30, 2022	Mar 31, 2022	Qtr-Qtr % Change	June 30, 2021	Yr-Yr % Change
Assets:					
Cash and cash equivalents	7,063,268	10,781,775	-34%	15,395,005	-54%
Accounts receivable	418,792	1,019,014	-59%	1,098,070	-62%
Deferred asset	153,185	0	NM	0	NM
Prepaid expenses	532,169	894,805	-41%	1,306,844	-59%
Contract assets	193,635	124,982	55%	337,207	-43%
Inventory	2,366,759	2,527,193	-6%	4,067,506	-42%
Total current assets	10,727,808	15,347,769	-30%	22,204,632	-52%
Equipment	371,603	376,473	-1%	375,182	-1%
Right of use assets	967,529	1,002,598	-3%	1,181,799	-18%
Intangible assets	4,560,991	5,575,700	-18%	7,015,403	-35%
Goodwill	6,783,493	8,670,827	-22%	7,415,770	-9%
Total Assets	23,411,424	30,973,367	-24%	38,192,786	-39%
Current Liabilities:					
AP & accrued liabilities	2,649,937	1,910,159	39%	2,433,138	9%
Deferred revenue	422,140	622,898	-32%	1,439,910	-71%
Lease liabilities	273,974	290,357	-6%	237,029	16%
Contingent consideration	0	0	0%	472,107	-100%
Total current liabilities	3,346,051	2,823,414	19%	4,582,184	-27%
Lease liabilities	683,759	706,654	-3%	942,877	-27%
Deferred income tax liability	492,242	590,391	-17%	0	NM
Loan payable	78,521	86,756	-9%	0	NM
Total Liabilities	4,600,573	4,207,215	9%	5,525,061	-17%
Stockholders' Equity					
Share capital	80,352,960	80,202,550	0%	63,815,874	26%
Reserves	12,150,387	11,272,102	8%	10,230,303	19%
Accum. other comprehensive inc	1,963,337	1,953,782	0%	0	NM
Deficit	(75,655,833)	(66,662,282)	13%	(41,378,449)	83%
Total Stockholders' Equity	18,810,851	26,766,152	-30%	32,667,728	-42%
Total Liabilities and Stockholders' Equity	23,411,424	30,973,367	-24%	38,192,789	-39%
Current ratios	3.2	5.4	-41%	4.8	-34%
Quick ratio	2.5	4.5	-45%	4.0	-37%
Cash	7,063,268	10,781,775	-34%	15,395,005	-54%
Cash as % of assets	30%	35%	-13%	40%	-25%
Working Capital	7,381,757	12,524,355	-41%	17,622,448	-58%
Debt	78,521	86,756	-9%	0	NM
Debt/Total Assets	0.3%	0.3%	20%	0%	NM

CASH FLOW

	Year 2020	3 Months Ending Mar 31, 2021	3 Months Ending June 30, 2021	3 Months Ending Sept 30, 2021	3 Months Ending Dec 31, 2021	Year 2021	3 Months Ending Mar 31, 2022	3 Months Ending June 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)
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
Right of use assets	68,982	34,311	45,011	13,466	113,391	206,179	63,082	63,770
Gain on sale of bitcoin	0	(219,321)	0	0	0	(219,321)	0	0
Deferred income tax recovery	(96,956)	0	0	0	0	0	(138,933)	(121,852)
Depreciation	82,983	27,950	32,085	37,286	35,824	133,145	37,117	37,124
Gain on contingent consideration	0	0	(1,516,048)	102,400	(159,660)	(1,573,308)	0	0
Shares issues to settle related party liabilities	38,239	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
Options and warrants exercised shares out	0	6,300	0	0	(6,300)	0	0	0
Share-based payments	1,202,694	22,156	(22,156)	(574,131)	574,131	0	0	0
Shares for services	35,074	1,299,845	0	78,535	211,514	1,589,894	717,066	148,500
Impairment of intangible asset & goodwill	85,664	0	0	0	0	0	0	2,702,313
Changes in assets and liabilities:								
Receivables	(893,109)	(783,405)	997,883	(797,207)	814,113	231,384	62,150	600,222
Deferred asset							0	(153,185)
Contract asset	(244,478)	(115,582)	22,853	69,342	(118,337)	(141,724)	261,220	(68,653)
Prepaid expenses	(1,152,606)	(390,207)	437,732	411,727	145,643	604,895	(145,331)	362,636
Inventory	(1,858,091)	(1,462,220)	606,386	(514,123)	1,192,534	(177,423)	861,905	160,434
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
Other payables	(229,984)	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	(205,898)	(205,898)	0	0
Deferred revenue	383,022	810,047	246,841	133,360	(964,269)	225,979	13,897	(200,758)
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)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchase of Bitcoin	0	2,765,356	0	0	(2,765,356)	0	0	0
Sale of bitcoin	(2,546,035)	0	0	0	2,765,356	2,765,356	0	0
Purchase of equipment	(18,639)	(50,414)	(60,505)	(27,653)	(40,200)	(178,772)	(46,553)	(37,485)
Purchase of intangibles	(937,396)	0	0	0	0	0	0	0
Interest on lease liability	0	0	0	0	0	0	(6,712)	(6,890)
Acquisition of Map Dynamics	(777,900)	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)
					(40,200)			
CASH FLOWS FROM FINANCING ACTIVITIES:								
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
Proceeds from options and warrants	7,763,538	486,464	800,184	123,986	800,697	2,211,331	0	0
Lease payments	(75,065)	(44,567)	(91,212)	(13,145)	(72,304)	(221,228)	(73,398)	(74,369)
Business acquisition installment payments	0	0	0	(18,902)	99	(18,803)	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)
Foreign exchange	94,807	(219,680)	24,142	(27,373)	(21,452)	(244,363)	247,693	(507,166)
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)
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
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
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)
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)
Supplemental information								
Taxes paid	306	0	8,967	(224)	(6,584)	2,159	0	21,571
Interest paid	8,237	1,261	6,014	9,022	8,549	24,846	9,550	8,308
Interest received	13,446	9,298	12,171	(54,895)	73,762	40,336	11,830	27,498

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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