

Zacks Small-Cap Research

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NexTech AR Solutions (NEXCF:OTCQB)

NEXCF NTAR.CN Demand Continues to Boom for NexTech's eCommerce and Remote Solutions

Based on an average EV to estimated 2021 sales multiple of 8.6xs, we believe NexTech stock could be worth \$2.12 per share if it can achieve our forecasted revenues with no dilution.

Current Price (05/15/20) US\$1.76
Valuation US\$2.12

OUTLOOK

NexTech AR is a technology start-up and a unique public company pure play investment in Augmented Reality. It does not produce hardware, but rather uses AR to improve eCommerce results for customers as well as its company-owned sites. Its newly acquired Inferno platform allows remote learning, virtual trade shows, and high-end conferencing features integrated with augmented reality and is garnering great interest. 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 \$2.31
52-Week Low \$0.43
One-Year Return (%) N/A
Beta N/A
Average Daily Volume (sh) 384,857

Shares Outstanding (mil) 66.0
Market Capitalization (\$mil) 116
Short Interest Ratio (days) 0.9
Institutional Ownership (%) 0.0
Insider Ownership (%) 14.5

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 2020 Estimate N/M

P/E using 2021 Estimate N/M

Zacks Rank N/A

Risk Level Above Average
Type of Stock Small Growth
Industry IT Services

ZACKS ESTIMATES

Revenue

(in millions of CAN\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(June)	(Sept)	(Dec)	(Dec)
2018	0.0 A	0.0 A	0.0 A	0.9 A	0.9 A
2019	0.9 A	N/A	N/A	2.6 A	6.0 A
2020	2.5 A	2.8 E	3.8 E	5.3 E	14.4 E
2021					24.6 E

EPS (GAAP)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sept)	(Dec)	(Dec)
2018	N/A	N/A	N/A	N/A	N/A
2019	-\$0.03 A	N/A	N/A	-\$0.01 E	N/A
2020	-\$0.02 A	-\$0.02 E	-\$0.01 E	\$0.01 E	-\$0.04 E
2021					\$0.05 E

Zacks Projected EPS Growth Rate - Next 5 Years % N/A

The Jolokia Acquisition Gives NexTech a Highly Needed Product at the Best Possible Time

NexTech AR reported a strong first quarter but what has happened since then, with the acquisition of Jolokia, is even more exciting and proves the advantages of a small company agile enough to adapt to change and capitalize on current needs. Jolokia's product, the Inferno platform, is an ideal product for the times with its ability to add features to almost all the popular video conferencing platforms including Zoom. It adds important capabilities such as stability with large numbers of participants (up to 100,000), key word search functions, the ability to upload a prerecorded video, and closed captioning in 64 languages. User can also have live, moderated Q&A sessions. NexTech took this platform and integrated 3d augmented reality and hologram capabilities making it even more useful for certain corporate meetings, school classes and lectures, product demonstrations, and trade show presentations. The pandemic has accelerated the move to remote meetings and the company is having extreme interest from large companies, trade show hosts and even schools and universities. If NexTech can execute, it has the chance to add a large number of users to the platform right now. We believe it is in talks with a number of large customers that are looking to use the platform for things such as product launches, demonstrations, advertising, and training. The inability to travel and host in person meetings has provided a once-in-a-lifetime opportunity for NexTech.

NexTech AR Reports its First Calendar Quarter Ending March 31

On Thursday, NexTech reported its first quarter since changing to calendar year. Revenues for the three months ending March 31, 2020 were \$2.5 million versus \$901,000 a year ago, up 177%. Sales of products in its eCommerce business continue strong as physical stores shut down and sales switched to online purchasing and NexTech was a beneficiary. Marketing using augmented reality also gathered great interest as businesses focused their attention on that channel.

Gross margins were 54.1% compared to 40.7% in Q1 2019 and 58.6% in the seven months ending Q4 2019. Management expects this percentage to climb as the product mix shifts to higher margin services rather than products and revenues from the Jolokia acquisition of April 30, add into the mix.

Operating expenses were \$2.7 million up from \$1.7 million a year ago primarily due to the increase in employees. The operating loss, the pretax loss, and the net losses were all \$1.4 million compared to a loss of \$1.3 million a year ago. Primary shares outstanding were 61.4 million for the period up 20% from a year ago, but now stand at 66.4 million.

Balance Sheet

NexTech ended the March quarter with \$2.3 million in cash and working capital of \$3.6 million. On November 22, NexTech closed on a non-brokered private placement of four million units priced at \$0.75 per unit **for gross proceeds of \$3 million**. Each unit comprised one common share and one share purchase warrant exercisable at \$0.93 per share for a period of two years from issuance, subject to acceleration. All securities issued were subject to a four-month hold period from the date of issuance, expiring on March 23, 2020. Only existing investors and shareholders invested in this round.

For the quarter, the company had negative operating cash and free cash flow of \$600,000. The company had been burning \$150,000 per month, but that looks to be increasing as the company adds staff primarily in sales and marketing and R&D.

Events in the Quarter

On March 24th, 2020 even before the acquisition was closed, NexTech announced that it integrated **Zoom** (NYSE: ZM) into Jolokia's InfernoAR platform. This integration allows users of Zoom to add AR to meetings using Inferno and seamlessly integrate 3D photo realistic holograms of people and products to virtual events. With Inferno users can have Zoom meetings with up to **100,000 people concurrently with Q&A**. Users can launch a Zoom meeting from within the Inferno platform, upload a recorded Zoom meeting, and make it keyword searchable, with closed captioning, in 64 languages. It also has added features like live moderated questions and simple registration.

Subsequent Events

On April 30, 2020 NexTech announced it closed the acquisition of Jolokia, the remote video training live streaming software company. Jolokia had approximately eleven employees and is located in Santa Cruz, California. It generated \$1 million in revenues in 2019 and has customers such as Merck (NYSE: MRK), Toyota (NYSE:TM), CBS, and Polycom. NexTech paid 1 million shares in restricted stock priced at \$1 per share (\$1.38 CAD,) and Jolokia has a 12-month earn-out based on revenue milestones of an additional \$4 million.

On May 5, 2020 the company extinguished the convertible debenture issued on July 19, 2019 to the CEO of NexTech AR. It had an effective interest rate of 9% was by convertible to **1,236,444** common shares. The extinguishment was also subject to a 15% cash prepayment penalty of \$158,384. Of this extinguishment, \$492,750 of principal and \$1,828 of accrued interest were converted for 824,296 common shares and \$105,589 cash pre-payment penalty went to the CEO.

May 12th, 2020 – NexTech announced that it integrated its InfernoAR platform integration with **Microsoft Teams and Skype**. Users can now launch these from within the InfernoAR platform with the added features of InfernoAR, which includes end-to-end encryption, keyword searchable, and closed captioning in 64 languages.

May 14th, 2020 – NexTech announced that it has further expanded its InfernoAR platform integration to Cisco **Webex, BlueJeans, Google Hangouts, Google Meet, and GoToMeetings**. The company now has integration with all the major video conferencing platforms with the exception of Slack, which we expect to happen soon. It is reported that Zoom has 300 million daily users, Microsoft Teams has 44 million daily active users (DAU), Skype has 40 million DAU, and Webex registered a record 324 million attendees in March.

KEY POINTS

- NexTech AR is a small, B2B startup based in Toronto that was formed to provide services for, and invest in, businesses using Augmented Reality (AR) and hologram technologies. These technologies are used to improve sales and profits for eCommerce sites, and other verticals such as entertainment. This technology converts two-dimensional images of real objects and people into three dimensions using scanners and software. 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) is just beginning to make its 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 in marketing and advertising their goods. At a price to vendors of \$30 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 is currently has four sources of revenue:
 - Its newest and most popular offering comes from its April acquisition of Jolokia. It sells its Inferno platform that allows remote meetings integrated with augmented reality with more features than available from mainstream video conferencing platforms, but will work with them seamlessly.
 - A SaaS offering to businesses that places AR renderings 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.
 - A newly introduced AR ad network to allow customers to place their AR content in advertisements with one stop shopping.
 - An eCommerce business that enhanced by the use of AR and holograms in its marketing. This business currently generates most of the revenues for the company and its main web site sells vacuum cleaners and accessories. While now it uses these web sites primarily for in house testing, we could see the company growing them and ultimately reselling them or spinning them off later at higher valuations.
- 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 US \$123 million or 12.3xs projected 2020 calendar sales of US\$10 million or 7.0xs estimated 2021 sales US\$17 million.

OVERVIEW

The NexTechAR Platform

NexTech offers a web-enabled augmented reality (AR) platform with Artificial Intelligence (AI) and analytics to a variety of vertical market industries via a SaaS model. It integrates with Shopify, Magento, and Wordpress, and offers eCommerce sites a universal 3D shopping solution. With just a few lines of embed code, the company's patent-pending platform offers the most technologically advanced 3D AR/AI technology anywhere. The company believes it has created the AR industry's first end-to-end affordable, intelligent, frictionless, scalable platform. NexTech provides the **only platform that works with both IOS and Android**. It also provides a complete solution which can include image capture to turn objects into 3D, customer self publishing, hosting, and provides the ability to add AR images through the addition of a single line of JavaScript.

The InfernoAR Platform

This platform, acquired in the April purchase of Jolokia, is used to integrate augmented reality capabilities into video conferencing. The platform works with almost all the major conferencing services and with 3D capabilities is ideally suited to replace in person meetings that require visuals such as product introductions, trade shows and certain learning environments.

VALUATION

As a start-up, NexTech is difficult to value given its unique position as a public company with no others doing what it does. If we look to value it as an eCommerce business, there are few companies out there with the growth NexTech AR is showing. We have taken a group of companies involved in augmented reality as well as companies that provide conferencing like Jolokai. Since we last valued the company, the comparables have gone way up in valuation as the market recovered and investors realized how these companies were benefitting from remote working and shopping. If we throw out the high and low (Kopin and Zoom) as well as Microvision, that is trying to sell the company, we get an average of 8.6 times EV/2021 Sales.

Using \$17.5 million for 2021 sales, and NexTech's current fully diluted share count of 71.5 million and the 8.6 times enterprise value to sales, we reach a valuation of \$2.12 per share.

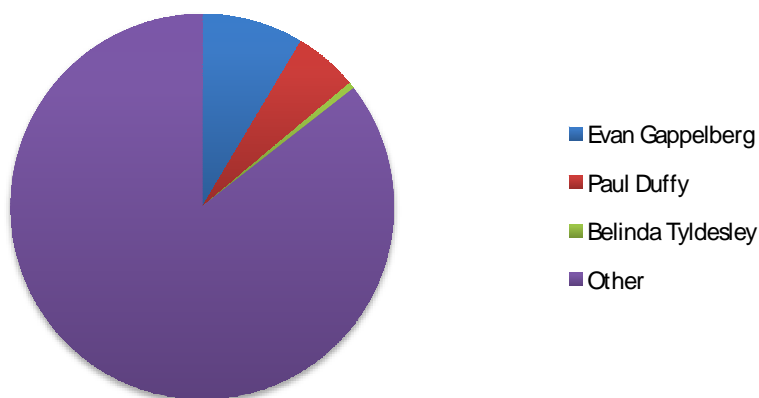
Company	Ticker	Calendar	Calendar	LTM	EBIDTA Margin	Enterprise Value / Sales			Included in Average?	Enterprise Value
		Revenue 2021E	Revenue 2020E			2021E	2020E	LTM		
Kopin	KOPN	42	29	32	-54%	1.2	1.7	1.6	n	49
Microvision	MVIS	NA	3	9	-262%	NA	42.1	14.0	n	119
Slack	WORK	1,130	857	630	-91%	15.1	20.0	27.1	y	17,100
Snap	SNAP	2,870	2,090	1,860	-48%	8.3	11.4	12.8	y	23,867
WiMi Hologram Cloud	WIMI	NA	NA	45	-47%	NA	NA	5.9	y	263
Vusix	VUZI	38	15	7	-363%	2.4	6.0	13.5	y	90
Zoom	ZOOM	1,250	931	623	5%	38.8	52.1	77.9	n	48,514
Average						8.6	9.4	14.8		12,858

A new public company comparable to watch is WiMi Hologram Cloud. It is a Beijing-based company that offers hologram and AR based advertising services that went public on April 1st and is now valued at an enterprise value of \$263 million. In 2019 it generated \$44.8 million in revenues and is highly profitable. We have not yet seen any forecasted numbers for the company.

RISKS

- NexTech is a start-up with limited operating history. There is no assurance its will evolve into a sustainable going concern.
- The company is operating at a loss and may need to raise capital until it reached cash flow break even which could result in dilution of current shareholders.
- NexTech depends heavily on funding from senior management.
- AR usage is just beginning to be used by early adopters and it is hard to predict how fast or even if AR will be put into use by mainstream eCommerce sites. The company's business with AR customers is still very small and has yet 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 has just launched new product lines, which make take more resources and time than expected and may not be successful.

OWNERSHIP



PROJECTED CALENDAR YEAR INCOME STATEMENT

In Canadian Dollars	Q1	7 Months	Q1	Q2	Q3	Q4	2019	2020E	2021E
	Mar 31, 2019	Dec 31, 2019	Mar 31, 2020	June 30, 2020E	Sept 30, 2020E	Dec 31, 2020E			
Net Revenue	\$901,111	\$4,003,660	\$2,491,985	\$2,800,000	\$3,800,000	\$5,300,000	\$6,000,000	\$14,391,985	\$24,637,748
Yr-to-Yr Growth	NA	NA	177%	NA	NA	NA	NM	139.9%	71.2%
Cost of goods	534,094	1,655,756	1,144,136	1,176,000	1,520,000	1,961,000	2,800,000	5,801,136	8,376,834
Gross margin	367,017	2,347,904	1,347,849	1,624,000	2,280,000	3,339,000	3,200,000	8,590,849	16,260,914
Percent of revenues	40.7%	58.6%	54.1%	58.0%	60.0%	63.0%	53.3%	59.7%	66.0%
Sales and marketing	696,952	2,629,300	1,499,315	1,550,000	1,600,000	1,675,000	NA	6,324,315	7,000,000
General and administrative	382,054	1,644,506	763,082	770,000	775,000	780,000	NA	3,088,082	3,500,000
R&D	583,909	997,540	373,331	400,000	400,000	400,000	NA	1,573,331	2,100,000
Amortization	31,476	190,018	88,253	100,000	100,000	100,000	NA	388,253	350,000
Depreciation	16,093	21,720	9,849	10,000	10,000	10,000	NA	39,849	50,000
Impairment	-	2,207,750	-	-	-	-	NA	-	-
Foreign exchange loss (gain)	(42,981)	43,489	1,694	-	-	-	NA	1,694	-
Total operating expenses	1,667,503	7,734,323	2,735,524	2,830,000	2,885,000	2,965,000	NA	11,415,524	13,000,000
Operating income	(1,300,486)	(5,386,419)	(1,387,675)	(1,206,000)	(605,000)	374,000	NA	(2,824,675)	3,260,914
Operating margin	-144.3%	-134.5%	-55.7%	-43.1%	-15.9%	7.1%	NA	-19.6%	13.2%
Financing expense	9,993	7,194	-	-	-	-	NA	-	-
Income before income taxes	(1,290,493)	(5,393,613)	(1,387,675)	(1,206,000)	(605,000)	374,000	NA	(2,824,675)	3,260,914
Income taxes	(1)	96,479	24,239	24,239	24,239	24,239	NA	96,956	97,827
Tax rate	0.0%	-1.8%	-1.7%	-2.0%	-4.0%	6.5%	NA	-3.4%	3.0%
Net income	(1,290,494)	(5,297,134)	(1,363,436)	(1,181,761)	(580,761)	398,239	NA	(2,727,719)	3,358,741
Exchange differences on translating foreign operations	(3,625)	(146,447)	488,316	-	-	-	-	-	-
Total comprehensive loss	(1,294,118)	(5,443,581)	(875,120)	(1,206,000)	(605,000)	374,000	NA	(2,824,675)	3,260,914
Earnings per share	\$ (0.03)	\$ (0.09)	\$ (0.02)	\$ (0.02)	\$ (0.01)	\$ 0.01	NA	\$ (0.04)	\$ 0.05
Non-GAAP earnings per share	\$ (0.03)	\$ (0.05)	\$ (0.02)	\$ (0.02)	\$ (0.01)	\$ 0.01	NA	\$ (0.04)	\$ 0.05
Shares outstanding	51,030,728	58,290,845	61,378,508	66,042,000	66,372,000	66,372,000	NA	65,041,127	66,372,000
Yr-to-Yr Growth			20%	NA	NA	NA	NA	NA	2%
Fully diluted shares	67,230,728	63,754,967	65,108,000	71,506,122	71,506,122	71,506,122	NA	69,906,592	71,506,122

HISTORICAL FISCAL YEAR INCOME STATEMENT

In Canadian Dollars	Q1 Aug 31, 2018	Q2 Nov 30, 2018	Q3 Feb 28, 2019	Q4 May 31, 2019	Q1 Aug 31, 2019	Jan 12, 2018- May 31, 2018	FY 2019R
E-commerce	\$0	\$0	\$508,000	\$1,371,530	\$1,510,191	-	\$1,879,530
A/R and other	22,544	43,132	23,185	33,974	3,005	24,947	122,835
Net Revenue	\$22,544	\$43,132	\$531,185	\$1,405,504	\$1,513,196	\$24,947	\$2,002,365
Yr-to-Yr Growth	NA	NA	NA	5534%	6612%	NM	NM
Cost of goods	12,738	-	322,435	690,605	818,338	10,621	1,025,778
Gross margin	9,806	43,132	208,750	714,899	694,858	14,326	976,587
Percent of revenues	43.5%	100.0%	39.3%	50.9%	45.9%	57.4%	48.8%
Accretion expense	10,991	7,655	-	2,405	27,232	12,348	21,051
Admin fees and office costs	86,950	113,121	144,283	345,998	323,046	51,273	690,352
Advertising and marketing	-	-	-	259,676	179,546	-	259,676
Amortization	24,377	28,382	23,069	48,511	102,247	13,889	124,339
Business development	2,398	21,120	-	-	-	-	23,518
Consulting fees	239,156	273,457	293,669	774,558	595,077	220,055	1,580,840
Depreciation	-	-	-	27,944	-	548	27,944
Foreign exchange (gain) loss	(3,545)	(32,332)	(44,436)	(29,101)	10,760	(25,536)	(109,414)
Impairment of intangible assets	-	-	194,444	-	-	-	194,444
Investor relations	17,097	59,140	306,971	164,651	118,537	52,093	547,859
Management fees	104,085	88,770	103,322	56,255	136,388	50,930	352,432
Payroll and benefits	-	-	-	160,236	186,374	-	160,236
Professional fees	81,700	36,835	65,512	141,498	60,692	54,392	325,545
Sales and marketing	-	-	-	452,443	30,094	-	452,443
Share-based payments	-	96,390	370,549	283,943	184,938	370,125	750,882
Transfer agent & regulatory fees	-	18,203	17,798	24,299	1,950	-	60,300
Travel	45,621	47,174	61,895	42,970	62,388	40,275	197,660
Other expense	-	-	-	-	4,810	-	21,051
Total operating expenses	608,830	757,915	1,537,076	2,756,286	2,024,079	840,392	5,660,107
Operating income	(599,024)	(714,783)	(1,328,326)	(2,041,387)	(1,329,221)	(826,066)	(4,683,520)
Operating margin	-2657.1%	-1657.2%	-250.1%	-145.2%	-87.8%	-3311%	-234%
Deferred income tax recovery	-	-	-	15,971	9,993	-	15,971
NET INCOME	(599,024)	(714,783)	(1,328,326)	(2,025,416)	(1,319,228)	(826,066)	(4,667,549)
Currency translation adjustment	0	573	33,467	(26,353)	(3,625)	-	7,687
Total other income	0	573	33,467	(26,353)	(3,625)	-	7,687
Comprehensive Income	(599,024)	(715,356)	(1,361,793)	(2,015,034)	(1,322,853)	(826,066)	(4,659,862)
Net loss per share	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.04)	\$ (0.02)	\$ (0.04)	\$ (0.11)
Non-GAAP loss per share	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.02)	\$ (0.02)	\$ (0.08)
Shares outstanding	37,537,872	39,139,213	47,336,099	53,750,000	55,581,781	22,081,328	44,443,149
Yr-to-Yr Growth	NA	NA	514%	199%	48%	NA	101%
Fully diluted shares	53,737,872	55,339,213	67,736,099	55,250,000	58,571,781	NA	45,943,149
Adjusted EBITDA	(574,647)	(590,011)	(740,264)	(1,680,989)	(1,042,036)	(441,504)	(3,642,330)

BALANCE SHEET

Canadian Dollars	Mar 31, 2020	Dec 31, 2019	Qtr-Qtr % Change	May 31, 2019	Mar-May % Change
Assets:					
Cash and cash equivalents	\$ 2,309,656	\$ 2,849,344	-19%	\$ 329,678	601%
Accounts receivable	620,896	403,651	54%	421,274	47%
Prepaid expenses	219,725	200,650	10%	178,715	23%
Inventory	1,598,394	1,353,584	18%	579,857	176%
Total current assets	4,748,671	4,807,229	-1%	1,509,524	215%
Equipment	137,486	146,555	-6%	149,879	-8%
Intangible assets	3,927,448	3,683,079	7%	6,188,060	-37%
Total Assets	8,813,605	8,636,863	2%	7,847,463	12%
Current Liabilities:					
AP & accrued liabilities	1,050,408	1,243,528	-16%	747,479	41%
Other payables	97,771	230,174	-58%	772,078	-87%
Total current liabilities	1,148,179	1,473,702	-22%	1,519,557	-24%
Deferred income tax liability	72,717	96,956	-25%	193,435	-62%
Total Liabilities	1,220,896	1,570,658	-22%	1,712,992	-29%
Stockholders' Equity					
Common Stock	16,551,989	15,210,041	9%	10,551,142	57%
Convertible debentures	835,830	1,025,595	-19%	0	NM
Reserves	2,163,919	1,407,330	54%	1,076,944	101%
Deficit	(11,959,029)	(10,576,761)	13%	(5,493,615)	118%
Total Stockholders' Equity	7,592,709	7,066,205	7%	6,134,471	24%
Total Liabilities and Stockholders' Equity	8,813,605	8,636,863	2%	7,847,463	12%
Current ratios	4.1	3.3	27%	1.0	316%
Quick ratio	2.7	2.3	17%	0.6	348%
Cash as % of assets	26%	33%	-21%	4%	524%
Working Capital	3,600,492	3,333,527	8%	(10,033)	-35986%
Convertible Debt	835,830	1,025,595	-19%	0	NM
Debt/Total Assets	9%	12%	-20%	0%	NM

CASH FLOW

	3 Months Ending Mar 31, 2019	3 Months Ending May 29, 2019	Year Ending May 29, 2019	3 Months Ending Aug 31, 2019	7 Months Ending Dec 31, 2019	3 Months Ending Mar 31, 2020
Net Income	\$ (1,300,486)	\$ (2,025,416)	\$ (4,667,549)	\$ (1,319,228)	\$ (5,297,134)	\$ (1,363,436)
Adjustments to reconcile net loss to net cash used in operating activities:						
Amortization	31,476	48,511	124,339	102,247	190,018	88,253
Accretion expense	0	2,405	21,051	27,232	7,194	0
Consulting fees	0	(180,000)	0	0	0	0
Deferred income tax recovery	0	(15,197)	(15,197)	(9,993)	(96,479)	(24,239)
Depreciation	16,093	27,944	27,944	0	21,720	9,849
Interest expense	0	0	0	10,449	0	0
Shares issues to settle related party liabilities	0	0	0	0	0	38,239
Share based payments	361,851	283,943	750,882	184,938	391,148	650,946
Shares for services	60,000	0	80,000	0	62,999	0
Write-off of intangible asset	0	0	194,444	0	2,207,750	0
Currency translation adjustment	0	26,118	0	(6,890)	0	0
Changes in assets and liabilities:						
Receivables	(213,475)	(240,426)	(341,108)	99,288	17,623	(217,245)
Prepaid expenses	(409,887)	(93,242)	(115,408)	(61,837)	(22,798)	(19,075)
Inventory	(267,849)	(26,333)	(71,789)	(180,059)	(773,727)	(244,810)
Accounts payable and accrued liabilities	(169,480)	475,144	461,505	(33,100)	496,912	(325,523)
Net Cash Used In Operating Activities	(1,891,757)	(1,716,549)	(3,550,886)	(1,186,953)	(2,794,774)	(1,407,041)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Cash acquired on a business combination	128,670	3,138	128,670	0	0	0
Purchase of equipment	(12,125)	(12,144)	(127,124)	0	(18,639)	0
Purchase of intangibles	0	499,072	0	0	0	0
Acquisition of Infinite Pet Life	0	(1,760,294)	(1,760,294)	0	(434,005)	0
Acquisition of HootView	(85,664)	(85,664)	(85,664)	0	0	0
Net Cash Used In Investing Activities	30,881	(1,355,892)	(1,844,412)	0	(452,644)	0
CASH FLOWS FROM FINANCING ACTIVITIES:						
Convertible debenture	0	0	0	985,500	985,500	0
Capital contribution	0	(212,037)	106,338	0	0	0
Proceeds from the issue of shares	0	1,164,600	3,080,750	1,740,377	4,601,638	0
Proceeds from options and warrants	2,605,750				267,400	712,439
Lease payments	0			(13,292)	0	0
Business acquisition installment payments	0			(450,861)	0	0
Net Cash Provided By Financing Activities	2,605,750	952,563	3,187,088	2,261,724	5,854,538	712,439
Foreign exchange	95,739	14,171	14,171	0	(87,454)	154,914
Net Increase in Cash	840,613	(2,105,707)	(2,194,039)	1,074,771	2,519,666	(539,688)
Cash - Beginning of Period	1,646,858	2,355,385	2,523,717	329,678	329,678	2,849,344
Cash - End of Period	2,487,471	249,678	329,678	1,404,449	2,849,344	2,309,656
Operating cash flow	(831,066)	(1,831,692)	(3,484,086)	(1,011,245)	(2,512,784)	(600,388)
Free cash flow	(843,191)	(3,187,584)	(5,457,168)	(1,462,106)	(2,965,428)	(600,388)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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