March 9, 2021

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Lisa Thompson
312-265-9154
lthompson@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

Logiq Inc. (OTCQX: LGIQ)

LGIQ: Logiq to Buy Rebel AI for $8.1 Million in Cash and Stock

Based on blended comparable valuations of its peers at 18.2 times enterprise value to sales, and discounted for risk, we believe Logiq's stock is worth at least $20.00 per share.

Current Price (03/08/21)	$5.90
Valuation	**$20.00**

OUTLOOK

Logiq (fka Weyland Technologies) is a provider of a SaaS platform for small businesses to create their own mobile app for use by consumers, as well as a digital marketing platform to help businesses target potential customers. The former operates internationally while the latter serves US customers. We expect the stock valuation to increase through a right sizing of the legacy business and growth in the newly acquired digital marketing businesses, as well as its new fintech venture in mobile lending, combined with margin expansion.

SUMMARY DATA

52-Week High	**$12.83**
52-Week Low	**$1.77**
One-Year Return (%)	**32.6**
Beta	**2.5**
Average Daily Volume (sh)	**44,693**
Shares Outstanding (mil)	**16.3**
Market Capitalization ($mil)	**$96.2**
Short Interest Ratio (days)	**0**
Institutional Ownership (%)	**0**
Insider Ownership (%)	**19**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**60.0**
Earnings Per Share (%)	**N/M**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2021 Estimate	**N/M**
P/E using 2022 Estimate	**N/M**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Internet Commerce**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	8.5 A	7.1 A	9.0 A	10.0 A	34.6 A
2020	15.0 A	9.3 A	7.0 A	6.7 E	38.0 E
2021	N/A	N/A	N/A	N/A	40.0 E
2022					N/A

EPS

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	-$0.01 A	-$0.48 A	-$0.17 A	-$0.77 A	-$1.49 A
2020	-$0.24 A	-$0.14 A	-$0.23 A	-$0.17 E	-$0.77 E
2021	N/A	N/A	N/A	N/A	-$0.40 E
2022					N/A

© Copyright 2021, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

On March 3, 2021, Logiq filed an 8K that announced it would buy Rebel AI, Inc. for $8.126 million comprised of $1,126,000 in cash and $7 million in stock. The deal is expected to close in the next few weeks at which point the company will issue a press release and hopefully provide further financial information on Rebel. Rebel AI is a six-person ad tech company founded in 2016 based in Boulder, Colorado that just launched its demand side platform (DSP) in January after four years of development. While it has only started to generate revenues, Logiq is optimistic that the acquisition will be accretive this year. Rebel AI should provide much higher gross margins than the DataLogiq average, and that margin is expected to increase again significantly in 2022. Assuming the company paid at most ten times 2021 revenues it should contribute near $1 million in revenues in the next 12 months. Logiq is keeping all of its employees and maintaining the Colorado location.

The Rebel AI platform provides the ability for small and medium sized agencies and brands to economically and easily create optimized omnichannel (display, social, native, apps, & CTV) ad campaigns for their clients and products. It will offer similar capabilities as The Trade Desk but with an easier to use interface, lower cost and with ad fraud weeded out improving returns. It will also interoperate with "walled garden" platforms such as Facebook, Twitter ad platforms, and the like. A very important factor is cost. Many smaller operations cannot reach the minimums required by Google DV360 and Trade Desk to use all the bells and whistles, which can be in the millions per month. Rebel is much more affordable.

This platform will bring the advertisers' data in-house and will allow buyers to spend across all platforms rather than be restricted by the walled gardens of those such as Facebook / Instagram, Twitter, and Amazon. Rebel's customers will no longer need multiple contracts with multiple vendors to buy ads in different places and their buys will be cost optimized to get the most bang for the buck. More importantly, the advertiser will own its own data, which can be used to analyze ad inventory wherever it resides. In the future cookie-less world, owning your own data becomes very important to advertisers since all information generated by Facebook or Google ads are owned by them and is unable to be used elsewhere. The Rebel platform is to be seamlessly integrated with Fixel's capabilities in retargeting further improving results. Once Fixel capabilities are built-in the company plans to rebrand the business "Logiq Digital Marketing."

Rebel has already signed ten customers and is starting to generate revenues. At first it will be pursuing only ad agencies. After doing a demo of its easy to use interface, the company will run a 15 to 30 day test for prospective clients and always out performs the customer's current solution while providing better feedback and data. As a newly build platform, it is also speedier and advertisers can start seeing results from a campaign within seconds rather than waiting the 20 hours it takes to get information from a Google campaign. As a user, it just takes less time and effort than the legacy solutions currently available. That in itself has made prospects sign on. The Trade Desk product is now pushing eleven years old and its interface and architecture show it.

On Jan. 27, 2021, Logiq filed a preliminary prospectus in Canada for a proposed IPO of units. We expect that these units could raise between $6 and $7 million. Each Unit consists of one share and one warrant. Logiq recently submitted its application to list its common shares (including the unit and warrant shares) on the NEO Exchange in Canada. We expect the deal to be completed the week of April 1st. Upon listing on the NEO, Logiq's common shares will continue to be traded in the U.S. on the OTCQX Market as LGIQ.

Once the deal closes we will update our model to include the effect of Rebel AI. The IPO financing should close shortly thereafter and then those units will be included as well. There are currently 16.3 million shares outstanding and after the acquisition and financing that number could be 18.7 million.

KEY POINTS

- Logiq has two business segments named *AppLogiq* and *DataLogiq*. AppLogiq is a platform used by a business to create a mobile app to transact eCommerce on a smartphone combined with other services, while DataLogiq is a Martech (marketing technology) platform used to digitally market products to consumers. The first operates primarily internationally and more specifically in Asia and the second serves customers in the US.

- Logiq revamped its legacy business model for AppLogiq and has eliminated low margin partnerships in favor of a much higher margin structure that is expected to show profits in 2021. It also recently created a joint venture to provide a fintech platform to facilitate loans to consumers and small businesses (SMBs) in Indonesia and could provide considerable revenues in 2021. Its alpha testing is already in progress.

- In January 2020, Logiq bought PUSH Interactive for $25 million in stock. Combined with acquisition of Fixel and future purchase of Rebel AI, the products they sell comprise the segment of the company named *DataLogiq*. This segment is rapidly growing and could account for 75% of total revenues this year up from 38% in 2020 and even more of the gross margin.

- DataLogiq should benefit from the end of the use of cookies in 2022 to track consumers. Its products not only function without cookies, but also can provide excellent cost savings on ad spending for brands.

- The company has applied to list on the Canadian NEO exchange where it is in the process of doing and IPO. From there it will seek a NYSE exchange listing making the stock more marketable to both Canadian and US investors.

- Versus other companies in its space, Logiq is undervalued. It currently trades at $96 million market cap or 2.5 times estimated 2020 sales of $38 million. Its peers trade at blended 18.2 times.

OVERVIEW

Logiq is the new name for the former Weyland Technologies. It is a mobile marketing SaaS provider, based in NYC, with operations in California, Minneapolis, Singapore, Myanmar, Israel, and Indonesia. It has approximately 125 employees. It rebranded itself this September to align its name with its newly acquired business, Data Logiq (formerly PUSH Interactive) that was purchased in January 2020 from ConversionPoint for $25 million in stock. Its CEO and COO come from ConversionPoint, while the company's former CEO moved to the position of President and Executive Chairman.

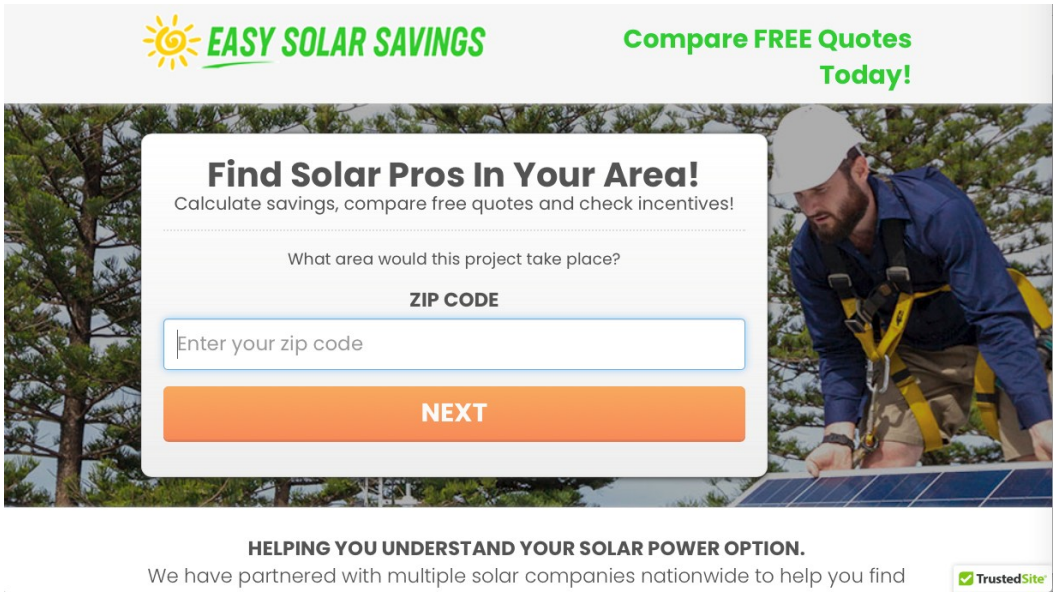
Logiq is comprised of two main divisions: DataLogiq, the business that was formerly PUSH Interactive and had been owned by ConversionPoint plus recently acquired Fixel plus soon to be acquired Rebel AI, and AppLogiq, the legacy Weyland CreateApp business and related services.

DataLogiq

DataLogiq has been combined with Fixel and is now adding Rebel AI to its offerings. It is a US-focused marketing technology company with an AI driven data engine that provides highly qualified leads to marketers for their products for prices ranging from $30-$200 per lead. It does this by analyzing data on its platform of buyers and sellers, targeting the most likely buyers with ads, directing them to a DataLogiq owned landing page, getting those buyers to fill out information on themselves, and then sending those leads

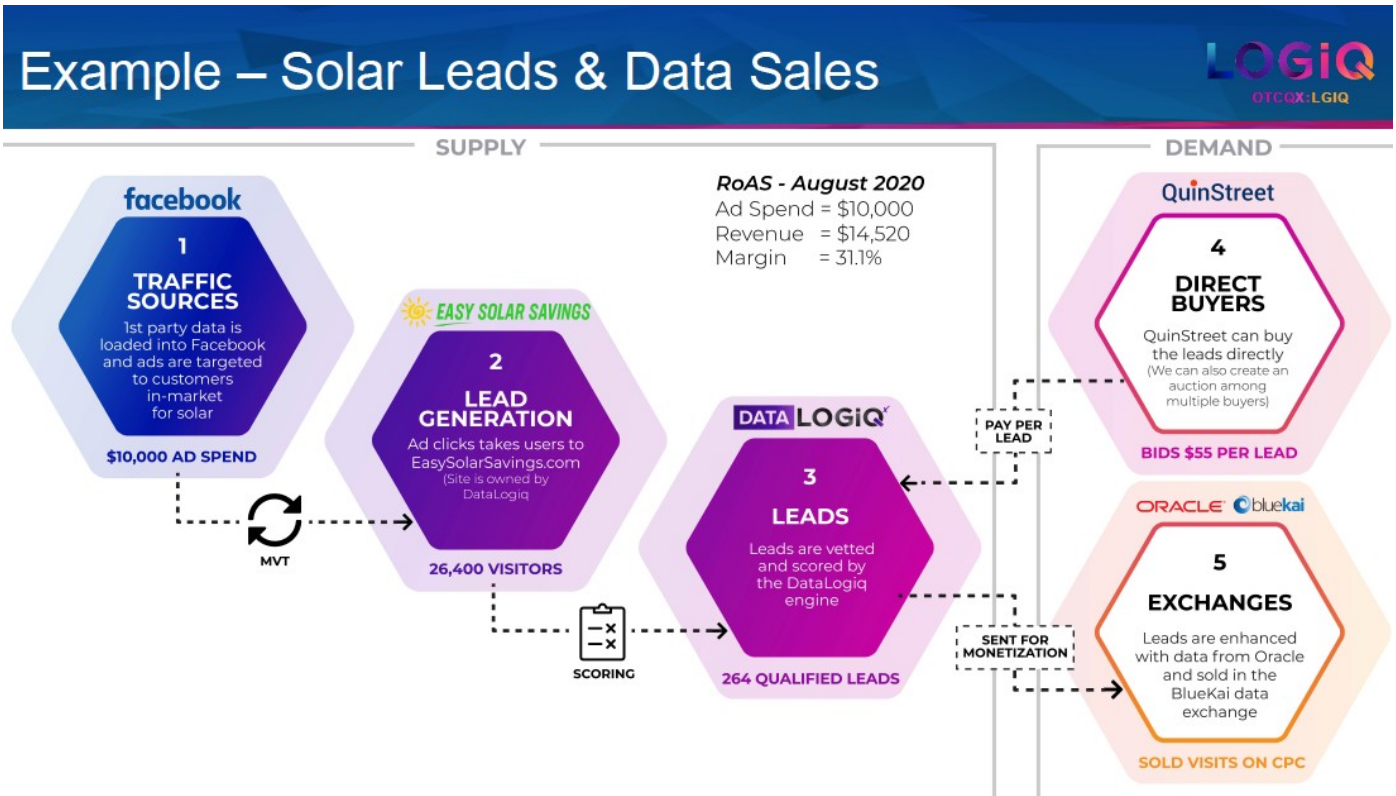
over to the seller. The business is operating at a $16 million run rate with over 100 customers. These customers include: HomeAdvisor, Vivent, QuinnStreet, Purple Innovation, and SunRun.

DataLogiq creates its own websites to attract potential customers. As an example, DataLogiq owns the website, Easy Solar Savings. A screenshot of its home page is shown below. Someone truly interested in solar energy, will enter all the steps, and provide information in order to get a quote. This lead is then sent to the customer.



Source: Logiq

Once DataLogiq has this lead, it also has someone's email it knows is probably a homeowner and who may be a target to sell other products or services.



Source: Logiq

Fixel AI

The acquisition of Fixel AI added more resources to DataLogiq, including a solution to the digital advertising industry's impending Y2K equivalent--- the elimination of the use of cookies. Located in Israel, Fixel is a highly specialized team of data scientists. Fixel was purchased for $5 million in stock in October 2020. Its solution costs $299 for three months for up to 100,000 sessions per month and has custom pricing above that level. It provides a cookie-less method of retargeting customers as well as a way to optimize ad spending and it integrates seamlessly with all major ad platforms, CMS and DMP services, including Facebook, Google Ads, Shopify, and WordPress. It specializes in retargeting. Retargeting means looking at the traffic of potential customers that have visited your site (this is called first party data, because its yours) and trying to get them to come back and buy something. These visitors may not have ever bought anything from you, nor put anything in a shopping cart, but they have exhibited behavior that predicts they may be a buyer some other time. Currently most marketers use cookies to track these people. In January, Google announced that by 2022 it would ban the use of cookies on its Chrome browser thus forcing all web sites to find another solution as Google Chrome has 64% market share of the world's browsers. A cookie-less solution is only available from a handful of companies and Fixel is one of them.

Fixel takes a website's (first party) data, analyzes it, and tells the marketer where to put ads to bring these people back to buy in the most cost-effective manner. Tests by CLX Institute found that using AI based retargeting reduced the amount spent on ads by 30% for the same results. Fixel's main competitor is Google itself with its two analytic features *Session Quality* and *Conversion Quality*. However not only do you have to transact more than 1,000 sales per month to use them, they only work with Google ads. So if you don't qualify, or want to put ads on Facebook or Twitter too, it is of no help. Criteo and AdRoll also have competitive products but they require moving workflow to their platform before it can even be tested.

Logiq is targeting smaller companies that do not have the in-house expertise to do analysis and plans to make Fixel's product easy to use to attract these businesses. Logiq is now adding a demand side platform (DSP) with the acquisition of Rebel AI in order reduce its costs as well as to have the ability to offer a cost-optimized omnichannel ad solution. This means using AI to scour ad rates and buy ads anywhere the software calculates will give the customer the most bang for the buck whether it be Facebook, Google, LinkedIn, or even OTT (over the top) AVOD (advertising based video on demand) channels like Hulu or Crackle. DataLogiq plans to integrate all its capabilities and create a self-serve solution for smaller businesses to bring advertising in house to provide a lower cost solution for smaller agencies.

Company Guidance

For 2021 management has stated a goal of $43 to $45 million in revenues at gross margins of 35%. This number includes unannounced acquisitions that the company has planned that we have not factored into our estimate including Rebel AI. This revenue estimate does not include the impact of the new microlending business in Indonesia, which could provide a wide range of outcomes. We believe this range could be a low of $5 million in revenues to Logiq to a high of $25 million and beyond. It will take a few months of testing to see where that part of the business may go and for now we are leaving it out of forecasts. We believe the first quarter showing revenue growth should be in Q2 2021 and from Q3 2020 forward the company should show improving margins.

Since we cannot factor in unknown acquisitions that have not closed nor do we know what Indonesia might yield, we are starting with a 2021 estimate of $40 million up from $38 million in 2020. We are expecting gross margins to improve to 30%, with the possibility it goes much higher than that as all the businesses improve and revenues from Indonesian lending kick in. We expect those gross margins to be over 80% increasing the corporate average. For 2021, we are starting with a loss of $5.8 million or $0.40 per share factoring in an increase of shares to 14.7 million. Without the Indonesian lending factored in, but with unannounced acquisitions, management's plan for revenues in 2022 is $67-70 million at margins of 40% plus.

VALUATION

If we look at Logiq as a company in two distinct businesses we can value it weighted on the revenues it derives from those two segments. The following table shows public companies and their averages in those businesses.

AppLogiq

Company	Ticker	Revenue 2021E	Revenue LTM	TTM EBITDA	Enterprise Value / Sales 2021E	Enterprise Value / Sales LTM	EV/ EBITDA	Included in Average?	Enterprise Value
BigCommerce	BIGC	$191	$152	-$36	20.5x	25.6x	-109.5x	y	3,900
SEA Ltd	SE	$8,330	$4,380	-$1,120	12.5x	23.8x	-92.9x	y	104,100
Shopify	SHOP	$4,080	$2,930	$235	31.3x	43.5x	543.3x	n	127,500
Stone Companies	STNE	$1,020	$464	$310	19.4x	42.6x	63.9x	y	19,800
Veritone	VERI	$79	$58	-$41	10.4x	14.1x	-19.9x	y	817
Wix	WIX	$1,290	$989	-$179	12.0x	15.6x	-86.2x	y	15,460
Average					**15.0x**	**24.4x**			**$28,815**

DataLogiq

Company	Ticker	Revenue 2021E	Revenue LTM	TTM EBITDA	Enterprise Value / Sales 2021E	Enterprise Value / Sales LTM	EV/ EBITDA	Included in Average?	Enterprise Value
AcuityAds	ACUIF	$104	$83	$13	7.5x	9.4x	62.1x	y	776
Inuvo	INUV	$57	$45	-$6	2.1x	2.7x	-21.7x	y	120
Kubient	KBNT	$7	$2	-$3	8.9x	33.3x	NA	y	59
LiveRamp	RAMP	$487	$430	-$75	5.4x	6.1x	-34.8x	y	2,619
QuinStreet	QNST	$585	$520	$17	1.9x	2.2x	65.3x	n	1,140
SharpSpring	SHSP	$34	$28	-$6	6.9x	8.5x	-40.3x	y	237
TechTarget	TTGT	$234	$148	$35	9.0x	14.2x	60.4x	y	2,100
The Trade Desk	TTD	$1,120	$836	$167	28.4x	38.0x	190.4x	n	31,800
Average					**9.3x**	**16.1x**			**1,027**

To be conservative, we take out Shopify and The Trade Desk, and also throw out the low, QuinStreet. Taking the weighted average of the trailing twelve months of Logiq's revenues of $41.3 million we get a EV to sales average of 18.2 times trailing twelve months. From that we get an enterprise value of $752 million or a market value of $756 million, Using its current share count of 16.3 million we get a price per share of $46.00. Given the risk and another two down quarters coming up, we are starting with a valuation of $20.00.

Private Company Valuations

There are a number of companies in Southeast Asia in similar businesses as Logiq and they trade at much higher valuation metrics as seen in the chart below.

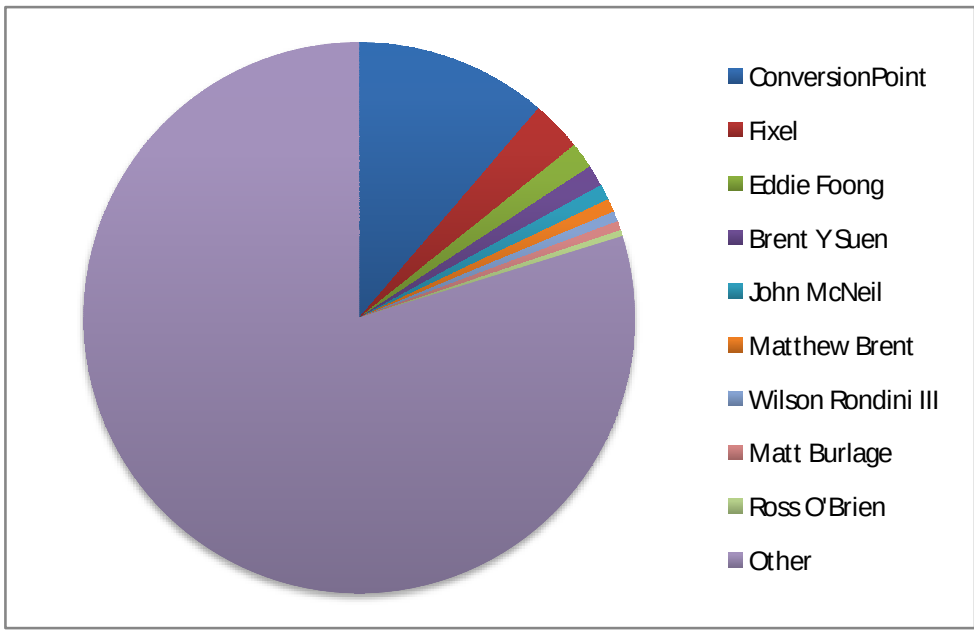
	Company Description	Investors	Amount Invested	Valuation	Latest Funding Valuation /Revenue
sea	e-Commerce, digital entertainment & e-Wallet	Goldman Sachs & Morgan Stanley	$4 billion	$85 billion	25x
Grab	Ride-sharing and delivery App	Alibaba, Softbank, Toyota, Invesco, Yamaha	$7.5 billion	$20 billion	12x
gojek	Ride-sharing and delivery App	Tencent, Sequoia, KKR, Warburg Pincus, WhatsApp, PayPal	$4.7 billion	$10 billion	16x
Lazada	E-commerce platform	JP Morgan, Tesco, Alibaba	$4.2 billion	$9 billion	9x
tokopedia	E-commerce platform in Indonesia	Sequoia, Softbank, Alibaba	$3.3 billion	$7 billion	11x
traveloka	Online airline & travel booking services	Sequoia, JD.com, Expedia	$1.2 billion	$4.5 billion	12.5x
				Average	**15x**

Source: Logiq

RISKS

- The company has a new CEO and COO that are untested in their new roles and have come in as the result of a recent acquisition.
- The recent acquisitions that comprise DataLogiq may not perform as expected.
- Much of future revenues depend on new business ventures with no track record.
- Logiq recently restructured a large part of its business that contributed 100% of revenues in 2019. It is unknown when and if its restructuring will prove profitable.
- Logiq operates in a variety of geographic locations in a variety of businesses, which could be hard to successfully manage amid fierce competition.
- Since it currently loses money, Logiq may need to raise more capital, which could result in further dilution for current shareholders.

OWNERSHIP



INCOME STATEMENT

	Q1 2019 31-Mar	Q2 2019 30-Jun	Q3 2019 30-Sep	Q4 2019 31-Dec	Q1 2020 31-Mar	Q2 2020 30-Jun	Q3 2020 30-Sep	Q4 2020E 31-Dec	2018	2019	2020E	2021E
AppLogiq	8,491,692	7,141,932	8,996,441	10,018,556	11,785,743	5,653,495	3,206,346	1,400,000	22,667,325	34,648,621	22,045,584	11,420,000
Gross Margin			1,596,858	1,864,946	2,091,960	652,979	387,327	182,000				
GM %			17.7%	18.6%	17.7%	11.6%	12.1%	13.0%				
DataLogiq	-	-	-	-	3,195,651	3,661,565	3,823,959	5,300,000	0	0	15,981,175	25,440,000
					553,172	566,675	723,130	1,060,000				
					17.3%	15.5%	18.9%	20.0%				
Total revenue	**8,491,692**	**7,141,932**	**8,996,441**	**10,018,556**	**14,981,394**	**9,315,060**	**7,030,305**	**6,700,000**	**22,667,325**	**34,648,621**	**38,026,759**	**40,000,000**
Yr-to-yr Growth	103%	53%	7%	86%	76%	30%	-22%	-33%		53%	9.7%	5%
Cost of services	6,984,427	5,874,249	7,399,583	8,153,610	12,336,262	8,095,406	5,919,848	5,458,000	18,643,914	28,411,869	31,809,516	28,000,000
Gross profit	1,507,265	1,267,683	1,596,858	1,864,946	2,645,132	1,219,654	1,110,457	1,242,000	4,023,411	6,236,752	6,217,243	12,000,000
Gross Margin	17.7%	17.7%	17.7%	18.6%	17.7%	13.1%	15.8%	18.5%	17.7%	18.0%	16.3%	30.0%
Operating expenses:												
General and administration	640,921	1,280,869	1,557,960	2,438,910	3,202,042	1,180,246	1,968,763	1,800,000	2,880,387	5,918,660	8,151,051	10,500,000
R&D	867,715	1,242,833	1,126,165	3,176,285	1,757,351	900,844	1,018,389	750,000	4,773,349	6,412,998	4,426,584	3,000,000
Sales & Marketing	0	389,610	0	0	53,015	99,262	544,970	545,000	0	389,610	1,242,247	2,180,000
Depreciation & Amortization	25,483	25,484	25,483	25,483	449,624	449,625	455,424	475,000	268,600	101,933	1,829,673	2,200,000
Total operating expenses	1,534,119	2,938,796	2,709,608	5,640,678	5,462,032	2,629,977	3,987,546	3,570,000	7,922,336	12,823,201	15,649,555	17,880,000
			76,450									
Operating income:	(26,854)	(1,671,113)	(1,112,750)	(3,775,732)	(2,816,900)	(1,410,323)	(2,877,089)	(2,328,000)	(3,898,925)	(6,586,449)	(9,432,312)	(5,880,000)
Operating margin	-0.3%	-23.4%	-12.4%	-37.7%	-18.8%	-15.1%	-40.9%	-34.7%	-17.2%	-19.0%	-24.8%	-14.7%
Other income:												
Other expenses	0	0	0	0	0	0	(2,868)	0	0	0	0	0
Other income	0	0	32,094	0	3,808	(265,223)	1,408	0	250	72,359	(260,007)	0
Impairment loss on associate	0	0	0	0	0	0	0	0	(200,000)	0	0	0
Total other income	0	0	32,094	0	3,808	(265,223)	(1,460)	0	(199,750)	72,359	(260,007)	0
Income before income taxes	(26,854)	(1,671,113)	(1,080,656)	(3,775,732)	(2,813,092)	(1,675,546)	(2,878,549)	(2,328,000)	(4,098,675)	(6,514,090)	(9,692,319)	(5,880,000)
Pretax Margin	-0.3%	-23.4%	-12.0%	-37.7%	-18.8%	-18.0%	-40.9%	-34.7%	-18.1%	-18.8%	-25.5%	-14.7%
Income tax	0	0	0	27,596	0	0	0	0	0	27,596	0	0
Tax rate	0%	0%	0%	-1%	0%	0%	0%	0%	0%	0%	0%	0%
Net income before non-controlling	(26,854)	(1,671,113)	(1,080,656)	(3,803,328)	(2,813,092)	(1,675,546)	(2,878,549)	(2,328,000)	(4,098,675)	(6,541,686)	(9,692,319)	(5,880,000)
Minority income	0	0	0	0	0	0	0	100	0	0	0	5
Income to common shareholders	(26,854)	(1,671,113)	(1,080,656)	(3,803,328)	(2,813,092)	(1,675,546)	(2,878,549)	(2,328,100)	(4,098,675)	(6,541,686)	(9,692,319)	(5,880,005)
Non-GAAP net income	(26,854)	(1,671,113)	(1,080,656)	(3,803,328)	(2,813,092)	(1,675,546)	(2,878,549)	(2,328,100)	(3,898,675)	(6,541,686)	(9,692,319)	(5,880,000)
Net income per share:												
EPS	-$0.01	-$0.48	-$0.19	-$0.78	-$0.24	-$0.14	-$0.23	-$0.17	-$1.85	-$1.49	-$0.77	-$0.40
EPS Diluted	-$0.01	-$0.48	-$0.19	-$0.78	-$0.24	-$0.14	-$0.23	-$0.17	-$1.85	-$1.49	-$0.77	-$0.40
Non-GAAP EPS	**-$0.01**	**-$0.48**	**-$0.19**	**-$0.78**	**-$0.24**	**-$0.14**	**-$0.23**	**-$0.17**	**-$1.76**	**-$1.49**	**-$0.77**	**-$0.40**
Yr-to-yr Growth					2603%	-71%	17%	-78%		53%	11%	15%
Shares												
Basic	3.0	3.5	5.6	4.9	11.6	12.2	12.8	13.7	2.2	4.4	12.6	14.7
Diluted	3.0	3.5	5.6	4.9	11.6	12.2	12.8	13.7	2.2	4.4	12.6	14.7
	74%	-4%	97%	73%	288%	250%	129%	179%		98%	186%	17%
Adjusted EBITDA	(1,371)	(1,645,629)	(1,087,267)	(3,750,249)	(2,367,276)	(960,698)	(2,421,665)	(1,853,000)	(3,630,325)	(6,484,516)	(7,602,639)	(3,680,000)
Yr-to-yr Growth					NM	-42%	123%	-51%		79%	17%	-52%

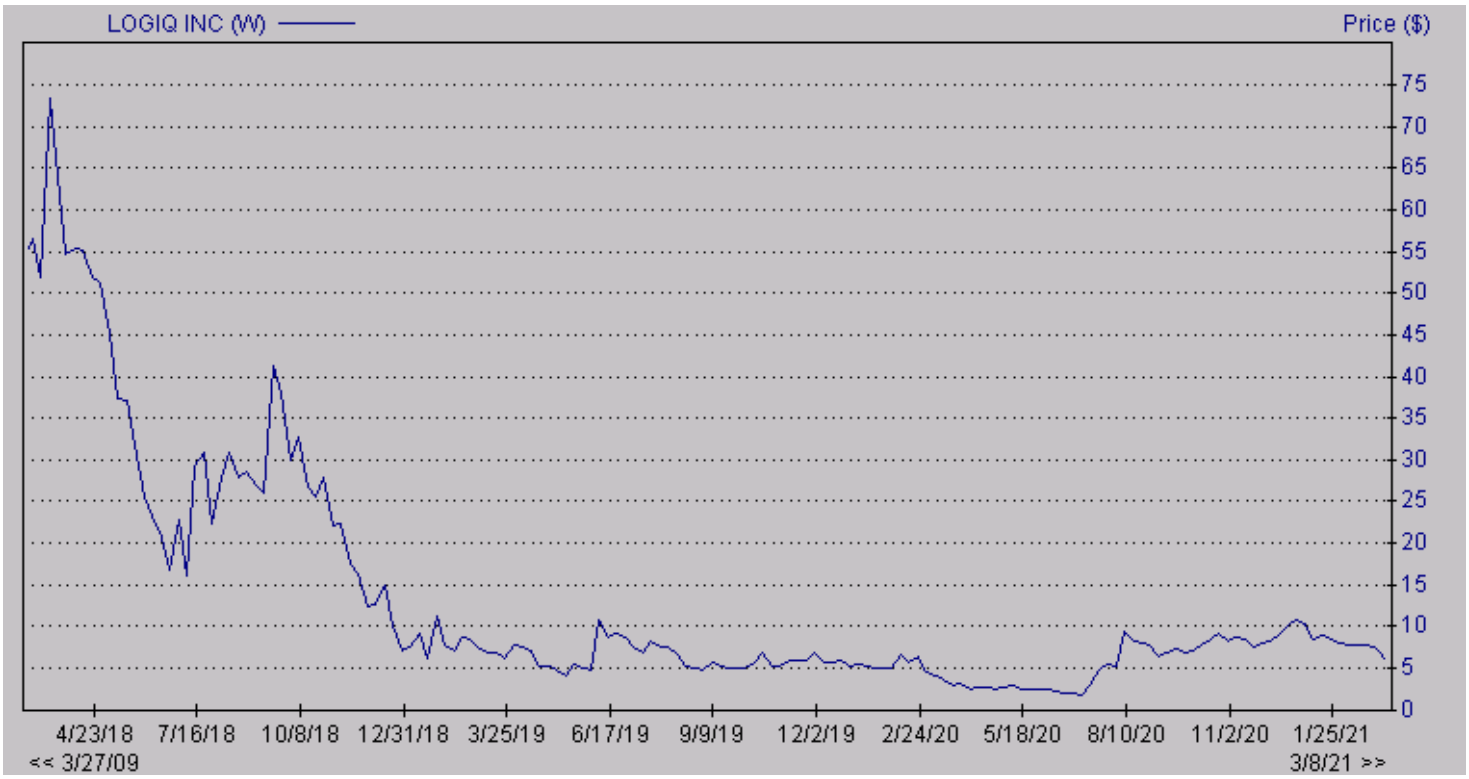
BALANCE SHEET

	Sept. 30, 2020	June 30, 2020	Qtr-Qtr % Change	Sept 30, 2019	Yr-Yr % Change
Current assets					
Cash and equivalents	**$4,847,284**	**$3,859,783**	26%	**$5,820,629**	-17%
Amount due from associate	$5,023,700	$4,323,700	16%	$2,025,250	148%
Accounts receivable, net	1,567,852	1,622,674	-3%	0	NM
Other amount recoverable	49,550	49,550	0%	0	NM
Prepayment deposits and other receivables	121,723	1,794,456	-93%	3,216,151	-96%
Financial assets held for resale	996,414	0	NM	0	NM
Total current assets	12,606,523	11,650,163	8%	11,062,030	14%
Intangible assets, net	7,657,848	7,985,632	-4%	637,081	1102%
Property and equipment, net	190,202	201,843	-6%	0	NM
Goodwill	4,781,208	4,781,208	0%	0	NM
Total non-current assets	12,629,258	12,968,683	-3%	637,081	1882%
TOTAL ASSETS	25,235,781	24,618,846	3%	11,699,111	116%
Current liabilities					
Accounts payable, accruals & other	961,310	1,057,629	-9%	73,350	1211%
Accruals and other payables	917,571	824,966	11%	149,029	516%
Deposits received for shares to be issued	2,235,184	1,482,485	51%	1,898,726	18%
Convertible promissory notes	2,911,000	0	NM	0	NM
Loan from director	0	0	0%	19,000	-100%
Amount due to director	77,500	77,500	0%	77,500	0%
Total current liabilities	7,102,565	3,442,580	106%	2,217,605	220%
Long term loan	10,000	10,000	0%	0	NM
Notes payable	503,700	503,700	0%	0	NM
Total non-current liabilities	513,700	513,700	0%	0	NM
TOTAL LIABILITIES	7,616,265	3,956,280	93%	2,217,605	243%
Stockholder's equity					
Common stock	17,167	15,855	8%	9,682	77%
Additional paid-in capital	58,301,051	58,466,864	0%	53,322,418	9%
Capital reserves	14,282,143	14,282,143	0%	-	NM
Accumulated deficit	(54,980,845)	(52,102,296)	6%	(43,850,594)	25%
Total stockholders' equity	17,619,516	20,662,566	-15%	9,481,506	86%
Total liabilities and stockholders' equity	$25,235,781	$24,618,846	3%	$11,699,111	116%
Current/Quick ratio	1.8	3.4	-48%	5.0	-64%
Working Capital	4,990,258	7,693,883	-35%	8,844,425	-44%
Net Cash as % of assets	19%	16%	23%	50%	-61%
Cash per share	$0.35	$0.30	17%	$0.31	15%
Debt	$3,502,200	$591,200	492%	$77,500	4419%
Debt % of assets	13.9%	2.4%	478%	0.7%	1995%

CASH FLOW

	3 Months Ended 31-Mar-19	3 Months Ended 30-Jun-19	3 Months Ended 30-Sep-19	3 Months Ended 31-Dec-19	Year 2019	3 Months Ended 31-Mar-20	3 Months Ended 30-Jun-30	3 Months Ended 30-Sep-20
Cash Flows from Operating Activities:								
Net profit	$ (26,854)	$ (1,671,113)	$ (1,080,656)	$ (3,763,063)	$ (6,541,686)	$ (2,813,092)	$ (1,675,546)	$ (2,878,550)
Adjustments to reconcile net loss to net cash used in operating activities:								
Depreciation of property & eqt.	0	0	0	0	0	11,641	11,641	11,642
Amortization of intangibles	25,483	25,484	25,483	25,483	101,933	437,983	437,984	443,783
Changes in operating assets and liabilities:								
Intangibile assets					0	0	0	(116,000)
Trade and other receivables	0	0	(34,500)	12,205	(22,295)	(551,083)	(362,538)	54,822
Due from associate	(189,550)	(403,700)	(570,000)	(800,450)	(1,963,700)	(925,000)	(573,000)	(700,000)
Other amounts recoverable	0	0	0	(549,550)	(549,550)	0	0	0
Prepayments	0	0	0	1,562,262	1,562,262	(35,622)	(105,210)	1,672,732
Accounts payable	0	0	(79,417)	76,073	(3,344)	27,356	663,182	(96,319)
Accrued liabilities	136,174	(92,967)	(43,207)	0	0	(178,268)	280,687	92,606
Bank loan	0	0	0	500,000	500,000	0	0	0
Stock subscription payable	0	0	1,898,726	(1,898,726)	0	0	0	0
Due from director	19,000	0	0	(19,000)	0	0	0	0
Net cash used in operating activities	(35,747)	(2,142,296)	116,429	(4,854,766)	(6,916,380)	(4,026,085)	(1,322,800)	(1,515,284)
Cash Flows from Investing Activities:								
Financial assets held of resale - sales	0	0	0	(2,730,363)	(2,730,363)	(90,262)	2,820,625	3,586
Financial assets held of resale - purchase	0	0	0	0	0	0	0	(1,000,000)
Net cash acq. In acquisition	0	0	0	0	0	574,572	(574,572)	0
Net restricted cash acq. In acquisition	0	0	0	0	0	1,025,000	574,572	0
Net cash used in investing activities	0	0	0	(2,730,363)	(2,730,363)	1,509,310	2,820,625	(996,414)
Financing Activities:								
Repayment of bank loan	0	0	0	0	0	1,490,000	(1,990,000)	0
Borrowings under long term loan	0	0	0	0	0	0	10,000	0
Proceeds from convert promissory notes					0	0	0	2,911,000
Proceeds from note payable	0	0	0	0	0	0	503,700	0
Proceeeds from shares to be issued	104,950	4,733,351	(4,838,301)	0	0	1,407,506	74,979	752,699
Proceeds from stock issuance	585,640	1,325,666	5,239,582	4,737,149	11,888,037	668,287	(258,388)	(164,500)
Net cash provided by financing	690,590	6,059,017	401,281	4,737,149	11,888,037	3,565,793	(1,659,709)	3,499,199
Cash and Cash Equivalents, beginning	731,355	1,386,198	5,302,919	5,820,629	731,355	2,972,649	4,021,667	3,859,783
Cash and Cash Equivalents, end of period	1,386,198	5,302,919	5,820,629	2,972,649	2,972,649	4,021,667	3,859,783	4,847,284
Non-cash investing and financing activities:								
Issuance of stock for services received	373,640	873,416	286,348	734,375	2,267,779	668,286	(258,387)	(100,319)
Cash flow	$ (35,747)	$ (2,142,296)	$ 116,429	$ (4,854,766)	$ (6,916,380)	$ (2,363,468)	$ (1,225,921)	$ (2,423,125)
Free cash flow	$ (35,747)	$ (2,142,296)	$ 116,429	$ (7,585,129)	$ (9,646,743)	$ (854,158)	$ 1,594,704	$ (3,419,539)

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research (Zacks SCR), a division of Zacks Investment Research (ZIR), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

Zacks SCR Analysts hereby certify that the view expressed in this research report or blog article accurately reflect the personal views of the analyst about the subject securities and issuers. Zacks SCR also certifies that no part of any analysts' compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report or blog article. Zacks SCR believes the information used for the creation of this report or blog article has been obtained from sources considered reliable, but we can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice. The Zacks SCR Twitter is covered herein by this disclosure.

INVESTMENT BANKING AND FEES FOR SERVICE

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer.

The non-investment banking services provided to the issuer include the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR.

Each issuer has entered into an agreement with Zacks to provide continuous independent research for a period of no less than one year in consideration of quarterly payments totaling a maximum fee of $40,000 annually.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.

SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the Valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover.

SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or Tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer and, therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.