

# Zacks Small-Cap Research

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## Logiq Inc.

(OTCQX: LGIQ)

### LGIQ: The Worst is Over at Logiq

Based on blended comparable valuations of its peers at 10.3 times enterprise value to sales, and discounted for risk, we believe Logiq's stock is worth at least \$20.00 per share.

Current Price (04/02/21) \$6.13  
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 ventures in Indonesia. Management is considering spinning off the Indonesian business to shareholders, unlocking more value in the company.

### SUMMARY DATA

52-Week High \$12.83  
52-Week Low \$1.77  
One-Year Return (%) 147  
Beta 2.4  
Average Daily Volume (sh) 40,227

Shares Outstanding (mil) 17.8  
Market Capitalization (\$mil) \$109  
Short Interest Ratio (days) 0.1  
Institutional Ownership (%) 0  
Insider Ownership (%) 10

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

5-Yr. Historical Growth Rates  
Sales (%) 49  
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 High  
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	6.6 A	37.9 E
2021	6.8 E	6.9 E	9.8 E	16.0 E	40.0 E
2022					55.0 E

#### EPS

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	-\$0.01 A	-\$0.48 A	-\$0.17 A	-\$0.77 A	-\$1.31 A
2020	-\$0.24 A	-\$0.14 A	-\$0.23 A	-\$0.51 A	-\$1.14 A
2021	-\$0.25 E	-\$0.23 E	-\$0.16 E	-\$0.01 E	-\$0.65 E
2022					-\$0.30 E

### The Worst is Over, Revenues and Margins Should Improve Going Forward

Logiq just reported its lowest revenue quarter since it began its business model transition at its AppLogiq division. The good news is, the worst is over and the company expects both sequential revenue improvement and gross margin improvement as the year progresses and into 2022. Both businesses should show higher sequential revenues in Q1 and higher gross margins. With a full quarter of Fixel and the Q2 addition of Rebel AI revenues, as well as organic growth, the DataLogiq business should show significant year over year growth. Combined with the AppLogiq business, total revenues should show year over year growth by Q3 2021.

### The Company May Spin off AppLogiq

The wild card in 2021 is what happens to AppLogiq. With its new businesses coming on stream in Indonesia starting in Q3, the company had had a lot of interest in spinning the entire division off to shareholders as a separate entity. Management believes there is now an 80% of this happening in the next six months and it could be valued as high as \$100 million. This provides yet another impetus in investing Logiq.

### Logiq Closes Rebel AI Acquisition

On March 30, 2021, Logiq announced it closed the acquisition of Rebel AI, Inc. for \$8.126 million comprised of \$1,126,000 in cash and \$7 million in stock equaling **1,032,056** shares of stock priced at \$6.634. Rebel AI is an eight-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 Rebel AI's employees and maintaining the Colorado location.

### 2020 Results

In 2020, Logiq generated \$37.9 million in revenues versus \$34.6 million a year ago, up 9.4%, due entirely to the acquisition of the DataLogiq business. The CreateApp business was particularly hard hit by the pandemic as its small business customers were shut down. As a result the company and its partners granted customer a free three months of usage during the year. Since Logiq chose to let these low-margin marketing partnerships expire, the CreateApp margins have started to rebound. For 2020, the company had \$15.2 million in new revenues from the DataLogiq side, while the AppLogiq businesses declined to \$22.7 million from \$34.6 million last year, or down 34.4%. We expect that business has hit its quarterly low point and should rebound from here.

Gross margin improved in 2020 from \$6.2 million to \$6.4 million, or 2%. The margin percentage declined to 16.8% from 18.0% last year for all the reasons discussed above. We expect margins to improve as AppLogiq moves to its higher margin business model and the high margin DataLogiq business grows to a bigger percent of revenues.

Operating expenses increased to \$20.6 million from \$12.8 million in 2019. G&A increased \$5.1 million with the addition of the new businesses. R&D actually declined \$168,000 and Sales and Marketing increased \$1 million as the company is switching its AppLogiq business to direct sales from channel sales and DataLogiq

businesses were added. Depreciation and amortization increased by \$1.9 million to a \$2.4 million run rate and we expect that to increase since Logiq just bought Rebel AI.

Other expense was \$243,641 and included a \$256,000 one-time expense in Q2 2020 incurred by DataLogiq from early withdrawal from an escrow account. Pretax income, net income and income to common shareholders were all a loss of \$14.5 million 2020 versus a loss of \$6.5 million in 2019. This resulted in a GAAP loss per share of \$1.14 versus a loss per share of \$1.31. Primary shares outstanding for the year increased 153% to 12.7 million

## Balance Sheet

As of December 31, 2020, Logiq had \$3.5 million in cash and debt of \$3.5 million. \$2.9 million of that debt is from a new convertible promissory note and \$504,000 from a government PPP loan. Its current ratio is 2.3 times and it had \$6.9 million in working capital. The company had negative cash flow for the quarter of \$6.5 million and negative free cash flow of \$6.2 million. For the full year the company had negative cash flow of \$12.5 million and negative free cash flow of \$8.8 million.

Transactions after the quarter ended:

On January 12, 2021, Logiq sold 101,694 shares of common stock for \$8.50 per share resulting in gross proceeds of \$864,000.

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 1<sup>st</sup>. Upon listing on the NEO, Logiq's common shares will continue to be traded in the U.S. on the OTCQX Market as LGIQ. The company has just started an application to get listed on the NYSE.

On March 8, 2021, Logiq sold 100,000 shares at \$5.00 per share for gross proceeds of \$500,000.

On March 30, 2021, Logiq announced it closed the acquisition of Rebel AI, Inc. for \$8.126 million comprised of \$1,126,000 in cash and \$7 million in stock. Logiq issued **1,032,056** restricted shares stock priced at \$6.634.

On March 26, 2021 there were 16.8 million shares outstanding and after the acquisition it now stands 17.8 million.

Logiq began the process to uplist to the Canadian NEO Exchange (NEO). By listing there, it has an opportunity to eventually list on the NYSE American exchange. The company received conditional approval from the NEO as of last Friday, pending OSC clearance for the company's Canadian IPO. 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. We expect the deal to be completed by the end of April.

## Q4 Results

We believe Q4 was the revenue and earnings low quarter for the company as AppLogiq recovers, Fixel AI contributes a full quarter in Q1 2021, and then Rebel AI adds to revenues in Q2 2021. In addition to buying Fixel AI Logiq and a new food delivery service, "Dine in Your Car" in Indonesia during the quarter.

In Q4 2020, Logiq generated \$6.7 million in revenues versus \$10.0 million a year ago, down 34%, as the company eliminated its unprofitable CreateApp partnerships. AppLogiq margins started to rebound in the

quarter. In the quarter, DataLogiq contributed \$4.5 million helping offset the decline in AppLogiq. We expect AppLogiq has hit its quarterly low point and should rebound from here.

Gross margin declined in Q4 from \$1.9 million to \$1.4 million, or 26%, however on a percentage basis it improved. Gross margin increased to 21.1% from 18.6% last year. We expect margins to improve sequentially throughout the year.

Operating expenses increased to \$8.5 million from \$5.6 million in 2019. G&A increased the most. It went up by \$2.2 million with the addition of the new businesses and one time payments for consulting and legal. R&D actually declined \$608,000 and Sales and Marketing increased to \$727,00 million from zero as the company is switching its AppLogiq business to direct sales from channel sales and Fixel business was added. Depreciation and amortization increased by \$586,000 million to a \$2.4 million run rate and we expect that to increase in Q2 since Logiq just bought Rebel AI.

Other income was \$19,234 compared to zero last year, and is mostly due to income from a bond portfolio. Pretax income, net income and income to common shareholders were all a loss of \$7.1 million in Q4 2020 versus a loss of \$3.8 million in Q4 2019. This resulted in a GAAP loss per share of \$0.51 versus a loss per share of \$0.78.

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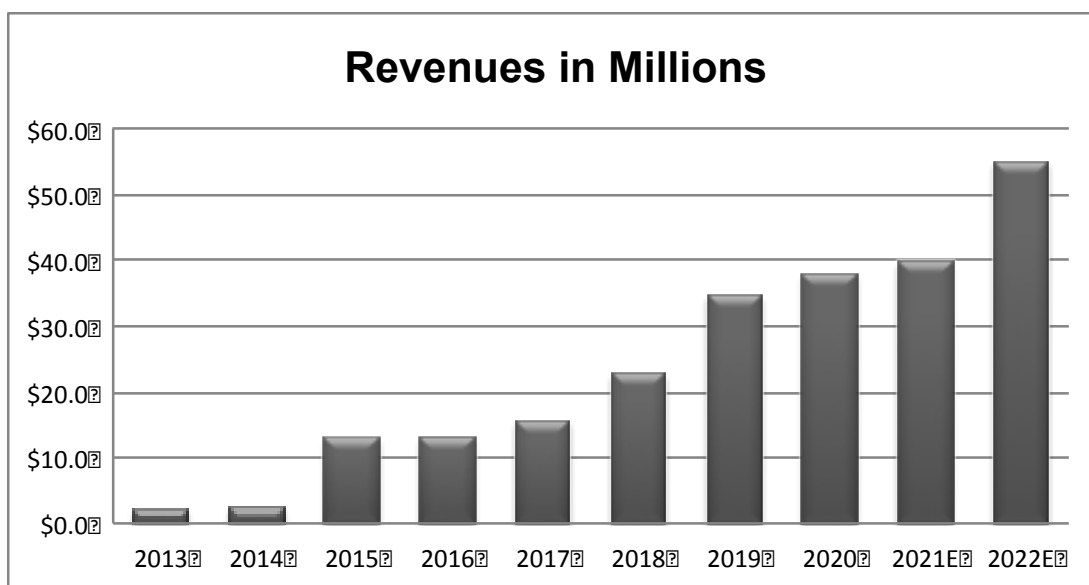
## KEY POINTS

- 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 AI and today's 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 over 70% of total revenues this year up from 40% 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 an 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 \$109 million enterprise value or 2.7 times estimated 2021 sales of \$40 million. Its peers trade at blended 10.3 times. We believe its valuation will improve as it resumes year over year revenue growth.

## 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, Colorado, Minneapolis, Singapore, Myanmar, Israel, and Indonesia. It has approximately 125 employees. It rebranded itself last 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.

**Graph 1. Total Revenues by Year**



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 and Rebel AI, and AppLogiq, the legacy Weyland CreateApp business and related services.

## FORECASTS

For 2021 management has stated a goal of \$43 to \$45 million in revenues at gross margins of 35%. This revenue includes the new businesses 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 being conservative. The company expects that each quarter should show both sequential revenue and gross margin improvement throughout 2021. We believe the first quarter showing year over year revenue growth could be in Q3 2021.

We are estimating 2021 revenues of \$40 million up from \$38 million in 2020. We are expecting gross margins to improve to 32%. The company's two new businesses, Fixel and Rebel should have gross margins of 70-80% increasing the corporate average. For 2021, we are projecting a loss of \$11.4 million or \$0.65 per share factoring in an increase of shares to 17.6 million.

For 2022 we are starting at \$55 million at gross margins of 40%. There should be significant upside if business in Indonesia takes off and we will adjust estimates after those services roll out and there is more data on results. By mid-2022 the company should be at cash flow breakeven. For the year we are looking at a loss of \$5.8 million or \$0.30 per share.

## VALUATION



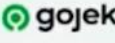



If we look at Logiq as a company in two distinct businesses we can value it weighted on the revenues it derives from those two segments. The following table shows public companies and their averages in those businesses.

<b>AppLogiq</b>										
Company	Ticker	Revenue			TTM	Enterprise Value / Sales		EV/	Included	Enterprise
		<u>2022E</u>	<u>2021E</u>	<u>LTM</u>	<u>EBITDA</u>	<u>2021E</u>	<u>LTM</u>	<u>EBITDA</u>	<u>in Average?</u>	<u>Value</u>
BigCommerce	BIGC	\$234	\$191	\$152	-\$36	18.4x	23.0x	-98.3x	y	3,500
SEA Ltd	SE	\$11,550	\$8,330	\$4,380	-\$1,120	12.2x	23.3x	-91.1x	y	102,000
Shopify	SHOP	\$5,320	\$4,090	\$2,930	\$235	29.8x	41.6x	519.8x	n	121,980
Stone Companies	STNE	\$1,590	\$1,040	\$278	-\$10	17.0x	63.7x	-1711.3x	y	17,712
Veritone	VERI	\$97	\$79	\$58	-\$41	7.4x	10.0x	-14.1x	y	579
Wix	WIX	\$1,670	\$1,290	\$989	-\$180	11.7x	15.3x	-84.1x	y	15,150
<b>Average</b>						<b>13.4x</b>	<b>27.1x</b>			<b>\$27,788</b>
<b>DataLogiq</b>										
Company	Ticker	Revenue			TTM	Enterprise Value / Sales		EV/	Included	Enterprise
		<u>2022E</u>	<u>2021E</u>	<u>LTM</u>	<u>EBITDA</u>	<u>2021E</u>	<u>LTM</u>	<u>EBITDA</u>	<u>in Average?</u>	<u>Value</u>
AcuityAds	ACUIF	\$163	\$131	\$105	\$9	6.5x	8.1x	91.0x	y	851
Inuvo	INUV	\$71	\$57	\$45	-\$6	2.0x	2.6x	-20.8x	y	115
Kubient	KBNT	\$17	\$7	\$3	-\$4	10.3x	23.4x	NA	y	68
LiveRamp	RAMP	NA	\$487	\$430	-\$75	5.6x	6.3x	-36.0x	y	2,710
QuinStreet	QNST	NA	\$585	\$520	\$17	1.7x	1.9x	57.2x	n	1,000
SharpSpring	SHSP	\$40	\$34	\$29	-\$5	5.3x	6.2x	-36.3x	y	182
TechTarget	TTGT	\$265	\$232	\$148	\$35	8.6x	13.5x	57.5x	y	2,000
The Trade Desk	TTD	\$1,470	\$1,130	\$836	\$167	25.3x	34.2x	171.3x	n	28,600
<b>Average</b>						<b>8.9x</b>	<b>13.7x</b>			<b>1,015</b>

To be conservative, we take out Shopify and The Trade Desk, and also throw out the low, QuinStreet. Taking the Logiq's 2021 estimated revenues of \$40.0 million we get a blended EV to sales average of 10.3 times. This blend is calculated expecting that 2021 revenues will be 30% AppLogiq revenue and 70% DataLogiq. From that we get an enterprise value and market value of \$412 million. Using its current share count of 17.8 million we get a price per share of \$23.15. Given the risk and another two down year over year 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
	e-Commerce, digital entertainment & e-Wallet	Goldman Sachs & Morgan Stanley	\$4 billion	\$85 billion	25x
	Ride-sharing and delivery App	Alibaba, Softbank, Toyota, Invesco, Yamaha	\$7.5 billion	\$20 billion	12x
	Ride-sharing and delivery App	Tencent, Sequoia, KKR, Warburg Pincus, WhatsApp, PayPal	\$4.7 billion	\$10 billion	16x
	E-commerce platform	JP Morgan, Tesco, Alibaba	\$4.2 billion	\$9 billion	9x
	E-commerce platform in Indonesia	Sequoia, Softbank, Alibaba	\$3.3 billion	\$7 billion	11x
	Online airline & travel booking services	Sequoia, JD.com, Expedia	\$1.2 billion	\$4.5 billion	12.5x
Average					15x

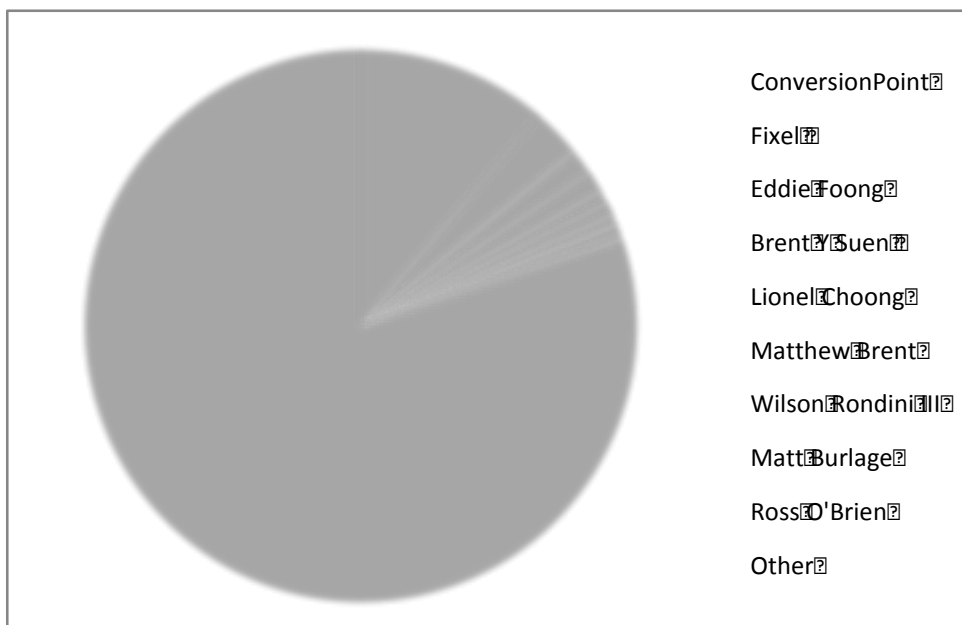
Source: Logiq

## RISKS

- The company is integrating three acquisitions, which may be more difficult than expected and yield less synergy than expected. They also may not perform as expected.
- Much of future revenues depend on new business ventures with no track record, in particular in Indonesia where a number of new services are being launched in the second half of the year.
- 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 than expected, 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 2020 31-Dec	Q1 2021E 31-Mar	Q2 2021E 30-Jun	Q3 2021E 30-Sep	Q4 2021E 31-Dec	2019	2020	2021E	2022E
AppLogiq	8,491,692	7,141,932	8,996,441	10,018,556	11,785,743	5,653,495	3,206,346	2,100,000	2,200,000	2,300,000	3,800,000	7,000,000	34,648,621	22,758,572	15,300,000	20,000,000
Gross Margin	1,507,265	1,267,683	1,596,858	1,864,946	2,091,960	652,979	387,327	537,600	572,000	621,000	1,064,000	2,100,000	6,236,752	3,664,482	4,357,000	6,000,000
GM %	17.7%	17.7%	17.7%	18.6%	17.7%	11.6%	12.1%	25.6%	26.0%	27.0%	28.0%	30.0%	18.0%	16.1%	28.5%	30.0%
DataLogiq	-	-	-	-	3,195,651	3,661,565	3,823,959	4,483,634	4,850,000	4,600,000	6,000,000	9,000,000	-	15,151,821	24,450,000	35,000,000
Gross Margin	-	-	-	-	553,172	566,675	723,130	850,602	1,067,000	1,288,000	1,980,000	4,050,000	-	2,698,963	8,385,000	15,750,000
GM %	-	-	-	-	17.3%	15.5%	18.9%	19.0%	22.0%	28.0%	33.0%	45.0%	-	17.8%	34.3%	45.0%
<b>Total revenue</b>	<b>8,491,692</b>	<b>7,141,932</b>	<b>8,996,441</b>	<b>10,018,556</b>	<b>14,981,394</b>	<b>9,315,060</b>	<b>7,030,305</b>	<b>6,583,634</b>	<b>6,800,000</b>	<b>6,900,000</b>	<b>9,800,000</b>	<b>16,000,000</b>	<b>34,648,621</b>	<b>37,910,393</b>	<b>39,750,000</b>	<b>55,000,000</b>
Yr-to-yr Growth	103%	53%	7%	86%	76%	30%	-22%	-34%	-55%	-26%	39%	143%	53%	9.4%	4.9%	38.4%
Cost of services	6,984,427	5,874,249	7,399,583	8,153,610	12,336,262	8,095,406	5,919,848	5,195,432	5,161,000	4,991,000	6,756,000	9,850,000	28,411,869	31,546,948	27,008,000	33,250,000
Gross profit	1,507,265	1,267,683	1,596,858	1,864,946	2,645,132	1,219,654	1,110,457	1,388,202	1,639,000	1,909,000	3,044,000	6,150,000	6,236,752	6,363,445	12,742,000	21,750,000
Gross Margin	17.7%	17.7%	17.7%	18.6%	17.7%	13.1%	15.8%	21.1%	24.1%	27.7%	31.1%	38.4%	18.0%	16.8%	32.1%	39.5%
<b>Operating expenses:</b>																
General and administration	640,921	1,280,869	1,557,960	2,438,910	3,202,042	1,180,246	1,968,763	4,643,764	3,300,000	3,300,000	3,300,000	3,500,000	5,918,660	10,994,815	13,400,000	15,410,000
R&D	867,715	1,242,833	1,126,165	3,176,285	1,757,351	900,844	1,018,389	2,568,120	1,500,000	1,500,000	1,500,000	1,550,000	6,412,998	6,244,704	6,050,000	6,957,500
Sales & Marketing	0	389,610	0	0	53,015	99,262	544,970	726,662	450,000	450,000	460,000	600,000	389,610	1,423,909	1,960,000	2,352,000
Depreciation & Amortization	25,483	25,484	25,483	25,483	449,624	449,625	455,424	611,372	610,000	700,000	700,000	700,000	101,933	1,966,045	2,710,000	2,800,000
Total operating expenses	1,534,119	2,938,796	2,709,608	5,640,678	5,462,032	2,629,977	3,987,546	8,549,918	5,860,000	5,950,000	5,960,000	6,350,000	12,823,201	20,629,473	24,120,000	27,519,500
Operating income:	(26,854)	(1,671,113)	(1,112,750)	(3,775,732)	(2,816,900)	(1,410,323)	(2,877,089)	(7,161,716)	(4,221,000)	(4,041,000)	(2,916,000)	(200,000)	(6,586,449)	(14,266,028)	(11,378,000)	(5,769,500)
Operating margin	-0.3%	-23.4%	-12.4%	-37.7%	-18.8%	-15.1%	-40.9%	-108.8%	-62.1%	-58.6%	-29.8%	-1.3%	-19.0%	-37.6%	-28.6%	-10.5%
<b>Other income:</b>																
Other expenses	0	0	0	0	0	(265,223)	(2,868)	(24,676)	0	0	0	0	0	(292,767)	0	0
Other income	0	0	32,094	0	3,808	0	1,408	43,910	0	0	0	0	72,359	49,126	0	0
Total other income	0	0	32,094	0	3,808	(265,223)	(1,460)	19,234	0	0	0	0	72,359	(243,641)	0	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)	(7,142,482)	(4,221,000)	(4,041,000)	(2,916,000)	(200,000)	(6,514,090)	(14,509,669)	(11,378,000)	(5,769,500)
Pretax Margin	-0.3%	-23.4%	-12.0%	-37.7%	-18.8%	-18.0%	-40.9%	-108.5%	-62.1%	-58.6%	-29.8%	-1.3%	-18.8%	-38.3%	-28.6%	-10.5%
Income tax	0	0	0	27,596	0	0	0	0	0	0	0	0	27,596	0	0	0
Tax rate	0%	0%	0%	-1%	0%	0%	0%	0%	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)	(7,142,482)	(4,221,000)	(4,041,000)	(2,916,000)	(200,000)	(6,541,686)	(14,509,669)	(11,378,000)	(5,769,500)
Minority income	0	0	0	0	0	0	0	0	0	0	100	100	0	0	200	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)	(7,142,482)	(4,221,000)	(4,041,000)	(2,916,100)	(200,100)	(6,541,686)	(14,509,669)	(11,378,200)	(5,769,505)
Non-GAAP net income	(26,854)	(1,671,113)	(1,080,656)	(3,803,328)	(2,813,092)	(1,675,546)	(2,878,549)	(7,142,482)	(4,221,000)	(4,041,000)	(2,916,000)	(200,000)	(6,314,907)	(11,985,057)	(11,378,000)	(5,769,500)
<b>Net income per share:</b>																
EPS	-\$0.01	-\$0.48	-\$0.19	-\$0.78	-\$0.24	-\$0.14	-\$0.23	-\$0.51	-\$0.25	-\$0.23	-\$0.16	-\$0.01	-\$1.31	-\$1.14	-\$0.64	-\$0.30
EPS Diluted	-\$0.01	-\$0.48	-\$0.19	-\$0.78	-\$0.24	-\$0.14	-\$0.23	-\$0.51	-\$0.25	-\$0.23	-\$0.16	-\$0.01	-\$1.31	-\$1.14	-\$0.64	-\$0.30
<b>Non-GAAP EPS</b>	<b>-\$0.01</b>	<b>-\$0.48</b>	<b>-\$0.19</b>	<b>-\$0.78</b>	<b>-\$0.24</b>	<b>-\$0.14</b>	<b>-\$0.23</b>	<b>-\$0.51</b>	<b>-\$0.25</b>	<b>-\$0.23</b>	<b>-\$0.16</b>	<b>-\$0.01</b>	<b>-\$1.31</b>	<b>-\$1.14</b>	<b>-\$0.64</b>	<b>-\$0.30</b>
Yr-to-yr Growth					2603%	-71%	17%	-34%	3%	66%	-28%	-98%	53%	11%	11%	-52.9%
<b>Shares</b>																
Basic	3.0	3.5	5.6	4.9	11.6	12.2	12.8	14.0	16.8	17.8	18.0	18.0	5.0	12.7	17.7	19.0
Diluted	3.0	3.5	5.6	4.9	11.6	12.2	12.8	14.0	16.8	17.8	18.0	18.0	5.0	12.7	17.7	19.0
	74%	-4%	97%	73%	288%	250%	129%	186%	45%	46%	41%	29%	126%	153%	39%	7.6%



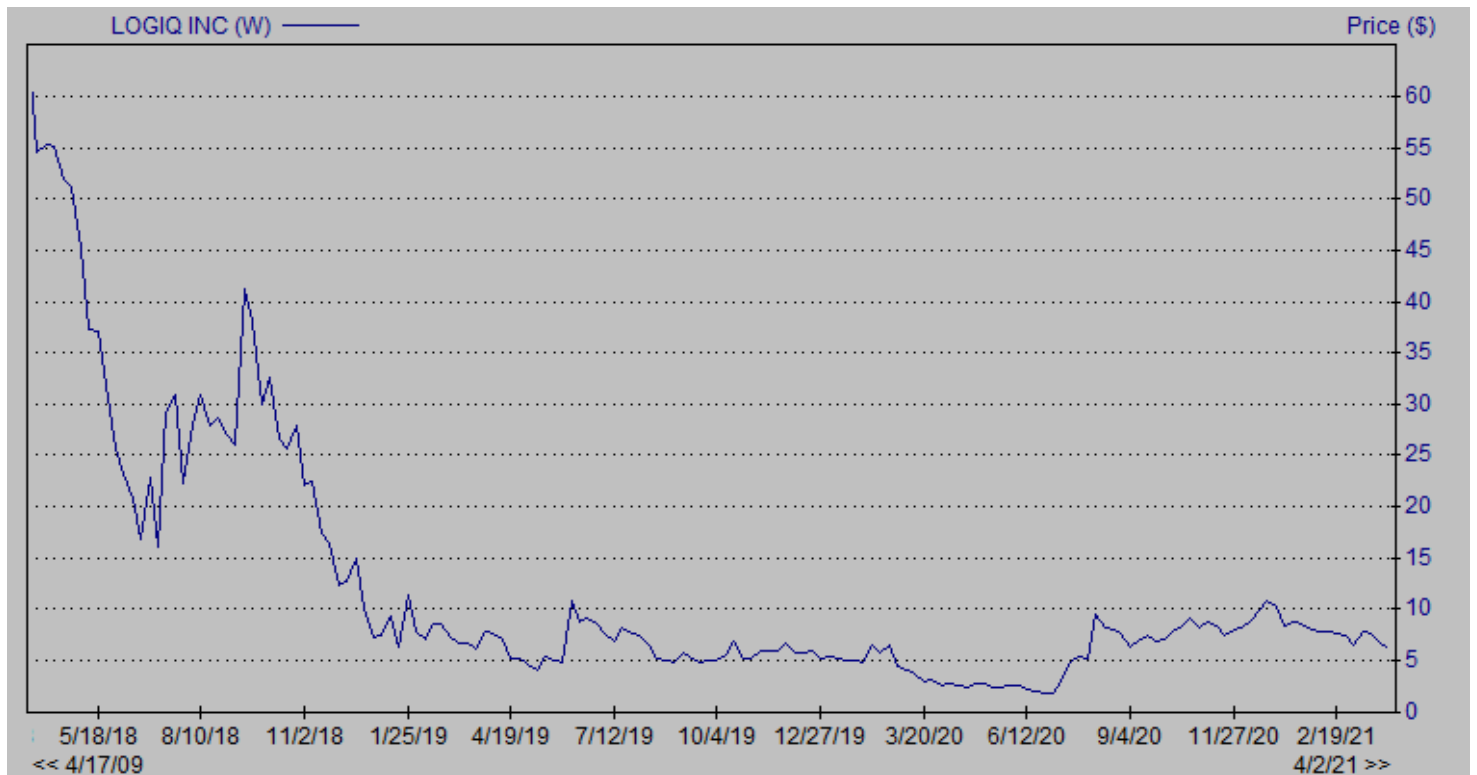
## BALANCE SHEET

	Dec. 31, 2020	Sept. 30, 2020	Qtr-Qtr % Change	Dec. 31, 2019	Yr-Yr % Change
<b>Current assets</b>					
Cash and equivalents	\$3,478,889	\$4,847,284	-28%	\$4,847,284	-28%
Restricted cash	10,889	0	NM	0	NM
Amount due from associate	\$5,673,700	\$5,023,700	13%	\$5,023,700	13%
Accounts receivable, net	2,618,494	1,567,852	67%	1,567,852	67%
Right to use assets - operating lease	364,234	0	NM	0	NA
Other amount recoverable	0	49,550	-100%	49,550	-100%
Prepayment deposits and other receivables	206,443	121,723	70%	121,723	70%
Financial assets held for resale	594,263	996,414	-40%	996,414	-40%
Total current assets	12,946,912	12,606,523	3%	12,606,523	3%
Intangible assets, net	11,736,540	7,657,848	53%	7,657,848	53%
Property and equipment, net	178,561	190,202	-6%	190,202	-6%
Goodwill	5,078,090	4,781,208	6%	4,781,208	6%
Total non-current assets	16,993,191	12,629,258	35%	12,629,258	35%
<b>TOTAL ASSETS</b>	29,940,103	25,235,781	19%	25,235,781	19%
<b>Current liabilities</b>					
Accounts payable, accruals & other	1,009,204	961,310	5%	961,310	5%
Accruals and other payables	1,110,732	917,571	21%	917,571	21%
Deferred revenue	46,857	0	NM	0	NM
Lease liability - operating lease	364,234	0	NM	0	NM
Deposits received for shares to be issued	0	2,235,184	-100%	2,235,184	-100%
Convertible promissory notes	2,911,000	2,911,000	0%	2,911,000	0%
Amount due to director	77,500	77,500	0%	77,500	0%
Total current liabilities	5,519,527	7,102,565	-22%	7,102,565	-22%
Long term loan	10,000	10,000	0%	10,000	0%
Notes payable	507,068	503,700	1%	503,700	1%
Total non-current liabilities	517,068	513,700	1%	513,700	1%
<b>TOTAL LIABILITIES</b>	6,036,595	7,616,265	-21%	7,616,265	-21%
<b>Stockholder's equity</b>					
Common stock	1,556	17,167	-91%	17,167	-91%
Additional paid-in capital	66,739,895	58,301,051	14%	58,301,051	14%
Capital reserves	19,285,383	14,282,143	35%	14,282,143	35%
Accumulated deficit	(62,123,326)	(54,980,845)	13%	(54,980,845)	13%
Total stockholders' equity	23,903,508	17,619,516	36%	17,619,516	36%
<b>Total liabilities and stockholders' equity</b>	\$29,940,103	\$25,235,781	19%	\$25,235,781	19%
Current/Quick ratio	2.3	1.8	32%	1.8	32%
Working Capital	6,910,317	4,990,258	38%	4,990,258	38%
Net Cash as % of assets	12%	19%	-39%	19%	-39%
Cash per share	\$0.20	\$0.35	-44%	\$0.27	-28%
Debt	\$3,505,568	\$3,502,200	0%	\$3,502,200	0%
Debt % of assets	11.7%	13.9%	-16%	13.9%	-16%

# 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	3 Months Ended 31-Dec-20	Year 2020
<b>Cash Flows from Operating Activities:</b>										
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)	\$ (7,142,482)	\$ (14,509,669)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>										
Depreciation of property & eqt.	0	0	0	0	0	11,641	11,641	11,642	11,641	46,565
Amortization of intangibles	25,483	25,484	25,483	25,483	101,933	437,983	437,984	443,783	599,730	1,919,480
<b>Changes in operating assets and liabilities:</b>										
Intangible assets					0	0	0	(116,000)	116,000	0
Trade and other receivables	0	0	(34,500)	12,205	(22,295)	(551,083)	(362,538)	54,822	587,750	(271,049)
Due from associate	(189,550)	(403,700)	(570,000)	(800,450)	(1,963,700)	(925,000)	(573,000)	(700,000)	2,198,000	0
Other amounts recoverable	0	0	0	(549,550)	(549,550)	0	0	0	0	0
Prepayments	0	0	0	1,562,262	1,562,262	(35,622)	(105,210)	1,672,732	(1,623,564)	(91,664)
Accounts payable	0	0	(79,417)	76,073	(3,344)	27,356	663,182	(96,319)	48,174	642,393
Accrued liabilities	136,174	(92,967)	(43,207)	0	0	(178,268)	280,687	92,606	210,322	405,347
Deferred revenue						0	0	0	(9,101)	(9,101)
Bank loan	0	0	0	500,000	500,000	0	0	0	0	0
Stock subscription payable	0	0	1,898,726	(1,898,726)	0	0	0	0	0	0
Due from director	19,000	0	0	(19,000)	0	0	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)	(5,003,529)	(11,867,698)
<b>Cash Flows from Investing Activities:</b>										
Purchase of intangible assets						0	0	0	(116,000)	-116,000
Financial assets held of resale - sales	0	0	0	(2,730,363)	(2,730,363)	(90,262)	2,820,625	3,586	(597,849)	2,136,100
Financial assets held of resale - purchase	0	0	0	0	0	0	0	(1,000,000)	1,000,000	0
Net cash acq. In acquisition	0	0	0	0	0	574,572	(574,572)	0	0	0
Net restricted cash acq. In acquisition	0	0	0	0	0	1,025,000	574,572	0	77,396	1,676,968
Net cash used in investing activities	0	0	0	(2,730,363)	(2,730,363)	1,509,310	2,820,625	(996,414)	363,547	3,697,068
<b>Financing Activities:</b>										
Advances to associate						0	0	0	(2,848,000)	(2,848,000)
Repayment of bank loan	0	0	0	0	0	1,490,000	(1,990,000)	0	0	(500,000)
Borrowings under long term loan	0	0	0	0	0	0	10,000	0	0	10,000
Proceeds from convert promissory notes						0	0	2,911,000	0	2,911,000
Proceeds from note payable	0	0	0	0	0	0	503,700	0	3,368	507,068
Proceeds from shares to be issued	104,950	4,733,351	(4,838,301)	0	0	1,407,506	74,979	752,699	(2,235,184)	0
Proceeds from stock issuance	585,640	1,325,666	5,239,582	4,737,149	11,888,037	668,287	(258,388)	(164,500)	8,362,292	8,607,691
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	3,282,476	8,687,759
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	4,847,284	2,972,649
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	3,489,778	3,489,778
<b>Non-cash investing and financing activities:</b>										
Issuance of stock for services received	373,640	873,416	286,348	734,375	2,267,779	668,286	(258,387)	(100,319)	1,704,643	2,014,223
Cash flow	\$ (35,747)	\$ (2,142,296)	\$ 116,429	\$ (4,854,766)	\$ (6,916,380)	\$ (2,363,468)	\$ (1,225,921)	\$ (2,423,125)	\$ (6,531,111)	\$ (12,543,624)
Free cash flow	\$ (35,747)	\$ (2,142,296)	\$ 116,429	\$ (7,585,129)	\$ (9,646,743)	\$ (854,158)	\$ 1,594,704	\$ (3,419,539)	\$ (6,167,564)	\$ (8,846,556)

## HISTORICAL STOCK PRICE



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