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Zacks Small-Cap Research

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Logiq Inc. (OTCQX: LGIQ)

Even Without AppLogiq, Logiq Remains Undervalued

Based on comparable valuations of its peers at 2.8 times enterprise value to sales we believe Logiq's stock is worth approximately $2.95 per share.

Current Price (04/01/22)	$0.85
Valuation	**$2.95**

OUTLOOK

Logiq Goes Post Spin Off Record Date. Management is spinning off the AppLogiq business into a separate public company and the record date has passed, leaving new shareholders with only the DataLogiq digital marketing business. We are revaluing the stock based on the remaining business.

Logiq is a US provider of a digital marketing services to help businesses target potential customers. We expect the stock valuation to increase through improved profitability, revenue growth, and acquisitions.

SUMMARY DATA

52-Week High	**$7.05**
52-Week Low	**$0.85**
One-Year Return (%)	**-86**
Beta	**2.1**
Average Daily Volume (sh)	**46,690**
Shares Outstanding (mil)	**32.1**
Market Capitalization ($mil)	**$27.3**
Short Interest Ratio (days)	**0.2**
Institutional Ownership (%)	**0**
Insider Ownership (%)	**4.4**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**28.7**
Earnings Per Share (%)	**N/M**
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-Value**
Industry	**Digital Marketing**

ZACKS ESTIMATES

Revenue (as reported)
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	15.0 A	9.3 A	7.0 A	6.6 A	37.9 A
2021	8.1 A	8.3 A	7.8 A	13.1 A	37.3 E
2022	9.5 E	12.5 E	9.0 E	12.0 E	43.0 E
2023					50.0 E

EPS

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	-$0.24 A	-$0.14 A	-$0.23 A	-$0.51 A	-$1.14 A
2021	-$0.25 A	-$0.27 A	-$0.25 A	-$0.20 A	-$0.95 A
2022	-$0.39 E	-$0.29 E	-$0.09 E	-$0.03 E	-$0.55 E
2023					-$0.03 E

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WHAT'S NEW

DataLogiq is What New Shareholders Are Buying Post Record Date

The spin-off of Logiq's AppLogic business is proceeding, and we are now in the period that is after the record date to qualify for the spin off, and before the spin off actually occurs. On January 27th, Logiq completed the transfer of its AppLogiq assets into Lovarra (OTC: LOVA), a fully reporting U.S. public company. It expects distribution of 100% of that entity to shareholders of record as of December 31, 2021 by July 27, 2022. New shareholders are now buying only the DataLogiq business. Logiq will continue to report the results of the combined company for the next two quarters. The spin-off will occur in July, after which the two companies will be separately reporting public companies. AppLogiq is awaiting SEC approval to change its name and ticker to GoLogiq from "Lovarra".

The stock of Logiq now is a holding in a US-based digital marketing company that just reported revenues of for 2021 of $23.0 million in revenues versus $15.2 million in 2020 (up 52%) and gross margin of $6.5 million or 28% up from $2.7 million in 2020 at 17.8% gross margin. For 2022 we expect DataLogiq to grow to $33 million in revenues organically and inorganically based on acquisitions that have already occurred. The company has other plans in the pipeline that could move that number much higher. We expect the business to reach cash flow breakeven in early 2023, or even by the end of 2022. Valued against its peers, we believe stock in Logiq is now worth $2.95 per share based on an EV to 2022 estimated sales ratio of 2.8 times.

Logiq Completes Battle Bridge Acquisition and Reports Q4 2021

On Thursday, Logiq's DataLogiq business completed the acquisition of certain assets of the Battle Bridge Labs companies, a Tulsa, Oklahoma-based digital brand marketing agency for $3.36 million comprised of $250,000 in cash and $3 million in stock (approximately 3 million shares). Battle Bridge provides digital brand marketing services including pay-per-click management, social media marketing, funnel creation and optimization, SEO, web design, conversion optimization and more. It is a certified partner of Google, Shopify, Bing ads, and IMA. Battle Bridge is expected to generate approximately $3.8 million in revenue and $1.4 million in EBITDA over the next twelve months. Battle Bridge brings new customers, new verticals, and greater creative capabilities to Logiq. Battle Bridge focused on Facebook and Google ads so Logiq will be able to bring its customers programmatic ad buys in addition.

COMBINED RESULTS

Logiq Closes Out its Transition Year with $37.3 Million in Revenues, and Almost Double the Gross Margins

For the year Logiq (the combined company) reported revenues of $37.3 million a decline of 1.5%, but its model transition resulted in an almost doubling of gross margin to 29.6% versus 16.8% in 2020. The company will only be reporting as a combined company for the next two quarters until AppLogiq (to be renamed GoLogiq) is spun off. Our model reflects two quarters combined and the last two with only DataLogiq.

Combined Q4 2021 Results

For Q4 2021, Logiq reported $12.3 million in revenues versus $6.7 million a year ago, up 87%. AppLogiq revenues were $4.0 compared to $2.1 million in Q4 2020, up 90% and up 40% sequentially. AppLogiq margins were 3x.x% versus 25.6% a year ago, and up from 31.7% Q3 2021. DataLogiq generated $8.3 million in the quarter compared to $4.5 million last year, up 33%. Sequentially total revenues increased 57% as both companies were in seasonally strong periods. For DataLogiq Medicare Open Enrollment started

October 15th and extends to December 7th and is a big revenue generator for the company. As a result, we expect revenues to be sequentially down in Q1 2022.

Gross margin increased in Q4 2021 to $4.1 million from $1.4 million, or 194%. The margin percentage improved to 31.0% from 21.1% last year mostly from the revamp of the CreateApp sales model.

Operating expenses increased to $9.4 million from $8.5 million in Q4 2020. Stock-based compensation expenses for the three months ended December 31, 2021 and 2020 was $33,309 and $1,704,643, respectively.

Pretax income, net income and income to common shareholders were all a loss of $5.3 million in Q4 2021 versus a loss of $7.1 million in Q4 2020. This resulted in a GAAP loss per share of $0.20 versus a loss per share of $0.51. Primary shares outstanding for the year increased 79% to 25 million.

On a non-GAAP basis, taking out stock-based compensation the loss was $5.3 million compared to $5.4 million a year ago and loss per share of $0.21 versus $0.39. On March 29, 2022 there were 26.2 million shares outstanding.

Balance Sheet

As of December 31, 2021, Logiq had $1.6 million in cash and no debt. Its current ratio is 3.0 times and it had $9.0 million in working capital. The company had negative operating cash flow for the quarter of $4.2 million (not including changes in working capital). Since the quarter ended, the company sold $3 million of stock for cash at approximately $1 per share. It also purchased assets of Battle Bridge for $3.36 million comprised of $250,000 in cash and $3 million in stock (approximately 3 million shares). Post these transactions, the company now has approximately 32.1 million shares outstanding.

KEY POINTS

- Logiq has two business segments named *AppLogiq* and *DataLogiq* that are about to be separated into two companies. 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. New shareholders are only buying stock in the DataLogiq business.

- DataLogiq was created when Logiq bought PUSH Interactive for $25 million in stock in 2020. This was augmented with acquisitions of Fixel AI, last March's purchase of Rebel AI, and the recent buy of Battle Bridge.

- 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.

- DataLogiq has positioned itself as The Trade Desk for SMBs, affording smaller entities similar digital marketing capabilities as The Trade Desk without the high minimums and costs. It had a large business in sales lead generation and its largest verticals are insurance (particularly Medicare) and home improvement leading to some seasonality in revenues.

- Last year the company listed on the Canadian NEO exchange. From there it will seek a NASDAQ or NYSE exchange listing making the stock more marketable to US investors. It has already applied and meets all the criteria except stock price.

- Versus other companies in its space, Logiq is undervalued. It currently trades at $23 million enterprise value or 0.7 times estimated 2022 sales of $33million. Its peers trade at blended 2.8 times. We believe its valuation will improve as it continues to grow and decreases cash burn. Splitting the company in two should also unlock value.

OVERVIEW

Logiq is now solely a mobile marketing SaaS provider, based in NYC, with operations in California, Colorado, and Minneapolis. Its business, named "DataLogiq" was created from the enterprise that was formerly PUSH Interactive and had been owned by ConversionPoint. It then acquired Fixel, Rebel AI and Battle Bridge to augment its capabilities and expand its customer base. It currently has approximately 45 employees located in New York, Colorado, Minnesota, and with its Battle Bridge acquisition, Texas and Oklahoma. It does also has some contract development work done overseas.

VALUATION

As the record date for the spin-off of AppLogiq has already passed, what shareholders are now buying is only the DataLogiq. The following table shows public companies that would be comparables in the digital marketing business.

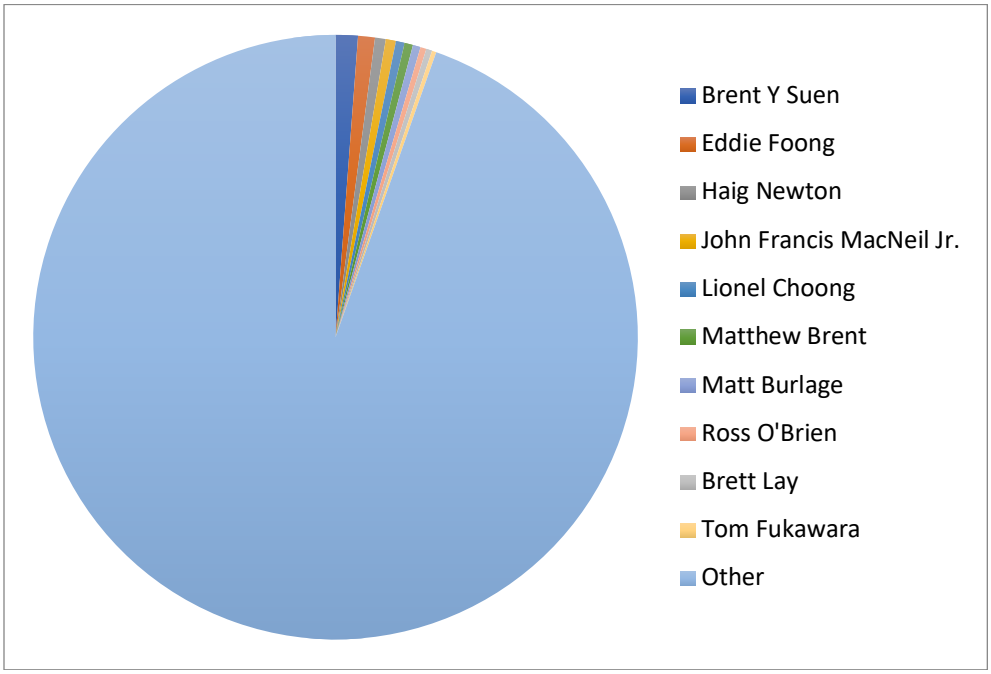
			Revenue		TTM		Enterprise Value / Sales		EV/	Included	Enterprise
Company	**Ticker**	**2023E**	**2022E**	**LTM**	**EBITDA**	**2023E**	**2022E**	**LTM**	**EBITDA**	**Average?**	**Value**
AcuityAds	ATY	$140	$117	$122	$10	0.8x	1.0x	0.9x	11.5x	y	114
Inuvo	INUV	$97	$79	$60	-$5	0.5x	0.6x	0.8x	-8.6x	y	46
Kubient	KBNT	$18	$8	$3	-$8	-0.2x	-0.4x	-1.1x	NA	n	(3)
LiveRamp	RAMP	NA	$606	$506	-$63	NA	3.5x	4.2x	-34.0x	y	2,128
QuinStreet	QNST	NA	$646	$589	$24	NA	0.8x	0.9x	22.2x	y	538
TechTarget	TTGT	$357	$313	$263	$55	7.2x	8.2x	9.8x	46.4x	y	2,570
The Trade Desk	TTD	$2,000	$1,580	$1,120	$289	17.2x	21.8x	30.7x	119.2x	n	34,398
Average						**2.8x**	**2.8x**	**3.3x**			**1,321**

The multiples in these businesses have again come down significantly since our last valuation. To be conservative, we take out the high The Trade Desk, and also throw out the low, Kubient. Taking DataLogiq's 2022 estimated revenues of $33 million and the EV to sales average of 2.8 times, we get an enterprise value of $92 million a market value of $94. Using its current share count of 32.1 million we get a price per share of approximately $2.95.

RISKS

- The company is frequently acquiring companies and integration may be more difficult than expected and yield less synergy than expected. The acquisitions also may not perform as expected.
- Logiq operates in a variety of geographic locations, 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
- The expected spin off of AppLogiq may not happen or occur at the current expected time.

OWNERSHIP



INCOME STATEMENT

DataLogiq Only

	Q1 2020 31-Mar	Q2 2020 30-Jun	Q3 2020 30-Sep	Q4 2020 31-Dec	Q1 2021 31-Mar	Q2 2021 30-Jun	Q3 2021 30-Sep	Q4 2021 31-Dec	Q1 2022E 31-Mar	Q2 2022E 30-Jun	Q3 2022E 30-Sep	Q4 2022E 31-Dec	2020	2021	2022	2023E
DataLogiq	3,195,651	3,661,565	3,823,959	4,470,646	5,639,184	5,469,392	4,976,710	6,930,284	5,000,000	7,000,000	9,000,000	12,000,000	15,151,821	23,006,480	33,000,000	50,000,000
Yr-to-yr Growth	NA	NA	NA	NA	76%	49%	30%	55%	-11%	28%	81%	73%	NA	51.8%	43.4%	51.5%
Cost of revenues	2,642,479	3,094,890	3,100,829	3,614,535	4,147,708	3,918,666	3,573,278	4,867,876	3,450,000	4,760,000	6,030,000	7,920,000	12,452,858	16,502,918	22,176,000	30,000,000
Gross Margin	553,172	566,675	723,130	856,111	1,491,476	1,550,726	1,403,432	2,062,408	1,550,000	2,240,000	2,970,000	4,080,000	2,698,963	6,503,562	10,824,000	20,000,000
GM %	17.3%	15.5%	18.9%	19.1%	26.4%	28.4%	28.2%	29.8%	31.0%	32.0%	33.0%	34.0%	17.8%	28.3%	32.8%	40.0%
Operating expenses:																
General and administration	NA	NA	NA	1,292,050	NA	NA	NA	2,876,548	3,900,000	3,900,000	NA	NA	4,383,681	8,932,627	NA	12,500,000
R&D	NA	NA	NA	112,707	NA	NA	NA	122,045	3,400,000	3,400,000	NA	NA	290,791	682,564	NA	1,500,000
Sales & Marketing	NA	NA	NA	169,037	NA	NA	NA	1,098,004	1,100,000	1,100,000	NA	NA	407,284	2,174,183	NA	4,000,000
Depreciation & Amortization	NA	NA	NA	580,088	NA	NA	NA	999,647	999,647	999,647	800,000	800,000	1,852,512	3,657,003	3,600,000	3,800,000
Total operating expenses	NA	NA	NA	2,153,882	NA	NA	NA	5,096,244	9,399,647	9,399,647	5,000,000	5,000,000	6,934,268	15,446,377	20,000,000	21,800,000
Operating income:	NA	NA	NA	(1,297,771)	NA	NA	NA	(3,033,836)	(7,849,647)	(7,159,647)	(2,030,000)	(920,000)	(4,235,305)	(8,942,815)	(9,176,000)	(1,800,000)
Operating margin	NA	NA	NA	-29.0%	NA	NA	NA	-43.8%	-157.0%	-102.3%	-22.6%	-7.7%	-28.0%	-38.9%	-27.8%	-3.6%
Total other income	NA	NA	NA	(5,780)	NA	NA	NA	18,478	-	-	-	-	(260,389)	551,447	0	0
Income before income taxes	NA	NA	NA	(1,303,551)	NA	NA	NA	(3,015,358)	(7,849,647)	(7,159,647)	(2,030,000)	(920,000)	(4,495,694)	(8,391,368)	(9,176,000)	(1,800,000)
Pretax Margin	NA	NA	NA	-29.2%	NA	NA	NA	-43.5%	(7,849,647)	(7,159,647)	(2,030,000)	(920,000)	-29.7%	-36.5%	-27.8%	-3.6%
Income tax	NA	NA	NA	0	NA	NA	NA	0	0	0	0	0	0	0	0	0
Tax rate	NA	NA	NA	0%	NA	NA	NA	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net income	NA	NA	NA	(1,303,551)	NA	NA	NA	(3,015,358)	(7,849,647)	(7,159,647)	(2,030,000)	(920,000)	(4,495,694)	(8,391,368)	(9,176,000)	(1,800,000)
EPS	NA	NA	NA	**$ (0.09)**	NA	NA	NA	**$ (0.12)**	**$ (0.30)**	**$ (0.22)**	**$ (0.06)**	**$ (0.03)**	**-$0.35**	**-$0.40**	**-$0.30**	**-$0.05**
Shares Basic & diluted	11.6	12.2	12.8	14.0	16.3	18.6	23.4	25.0	26.2	32.1	32.1	32.1	12.7	21.2	30.6	33.0
					41%	52%	83%	79%	61%	73%	37%	28%	153%	67%	44.4%	7.8%
Adjusted EBITDA								(2,001,189)	(6,850,000)	(6,160,000)	(1,230,000)	(120,000)	(2,382,793)	(5,285,812)	(4,576,000)	3,000,000
Yr-to-yr Growth												-94%		122%	14.2%	14.2%

Combined Company (As Reported)

	Q1 2020 31-Mar	Q2 2020 30-Jun	Q3 2020 30-Sep	Q4 2020 31-Dec	Q1 2021 31-Mar	Q2 2021 30-Jun	Q3 2021 30-Sep	Q4 2021 31-Dec	Q1 2022E 31-Mar	Q2 2022E 30-Jun	Q3 2022E 30-Sep	Q4 2022E 31-Dec	2020	2021	2022	2023E
AppLogiq	11,785,743	5,653,495	3,206,346	2,100,000	2,441,128	2,843,685	2,849,539	6,206,027	4,500,000	5,500,000	-	-	22,758,572	14,340,379	10,000,000	
Yr-to-yr Growth	39%	-21%	-64%	-79%	-79%	-50%	-11%	196%	84%	93%	-100%	-100%	-34.3%	-37.0%	-30.3%	
Gross Margin	2,091,960	652,979	387,327	537,600	734,780	901,000	903,684	2,013,756	1,485,000	1,815,000	-	-	3,664,482	4,553,220	3,500,000	
GM %	17.7%	11.6%	12.1%	25.6%	30.1%	31.7%	31.7%	32.4%	33.0%	33.0%	33.0%	33.0%	16.1%	31.8%	35.0%	
DataLogiq	3,195,651	3,661,565	3,823,959	4,483,634	5,639,184	5,460,302	4,976,710	6,930,284	5,000,000	7,000,000	9,000,000	12,000,000	15,151,821	23,006,480	33,000,000	50,000,000
Yr-to-yr Growth	NA	NA	NA	NA	76%	49%	30%	55%	-11%	28%	81%	73%	NA	51.8%	43.4%	51.5%
Gross Margin	553,172	566,675	723,130	850,602	1,491,476	1,550,726	1,403,432	2,062,408	1,550,000	2,240,000	2,970,000	4,080,000	2,698,963	6,508,042	10,840,000	20,000,000
GM %	17.3%	15.5%	18.9%	19.0%	26.4%	28.4%	28.2%	29.8%	31.0%	32.0%	33.0%	34.0%	17.8%	28.3%	32.8%	40.0%
Total revenue	**14,981,394**	**9,315,060**	**7,030,305**	**6,583,634**	**8,080,312**	**8,303,987**	**7,826,249**	**13,136,311**	**9,500,000**	**12,500,000**	**9,000,000**	**12,000,000**	**37,910,393**	**37,346,859**	**43,000,000**	**50,000,000**
Yr-to-yr Growth	76%	30%	-22%	-34%	-46%	-11%	11%	100%	18%	51%	15%	-9%	9.4%	-1.5%	15.1%	16.3%
Cost of services	12,336,262	8,095,406	5,919,848	5,195,432	5,854,056	5,855,138	5,520,862	9,060,147	6,465,000	8,445,000	6,030,000	7,920,000	31,546,948	26,290,203	28,660,000	30,000,000
Gross profit	2,645,132	1,219,654	1,110,457	1,388,202	2,226,256	2,448,849	2,305,387	4,076,164	3,035,000	4,055,000	2,970,000	4,080,000	6,363,445	11,056,656	14,340,000	20,000,000
Gross Margin	17.7%	13.1%	15.8%	21.1%	27.6%	29.5%	29.5%	31.0%	31.9%	32.4%	33.0%	34.0%	16.8%	29.6%	33.3%	40.0%
Operating expenses:																
General and administration	3,202,042	1,180,246	1,968,763	4,643,764	4,144,365	4,992,774	5,159,813	3,869,768	3,900,000	3,900,000	NA	NA	10,994,815	18,166,721	NA	12,500,000
R&D	1,757,351	900,844	1,018,389	2,568,120	1,103,137	1,459,535	1,447,567	3,390,493	3,400,000	3,400,000	NA	NA	6,244,704	7,400,732	NA	1,500,000
Sales & Marketing	53,015	99,262	544,970	726,662	369,261	351,992	477,226	1,098,004	1,100,000	1,100,000	NA	NA	1,423,909	2,296,483	NA	3,000,000
Depreciation & Amortization	449,624	449,625	455,424	611,372	689,345	1,030,931	1,030,932	1,030,932	1,030,932	1,030,932	800,000	800,000	1,966,045	3,782,136	3,661,864	3,800,000
Total operating expenses	5,462,032	2,629,977	3,987,546	8,549,918	6,306,108	7,835,232	8,115,538	9,389,197	9,430,932	9,430,932	5,000,000	5,000,000	20,629,473	31,646,072	28,861,864	20,800,000
Operating income:	(2,816,900)	(1,410,323)	(2,877,089)	(7,161,716)	(4,079,852)	(5,386,383)	(5,810,151)	(5,313,033)	(6,395,932)	(5,375,932)	(2,030,000)	(920,000)	(14,266,028)	(20,589,416)	(14,521,864)	(800,000)
Operating margin	-18.8%	-15.1%	-40.9%	-108.8%	-50.5%	-64.9%	-74.2%	-40.4%	-67.3%	-43.0%	-22.6%	-7.7%	-37.6%	-55.1%	-33.8%	-1.6%
Other income:																
Other expenses	0	(265,223)	(2,868)	(24,676)	0	0	0	0	0	0	0	0	(292,767)	0	0	0
Other income	3,808	0	1,408	43,910	0	421,189	0	0	0	0	0	0	49,126	0	0	0
Total other income	3,808	(265,223)	(1,460)	19,234	(1,897)	421,189	36,740	18,478	(1,897)	0	36,740	0	(243,641)	474,510	0	0
Income before income taxes	(2,813,092)	(1,675,546)	(2,878,549)	(7,142,482)	(4,081,749)	(4,965,194)	(5,773,411)	(5,294,555)	(6,397,829)	(5,375,932)	(1,993,260)	(920,000)	(14,509,669)	(20,114,906)	(14,521,864)	(800,000)
Pretax Margin	-18.8%	-18.0%	-40.9%	-108.5%	-50.5%	-59.8%	-73.8%	-40.3%	-67.3%	-43.0%	-22.1%	-7.7%	-38.3%	-53.9%	-33.8%	-1.6%
Income tax	0	0	0	0	0	0	0	0	0	0	0	0	0	11,881	0	0
Tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net income before non-controlling	(2,813,092)	(1,675,546)	(2,878,549)	(7,142,482)	(4,081,749)	(4,965,194)	(5,773,411)	(5,294,555)	(6,397,829)	(5,375,932)	(1,993,260)	(920,000)	(14,509,669)	(20,126,787)	(14,521,864)	(800,000)
Minority income	0	0	0	0	0	0	100	100	0	0	0	0	0	0	0	0
Income to common shareholders	(2,813,092)	(1,675,546)	(2,878,549)	(7,142,482)	(4,081,749)	(4,965,194)	(5,773,511)	(5,294,655)	(6,397,829)	(5,375,932)	(1,993,260)	(920,000)	(14,509,669)	(20,126,787)	(14,521,864)	(800,000)
Non-GAAP net income	(957,332)	(1,933,933)	(2,978,868)	(5,437,839)	(1,967,961)	(2,779,555)	(5,204,906)	(5,261,246)	(4,284,041)	(2,769,104)	(1,424,755)	486,828	(11,985,057)	(15,213,668)	(14,521,864)	(800,000)
Net income per share:																
EPS	**-$0.24**	**-$0.14**	**-$0.23**	**-$0.51**	**-$0.25**	**-$0.27**	**-$0.25**	**-$0.20**	**-$0.39**	**-$0.29**	**-$0.09**	**-$0.03**	**-$1.14**	**-$0.95**	**-$0.55**	**-$0.03**
Non-GAAP EPS	-$0.08	-$0.16	-$0.23	-$0.39	-$0.12	-$0.15	-$0.22	-$0.21	-$0.16	-$0.09	-$0.04	$0.02	-$1.14	-$0.72	-$0.47	-$0.03
Yr-to-yr Growth	820%	-67%	21%	-50%	46%	-5%	-5%	-46%	36%	-42%	-80%	-107%	11%	11%	-34.0%	-93.3%
Shares Basic & diluted	11.6	12.2	12.8	14.0	16.3	18.6	23.4	25.0	26.2	32.1	32.1	32.1	12.7	21.2	30.6	25.0
	288%	250%	129%	186%	41%	52%	83%	79%	61%	73%	37%	28%	153%	67%	44.6%	-18.4%
Adjusted EBITDA	(511,516)	(1,219,085)	(2,521,984)	(4,845,701)	(1,276,719)	(2,855,452)	(3,372,391)	(4,249,101)	(5,365,000)	(4,345,000)	(1,230,000)	(120,000)	(12,299,983)	(16,807,280)	(9,860,000)	4,000,000
Yr-to-yr Growth	NM	58%	215%	61%	NM	-470%	559%	249%	320%	52%	-64%	-97%	90%	37%	14.2%	14.2%

BALANCE SHEET

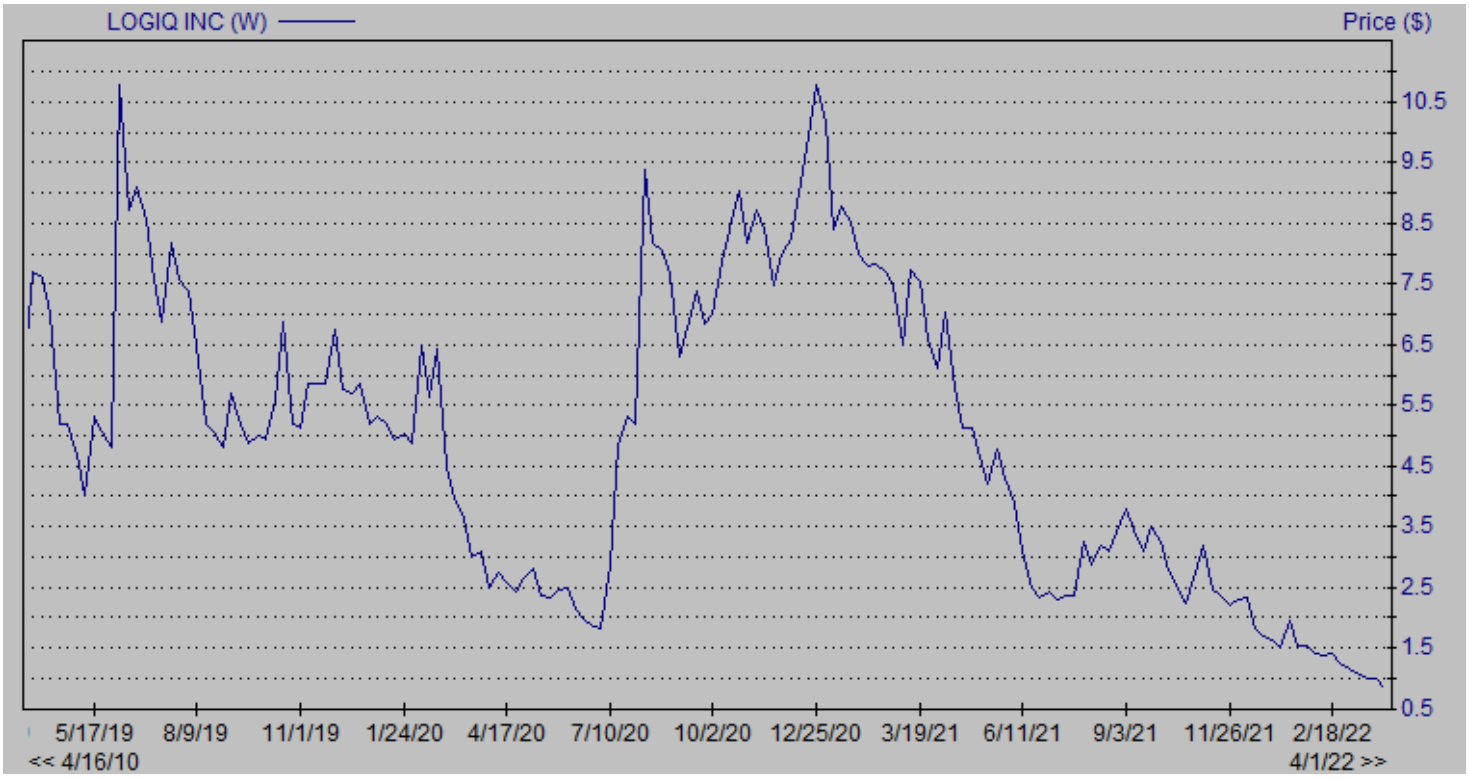
	Dec. 31, 2021	Sept 30, 2021	Qtr-Qtr % Change	Dec. 31, 2020	Yr-Yr % Change
Current assets					
Cash and equivalents	**$1,563,752**	**$5,340,480**	-71%	**$3,478,889**	10%
Restricted cash	**22,513**	**21,682**	4%	**10,889**	NM
Amount due from associate	7,208,700	6,952,700	4%	$5,673,700	38%
Accounts receivable, net	3,966,086	3,148,244	26%	2,618,494	101%
Right to use assets - operating lease	91,571	91,571	0%	364,234	NM
Prepayment deposits and other rec.	804,011	969,769	-17%	206,443	697%
Financial assets held for resale	681	681	0%	594,263	-100%
Total current assets	13,657,314	16,525,127	-17%	12,946,912	31%
Intangible assets, net	14,797,196	15,814,398	-6%	11,736,540	107%
Property and equipment, net	153,973	167,700	-8%	178,561	-12%
Goodwill	5,577,926	5,577,926	0%	5,078,090	17%
Total non-current assets	20,529,095	21,560,024	-5%	16,993,191	71%
TOTAL ASSETS	34,186,409	38,085,151	-10%	29,940,103	51%
Current liabilities					
Accounts payable, accruals & other	2,293,858	2,181,496	5%	1,009,204	127%
Accruals and other payables	1,804,131	1,438,993	25%	1,110,732	57%
Deferred revenue	10,500	14,198	-26%	46,857	NA
Lease liability - operating lease	91,571	91,571	0%	364,234	NA
Dep. received for shares to be issued	401,028	0	NA	0	NA
Convertible promissory notes	**0**	**0**	0%	**2,911,000**	-100%
Amount due to director	0	0	0%	77,500	-100%
Total current liabilities	4,601,088	3,726,258	23%	5,519,527	-48%
COVID loan	10,000	10,000	0%	0	NA
Long term loan	0	0	0%	10,000	-100%
Notes payable	0	0	0%	507,068	-100%
Total non-current liabilities	10,000	10,000	0%	517,068	-98%
TOTAL LIABILITIES	4,611,088	3,736,258	23%	6,036,595	-51%
Stockholder's equity					
Common stock	2,635	2,624	0%	1,556	-85%
Additional paid-in capital	82,473,004	82,439,706	0%	66,739,895	41%
Capital reserves	29,349,795	28,860,684	2%	19,285,383	102%
Accumulated deficit	(82,250,113)	(76,954,121)	7%	(62,123,326)	40%
Total stockholders' equity	29,575,321	34,348,893	-14%	23,903,508	95%
Total liabilities and stockholders' equity	$34,186,409	$38,085,151	-10%	$29,940,103	51%
Current/Quick ratio	3.0	4.4	-33%	2.3	150%
Working Capital	9,046,226	12,788,869	-29%	6,910,317	156%
Cash	1,586,265	5,362,162	-70%		11%
Net Cash as % of assets	5%	14%	-67%	12%	-27%
Cash per share	$0.10	$0.20	-53%	$0.20	-41%
Debt	$0	$0	0%	$3,505,568	-100%
Debt % of assets	0.0%	0.0%	0%	11.7%	-100%

CASH FLOW

Combined Company

	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	3 Months Ended 31-Mar-21	3 Months Ended 30-Jun-21	3 Months Ended 30-Sep-21	3 Months Ended 31-Dec-21	Year 2021
Cash Flows from Operating Activities:										
Net profit	$ (2,813,092)	$ (1,675,546)	$ (2,878,550)	$ (7,142,482)	$ (14,509,669)	$ (4,081,749)	$ (4,975,635)	$ (5,773,411)	$ (5,295,992)	$ (20,126,787)
Adjustments to reconcile net loss to net cash used in operating activities:										
Depreciation of property & eqt.	11,641	11,641	11,642	11,641	46,565	11,641	13,727	13,729	13,727	52,824
Amortization of intangibles	437,983	437,984	443,783	599,730	1,919,480	677,705	1,017,202	1,017,204	1,017,202	3,729,313
PPP loan forgiveness	0	0	0	0	0	0	(507,068)	0	0	(507,068)
Changes in operating assets and liabilities:										
Intangibile assets	0	0	(116,000)	116,000	0	0	0	0	0	0
Accounts receivable	(551,083)	(362,538)	54,822	587,750	(271,049)	(699,169)	(201,461)	370,880	(817,842)	(1,347,592)
Due from associate	0	(1,498,000)	(700,000)	2,198,000	0	0	0	0	0	0
Other amounts recoverable	0	0	0	0	0	0	0	0	0	0
Prepayments	(35,622)	(105,210)	1,672,732	(1,623,564)	(91,664)	(30,345)	(500,181)	(232,800)	165,757	(597,569)
Accounts payable	27,356	663,182	(96,319)	48,174	642,393	573,371	1,077,255	(478,334)	112,362	1,284,654
Accruals and payables	(178,268)	280,687	92,606	210,322	405,347	1,594,481	(1,302,284)	36,061	365,141	693,399
Deferred revenue	0	0	0	(9,101)	(9,101)	(45,924)	37,182	(23,917)	(3,698)	(36,357)
Bank loan	0	0	0	0	0	0	0	0	0	0
Stock subscription payable	0	0	0	0	0	0	0	0	0	0
Due from director	0	0	0	0	0	0	0	0	0	0
Net cash used in operating activities	(3,101,085)	(2,247,800)	(1,515,284)	(5,003,529)	(11,867,698)	(1,999,989)	(5,341,263)	(5,070,588)	(4,443,343)	(16,855,183)
Cash Flows from Investing Activities:										
Purchase of intangible assets	0	0	0	(116,000)	(116,000)	0	0	0	0	0
Advances to an associate	(925,000)	0	0	(1,923,000)	(2,848,000)	(500,000)	(405,000)	(374,000)	(256,000)	(1,535,000)
Financial assets held for resale - sales	(90,262)	2,820,625	3,586	(597,849)	2,136,100	47,082	546,500	0	0	593,582
Financial assets held of resale -	0	0	(1,000,000)	1,000,000	0	0	0	0	0	0
Net cash acq. In acquisition	574,572	(574,572)	0	0	0	0	0	0	0	0
Net restricted cash acq. In acquisition	1,025,000	574,572	0	77,396	1,676,968	7,736	0	0	0	7,736
Net cash used in investing activities	584,310	2,820,625	(996,414)	363,547	3,697,068	(445,182)	141,500	(374,000)	(256,000)	(933,682)
Financing Activities:										
Repayment of bank loan	1,490,000	(1,990,000)	0	0	(500,000)	0	0	0	0	0
Borrowings under long term loan	0	10,000	0	0	10,000	0	0	0	0	0
Proceeds from convert promissory notes	0	0	2,911,000	0	2,911,000	0	0	0	0	0
Proceeds from note payable	0	503,700	0	3,368	507,068	0	0	0	0	0
Note payable to US Govt CARES act	0	0	0	0	0	1,531	(1,531)	0	0	0
Proceeeds from shares to be issued	1,407,506	74,979	752,699	(2,235,184)	0	1,820,521	(75,856)	(1,744,665)	401,028	401,028
Proceeds from stock issuance	668,287	(258,388)	(164,500)	8,362,292	8,607,691	0	4,287,446	6,763,674	522,420	11,573,540
Proceeds from stock issuance from IPO			0	0	0	0	3,910,784	0	0	3,910,784
Net cash provided by financing	3,565,793	(1,659,709)	3,499,199	6,130,476	11,535,759	1,822,052	8,120,843	5,019,009	923,448	15,885,352
Cash and Cash Equivalents, beginning	2,972,649	4,021,667	3,859,783	4,847,284	2,972,649	6,337,778	5,714,659	5,787,739	5,362,160	3,489,778
Cash and Cash Equivalents, end of	4,021,667	2,934,783	4,847,284	6,337,778	6,337,778	5,714,659	8,635,739	5,362,160	1,586,265	1,586,265
Non-cash investing and financing activities:										
Issuance of stock for services received	668,286	(258,387)	(100,319)	1,704,643	2,014,223	1,525,904	1,406,827	568,505	33,309	3,534,545
Cash flow	$ (1,695,182)	$ (1,484,308)	$ (2,523,444)	$ (4,826,468)	$ (10,529,401)	$ (1,866,499)	$ (2,537,879)	$ (4,173,973)	$ (4,231,754)	$ (12,810,105)
Free cash flow	$ (1,695,182)	$ (1,484,308)	$ (2,523,444)	$ (4,826,468)	$ (10,529,401)	$ (1,866,499)	$ (2,537,879)	$ (4,173,973)	$ (4,231,754)	$ (12,810,105)

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