Zacks Small-Cap Research

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Logiq Inc. (OTCQX: LGIQ)

Logiq Improves Margins and Works to Breake-ven with New Customers and Potential M&A

Based on comparable valuations of its peers at 2.3 times enterprise value to sales we believe Logiq's stock is worth approximately $1.73 per share.

Current Price (8/16/2022)	$0.27
Valuation	**$1.73**

OUTLOOK

Logiq is now a pure play digital marketing company with the spin off the GoLogiq business into a separate public company. Logiq is now only the DataLogiq digital marketing business. The company has just reported its last quarter as a combined company. The remaining company generated $23 million in sales in 2021 and is expected to grow 14% this year to $26 million without acquisitions and reach profitability next year. 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	**4.09**
52-Week Low	**$0.23**
One-Year Return (%)	**-91.4**
Beta	**2.1**
Average Daily Volume (sh)	**63,770**
Shares Outstanding (mil)	**34.6**
Market Capitalization ($mil)	**$9.3**
Short Interest Ratio (days)	**0.2**
Institutional Ownership (%)	**13**
Insider Ownership (%)	**5**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**20.4**
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	**Above Average**
Type of Stock	**Small Value**
Industry	**Digital Marketing**

ZACKS ESTIMATES

Revenue (as reported)
(In millions of US$)

	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 A
2022	$8.1 A	$4.9 A	$6.0 E	$12.0 E	$31.1 E
2023					$33.9 E

Earnings per Share

	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	-$0.15 A	-$0.20 A	-$0.09 E	-$0.03 E	-$0.41 E
2023					-$0.24 E

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WHAT'S NEW

Logiq just announced its last quarter as a combined company with GoLogiq. Since the current shares trading as LGIQ own only the business called DataLogiq, we need to evaluate and discuss that business. Going forward (Q3 and beyond) that will be the reporting business. On July 27, 2022, after this second quarter ended, Logiq completed its distribution of GoLogiq (OTC: GOLQ).

The numbers on page one of this report reflect revenues and earnings as they were reported and we expect them to be reported—with Q2 being the last of the combined company and Q3 and Q4 being only DataLogiq. When Q3 is reported we will change all the numbers to those of DataLogiq alone. For DataLogiq only numbers now, refer to forecasts at the back of this report. For 2022, we expect the DataLogiq business by itself to generate $26 million in revenues up from $23 million last year.

Logiq's current guidance is revenue for 2022 to be $40 million to $50 million, reaching breakeven EBITDA by the end of 2022, and attaining profitability in early 2023 if planned M&A activity and new customer wins occur as expected. The minimum $40 million would be a sum of the four quarters as they have been reported--meaning two quarters of the combined company, and two of DataLogiq alone. In our forecast we are just counting M&A activity that has already closed and organic growth which is why we are projecting only $31 million for the year. As acquisitions happen, we will add them to our forecast.

DataLogiq, the only entity in Logiq, is US-based digital marketing business. DataLogiq is generating 95% of its revenues from four main verticals (insurance, solar, home improvement and political and ancillary.) It caters to smaller businesses and plans to pursue new verticals where smaller businesses prevail as well as industries that are regulated.

DataLogiq Q2 Results

For Q2 2022, DataLogiq reported $3.3 million in revenues, down 39% from $5.5 million in Q2 2021. The decrease in revenues is primarily due to a regulatory change in Medicare advertising. The industry took a slight pause to add new disclosure requirements and get newly required government approvals to advertise. Medicare Open Enrollment starts October 15th and extends to December 7th and is a big revenue generator for DataLogiq. Revenues were also sequentially down from Q1 2022 as expected.

Gross margin was down in dollars to $1.1 million compared to $1.6 million last year. The margin percentage however increased to 31.9% from 28.4% last year due to the change in its approach to sales leads which are increasingly more direct, cutting out middlemen that take margin.

Operating expenses increased to $5.1 million from $2.7 million in Q1 2021, with G&A being the bulk of the increase. In Q2 were some one-time expenses from the Battle Bridge acquisition. Depreciation and amortization was flat with a year ago and Q1 2022.

Pretax income, net income and income to common shareholders were all a loss of $4.0 million in Q2 2022 versus a loss of $1.3 million in Q2 2021. Q2 2021 would have shown a loss of $1.8 million were it not for the $494,353 forgiveness of a government PPP loan. This resulted in a GAAP loss per share of $0.12 versus a loss per share of $0.07. Primary shares outstanding for the year increased 76% to 32.6 million.

Combined Q2 2022 Results

For Q2 2022, Logiq reported $4.9 million in revenues versus $8.3 million in 2021. GoLogiq revenues were $1.6 compared to $2.8 million in Q2 2021, down 44% year over year. GoLogiq margins were 46.5% versus 31.7% a year ago, and up from 32.4% in Q1 2022. DataLogiq generated $3.3 million in the quarter compared to $5.5 million last year, down 40%, but at much higher gross margins.

Gross margin in dollars was $1.1 million compared to $1.6 million last year. The margin increased significantly to 36.8% from 29.5% last year as both businesses improved.

Operating expenses increased to $8.3 million from $7.8 million in Q2 2021. Pretax income, net income and income to common shareholders were all a loss of $6.5 million in Q2 2022 versus a loss of $5.0 million in Q2 2021. This resulted in a GAAP loss per share of $0.20 versus a loss per share of $0.27. Primary shares outstanding for the year increased 76% to 32.6 million. On August 12, 2022 there were 34.6 million fully diluted shares outstanding.

Balance Sheet

As of June 30, 2022, after the spin-off of GoLogiq, Logiq had $400,000 in cash and no debt. Its current ratio is 0.9 times and it had negative working capital of $386,000. DataLogiq by itself is burning $750,000 per month but the company is working to reach cash breakeven by year end. To raise cash, it has the Ionic ventures agreement in place and it can also factor receivables if needed. During Q2, 1,017,286 shares were issued for consultancy services received.

Ionic Ventures Purchase Agreement

On March 30, 2022, Logiq, entered into an agreement where Logiq has the right, but not the obligation, to sell to Ionic, and Ionic is obligated to purchase up to in the aggregate $40 million worth of the company's common stock. Logiq registered 2,926,000 shares of common stock sold to Ionic in connection with the purchase of $3,000,000 in shares of common stock in connection with the initial purchase of common stock under the agreement, which reflects an estimated value equal to the product of (A) the quotient of (y) the purchase amount (i.e., $3,000,000) divided by (z) the Pre-Settlement Regular Purchase Price, multiplied by (B) 125% (which Ionic may increase at its discretion). The "Pre-Settlement Regular Purchase Price" is equal to 80% of the closing price of the company's stock on the OTCQX Market on the date immediately preceding the company's receipt of a purchase notice.

Recap of Battle Bridge Acquisition

On March 31st, Logiq's DataLogiq business bought 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 was expected to generate approximately $3.8 million in revenue over the next twelve months, but new potential wins could push that higher. 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.

SUBSEQUENT EVENTS

On July 27, 2022 Logiq completed the previously announced distribution of its direct ownership interest in GoLogiq consisting of 26,350,756 shares of GoLogiq common stock, to its shareholders of record as of De-

cember 30, 2021 through a special dividend. The distribution was structured as a spin-off, which occurred by way of a pro rata distribution, on a 1-for-1 basis. As a result, GoLogiq is now a completely independent public company trading under the symbol “GOLQ” on the OTC PINK tier of the OTC Markets marketplace.

KEY POINTS

- Logiq had two business segments named *GoLogiq* and *DataLogiq* were separated into two companies on July27th. GoLogiq was 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. Shareholders of Logiq stock only own 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, which we believe it may abandon. It still seeks a NASDAQ or NYSE exchange listing making the stock more marketable to US investors. It has already applied and meets all the criteria.

- Versus other companies in its space, Logiq is undervalued. It currently trades at approximately $8.9 million enterprise value or 0.3 times estimated 2022 sales of $26 million. Its peers trade at an average of 2.3 times. We believe its valuation will improve as it grows and decreases cash burn and its growth is evident.

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 also has some contract development work done overseas.

VALUATION

The following table shows public companies that would be comparables in the digital marketing business.

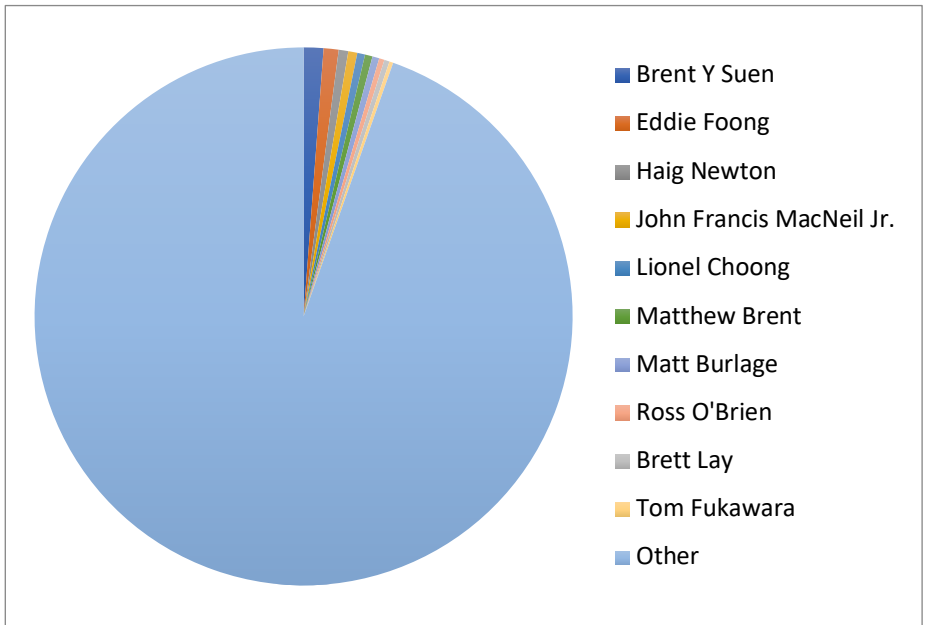
DataLogiq			Revenue		TTM		Enterprise Value / Sales		EV/	Included	Enterprise
Company	Ticker	2023E	2022E	LTM	EBITDA	2023E	2022E	LTM	EBITDA	in Average?	Value
AcuityAds	AT.TO	$146	$128	$116	$1	0.9x	1.0x	1.1x	259.5x	y	131
Inuvo	INUV	$108	$87	$68	-$5	0.5x	0.6x	0.8x	-10.8x	y	54
Kubient	KBNT	$13	$6	$3	-$11	-0.2x	-0.3x	-0.6x	NA	n	(2)
LiveRamp	RAMP	NA	$582	$552	-$49	NA	1.9x	2.0x	-22.5x	y	1,110
QuinStreet	QNST	NA	$561	$582	$12	NA	1.1x	1.0x	48.5x	y	593
TechTarget	TTGT	$359	$315	$294	$72	6.2x	7.0x	7.5x	30.7x	y	2,210
The Trade Desk	TTD	$1,980	$1,590	$1,390	$81	17.8x	22.2x	25.4x	436.3x	n	35,300
Average						**2.5x**	**2.3x**	**2.5x**			**992**

The multiples in these businesses have increased slightly 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 $26 million and the EV to sales average of 2.3 times, we get a market value and enterprise value of $60 million. Using its current fully diluted share count of 34.6 million we get a price per share of approximately $1.73.

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 very competitive business, and customers could be hesitant to buy from a small unprofitable company.
- Since it currently loses money, Logiq may need to raise more capital than expected, which could result in further dilution for current shareholders
- The company plans to acquire companies and may use stock or cash from the sale of stock, which could dilute current shareholders if the deals are non-accretive.

OWNERSHIP



INCOME STATEMENT

DataLogiq Only

	Q1 2021 31-Mar	Q2 2021 30-Jun	Q3 2021 30-Sep	Q4 2021 31-Dec	Q1 2022 31-Mar	Q2 2022 30-Jun	Q3 2022E 30-Sep	Q4 2022E 31-Dec	2021	2022	2023E
DataLogiq	5,639,184	5,460,302	4,976,710	6,930,284	4,796,367	3,316,601	6,000,000	12,000,000	23,006,480	26,112,968	33,946,858
Yr-to-yr Growth	76%	49%	30%	55%	-15%	-39%	21%	73%	51.8%	13.5%	30.0%
Cost of revenues	4,147,891	3,912,144	3,575,007	4,867,876	3,665,382	2,257,288	4,020,000	7,920,000	16,502,918	17,547,914	21,047,052
Gross Margin	1,491,293	1,548,158	1,401,703	2,062,408	1,130,985	1,059,313	1,980,000	4,080,000	6,503,562	8,565,054	12,899,806
GM %	26.4%	28.4%	28.2%	29.8%	23.6%	31.9%	33.0%	34.0%	28.3%	32.8%	38.0%
Operating expenses:											
General and administration	1,606,258	1,815,680	2,634,141	2,876,548	2,520,011	3,472,407	3,300,000	3,500,000	8,932,627	12,792,418	14,711,281
R&D	178,137	192,035	190,347	122,045	166,584	64,094	70,000	80,000	682,564	380,678	456,814
Sales & Marketing	299,511	351,992	1,099,680	423,000	294,316	572,085	600,000	500,000	2,174,183	1,966,401	2,036,812
Depreciation & Amortization	658,062	999,647	999,647	999,647	999,647	999,647	999,647	999,647	3,657,003	3,998,588	3,998,588
Total operating expenses	2,741,968	3,359,354	4,923,815	4,421,240	3,980,558	5,108,233	4,969,647	5,079,647	15,446,377	19,138,085	21,203,494
Operating income:	(1,250,675)	(1,811,196)	(3,522,112)	(2,358,832)	(2,849,573)	(4,048,920)	(2,989,647)	(999,647)	(8,942,815)	(10,573,031)	(8,303,688)
Operating margin	-22%	-33.2%	-70.8%	-34.0%	-59.4%	-122.1%	-49.8%	-8.3%	-38.9%	-40.5%	-24.5%
Total other income	(1,897)	496,250	38,616	18,478	3,142	(582)	0	0	551,447	2,560	0
Income before income taxes	(1,252,572)	(1,314,946)	(3,483,496)	(2,340,354)	(2,846,431)	(4,049,502)	(2,989,647)	(999,647)	(8,391,368)	(10,570,471)	(8,303,688)
Pretax Margin	-22.2%	-24.1%	-70.0%	-33.8%	-59.3%	-122.1%	-49.8%	-8.3%	-36.5%	-40.5%	-24.5%
Income tax	0	0	0	0	0	0	0	0	0	0	0
Tax rate	0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%	0%
Net income	(1,252,572)	(1,314,946)	(3,483,496)	(2,340,354)	(2,846,431)	(4,049,502)	(2,989,647)	(999,647)	(8,391,368)	(10,570,471)	(8,303,688)
EPS	**$ (0.07)**	**$ (0.07)**	**$ (0.15)**	**$ (0.09)**	**$ (0.11)**	**$ (0.12)**	**$ (0.09)**	**$ (0.03)**	**$ (0.40)**	**$ (0.33)**	**$ (0.24)**
Shares Basic & diluted	16.3	18.6	23.4	25.0	26.4	32.6	34.6	34.7	21.2	32.1	34.0
	41%	52%	83%	79%	61%	76%	48%	39%	67%	51.4%	6.0%

INCOME STATEMENT

Combined Company (As Reported)

	Q1 2021 31-Mar	Q2 2021 30-Jun	Q3 2021 30-Sep	Q4 2021 31-Dec	Q1 2022 31-Mar	Q2 2022 30-Jun	Q3 2022E 30-Sep	Q4 2022E 31-Dec	2020	2021	2022
							DataLogiq Only				
GoLogiq	2,441,128	2,843,685	2,849,539	6,206,027	3,309,017	1,633,375	-	-	22,758,572	14,340,379	4,942,392
Yr-to-yr Growth	-79%	-50%	-11%	196%	36%	-43%	-100%	-100%	-34.3%	-37.0%	-65.5%
Gross Margin	734,780	901,000	903,684	2,013,756	1,073,676	760,313	-	-	3,664,482	4,553,220	1,729,837
GM %	30.1%	31.7%	31.7%	32.4%	32.4%	46.5%	33.0%	33.0%	16.1%	31.8%	35.0%
DataLogiq	5,639,184	5,460,302	4,976,710	6,930,284	4,796,367	3,316,601	6,000,000	12,000,000	15,151,821	23,006,480	26,112,968
Yr-to-yr Growth	76%	49%	30%	55%	-15%	-39%	21%	73%	NA	51.8%	13.5%
Gross Margin	1,491,476	1,550,726	1,403,432	2,062,408	1,130,985	1,059,313	1,980,000	7,920,000	2,698,963	6,508,042	12,090,298
GM %	26.4%	28.4%	28.2%	29.8%	23.6%	31.9%	33.0%	34.0%	17.8%	28.3%	46.3%
Total revenue	**8,080,312**	**8,303,987**	**7,826,249**	**13,136,311**	**8,105,384**	**4,949,976**	**6,000,000**	**12,000,000**	**37,910,393**	**37,346,859**	**31,055,360**
Yr-to-yr Growth	-46%	-11%	11%	100%	0%	-40%	-23%	-9%	9.4%	-1.5%	-16.8%
Cost of services	5,854,056	5,855,138	5,520,862	9,060,147	5,900,723	3,130,360	4,020,000	7,920,000	31,546,948	26,290,203	17,235,225
Gross profit	2,226,256	2,448,849	2,305,387	4,076,164	2,204,661	1,819,616	1,980,000	4,080,000	6,363,445	11,056,656	13,820,135
Gross Margin	27.6%	29.5%	29.5%	31.0%	27.2%	36.8%	33.0%	34.0%	16.8%	29.6%	44.5%
Operating expenses:											
General and administration	4,144,365	4,992,774	5,159,813	3,869,768	3,600,997	5,637,766	3,300,000	3,500,000	10,994,815	18,166,721	16,038,763
R&D	1,103,137	1,459,535	1,447,567	3,390,493	1,257,084	1,039,094	70,000	80,000	6,244,704	7,400,732	2,446,178
Sales & Marketing	369,261	351,992	477,226	1,098,004	299,316	572,085	600,000	500,000	1,423,909	2,296,483	1,971,401
Depreciation & Amortization	689,345	1,030,931	1,030,932	1,030,932	1,030,930	1,030,930	999,647	999,647	1,966,045	3,782,136	4,061,154
Total operating expenses	6,306,108	7,835,232	8,115,538	9,389,197	6,188,327	8,279,875	4,969,647	5,079,647	20,629,473	31,646,072	24,517,496
Operating income:	(4,079,852)	(5,386,383)	(5,810,151)	(5,313,033)	(3,983,666)	(6,460,259)	(2,989,647)	(999,647)	(14,266,028)	(20,589,416)	(10,697,361)
Operating margin	-50.5%	-64.9%	-74.2%	-40.4%	-49.1%	-130.5%	-49.8%	-8.3%	-37.6%	-55.1%	-34.4%
Other income:											
Other expenses	0	0	0	0	0	(582)	0	0	(292,767)	0	(582)
Other income	0	421,189	0	0	0	-	0	0	49,126	0	0
Total other income	(1,897)	421,189	36,740	18,478	3,142	(582)	0	0	(243,641)	474,510	2,560
Income before income taxes	(4,081,749)	(4,965,194)	(5,773,411)	(5,294,555)	(3,980,524)	(6,460,841)	(2,989,647)	(999,647)	(14,509,669)	(20,114,906)	(10,694,801)
Pretax Margin	-50.5%	-59.8%	-73.8%	-40.3%	-49.1%	-130.5%	-49.8%	-8.3%	-38.3%	-53.9%	-34.4%
Income tax	0	0	0	0	0	0	0	0	0	11,881	0
Tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net income before non-controlling	(4,081,749)	(4,965,194)	(5,773,411)	(5,294,555)	(3,980,524)	(6,460,841)	(2,989,647)	(999,647)	(14,509,669)	(20,126,787)	(10,694,801)
Minority income	0	0	100	100	0	0	0	0	0	0	0
Income to common shareholders	(4,081,749)	(4,965,194)	(5,773,511)	(5,294,655)	(3,980,524)	(6,460,841)	(2,989,647)	(999,647)	(14,509,669)	(20,126,787)	(10,694,801)
EPS	**$ (0.25)**	**$ (0.27)**	**$ (0.25)**	**$ (0.21)**	**$ (0.15)**	**$ (0.20)**	**$ (0.09)**	**$ (0.03)**	**$ (1.14)**	**$ (0.95)**	**$ (0.41)**
Yr-to-yr Growth	46%	-5%	-5%	-46%	25%	32%	-61%	-86%	11%	11%	-53.6%
Shares Basic & diluted	16.3	18.6	23.4	25.0	26.4	32.6	34.6	34.7	12.7	21.2	32.1
	41%	52%	83%	79%	61%	76%	48%	39%	153%	67%	51.4%
Adjusted EBITDA	(1,276,719)	(2,948,625)	(4,210,714)	(4,248,792)	(2,336,545)	(3,719,173)	(990,000)	1,000,000	(12,299,983)	(16,807,280)	(5,636,207)
Yr-to-yr Growth	NM	-482%	723%	249%	83%	26%	-76%	-124%	90%	37%	14.2%

BALANCE SHEET

	June 30, 2022	Mar. 31, 2022	Qtr-Qtr %	June 30, 2021	Yr-Yr %
Current assets					
Cash and equivalents	**$396,385**	**$3,749,303**	-89%	**$5,766,264**	-93%
Restricted cash	**20,004**	**22,045**	-9%	**21,475**	-7%
Amount due from associate	0	0	0%	6,578,700	-100%
Accounts receivable, net	2,309,247	2,857,200	-19%	3,519,124	-34%
Right to use assets - operating lease	104,542	173,803	-40%	182,799	-43%
Prepayment deposits and other rec.	650,750	606,627	7%	736,969	-12%
Financial assets held for resale	0	0	0%	681	-100%
Total current assets	3,480,928	7,408,978	-53%	16,806,012	-79%
Intangible assets, net	12,770,005	13,779,993	-7%	16,831,602	-24%
Property and equipment, net	128,560	140,246	-8%	181,429	-29%
Goodwill	5,577,926	5,577,926	0%	5,577,926	0%
Total non-current assets	18,476,491	19,498,165	-5%	22,590,957	-18%
TOTAL ASSETS	21,957,419	26,907,143	-18%	39,396,969	-44%
Current liabilities					
Accounts payable, accruals & other	1,854,497	2,159,995	-14%	2,659,830	-30%
Accruals and other payables	1,807,996	1,732,925	4%	1,402,930	29%
Deferred revenue	705	3,154	-78%	38,115	-98%
Lease liability - operating lease	104,542	173,803	-40%	182,799	-43%
Dep. received for shares to be issued	88,932	17,100	420%	1,744,665	-95%
Convertible promissory notes	**0**	**0**	0%	**2,911,000**	-100%
Total current liabilities	3,856,672	4,086,977	-6%	9,016,839	-57%
COVID loan	10,000	10,000	0%	10,000	0%
Total non-current liabilities	10,000	10,000	0%	10,000	0%
TOTAL LIABILITIES	3,866,672	4,096,977	-6%	9,026,839	-57%
Stockholder's equity					
Common stock	3,340	2,917	15%	2,124	57%
Additional paid-in capital	85,768,372	84,068,490	2%	74,944,666	14%
Capital reserves	25,010,514	24,969,396	0%	26,604,050	-6%
Accumulated deficit	(92,691,478)	(86,230,637)	7%	(71,180,710)	30%
Total stockholders' equity	18,090,748	22,810,166	-21%	30,370,130	-40%
Total liabilities and stockholders' equity	$21,957,420	$26,907,143	-18%	$39,396,969	-44%
Current/Quick ratio	0.9	1.8	-50%	1.9	-52%
Working Capital	(385,744)	3,312,001	-112%	7,779,173	-105%
Cash	416,389	3,771,348	-89%	5,787,739	-93%
Net Cash as % of assets	2%	14%	-86%	15%	-87%
Cash per share	$0.01	$0.23	-95%	$0.31	-96%
Debt	$0	$0	0%	$2,911,000	-100%
Debt % of assets	0.0%	0.0%	0%	7.4%	-100%

CASH FLOW

Combined Company

	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	3 Months Ended 31-Mar-22	3 Months Ended 30-Jun-22
Cash Flows from Operating Activities:								
Net profit	$ (14,509,669)	$ (4,081,749)	$ (4,975,635)	$ (5,773,411)	$ (5,295,992)	$ (20,126,787)	$ (3,980,524)	$ (6,460,841)
Adjustments to reconcile net loss to net cash used in operating activities:								
Depreciation of property & eqt.	46,565	11,641	13,727	13,729	13,727	52,824	13,727	11,686
Amortization of intangibles	1,919,480	677,705	1,017,202	1,017,204	1,017,202	3,729,313	1,017,203	1,009,988
PPP loan forgiveness	0	0	(507,068)	0	0	(507,068)	0	0
Changes in operating assets and liabilities:								
Intangibile assets	0	0	0	0	0	0		0
Accounts receivable	(271,049)	(699,169)	(201,461)	370,880	(817,842)	(1,347,592)	1,108,886	547,953
Due from associate	0	0	0	0	0	0	0	0
Other amounts recoverable	0	0	0	0	0	0	0	0
Prepayments	(91,664)	(30,345)	(500,181)	(232,800)	165,757	(597,569)	197,383	(44,122)
Accounts payable	642,393	573,371	1,077,255	(478,334)	112,362	1,284,654	(133,863)	(305,498)
Accruals and payables	405,347	1,594,481	(1,302,284)	36,061	365,141	693,399	(71,206)	75,070
Deferred revenue	(9,101)	(45,924)	37,182	(23,917)	(3,698)	(36,357)	(7,346)	(2,449)
Bank loan	0	0	0	0	0	0	0	0
Stock subscription payable	0	0	0	0	0	0	0	0
Due from director	0	0	0	0	0	0	0	0
Net cash used in operating activities	(11,867,698)	(1,999,989)	(5,341,263)	(5,070,588)	(4,443,343)	(16,855,183)	(1,855,740)	(5,168,213)
Cash Flows from Investing Activities:								
Purchase of intangible assets	(116,000)	0	0	0	0	0	0	0
Advances to an associate	(2,848,000)	(500,000)	(405,000)	(374,000)	(256,000)	(1,535,000)	7,208,700	0
Financial assets held for resale - sales	2,136,100	47,082	546,500	0	0	593,582	681	0
Financial assets held of resale -	0	0	0	0	0	0	0	0
Net cash acq. In acquisition	0	0	0	0	0	0	0	0
Net restricted cash acq. In acquisition	1,676,968	7,736	0	0	0	7,736	0	0
Net cash used in investing activities	3,697,068	(445,182)	141,500	(374,000)	(256,000)	(933,682)	7,209,381	0
Financing Activities:								
Repayment of bank loan	(500,000)	0	0	0	0	0	0	0
Borrowings under long term loan	10,000	0	0	0	0	0	0	0
Proceeds from convert promissory notes	2,911,000	0	0	0	0	0	0	0
Proceeds from note payable	507,068	0	0	0	0	0	0	0
Note payable to US Govt CARES act	0	1,531	(1,531)	0	0	0	0	0
Proceeeds from shares to be issued	0	1,820,521	(75,856)	(1,744,665)	401,028	401,028	(383,928)	71,832
Proceeds from stock issuance	8,607,691	0	4,287,446	6,763,674	522,420	11,573,540	(2,784,631)	1,741,423
Proceeds from stock issuance from IPO	0	0	3,910,784	0	0	3,910,784	0	0
Net cash provided by financing	11,535,759	1,822,052	8,120,843	5,019,009	923,448	15,885,352	(3,168,559)	1,813,255
Cash and Cash Equivalents, beginning	2,972,649	6,337,778	5,714,659	5,787,739	5,362,160	3,489,778	1,586,265	3,771,347
Cash and Cash Equivalents, end of	6,337,778	5,714,659	8,635,739	5,362,160	1,586,265	1,586,265	3,771,347	416,389
Non-cash investing and financing activities:								
Issuance of stock for services received	2,014,223	1,525,904	1,406,827	568,505	33,309	3,534,545	616,191	1,710,156
Cash flow	$ (10,529,401)	$ (1,866,499)	$ (2,537,879)	$ (4,173,973)	$ (4,231,754)	$ (12,810,105)	$ (2,333,403)	$ (3,729,011)
Free cash flow	$ (10,529,401)	$ (1,866,499)	$ (2,537,879)	$ (4,173,973)	$ (4,231,754)	$ (12,810,105)	$ (2,333,403)	$ (3,729,011)

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