

# Zacks Small-Cap Research

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

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

## Logiq Inc.

(OTCQX: LGIQ)

### Logiq Shows Continued Sequential Growth and Margin Improvement in Q2

Based on blended comparable valuations of its peers at 9.4 times enterprise value to sales we believe Logiq's stock is worth at least \$17.10 per share.

Current Price (08/16/21) **\$3.13**  
Valuation **\$17.10**

### OUTLOOK

Logiq 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 somehow monetizing the Indonesian business unlocking more value in the company.

### SUMMARY DATA

52-Week High **\$12.83**  
52-Week Low **\$2.19**  
One-Year Return (%) **-57.5**  
Beta **2.4**  
Average Daily Volume (sh) **91,930**

Shares Outstanding (mil) **22.6**  
Market Capitalization (\$mil) **\$70.7**  
Short Interest Ratio (days) **0**  
Institutional Ownership (%) **0**  
Insider Ownership (%) **16.2**

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

5-Yr. Historical Growth Rates  
Sales (%) **38.6**  
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-Blend**  
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	8.1 A	8.3 A	9.8 E	14.5 E	40.7 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 A	-\$0.27 A	-\$0.13 E	-\$0.04 E	-\$0.65 E
2022					-\$0.36 E

### Revenues and Margins Improve Sequentially Again in Q2 2021

Logiq beat our revenue estimates for the quarter with its pick up in revenues at AppLogiq. We had expected the quarter to be down sequentially due to the exceptionally strong quarter at DataLogiq in Q1, but total revenues were up from Q1 2021. In Q3 we can look forward to regaining year over year revenue growth after four down quarters due to the model shift at AppLogiq. Revenue growth should accelerate from there. Gross and operating margins have and are expected to continue to improve and investors should see valuation improvement in this show-me stock.

DataLogiq now has a compelling set of tools to improve the ad spending of SMBs. It added audio marketing this quarter and expanding its target of verticals to 14. It has had great success in Medicare and finance and is expanding further into insurance.

AppLogiq just release version 4.0 of CreateApp incorporating new capabilities that customers demanded. In Indonesia, progress continues still stymied by pandemic measures. One new service Logiq's WIP business is adding is the ability to pay for testing at motor vehicle with an app or by kiosk when applying for or renewing licenses. The company will not only get a small fee with each payment, it plans to garner data for marketing purposes from usage. Indonesia issues 14 million new license or renewals a year. Users will also gain access to Logiq's AtozGo digital wallet that they can use for other types of payments and access additional financial services. Also in the works is a new micro loan program in Indonesia for 5 million contract and delivery drivers of Garda Digital Indonesia, the membership organization overseen by BPJSTK who serves as the Social Security Agency in Indonesia. This is eventually expected to be available to BPJS' 53 million members.

Versus other companies in its space, Logiq appears undervalued. It currently trades at \$65.7 million fully diluted enterprise value or 1.6 times estimated 2021 sales of \$40.7 million. Its peers trade at blended 9.4 times. We believe its valuation will improve as it resumes year over year revenue growth next quarter and continues to move to profitability.

### Q2 2021 Results

For Q2 2021, Logiq reported \$8.3 million in revenues versus \$9.3 million a year ago, down 11%. AppLogiq revenues were \$2.8 compared to \$5.7 million in Q2 2020. AppLogiq margins reached a record high of 32.2% versus 11.6% a year ago. DataLogiq generated \$5.3 million in the quarter compared to \$3.7 million last year, up 50.3%. Sequentially total revenues grew 2.8%. While AppLogiq is rebounding nicely from its low point in Q4 2020, DataLogiq was down slightly sequentially. This is only because of its extremely strong first quarter driven by ACA and Medicare enrollment, which takes place each year between January 1 and March 31.

Gross margin increased in Q2 2021 to \$2.4 million from \$1.2 million, or 101%. The margin percentage improved to 29.5% from 13.1% last year from the revamp of the CreateApp sales model. We expect margins to continue to improve.

Operating expenses increased to \$7.8 million from \$4.0 million in Q2 2020. G&A was impacted by an increase in stock-based compensation of \$1.7 million year over year as well as one-time costs associated with the IPO of \$1.2 million. Going forward we expected a more normalized stock-based compensation number. R&D and Sales and Marketing increased \$248,000. Depreciation and amortization increased by \$581,000 with acquisitions.

Other expense was \$421,189 of which \$494,353 was forgiveness of a government PPP loan and one-time. Pretax income, net income and income to common shareholders were all a loss of \$5.0 million in Q2 2021

versus a loss of \$2.9 million in Q2 2020. This resulted in a GAAP loss per share of \$0.27 versus a loss per share of \$0.14. Primary shares outstanding for the year increased 52% to 16.3 million.

On a non-GAAP basis, taking out the one time income and expenses as well as stock based compensation the loss was \$2.8 million compared to \$1.9 million a year ago and loss per share of \$0.15 versus \$0.16.

### **Balance Sheet**

As of June 30, 2021, Logiq had \$5.8 million in cash and debt of \$5.0 million. \$2.9 million of that debt is from a convertible promissory note that was converted to stock after the quarter ended and \$509,000. Its current ratio is 1.9 times and it had \$7.8 million in working capital. The company had negative operating cash flow for the quarter of \$2.5 million (not including changes in working capital) and a negative free cash flow of \$2.4 million. The company stated it might do another raise at the end of the year.

### **Events During the Quarter**

On April 15, 2021, Logiq sold 304,000 shares at C\$5.00 per share for gross proceeds of approximately \$1,520,000.

On June 24, 2021 the company launched a new audio digital marketing channel on its platform. Digital marketing agencies and brands can now add audio-based advertising to their overall multi-channel e-commerce marketing campaigns, such as for digital radio and podcasts.

On June 21<sup>st</sup>, Logiq raised C\$5,929,302 in its initial public offering of units sold at a price of C\$3.00 per unit. Each unit consists of one share of stock and a warrant exercisable at C\$3.50 for a period of 36 months.

### **Transactions after the quarter ended:**

On July 19<sup>th</sup> all but \$30,000 of the convertible note of \$2.9 million was forced to convert at \$2.50 per share.

July 27, 2021 Logiq announce the partial exercise of the over-allotment option in conjunction with its June 21<sup>st</sup> offering. An additional 201,700 units were issued for additional gross aggregate proceeds of C\$605,100. The total gross proceeds from the offering, including the 1,976,434 units sold initially and the partial exercise of the over-allotment option, is approximately **C\$6,534,402**.

On August 6, 2021, Logiq sold 1,668,042 shares of common stock in a registered direct offering at \$2.40 per share that resulted in gross proceeds of approximately \$4,003,300.80.

On August 13, 2021 there were 22,598,153 shares outstanding.

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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. In Q2 North America was 66% of sales.
- 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

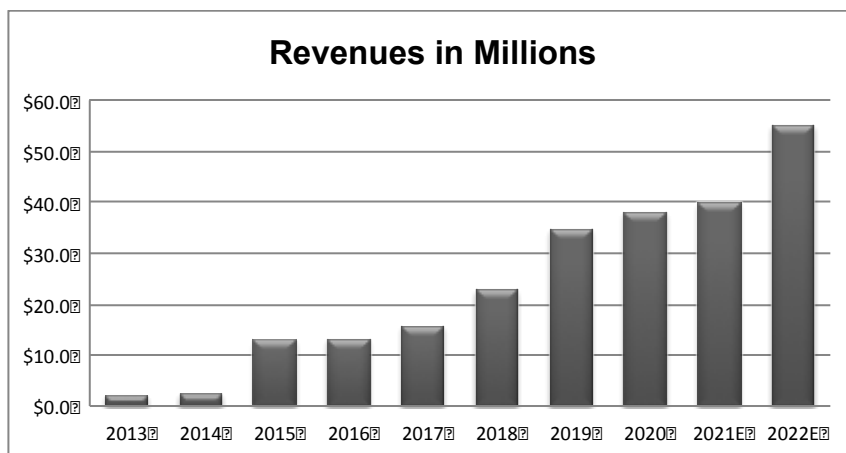
created a joint venture to provide a fintech platform to facilitate loans to consumers and small businesses (SMBs) in Indonesia and could provide considerable revenues in 2021. Its alpha testing is already in progress.

- In January 2020, Logiq bought PUSH Interactive for \$25 million in stock. Combined with acquisition of Fixel AI and March'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 63% 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 just listed on the Canadian NEO exchange. From there it will seek a NYSE exchange listing making the stock more marketable to US investors.
- Versus other companies in its space, Logiq is undervalued. It currently trades at \$65.7 million fully diluted enterprise value or 1.6 times estimated 2021 sales of \$40.7 million. Its peers trade at blended 9.4 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.

## 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.

Company	Ticker	Revenue			TTM	Enterprise Value / Sales			EV/	Included in Average?
		2022E	2021E	LTM	EBITDA	2022E	2021E	LTM	EBITDA	
BigCommerce	BIGC	\$268	\$211	\$179	-\$41	16.0x	20.3x	24.1x	-105.6x	y
SEA Ltd	SE	\$12,540	\$8,370	\$5,420	-\$1,140	11.8x	17.7x	27.3x	-129.8x	y
Shopify	SHOP	\$6,210	\$4,630	\$3,850	\$532	28.8x	38.6x	46.4x	336.3x	n
Stone Companies	STNE	\$8,400	\$5,480	\$3,330	\$1,470	1.7x	2.6x	4.3x	9.7x	y
Veritone	VERI	\$171	\$100	\$70	-\$56	3.0x	5.1x	7.2x	-9.0x	y
Wix	WIX	\$1,550	\$1,270	\$1,160	-\$245	7.2x	8.8x	9.6x	-45.3x	y
<b>Average</b>						<b>7.9x</b>	<b>10.9x</b>	<b>14.5x</b>		

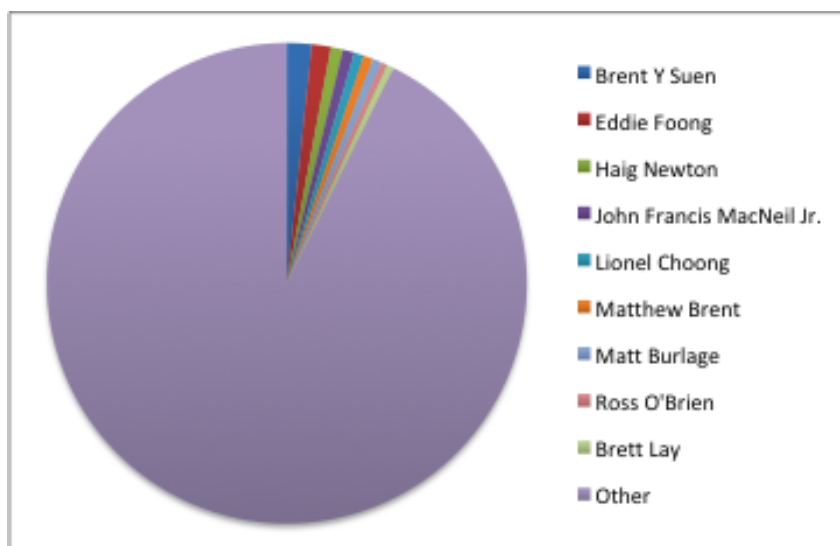
DataLogiq										
Company	Ticker	Revenue			TTM	Enterprise Value / Sales			EV/	Included in Average?
		2022E	2021E	LTM	EBITDA	2022E	2021E	LTM	EBITDA	
AcuityAds	ATY	\$161	\$133	\$119	\$14	3.7x	4.5x	5.0x	41.7x	y
Inuvo	INUV	\$75	\$58	\$40	-\$6	1.0x	1.3x	1.8x	-12.5x	y
Kubient	KBNT	\$12	\$6	\$3	-\$7	1.3x	2.7x	5.9x	NA	y
LiveRamp	RAMP	NA	\$502	\$463	-\$85	NA	4.9x	5.4x	-29.1x	y
QuinStreet	QNST	NA	\$603	\$578	\$30	NA	1.3x	1.3x	25.4x	n
SharpSpring	SHSP	\$42	\$34	\$31	-\$8	4.9x	6.0x	6.6x	-26.8x	y
TechTarget	TTGT	\$302	\$263	\$199	\$43	7.8x	9.0x	11.9x	55.1x	y
The Trade Desk	TTD	\$1,500	\$1,170	\$1,040	\$250	25.0x	32.1x	36.1x	150.3x	n
<b>Average</b>						<b>5.9x</b>	<b>8.5x</b>	<b>10.4x</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 \$40.7 million we get a blended EV to sales average of 9.4 times. This blend is calculated expecting that 2021 revenues will be 37% AppLogiq revenue and 63% DataLogiq. From that we get an enterprise value of \$382 million a market value of \$388. Using its current fully diluted share count of 22.7 million (using treasury stock method) we get a price per share of approximately \$17.11.

## 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 2020 31-Mar	Q2 2020 30-Jun	Q3 2020 30-Sep	Q4 2020 31-Dec	Q1 2021 31-Mar	Q2 2021 30-Jun	Q3 2021E 30-Sep	Q4 2021E 31-Dec	2019	2020	2021E	2022E
AppLogiq	11,785,743	5,653,495	3,206,346	2,100,000	2,441,128	2,800,000	3,800,000	6,000,000	34,648,621	22,758,572	15,041,128	20,000,000
Gross Margin	2,091,960	652,979	387,327	537,600	734,780	901,000	1,216,000	1,980,000	6,236,752	3,664,482	4,831,780	7,000,000
GM %	17.7%	11.6%	12.1%	25.6%	30.1%	32.2%	32.0%	33.0%	18.0%	16.1%	32.1%	35.0%
DataLogiq	3,195,651	3,661,565	3,823,959	4,483,634	5,639,184	5,503,987	6,000,000	8,500,000	-	15,151,821	25,643,171	35,000,000
Gross Margin	553,172	566,675	723,130	850,602	1,491,476	1,563,132	1,980,000	3,825,000	-	2,698,963	8,859,609	15,750,000
GM %	17.3%	15.5%	18.9%	19.0%	26.4%	28.4%	33.0%	45.0%	-	17.8%	34.5%	45.0%
<b>Total revenue</b>	<b>14,981,394</b>	<b>9,315,060</b>	<b>7,030,305</b>	<b>6,583,634</b>	<b>8,080,312</b>	<b>8,303,987</b>	<b>9,800,000</b>	<b>14,500,000</b>	<b>34,648,621</b>	<b>37,910,393</b>	<b>40,684,299</b>	<b>55,000,000</b>
Yr-to-yr Growth	76%	30%	-22%	-34%	-46%	-11%	39%	120%	53%	9.4%	7.3%	35.2%
Cost of services	12,336,262	8,095,406	5,919,848	5,195,432	5,854,056	5,855,138	6,604,000	8,695,000	28,411,869	31,546,948	26,992,911	32,250,000
Gross profit	2,645,132	1,219,654	1,110,457	1,388,202	2,226,256	2,448,849	3,196,000	5,805,000	6,236,752	6,363,445	13,691,388	22,750,000
Gross Margin	17.7%	13.1%	15.8%	21.1%	27.6%	29.5%	32.6%	40.0%	18.0%	16.8%	33.7%	41.4%
<b>Operating expenses:</b>												
General and administration	3,202,042	1,180,246	1,968,763	4,643,764	4,144,365	4,992,774	3,492,774	3,800,000	5,918,660	10,994,815	16,429,913	18,894,400
R&D	1,757,351	900,844	1,018,389	2,568,120	1,103,137	1,459,535	1,259,535	1,400,000	6,412,998	6,244,704	5,222,207	5,901,094
Sales & Marketing	53,015	99,262	544,970	726,662	369,261	351,992	460,000	600,000	389,610	1,423,909	1,781,253	2,137,504
Depreciation & Amortization	449,624	449,625	455,424	611,372	689,345	1,030,931	1,000,000	1,000,000	101,933	1,966,045	3,720,276	3,900,000
Total operating expenses	5,462,032	2,629,977	3,987,546	8,549,918	6,306,108	7,835,232	6,212,309	6,800,000	12,823,201	20,629,473	27,153,649	30,832,997
Operating income:	(2,816,900)	(1,410,323)	(2,877,089)	(7,161,716)	(4,079,852)	(5,386,383)	(3,016,309)	(995,000)	(6,586,449)	(14,266,028)	(13,462,261)	(8,082,997)
Operating margin	-18.8%	-15.1%	-40.9%	-108.8%	-50.5%	-64.9%	-30.8%	-6.9%	-19.0%	-37.6%	-33.1%	-14.7%
<b>Other income:</b>												
Other expenses	0	(265,223)	(2,868)	(24,676)	0	0	0	0	0	(292,767)	0	0
Other income	3,808	0	1,408	43,910	0	421,189	0	0	72,359	49,126	0	0
Total other income	3,808	(265,223)	(1,460)	19,234	(1,897)	421,189	0	0	72,359	(243,641)	419,292	0
Income before income taxes	(2,813,092)	(1,675,546)	(2,878,549)	(7,142,482)	(4,081,749)	(4,965,194)	(3,016,309)	(995,000)	(6,514,090)	(14,509,669)	(13,042,969)	(8,082,997)
Pretax Margin	-18.8%	-18.0%	-40.9%	-108.5%	-50.5%	-59.8%	-30.8%	-6.9%	-18.8%	-38.3%	-32.1%	-14.7%
Income tax	0	0	0	0	0	0	0	0	27,596	0	0	0
Tax rate	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)	(3,016,309)	(995,000)	(6,541,686)	(14,509,669)	(13,042,969)	(8,082,997)
Minority income	0	0	0	0	0	0	100	100	0	0	200	5
Income to common shareholders	(2,813,092)	(1,675,546)	(2,878,549)	(7,142,482)	(4,081,749)	(4,965,194)	(3,016,409)	(995,100)	(6,541,686)	(14,509,669)	(13,043,169)	(8,083,002)
Non-GAAP net income	(957,332)	(1,933,933)	(2,878,549)	(7,142,482)	(1,967,961)	(2,779,555)	(2,116,309)	(95,000)	(6,314,907)	(11,985,057)	(13,042,969)	(8,082,997)
<b>Net income per share:</b>												
EPS	-\$0.24	-\$0.14	-\$0.23	-\$0.51	-\$0.25	-\$0.27	-\$0.13	-\$0.04	-\$1.31	-\$1.14	-\$0.65	-\$0.36
EPS Diluted	-\$0.24	-\$0.14	-\$0.23	-\$0.51	-\$0.25	-\$0.27	-\$0.13	-\$0.04	-\$1.31	-\$1.14	-\$0.65	-\$0.36
Non-GAAP EPS	-\$0.08	-\$0.16	-\$0.23	-\$0.51	-\$0.12	-\$0.15	-\$0.09	\$0.00	-\$1.31	-\$1.14	-\$0.65	-\$0.36
Yr-to-yr Growth	820%	-67%	17%	-34%	46%	-5%	-59%	-99%	53%	11%	11%	-45.1%
<b>Shares</b>												
Basic & diluted	11.6	12.2	12.8	14.0	16.3	18.6	22.6	22.6	5.0	12.7	20.0	22.6
	288%	250%	129%	186%	41%	52%	77%	61%	126%	153%	58%	12.8%

## BALANCE SHEET

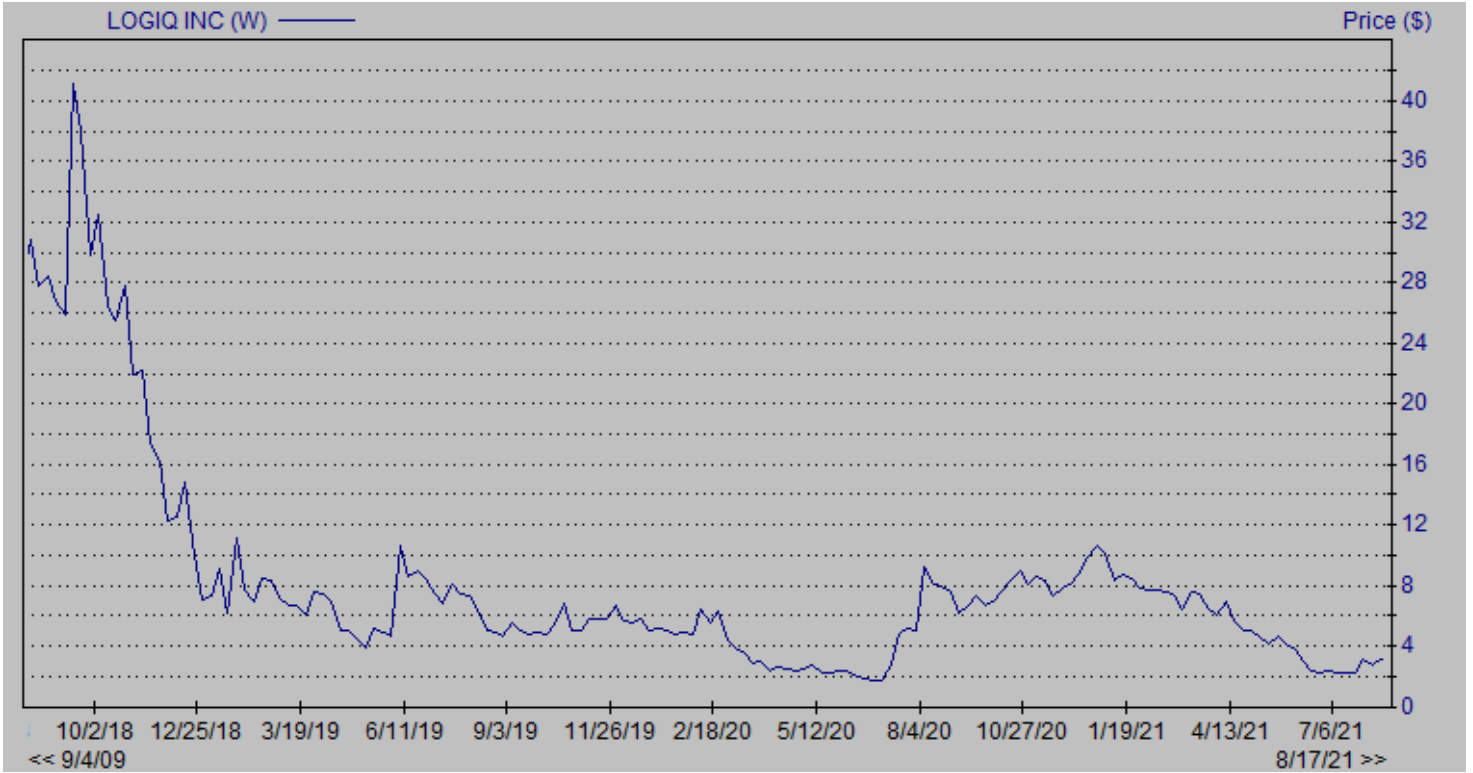
	June 30, 2021	Mar. 31, 2021	Qtr-Qtr % Change	June 30, 2020	Yr-Yr % Change
<b>Current assets</b>					
Cash and equivalents	\$5,766,264	\$2,845,295	103%	\$3,859,783	49%
Restricted cash	21,475	21,344	1%	0	NA
Amount due from associate	6,578,700	6,173,700	7%	\$4,323,700	52%
Accounts receivable, net	3,519,124	3,327,714	6%	1,622,674	117%
Right to use assets - operating lease	182,799	273,687	-33%	0	NA
Other amount recoverable	0	0	0%	49,550	-100%
Prepayment deposits and other receivables	736,969	251,405	193%	1,794,456	-59%
Financial assets held for resale	681	547,201	-100%	0	NA
Total current assets	16,806,012	13,440,346	25%	11,650,163	44%
Intangible assets, net	16,831,602	17,848,804	-6%	7,985,632	111%
Property and equipment, net	181,429	195,156	-7%	201,843	-10%
Goodwill	5,577,926	5,577,926	0%	4,781,208	17%
Total non-current assets	22,590,957	23,621,886	-4%	12,968,683	74%
<b>TOTAL ASSETS</b>	39,396,969	37,062,232	6%	24,618,846	60%
<b>Current liabilities</b>					
Accounts payable, accruals & other	2,659,830	1,582,575	68%	1,057,629	151%
Accruals and other payables	1,402,930	2,705,213	-48%	824,966	70%
Deferred revenue	38,115	33,043	15%	0	NA
Lease liability - operating lease	182,799	273,687	-33%	0	NA
Deposits received for shares to be issued	1,744,665	0	NM	1,482,485	18%
Convertible promissory notes	2,911,000	2,911,000	0%	0	NA
Amount due to director	77,500	77,500	0%	77,500	0%
Total current liabilities	9,016,839	7,583,018	19%	3,442,580	162%
COVID loan	10,000				
Long term loan	0	10,000	-100%	10,000	-100%
Notes payable	0	508,599	-100%	503,700	-100%
Total non-current liabilities	10,000	518,599	-98%	513,700	-98%
<b>TOTAL LIABILITIES</b>	9,026,839	8,101,617	11%	3,956,280	128%
<b>Stockholder's equity</b>					
Common stock	2,124	1,783	19%	15,855	-87%
Additional paid-in capital	74,944,666	69,686,188	8%	58,466,864	28%
Capital reserves	26,604,050	25,477,719	4%	14,282,143	86%
Accumulated deficit	(71,180,710)	(66,205,075)	8%	(52,102,296)	37%
Total stockholders' equity	30,370,130	28,960,615	5%	20,662,566	47%
<b>Total liabilities and stockholders' equity</b>	\$39,396,969	\$37,062,232	6%	\$24,618,846	60%
Current/Quick ratio	1.9	1.8	5%	3.4	-45%
Working Capital	7,779,173	5,338,729	46%	7,693,883	1%
Net Cash as % of assets	15%	8%	90%	16%	-6%
Cash per share	\$0.31	\$0.17	78%	\$0.30	3%
Debt	\$4,978,500	\$5,497,099	-9%	\$591,200	742%
Debt % of assets	12.6%	14.8%	-15%	2.4%	426%

# CASH FLOW

	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	3 Months Ended 31-Mar-21	3 Months Ended 30-Jun-21
<b>Cash Flows from Operating Activities:</b>								
Net profit	\$ (6,541,686)	\$ (2,813,092)	\$ (1,675,546)	\$ (2,878,550)	\$ (7,142,482)	\$ (14,509,669)	\$ (4,081,749)	\$ (4,975,635)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>								
Depreciation of property & eqt.	0	11,641	11,641	11,642	11,641	46,565	11,641	13,727
Amortization of intangibles	101,933	437,983	437,984	443,783	599,730	1,919,480	677,705	1,017,202
PPP loan forgiveness	0	0	0	0	0	0	0	(507,068)
<b>Changes in operating assets and liabilities:</b>								
Intangible assets	0	0	0	(116,000)	116,000	0	0	0
Accounts receivable	(22,295)	(551,083)	(362,538)	54,822	587,750	(271,049)	(699,169)	(201,461)
Due from associate	(1,963,700)	0	(1,498,000)	(700,000)	2,198,000	0	0	0
Other amounts recoverable	(549,550)	0	0	0	0	0	0	0
Prepayments	1,562,262	(35,622)	(105,210)	1,672,732	(1,623,564)	(91,664)	(30,345)	(500,181)
Accounts payable	(3,344)	27,356	663,182	(96,319)	48,174	642,393	573,371	1,077,255
Accrued liabilities	0	(178,268)	280,687	92,606	210,322	405,347	1,594,481	(1,302,284)
Deferred revenue	0	0	0	0	(9,101)	(9,101)	(45,924)	37,182
Bank loan	500,000	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	(6,916,380)	(3,101,085)	(2,247,800)	(1,515,284)	(5,003,529)	(11,867,698)	(1,999,989)	(5,341,263)
								(5,341,263)
<b>Cash Flows from Investing Activities:</b>								
Purchase of intangible assets	0	0	0	0	(116,000)	(116,000)	0	0
Advances to an associate	0	(925,000)	0	0	(1,923,000)	(2,848,000)	(500,000)	(405,000)
Financial assets held of resale - sales	(2,730,363)	(90,262)	2,820,625	3,586	(597,849)	2,136,100	47,082	546,500
Financial assets held of resale - purchase	0	0	0	(1,000,000)	1,000,000	0	0	0
Net cash acq. In acquisition	0	574,572	(574,572)	0	0	0	0	0
Net restricted cash acq. In acquisition	0	1,025,000	574,572	0	77,396	1,676,968	7,736	0
Net cash used in investing activities	(2,730,363)	584,310	2,820,625	(996,414)	363,547	3,697,068	(445,182)	141,500
<b>Financing Activities:</b>								
Repayment of bank loan	0	1,490,000	(1,990,000)	0	0	(500,000)	0	0
Borrowings under long term loan	0	0	10,000	0	0	10,000	0	0
Proceeds from convert promissory notes	0	0	0	2,911,000	0	2,911,000	0	0
Proceeds from note payable	0	0	503,700	0	3,368	507,068	0	0
Note payable to US Govt CARES act	0	0	0	0	0	0	1,531	(1,531)
Proceeds from shares to be issued	0	1,407,506	74,979	752,699	(2,235,184)	0	1,820,521	(75,856)
Proceeds from stock issuance	11,888,037	668,287	(258,388)	(164,500)	8,362,292	8,607,691	0	4,287,446
Proceeds from stock issuance from IPO	0	0	0	0	0	0	0	3,910,784
Net cash provided by financing	11,888,037	3,565,793	(1,659,709)	3,499,199	6,130,476	11,535,759	1,822,052	8,120,843
Cash and Cash Equivalents, beginning	731,355	2,972,649	4,021,667	3,859,783	4,847,284	2,972,649	6,337,778	5,714,659
Cash and Cash Equivalents, end of period	2,972,649	4,021,667	2,934,783	4,847,284	6,337,778	6,337,778	5,714,659	8,635,739
<b>Non-cash investing and financing activities:</b>								
Issuance of stock for services received	2,267,779	668,286	(258,387)	(100,319)	1,704,643	2,014,223	1,525,904	1,406,827
Cash flow	\$ (4,171,974)	\$ (1,695,182)	\$ (1,484,308)	\$ (2,523,444)	\$ (4,826,468)	\$ (10,529,401)	\$ (1,866,499)	\$ (2,537,879)
Free cash flow	\$ (6,902,337)	\$ (1,110,872)	\$ 1,336,317	\$ (3,519,858)	\$ (4,462,921)	\$ (6,832,333)	\$ (2,311,681)	\$ (2,396,379)



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