



Society Pass Inc.

Q3 about inline with solid revenue growth. We believe strong growth over the next year to drive stock much higher. Lowering P/T to \$3.00.

COMPANY UPDATE

Rating: **BUY**

Ticker: SOPA

Price: \$0.26

Target: \$3.00
(from \$3.75)

Q3 revenue growth: Society Pass recently (on November 15) reported its fiscal Q3 2023 (ending September) results. Revenue was \$2.3 million (+11% y-o-y), compared to our estimates of \$3.0 million and consensus of \$2.6 million. EPS was (0.14), compared to our estimates of \$(0.13) and consensus of \$(0.12). There was no Q3 guidance.

No guidance: The company has not provided any financial guidance, but has generally stated that annual revenue run rate can be \$60 – 100 million and that it expects to reach cash profitability sometime in 2H 2023.

Adjusting estimates: We are adjusting our 2023 estimates for revenue to \$9 million, from \$11 million, and for EPS to \$(0.56) from \$(0.57).

Focused on loyalty platform: The company's ecosystem of technology-enabled companies synergistically work together to transform how consumers and merchants interact with one another. Its key focus is on generating customer loyalty, ease of transaction for consumers, and revenues for merchants. As more merchants and consumers in SEA register on its Society Pass platform, more transaction data is generated, and thus presenting more opportunities for creating loyalty from consumers to merchants.

Lifestyle platform: The company has developed an online lifestyle platform in Vietnam under its own brand name of "Leflair" to enable consumers to purchase high-end brands in many categories. Using the company's smart search engine, consumers search or review their favorite brands among hundreds of choices in various categories, including Apparel, Bags & Shoes, Accessories, Health & Beauty, Home & Lifestyle, International, Women, Men and Kids & Babies categories.

Market opportunities: We believe that continued strong economic expansion, robust population growth, rising level of urbanization, the emergence of the middle class, and the increasing rate of adoption of mobile technology provide large and fast growing market opportunities for Society Pass and other technology companies in Southeast Asia (SEA).

2 IPOs planned: In October 2023, the company announced plans to spinoff two of its businesses in IPOs in 2024, its digital advertising ecosystem, Thoughtful Media Group Inc., and its online travel platform, NusaTrip Inc. We believe that these IPOs will drive significant value to Society Pass's shareholders and will be key catalysts for the company in 2024.

Management change: In October 2023, Raynauld Liang was appointed as the new Chief Executive Officer of the company. Yee Siong Tan was appointed as the Chief Financial Officer replacing Mr. Liang. Dennis Nguyen resigned as CEO due to personal reasons. Mr. Nguyen will still be actively involved with the company so we have no management concerns.

Positive high risks versus high rewards: Overall, concerns outweighed by growth prospects and valuation. Society Pass's main products still has long commercialization challenges ahead, but we believe the ~billion dollars market potential presents high rewards for the risks.

Valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$3.00 from \$3.75, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with its high growth prospects and large upside opportunities.

Company Description

Society Pass, based in Singapore, is building the next generation data-driven loyalty, fintech, and e-commerce digital platform in Southeast Asia (SEA).

United States
Technology

December 5, 2023

Edward Woo, CFA
(561) 327-9435
ewoo@ascendant.com

Stock Data

Exchange:	NasdaqCM
52-week Range:	0.23 – 1.49
Shares Outstanding (million):	33
Market cap (\$million):	\$9
EV (\$million):	\$1
Debt (\$million):	\$0
Cash (\$million):	\$8
Avg. Daily Trading Vol. (\$million):	\$0.2
Float (million shares):	22
Short Interest (million shares):	0.5
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	2.0A		2.7E	4.5E
Q2 Jun	2.2A		3.4E	5.0E
Q3 Sep	2.3A	3.0E	4.0E	6.5E
Q4 Dec	<u>2.4E</u>	<u>3.8E</u>	<u>4.9E</u>	<u>8.0E</u>
Total	8.9E	11.0E	15.0E	24.0E
EV/Revs	0.1x		0.1x	

Earnings per Share (pro forma)

	<u>2023E</u> <u>(Cur.)</u>	<u>2023E</u> <u>(Old)</u>	<u>2024E</u> <u>(Cur.)</u>	<u>2024E</u> <u>(Old)</u>
Q1 Mar	(0.20)A		(0.09)E	(0.10)E
Q2 Jun	(0.12)A		(0.07)E	(0.10)E
Q3 Sep	(0.14)A	(0.13)E	(0.08)E	(0.10)E
Q4 Dec	<u>(0.12)E</u>	<u>(0.13)E</u>	<u>(0.06)E</u>	<u>(0.09)E</u>
Total	(0.56)E	(0.57)E	(0.30)E	(0.38)E
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 14.

OVERVIEW

- Society Pass recently (on November 15) reported its fiscal Q3 2023 (ending September) results.
- Revenue was \$2.3 million (+11% y-o-y), compared to our estimates of \$3.0 million and consensus of \$2.6 million.
- EPS was (0.14), compared to our estimates of \$(0.13) and consensus of \$(0.12).
- There was no Q3 guidance.
- The company did not provide forward guidance.
- We are adjusting our 2023 estimates for revenue to \$9 million, from \$11 million, and for EPS to \$(0.56) from \$(0.57).
- We are adjusting our 2024 estimates for revenue to \$15 from \$24 million, and for EPS to \$(0.30) from \$(0.38).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$0.6 million, compared with our estimate of \$1.2 million.
- Gross margin for the quarter was 25%, versus our expectation of 40% and 15% last year.
- Operating expenses were \$4.7 million, versus our expectation of \$4.9 million.
- Operating loss was \$4.1 million, versus our expectation of a loss of \$3.7 million.
- Net loss was \$3.9 million, versus our expectation of a loss of \$3.7 million.
- The company has not provided any financial guidance, but has generally stated that annual revenue run rate can be \$60 – 100 million and that it expects to reach cash profitability sometime in 2H 2023.

In October 2023, Raynauld Liang was appointed as the new Chief Executive Officer of the company. Yee Siong Tan was appointed as the Chief Financial Officer of the company replacing Mr. Liang. Dennis Nguyen resigned as a director of the company, and as the Chairman and the Chief Executive Officer of the company due to personal reasons.

In October 2023, the company announced plans to spinoff two of its businesses in IPOs in 2024, its digital advertising ecosystem, Thoughtful Media Group Inc., and its online travel platform, NusaTrip Inc.

In July 2023, the company entered into an agreement to acquire 95% of PT Inetindo Info (“Inetindo”), a wholly subsidiary of Story-I Limited (“Story-I”). Inetindo is a leading Indonesia-based Apple Premium Reseller and Authorised Education Partner as well as an electronic gaming retailer for several different gaming companies. The purchase price is ~\$1.9 million and the deal is expected to close by September 2023. Operating in Indonesia since 2010, Inetindo employs approximately 300 employees and operates 26 “Story-I” branded Apple stores in 9 cities across Indonesia. As an Apple Authorised Education Partner and Apple Authorised Service Provider, Inetindo sells Apple devices and solutions to leading international schools and tertiary institutions and repairs Apple products at its service centres. Inetindo has annual revenue of ~\$30 million.

This deal was supposed to close in September 2023, but has not yet closed and there are some uncertainties about this deal being completed.

The company’s balance sheet had \$8 million in cash and no debt, compared with \$11 million in cash and no debt at the end of June. In October, the company announced a new \$40 million equity line of credit with Strattners FZCO.

Exhibit 1: Society Pass (SoPa) Corporate Overview



Operating in SEA (Vietnam, Indonesia, Philippines, Singapore, and Thailand), SoPa is an acquisition-focused fintech and e-commerce holding company operating 6 inter-connected verticals (loyalty, lifestyle, f&b delivery, telecoms, digital advertising, and travel) connecting millions of consumers and thousands of merchants in SEA

+3,300,000 Reg Consumers	+650,000 Reg merchants/brands	US\$ 5.64 mn 2022 Group Revenues	+94,000 Facebook Followers (SoPa only)	+128,000 LinkedIn Followers (SoPa only)
+2,300 Twitter Followers (SoPa only)	+100 Instagram Followers (SoPa only)	+17,000 2021 Lifestyle Purchases	+12,000 2021 F&B Delivery Bookings	+70,000 2021 Travel Bookings
				+87,000,000 Youtube Subscribers

03

Source: Company reports.

Exhibit 2: Society Pass Products and Ecosystem

Complementary, Integrated Ecosystem

SoPa opportunistically acquires attractively valued companies in Southeast Asia to synergistically generate additional revenue streams, optimise efficiencies for merchants, and more cost effectively aggregate consumers and merchants through synchronised marketing campaigns. SoPa's ecosystem allows for:

- More revenue generation for merchants leads to creation of customer loyalty;
- More customer loyalty creation leads to more consumers for merchants; and
- More consumers for merchants leads to greater revenues for merchants.

→ **VIRTUOUS CYCLE OF REVENUE GENERATION AND LOYALTY CREATION**

LOYALTY	LIFESTYLE	FOOD & BEVERAGE	TELECOMS	DIGITAL ADVERTISING	TRAVEL
<ul style="list-style-type: none"> • Loyalty Points • Digital Wallet • Currency 	<ul style="list-style-type: none"> • e-Commerce • Search & Payment • Distributors • Delivery 	<ul style="list-style-type: none"> • Product Search & Payment • Restaurant Delivery • Grocery Delivery 	<ul style="list-style-type: none"> • Roaming / e-SIM • Mobile Money • Switchback • Blockchain / Web3 	<ul style="list-style-type: none"> • Multi-channel Network • Advertising Technology • Influencer Advertising • Social Commerce • Onlive Shopping 	<ul style="list-style-type: none"> • Airline Search & Payment • Hotel Search & Payment • Travel Stories/Blogs

Source: Company reports.

Exhibit 3: Society Pass's Investment Summary



Investment Highlights

Powerful and Integrated Ecosystem

- 6 unique verticals (loyalty, lifestyle, F&B delivery, digital advertising, telecoms, and travel) create a highly synergistic ecosystem, **generating additional sales channels, and onboarding increasingly greater numbers of consumers and merchants**
- **Integrated technology platform** and operational efficiencies drives value creation for SoPa ecosystem
- **Multi-faceted revenue model** comprises of e-commerce revenues, delivery fees, brokerage fees, SaaS revenues

Unique Loyalty Program (Expected Launch in 3Q 2023)

- Society Points **replace cash discounting and create permanent customer stickiness**
- As Society Points are **merchant/location agnostic**, they can be earned and redeemed across different business units within SoPa ecosystem
- Society Pass is an additional marketing channel for merchants on SoPa ecosystem to **onboard more customers and generate more revenues in a cost efficient manner** for their individual businesses

Attractive Markets

- **Ample attractively valued, regional acquisition opportunities allow Society Pass to quickly and more efficiently build consumer/merchant scale and expand service offerings**
- SEA, particularly Vietnam, Indonesia, Philippines, Singapore and Thailand, boasts one of the **fastest growing economies in the world** and the VIP countries comprise over 80% of SEA's population
- SEA possesses **fast growing middle class, favorable demographics and quick adoption of mobile technology**

Experienced Management Team

- Senior executives possess **+150 years of on-the-ground**, operational, marketing, software development, legal and financial experience in **local Asia markets** and intimate knowledge of international capital markets
- **Female led and female managed:** +50% of SoPa employees are female
- CEO, CFO, CMO, COO and CTO possess solid track records of **building companies and creating value** for shareholders and other stakeholders

Source: Company reports.

Exhibit 4: Society Pass Loyalty Platform

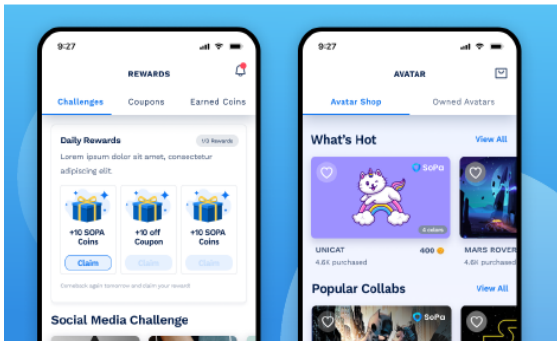


LOYALTY

Society Pass



[Discover Society Pass here!](#)



- Society Pass offers an **universal, open loop loyalty platform** to create permanent customer loyalty, generate revenues for merchants, and replace cash discounting.
- Registration: Hassle free creation of profile for smooth registration; Every email address is verified.
- Home screen: Buy SOPA points bundle; Redeem points for coupons; Refer your friends and earn SOPA points; View your wallet balance; Change your profile and settings.
- Buy SOPA points bundle: Select from several SOPA points bundles; Integration to Stripe payment gateway; Store multiple credit cards; Real-time settlement.
- Redeem points for coupons: Select from variety of coupon offerings; Redeem coupons using SOPA points; Coupon with unique code generated in app; Use coupon in business unit website/app.
- Refer friends and earn: SOPA points Share unique referral code with your friends; Select from multiple channels and social media; Send referral your code and SOPA app link; Earn SOPA points when your friend install and registers app.
- View your wallet balance: Drill down to individual transactions.
- Change your profile and settings: Complete your profile to purchase SOPA points; Adjust app behaviour and settings to your preference

06

Society Pass

Society Pass offers an universal, open loop loyalty platform to create permanent customer loyalty, generate revenues for merchants, and replace cash discounting=

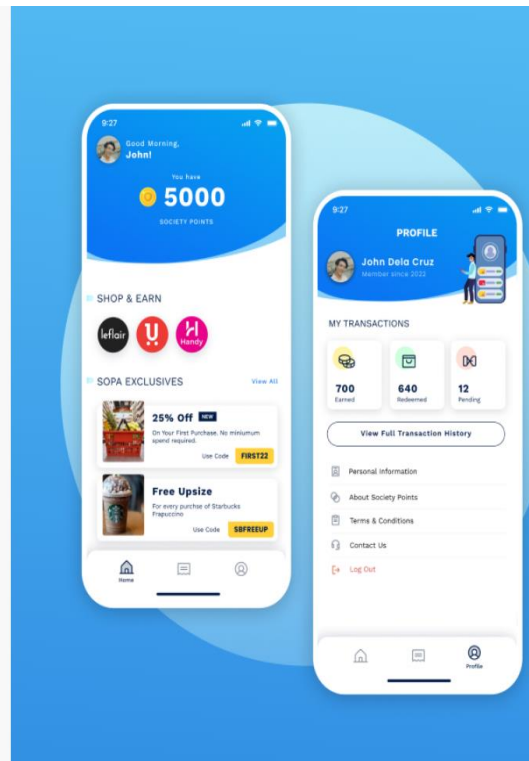
Consumers:

- Earn/redeem Society Points at **ANY MERCHANT in ANY COUNTRY** on SoPa ecosystem and pay for goods/services in-store or online, app or via website
- Redeem Society Points for **other** good/services
- Redeem digital offers in-store and online, app or via website
- Register, login, view/update profiles, view Society Point balance/transaction history, receive promotions and notifications
- View products of other SoPa ecosystem business units

SoPa Loyalty generates more revenues for merchants by retaining existing customers, attracting new customers, reducing customer turnover and syncing customer data in real-time, personalised marketing campaigns]

Merchants:

- **Adjust level of issuance** of Society Points based on marketing campaign
- Redeem Society Points for cash with funds wired directly to their accounts collect customer information and track customer activity
- **Easy-to-set-up** direct marketing (send emails and push notifications)
- Multi-location and multi-language support
- Send personalised messages directly to customers' SoPa Loyalty screen
- Search transaction history



Source: Company reports.

Exhibit 5: Q3 2023 Financial Report (as of November 15, 2023)

Society Pass Inc's (Nasdaq: SOPA) 9 Mths 2023 Financials : Revenues Increased 117% yoy; Gross Profit Margin Improved to 28.1%; Cash Operating Expenses Declined 32.6% yoy



Society Pass Incorporated

November 15, 2023 · 9 min read

Summary Points:

- With cash on hand of \$8.2 million (approximately \$0.26 per share) and book value of \$9.9 million (approximately \$0.32 per share) as of 30 September 2023, SoPa is well capitalised for continuing acquisitions of SEA companies in its digital advertising, travel, lifestyle, telecommunications, and loyalty/fintech verticals for the rest of 2023 and 2024.
- 9 months 2023 revenues grew 117.0% year on year (from \$2,994,416 in 9 months 2022 to \$6,498,878 in 9 months 2023).
- 3Q 2023 revenues grew 10.7% year on year (from \$2,050,264 in 3Q 2022 to \$2,269,066 in 3Q 2023).
- 3Q 2023 revenues grew 3.7% quarter on quarter (from \$2,187,232 in 2Q 2023 to \$2,269,066 in 3Q 2023).
- 9 months 2023 gross profit grew 523.2% year on year (from \$293,004 in 9 months 2022 to \$1,825,960 in 9 months 2023).
- 3Q 2023 gross profit grew 82.7% year on year (from \$307,935 in 3Q 2022 to \$562,564 in 3Q 2023).
- 3Q 2023 gross profit declined 2.5% quarter on quarter (from \$577,159 in 2Q 2023 to \$562,564 in 3Q 2023).
- 9 months 2023 gross profit margin grew to 28.1% in 9 months 2023 from 9.8% in 9 months 2022.
- 3Q 2023 gross profit margin grew to 24.8% in 3Q 2023 from 15.0% in 3Q 2022.
- 3Q 2023 gross profit margin declined to 24.8% in 3Q 2023 from 26.4% in 2Q 2023.
- While 9 months 2023 revenues grew 117.0% year on year, 9-month 2023 cash operating expenses declined 32.6% year on year (from \$15,275,821 in 9 months 2022 to \$10,295,103 in 9 months 2023).
- While 3Q 2023 revenues grew 10.7% year on year, 3Q 2023 cash operating expenses declined 54.6% year on year (from \$7,426,684 in 3Q 2022 to \$3,368,443 in 3Q 2023).
- While 3Q 2023 revenues grew 3.7% quarter on quarter, 3Q 2023 cash operating expenses increased 15.1% quarter on quarter (from \$2,927,505 in 2Q 2023 to \$3,368,443 in 3Q 2023).
- 9 months 2023 digital advertising revenues represent 70.5% of total revenues and grew 278.0% year on year from (\$1,211,428 in 9 months 2022 to \$4,579,429 in 9 months 2023).
- 3Q 2023 digital advertising revenues represent 78.7% of total revenues and grew 47.3% year on year from (\$1,211,428 in 3Q 2022 to \$1,784,695 in 3Q 2023).
- 3Q 2023 digital advertising revenues represent 78.7% of total revenues and grew 18.1% quarter on quarter from (\$1,510,960 in 2Q 2023 to \$1,784,695 in 3Q 2023).
- 9 months 2023 travel revenues represent 22.1% of total revenues and grew 704.2% year on year from (\$178,206 in 9 months 2022 to \$1,433,133 in 9 months 2023).
- 3Q 2023 travel revenues represent 17.2% of total revenues and grew 119.1% year on year from (\$178,206 in 3Q 2022 to \$390,384 in 3Q 2023).
- 3Q 2023 travel revenues represent 17.2% of total revenues and declined 29.8% quarter on quarter from (\$556,042 in 2Q 2023 to \$390,384 in 3Q 2023).
- Since inception, SoPa has onboarded approximately 3.7 million registered consumers, approximately 650,000 registered merchants/brands and approximately 10,000 influencers onto its ever-expanding next generation digital ecosystem and loyalty platform in SEA.
- SoPa operates five verticals in SEA: digital advertising, travel, lifestyle, fintech/loyalty, and telecoms.
- SoPa operates in five SEA countries: Singapore, Vietnam, Indonesia, Philippines and Thailand.

Source: Company report.

Exhibit 6: Society Pass Revenue By Product (Q3 2023 and 2022)

	Three Months ended September 30, 2023						
	Online F&B and Groceries Deliveries	Digital Marketing	Online Ticketing and reservation	e-Commerce	Telecommunication Reseller	Merchant POS	Total
Revenue from external customers							
Sales – online ordering	6,415	—	—	80,786	—	—	87,201
Sales – digital marketing	—	1,689,189	95,506	—	—	—	1,784,695
Sales – online ticketing and reservation	—	—	390,384	—	—	—	390,384
Sales – data	—	—	—	—	2,977	—	2,977
Software sales	—	—	3,809	—	—	—	3,809
Total revenue	6,415	1,689,189	489,699	80,786	2,977	—	2,269,066

	Three Months ended September 30, 2022						
	Online F&B and Groceries Deliveries	Digital Marketing	Online Ticketing and reservation	e-Commerce	Telecommunication Reseller	Merchant POS	Total
Revenue from external customers							
Sales – online ordering	53,635	—	—	591,439	—	—	645,074
Sales – digital marketing	—	1,211,428	—	—	—	—	1,211,428
Sales – online ticketing and reservation	—	—	178,206	—	—	—	178,206
Sales – data	—	—	—	—	15,441	—	15,441
Software sales	—	—	—	—	—	34	34
Hardware sales	—	—	—	—	—	81	81
Total revenue	53,635	1,211,428	178,206	591,439	15,441	115	2,050,264

	Years ended December 31, 2022						
	Online F&B and Groceries Deliveries	Digital Marketing	Online Ticketing and reservation	e-Commerce	Telecommunication Reseller	Merchant POS	Total
Revenue from external customers							
Sales – online ordering	150,999	—	—	2,118,191	—	—	2,269,190
Sales – digital marketing	—	2,593,674	—	—	—	—	2,593,674
Sales – online ticketing and reservation	—	—	724,991	—	—	—	724,991
Sales – data	—	—	—	—	23,747	—	23,747
Software sales	—	—	—	—	—	23,801	23,801
Hardware sales	—	—	—	—	—	150	150
Total revenue	150,999	2,593,674	724,991	2,118,191	23,747	23,951	5,635,553

Source: Company reports.

Exhibit 7: Society Pass Announced Plans to Spinout Two Companies (on October 10, 2023)

Society Pass Inc. (Nasdaq: SOPA) Announces Plans to Spinout Two Profitable Business Units Into New Publicly-Traded Companies via Nasdaq IPOs in 2024



Society Pass Incorporated

October 10, 2023 · 7 min read



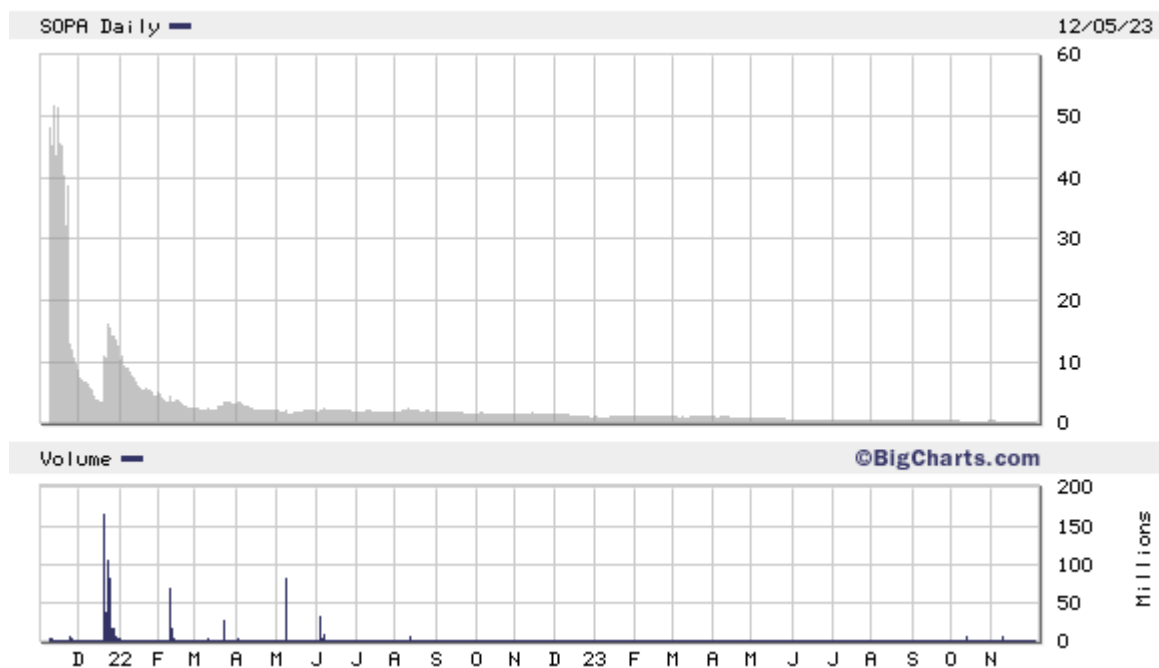
NEW YORK, NY, Oct. 10, 2023 (GLOBE NEWSWIRE) -- via [NewMediaWire](#) – [Society Pass Inc. \(Nasdaq: SOPA\)](#) (“SoPa” or the “Company”), Southeast Asia’s (“SEA”) next generation, data-driven, loyalty, fintech and e-commerce ecosystem, announces that its Board of Directors, together with its financial and legal advisors, have evaluated a comprehensive range of strategic restructuring options to unlock shareholder value. As a result of these discussions, SoPa will pursue a spinout and initial public offering on Nasdaq in 2024 for its digital advertising ecosystem, [Thoughtful Media Group Inc \(“TMG”\)](#), and for its online travel platform, [NusaTrip Inc \(“NusaTrip”\)](#).

Thailand-based TMG, the premier digital advertising network in SEA, operates in Thailand, Vietnam, Indonesia, and Philippines and connects advertisers/brands /merchants with over 10,000 influencers to targeted audiences in SEA via its social media-focused advertising ecosystem. TMG delivers significant returns on investment on advertising spend for its clients by more efficiently and effectively generating additional revenues across thousands of creator channels in industries such as fashion & beauty, lifestyle, video games, cooking, automotive, travel, luxury, and sports.

Nusatrip, a leading Indonesia-based online travel agency, offers a comprehensive range of airlines and hotels on its travel platform for corporate and retail customers across SEA. With its first mover advantage, NusaTrip has onboarded over 1.2 million registered users, over 500 airlines and over 650,000 hotels around the world as well as connected with over 80 million unique visitors. Initially only focused on the Indonesian market, NusaTrip has expanded to other SEA countries to become a first-choice travel provider throughout SEA.

Source: Company reports.

Exhibit 8: Society Pass Inc. Stock Price (since IPO November 9, 2021)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 9: Consensus Expectations (as of November 15, 2023)

	Revenue (mils)			EPS	
	<u>2023E</u>	<u>2024E</u>		<u>2023E</u>	<u>2024E</u>
Q1 Mar	\$2.0A		Q1 Mar	\$(0.20)A	
Q2 Jun	\$2.2A		Q2 Jun	\$(0.12)A	
Q3 Sep	\$2.6E		Q3 Sep	\$(0.12)E	
Q4 Dec	\$6.9E		Q4 Dec	\$(0.12)E	
Total	\$13.8E	\$34.2E	Total	\$(0.55)E	\$(0.29)E

**Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.*

Source: Company report, Refinitiv, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Society Pass Inc.

Income Statement (\$USD mils)	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Total Revenue	0.1	0.0	0.0	0.1	0.4	0.5	0.4	0.5	2.1	2.6	5.6	2.0	2.2	2.3	2.4	8.9	2.7	3.4	4.0	4.9	15.0	
Cost of Revenues	0.1	0.0	0.1	0.2	0.4	0.7	0.5	0.5	1.7	2.0	4.7	1.4	1.6	1.7	1.4	6.1	1.2	1.6	1.9	2.3	6.9	
Gross Profit	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.2)	(0.0)	(0.0)	0.3	0.7	1.0	0.7	0.6	0.6	1.0	2.8	1.5	1.9	2.2	2.6	8.1	
Research & development	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	
Sales and marketing	0.0	0.0	0.0	0.0	0.2	0.3	0.2	0.3	0.2	0.3	1.0	0.1	0.1	0.2	0.2	0.7	0.2	0.2	0.2	0.2	0.2	0.9
General & administrative	3.5	2.0	4.2	8.3	19.0	33.4	5.8	7.3	9.9	7.4	30.6	6.0	3.9	4.5	4.7	19.0	4.3	4.3	4.8	4.4	17.8	
Restructuring and other	0.0	0.2				0.2	0.5	0.3	2.7	3.5					0.0						0.0	
Total operating expenses	3.7	2.2	4.2	8.3	19.2	34.0	6.6	7.6	10.4	10.5	35.1	6.1	4.0	4.7	4.9	19.8	4.6	4.5	5.0	4.7	18.8	
Operating income (loss)	(3.8)	(2.194)	(4.3)	(8.4)	(19.3)	(34.2)	(6.6)	(7.6)	(10.1)	(9.8)	(34.2)	(5.5)	(3.4)	(4.1)	(3.9)	(16.9)	(3.1)	(2.6)	(2.9)	(2.1)	(10.7)	
Interest income (expense)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.1	0.0	0.1	0.0	(0.0)	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
Other income (expense)	(0.0)	(0.5)	0.0	0.0	0.0	(0.5)	0.1	0.1	0.1	0.0	0.3	0.1	0.0	0.2	0.0	0.4	0.0	0.0	0.0	0.0	0.0	
Income before income taxes	(3.8)	(2.755)	(4.3)	(8.4)	(19.2)	(34.8)	(6.5)	(7.5)	(10.0)	(9.8)	(33.8)	(5.3)	(3.3)	(3.9)	(3.9)	(16.4)	(3.1)	(2.6)	(2.9)	(2.1)	(10.7)	
Income taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net income (loss)	(3.8)	(2.757)	(4.3)	(8.4)	(19.2)	(34.8)	(6.5)	(7.5)	(10.0)	(9.8)	(33.8)	(5.3)	(3.3)	(3.9)	(3.9)	(16.4)	(3.1)	(2.6)	(2.9)	(2.1)	(10.7)	
Nonrecurring/noncash adjustments	(0.1)			0.6	(0.6)	0.0					0.0					0.0					0.0	
Net income (pro forma)	(3.89)	(2.8)	(4.3)	(7.8)	(19.8)	(34.8)	(6.5)	(7.5)	(10.0)	(9.8)	(33.8)	(5.3)	(3.3)	(3.9)	(3.9)	(16.4)	(3.1)	(2.6)	(2.9)	(2.1)	(10.7)	
EBITDA																						
Shares, Basic	7.0	7.4	7.4	7.8	15.1	9.44	21.9	24.3	25.3	26.2	24.4	27.1	28.2	28.5	32.9	29.2	33.9	34.9	35.9	36.9	35.4	
Shares, Diluted	7.0	7.4	7.4	7.8	15.1	9.44	21.9	24.3	25.3	26.2	24.4	27.1	28.2	28.5	32.9	29.2	33.9	34.9	35.9	36.9	35.4	
EPS Basic (pro forma)	(\$0.56)	(\$0.37)	(\$0.59)	(\$1.00)	(\$1.31)	(\$3.68)	(\$0.30)	(\$0.31)	(\$0.39)	(\$0.37)	(\$1.38)	(\$0.20)	(\$0.12)	(\$0.14)	(\$0.12)	(\$0.56)	(\$0.09)	(\$0.07)	(\$0.08)	(\$0.06)	(\$0.30)	
EPS Diluted (pro forma)	(\$0.56)	(\$0.37)	(\$0.59)	(\$1.00)	(\$1.31)	(\$3.68)	(\$0.30)	(\$0.31)	(\$0.39)	(\$0.37)	(\$1.38)	(\$0.20)	(\$0.12)	(\$0.14)	(\$0.12)	(\$0.56)	(\$0.09)	(\$0.07)	(\$0.08)	(\$0.06)	(\$0.30)	
Margins																						
Gross margin	-69%	-92%	-1012%	-91%	-7%	-37%	-3%	0%	15%	26%	17%	34%	26%	25%	42%	32%	56%	54%	54%	53%	54%	
Research & development	316%	317%	473%	12%	5%	18%	4%	3%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Sales and marketing	6%	9%	530%	51%	58%	63%	44%	51%	10%	13%	18%	6%	5%	10%	9%	8%	9%	5%	5%	5%	6%	
General & administrative	6728%	20556%	53550%	9927%	4530%	6424%	1312%	1472%	484%	282%	542%	293%	177%	196%	196%	214%	160%	125%	120%	90%	119%	
Operating margin	-7150%	-23080%	-55566%	-10081%	-4599%	-6581%	-1483%	-1526%	-493%	-373%	-606%	-267%	-156%	-183%	-164%	-190%	-114%	-77%	-72%	-43%	-71%	
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Net margin	-7298%	-29003%	-55798%	-10091%	-4590%	-6687%	-1471%	-1504%	-486%	-370%	-600%	-259%	-152%	-170%	-164%	-184%	-114%	-77%	-72%	-43%	-71%	
Y/Y % change																						
Total Revenue						891%	4582%	6312%	2354%	530%	984%	359%	338%	11%	-9%	58%	32%	55%	76%	104%	69%	
Gross margin						427%	68%	-100%	-506%	-2566%	-607%	-4739%	-418331%	83%	51%	194%	119%	221%	282%	156%	185%	
Research & development						-42%	-80%	-11%	14%	-17%	-24%	-81%	9%	-17%	90%	-10%	-59%	26%	18%	23%	128%	
Sales and marketing						10370%	21689%	514%	396%	39%	205%	-33%	-61%	11%	-36%	-32%	86%	72%	-16%	13%	26%	
General & administrative						846%	-83%	26%	35%	-25%	-9%	-80%	-35%	15%	6%	-38%	-77%	-2%	13%	-8%	-7%	
Operating income (loss)						812%	201%	76%	20%	-49%	0%	-17%	-55%	-59%	-60%	-50%	-43%	-24%	-30%	-46%	-37%	
Net income (loss)						808%	138%	73%	18%	-49%	-3%	-19%	-56%	-61%	-60%	-51%	-42%	-21%	-25%	-46%	-35%	
EPS Diluted (pro forma)						562%	-20%	-47%	-61%	-72%	-62%	-35%	-62%	-66%	-68%	-59%	-53%	-37%	-41%	-52%	-46%	

Source: Company reports and Ascendant Capital Markets estimates.

Society Pass Inc.

Balance Sheet (\$USD mils)	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Fiscal Year End: December 31	Q4A			Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																	
Cash and cash equivalents	0.5			5.7	23.3	31.0	28.0	23.0	18.9	13.8	10.8	8.2	5.0	3.9	3.9	3.3	4.1
Short term investments													0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	0.0			0.1	0.1	0.0	0.1	0.6	1.0	0.9	1.2	1.3	1.3	1.5	1.9	2.2	2.7
Inventory					0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.8	0.2	0.3	0.3	0.4	0.5
Contract assets								0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes											0.2	0.2	0.2	0.2	0.2	0.2	0.2
Prepaid expenses and other	0.1			0.2	6.1	5.8	4.5	4.1	2.8	2.0	1.8	1.5	1.6	1.4	1.7	2.0	2.5
Total current assets	0.6			6.0	29.6	37.1	33.0	28.0	23.0	16.9	14.6	12.1	8.3	7.3	8.0	8.1	9.9
Property and equipment, net	0.0			0.0	0.1	0.1	0.1	0.6	0.7	0.8	0.8	0.7	0.5	0.2	(0.1)	(0.3)	(0.6)
Leases	0.1			0.5	0.6	0.8	0.7	0.6	1.5	1.7	1.6	1.4	1.4	1.4	1.4	1.4	1.4
Intangibles, net	7.2			4.8	4.0	3.7	3.7	11.5	7.5	6.7	7.0	6.5	6.5	6.5	6.5	6.5	6.5
Deferred income tax													0.0	0.0	0.0	0.0	0.0
Other					0.9								0.0	0.0	0.0	0.0	0.0
Total assets	7.9			11.3	35.2	41.6	37.5	40.7	32.7	26.1	24.0	20.7	16.7	15.4	15.9	15.8	17.3
Liabilities and stockholders' equity																	
Accounts payable	0.1			0.1	0.3	0.2	0.9	1.2	1.3	1.5	1.7	1.8	1.9	2.0	2.6	3.0	3.7
Accrued expenses	0.7			0.8	1.9	1.2	1.4	9.6	8.3	5.9	6.5	6.2	4.8	5.4	6.8	8.0	9.8
Contract liabilities	0.0			0.0	0.0	0.0	0.0	1.3	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2
Deferred revenue													0.0	0.0	0.0	0.0	0.0
Deferred income tax								0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Warrant liabilities													0.0	0.0	0.0	0.0	0.0
Leases	0.0			0.2	0.2	0.3	0.3	0.3	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
Other	2.2			0.0		0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Short term debt							0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	3.0			1.1	2.4	1.7	2.7	12.7	11.6	9.4	10.2	9.9	8.6	9.2	11.1	12.8	15.3
Deferred income taxes													0.0	0.0	0.0	0.0	0.0
Warrant liabilities													0.0	0.0	0.0	0.0	0.0
Other long term liabilities													0.0	0.0	0.0	0.0	0.0
Leases	0.0			0.4	0.4	0.5	0.4	0.3	1.1	1.2	1.1	0.9	0.9	0.9	0.9	0.9	0.9
Deferred revenue													0.0	0.0	0.0	0.0	0.0
Long term debt													0.0	0.0	0.0	0.0	0.0
Total other liabilities	0.0			0.4	0.4	0.5	0.4	0.3	1.1	1.2	1.1	0.9	0.9	0.9	0.9	0.9	0.9
Minority interest					(0.1)	(0.1)	(0.2)	(0.3)	(0.3)	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Preferred stock	15.2			25.3									0.0	0.0	0.0	0.0	0.0
Common stock	0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	2.3	3.4	4.6	5.7
Additional paid-in capital	2.2			12.7	79.8	93.6	96.0	99.2	101.4	102.8	103.1	104.3	104.3	104.3	104.3	104.3	104.3
Retained earnings	(12.6)			(28.1)	(47.4)	(53.9)	(61.4)	(71.4)	(81.1)	(86.4)	(89.7)	(93.6)	(97.5)	(100.6)	(103.2)	(106.1)	(108.2)
Other													0.1	0.1	0.1	0.1	0.1
Accumulated other comprehensive in	(0.1)			(0.0)	(0.1)	(0.1)	(0.0)	0.1	0.1	(0.3)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total stockholders' equity	4.8			9.9	32.3	39.4	34.4	27.6	20.0	15.6	12.7	9.9	7.2	5.3	3.8	2.1	1.1
Total stockholders' equity and liabili	7.9			11.3	35.2	41.6	37.5	40.7	32.7	26.1	24.0	20.7	16.7	15.4	15.9	15.8	17.3

Balance Sheet Drivers

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
	Q4A			Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	462%			200%	1454%	1303%	912%	202%	105%	99%	84%	66%	66%	50%	50%	50%	50%
Inventory as % of total rev	0%			0%	53%	60%	67%	12%	12%	11%	9%	37%	10%	10%	10%	10%	10%
A/P as % of total rev	414%			125%	62%	46%	181%	59%	49%	72%	79%	80%	80%	75%	75%	75%	75%
Accrued exp related as % of total rev	5167%			901%	462%	259%	284%	467%	315%	291%	297%	272%	200%	200%	200%	200%	200%
Activity Ratios																	
A/R Days Sales Outstanding	13			95	11	10	9	25	32	38	51	51	50	50	50	50	50
Book & Cash Value (per share)																	
Book Value per Share (diluted)	\$0.69			\$1.26	\$2.14	\$1.80	\$1.41	\$1.09	\$0.76	\$0.57	\$0.45	\$0.35	\$0.22	\$0.16	\$0.11	\$0.06	\$0.03
Cash per Share (diluted)	\$0.07			\$0.73	\$1.54	\$1.41	\$1.15	\$0.91	\$0.72	\$0.51	\$0.38	\$0.29	\$0.15	\$0.12	\$0.11	\$0.09	\$0.11
Net cash per Share (diluted)	\$0.07			\$0.73	\$1.54	\$1.41	\$1.15	\$0.90	\$0.72	\$0.51	\$0.38	\$0.29	\$0.15	\$0.12	\$0.11	\$0.09	\$0.11

Source: Company reports and Ascendant Capital Markets estimates

Society Pass Inc.

Cash Flow Statement (\$USD mils)	2020	Mar-21	Jun-21	Sep-21	Dec-21	2021	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	
Fiscal Year End: December 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																						
Net income	(3.8)	(2.8)	(4.3)	(8.4)	(19.3)	(34.9)	(6.6)	(7.6)	(10.1)	(9.8)	(34.0)	(5.4)	(3.3)	(3.9)	(3.9)	(16.5)	(3.1)	(2.6)	(2.9)	(2.1)	(10.7)	
Depreciation	0.8	0.8	0.8	0.8	0.8	3.2	0.8	0.8	0.8	0.9	3.3	0.9	0.1	0.2	0.2	1.3	0.2	0.2	0.2	0.2	0.8	
Amortization						0.0					0.0					0.0					0.0	
Non-cash lease expense						0.0					0.0					0.0					0.0	
Debt related amortization exper	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		(0.0)	0.0	0.0	0.0					0.0	
Stock comp	1.0	0.6	2.9	6.6	15.8	25.9	1.9	2.4	1.9	2.2	8.3	1.9	0.4	1.1	1.1	4.6	1.1	1.1	1.1	1.1	4.6	
Deferred income taxes						0.0					0.0		(0.2)	0.0	0.0	(0.2)	(0.1)	0.0	0.0	0.0	(0.1)	
Change in fair value of warrant liability					0.1	0.1					0.0			(0.2)	0.0	(0.2)					0.0	
Accrued interest						0.0	0.0	(0.0)	0.0	0.0	0.0					0.0					0.0	
Writedowns and impairments	0.0	0.2				0.2	0.5		0.3	2.7	3.5		0.0	0.3		0.3					0.0	
Other gains/losses		0.6			(0.0)	0.5				(0.0)	(0.0)	(0.0)				(0.0)					0.0	
Other	0.0					0.0	0.0	(0.0)	0.0	0.0	0.0					0.0					0.0	
Changes in operating assets and liabilities:						0.0					0.0					0.0					0.0	
Accounts receivable	0.0	(0.0)	0.0	(0.1)	0.0	(0.1)	0.0	(0.0)	0.5	(0.4)	0.2	0.1	(0.4)	(0.1)	(0.0)	(0.4)	(0.2)	(0.4)	(0.3)	(0.5)	(1.4)	
Inventory	(0.0)				(0.2)	(0.2)	(0.0)	(0.1)	0.1	(0.1)	(0.1)	0.1	0.0	0.0	0.6	0.7	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	
Prepaid expenses & other curre	(0.0)	0.0	(0.0)	(0.0)	(6.1)	(6.1)	1.2	1.3	1.8	2.1	6.4	0.8	0.2	0.3	(0.1)	1.3	0.2	(0.4)	(0.3)	(0.5)	(0.9)	
Contract assets						0.0			(0.0)	(0.0)	(0.0)	0.0	(0.3)	0.3		(0.0)					0.0	
Contract liabilities	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)	(0.0)	0.9	0.1	0.9	(0.1)	(0.1)	(0.1)		(0.3)					0.0	
Income tax						0.0					0.0					0.0					0.0	
Other assets						0.0	0.1	(0.1)	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.4	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.0	(0.0)	0.0	0.0	0.2	0.2	(0.1)	0.2	(1.1)	0.1	(0.9)	0.2	0.3	0.1	0.1	0.6	0.1	0.5	0.5	0.7	1.7	
Accrued expenses	0.3	0.0	(0.5)	0.0	0.1	(0.4)	0.3	0.2	0.3	(1.2)	(0.5)	(2.4)	0.3	(1.2)	(1.4)	(4.6)	0.6	1.4	1.2	1.8	5.0	
Deferred revenue						0.0					0.0					0.0					0.0	
Other liabilities	0.4	0.1	0.1	(0.1)	0.6	0.7	(0.6)	0.0	(0.8)	(0.2)	(1.5)	(0.1)	(0.1)	0.1	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	(1.3)	(0.4)	(1.1)	(1.1)	(8.2)	(10.8)	(2.6)	(2.9)	(5.4)	(3.6)	(14.5)	(4.0)	(2.9)	(2.9)	(3.4)	(13.2)	(1.1)	(0.1)	(0.6)	0.7	(1.1)	
Cash flow from investing activities																						
Purchases of property and equipment					(0.0)	(0.0)	(0.0)	(0.0)	(0.4)	(0.1)	(0.6)	(0.2)	(0.1)	0.1	0.1	(0.1)	0.1	0.1	0.1	0.1	0.2	
Purchases of short-term investments		(0.0)	(0.2)			(0.2)					0.0					0.0					0.0	
Acquisitions						0.0	(0.2)		(0.7)	0.0	(0.9)		0.0	(0.2)		(0.1)					0.0	
Other						0.0	0.0	0.0	1.6		1.6			0.0		0.0					0.0	
Net cash used in investing activ	0.0	(0.0)	(0.2)	0.0	(0.0)	(0.2)	(0.2)	(0.0)	0.5	(0.1)	0.2	(0.2)	(0.0)	(0.1)	0.1	(0.2)	0.1	0.1	0.1	0.1	0.2	
Cash flow from financing activities																						
Issuance of debt						0.0					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt					(0.2)	(0.2)	(0.2)	(0.2)	(0.2)		(0.6)					0.0					0.0	
Issuance of stock	1.2	0.8	0.5	6.7	26.0	34.0	10.8	(0.4)			10.4				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exercises						0.0		0.4			0.4					0.0					0.0	
Other						0.0					0.0	(0.5)	(0.1)	(0.0)		(0.7)					0.0	
Dividends and distributions						0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	1.2	0.8	0.5	6.7	25.8	33.8	10.5	(0.2)	(0.2)	0.0	10.2	(0.5)	(0.1)	(0.0)	0.0	(0.7)	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash	(0.1)	0.0	(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.1	0.1	(0.3)	(0.2)	(0.4)	0.1	0.4		0.0					0.0	
Net increase (decrease) in cash	(0.1)	0.4	(0.7)	5.6	17.5	22.8	7.7	(3.0)	(5.0)	(4.0)	(4.3)	(5.2)	(2.9)	(2.6)	(3.3)	(14.0)	(1.0)	(0.1)	(0.5)	0.7	(0.9)	
Beginning cash and equivalents	0.6	0.5	0.9	0.1	5.7	0.5	23.3	31.0	28.0	23.0	23.3	19.0	13.8	10.9	8.3	19.0	5.0	3.9	3.9	3.9	3.3	
Ending cash and equivalents	0.5	0.9	0.1	5.7	23.3	23.3	31.0	28.0	23.0	19.0	19.0	13.8	10.9	8.3	5.0	5.0	3.9	3.9	3.3	4.1	4.1	

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

Society Pass Inc.

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

IMPORTANT DISCLOSURES

This report has been distributed by Ascendant Capital Markets, LLC and is for the sole use of our clients. This report is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. This report contains information from various sources, including United States government publications, The Wall Street Journal and other periodicals, Yahoo! Finance and other sources, and is for informational purposes only and is not a recommendation to trade in the securities of the companies mentioned within the report. We seek to update our research and recommendations as appropriate, but the large majority of reports are published at irregular intervals as we consider appropriate and, in some cases, as constrained by industry regulations.

We may have a business relationship with companies covered in this report. Ascendant Capital Markets, LLC may make a market in the securities of the subject company. We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this report. This report is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any information in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to in this report may fluctuate.

Following are some general risks that can adversely impact future operational and financial performance and share price valuation: (1) industry fundamentals with respect to legislation, mandates, incentives, customer demand, or product pricing; (2) issues relating to competing companies or products; (3) unforeseen developments with respect to management, financial condition or accounting policies or practices; or (4) external factors that affect the interest rates, currency, the economy or major segments of the economy. Past performance is not a guide to future performance, future returns are not guaranteed, and loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Our report is disseminated primarily electronically, and, in some cases, in printed form. The information contained in this report is not incorporated into the contents of our website and should be read independently thereof. Copyright Ascendant Capital Markets, LLC. No part of this material may be copied, photocopied or duplicated by any means or redistributed without the prior written consent of Ascendant Capital Markets, LLC.

Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, ability to commercialize product, changing technologies, competition, changing macroeconomic factors, investor sentiment for investing in technology stocks, foreign exchange and geopolitical risks, and changes in consumer or enterprise demand and preferences for the company's technologies.

Ascendant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of October 13, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	19	37%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	19	37%

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

Dissemination of Research

Ascendant Capital Markets, LLC research is distributed electronically via the Thomson Reuters platforms, Bloomberg, Capital IQ and FactSet. Please contact your investment advisor or institutional salesperson for more information.

General Disclaimer

The information and opinions in this report were prepared by Ascendant Capital Markets, LLC. This information is not intended to be used as the primary basis of investment decisions and because of individual client objectives it should not be construed as advice designed to meet the particular investment needs of any investor. This material is for information purposes only and is not an offer or solicitation with respect to the purchase or sale of any security. The reader should assume that Ascendant Capital Markets, LLC may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein. The opinions, estimates, and projections contained in this report are those of Ascendant Capital Markets, LLC as of the date of this report and are subject to change without notice. Ascendant Capital Markets, LLC endeavors to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, Ascendant Capital Markets, LLC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein, and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to Ascendant Capital Markets, LLC, or its affiliates that is not reflected in this report. This report is not to be construed as an offer or solicitation to buy or sell any security.

Additional Disclosures

Ascendant Capital Markets, LLC is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and a member of the FINRA and SIPC. Ascendant Capital Markets, LLC is not a Registered Investment Advisor nor is it an investment advisor registered with the Securities and Exchange Commission or with the securities regulators of any state, and at the present time is not eligible to file for federal registration.