

Thoughtful Media Group Inc.
PRIVATE
INITIATING COVERAGE**December 12, 2023****MARKET DATA**

Share Price:	N/A
Market Cap:	N/A
52wk Range:	N/A
Ave. Volume:	N/A
Basic S/O:	8.00 M
Fully Diluted S/O:	10.08 M
Float:	0.00 M
Institutional %:	0%
Insider %:	100%

FINANCIAL DATA (mrq)

Cash:	0.40 M
ST Debt:	1.38 M
LT Debt:	0.00 M
Book Value:	(0.49) M
EBITDA (ttm):	0.25 M
CFFO (ttm):	(0.39) M

Auditor: Onestop Assurance PAC

USD	2022A	2023e	2024e	2025e
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Revenue (in Millions)

Mar		1.28A	2.73	4.77
Jun	3.05	1.51A	3.14	5.49
Sep		1.79A	3.61	6.31
Dec	3.11	2.15	4.15	7.25
REV	6.16	6.73	13.62	23.82
P/S	N/A	N/A	N/A	N/A

Diluted EPS

Mar		0.01A	0.00	0.08
Jun	0.04	(0.03)A	0.02	0.10
Sep		(0.01)	0.04	0.13
Dec	0.05	(0.02)	0.06	0.15
EPS	0.09	(0.05)	0.13	0.47
P/E	N/A	N/A	N/A	N/A

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**TMG Appears Set To Capture Significant Advertising
 Market Share In Southeast Asia**
Business Summary

Founded in 2010, Thoughtful Media Group aims to be the premier digital advertising firm in Southeast Asia. TMG offers traditional advertising services, including creative strategy, content creation and production, media placements and targeted distribution, and performance analytics. However, it also connects advertisers, brands and merchants with its network of over 10,000 influencers to target consumers in the SEA region through its social media-centric advertising platform. The Company believes its full-service platform offers clients a more efficient and effective way to generate revenue and brand awareness in the region through its key channels, which include fashion, beauty, lifestyle, video games, cooking, automotive, travel, luxury and sports. TMG boasts a client list of over 500 brands, from local to globally recognized, and has a client satisfaction rate of 98%.

Key Points

- Southeast Asia is a prime market for influencer marketing services as it generates over \$600 million already and is poised for continued growth due to the young population, 482 million active social media users, and 10 hours per day of daily online usage.
- To expand its local footprint, Thailand-headquartered TMG has opened offices in Vietnam, Indonesia and the Philippines in the last twelve months, with offices in Singapore and Malaysia scheduled in the next few months. We expect the larger local footprint will help attract more local advertising clients and expand its influencer network.
- The recent acquisitions and organic initiatives should begin to drive Revenue starting in Q4 and growing for the foreseeable future as it accelerates its Premium services and launches in the event space.
- Assuming it completes its upcoming IPO and/or a financing in the interim, TMG will have enough cash to continue making bolt-on acquisitions and expand existing operations to reach its revenue targets, which would provide considerable upside to our current estimates.
- As the Society Pass digital ecosystem and Loyalty Wallet expands, TMG will have access to valuable data it can use to better target consumers on behalf of its advertising clients.

Valuation

We are initiating coverage of Thoughtful Media Group Inc. and believe the Company has a current valuation of \$60.0 million. Our valuation is based on an EV/Revenue multiple of roughly 3 times our 2025 Revenue estimate of \$23.82 million, discounted back one year at 20%. While this represents a higher multiple than traditional advertising firms, we believe this multiple is validated by the faster pace of growth the influencer market is seeing, the organic growth TMG believes it will experience in the coming years, and the high growth potential of the SEA market. We note that any acquisitions or capital raised to expand its internal initiatives would be incremental to our estimates. Additionally, it is reasonable to think that management hitting its internal targets in the next few years would position TMG as an attractive acquisition candidate by a global agency looking for regional SEA exposure.

COMPANY OVERVIEW

Founded in 2010, Thoughtful Media Group aims to be the premier digital advertising firm in Southeast Asia. TMG offers traditional advertising services, including creative strategy, content creation and production, media placements and targeted distribution, and performance analytics. However, it also connects advertisers, brands and merchants with its network of over 10,000 influencers to target consumers in the SEA region through its social media-centric advertising platform. The Company believes its full-service platform offers clients a more efficient and effective way to generate revenue and brand awareness in the region through its key channels, which include fashion, beauty, lifestyle, video games, cooking, automotive, travel, luxury and sports. TMG boasts a client list of over 500 brands, from local to globally recognized, and has a client satisfaction rate of 98%.

Since its acquisition by Society Pass [Nasdaq: SOPA] in July 2022, TMG has aggressively expanded its operations through organic and acquired growth. Organically, it has expanded its footprint beyond its Bangkok, Thailand headquarters by opening offices in Ho Chi Minh City, Vietnam in Q4:22, and Manila, Philippines in Q3:23, with Singapore and Malaysia targeted in the next few months. TMG engages in a locally staffed, regionally focused model, whereby each location targets local influencers and advertising partners, but can use the platforms reach to spread client messaging across SEA. Acquisitions since then have included Indonesia-based More Media in Q1:23 and Newave Strategic in Q2:23. More Media is an Indonesian-based digital design and branding agency and event organizer that is starting the Company's first foray into concert sponsorship. A monthly series of concerts and one large festival are scheduled in Indonesia that will be streamed on its different channels and open different influencer-based advertising opportunities to its clients. Newave Strategic is an influencer advertising platform for nano and micro influencers (under 100,000 followers) in the Indonesia market. Newave has been integrated into TMG and rebranded as TMG Indonesia. The Company is looking for additional bolt-on digital agency acquisitions in its target SEA markets, and continues to seek out new influencers and advertising to add to its platform.

TMG operates through several verticals, including multi-channel network, premium advertising, social commerce, sports marketing, a production house, and music entertainment. These verticals blend to give TMG the ability to sign an advertising client and generate revenue from that engagement, earn fees on the production of the content, as well as the content placement and distribution. In effect, TMG provides a complete advertising/marketing platform to brands targeting the SEA region by leveraging its network of content creators and regional footprint.

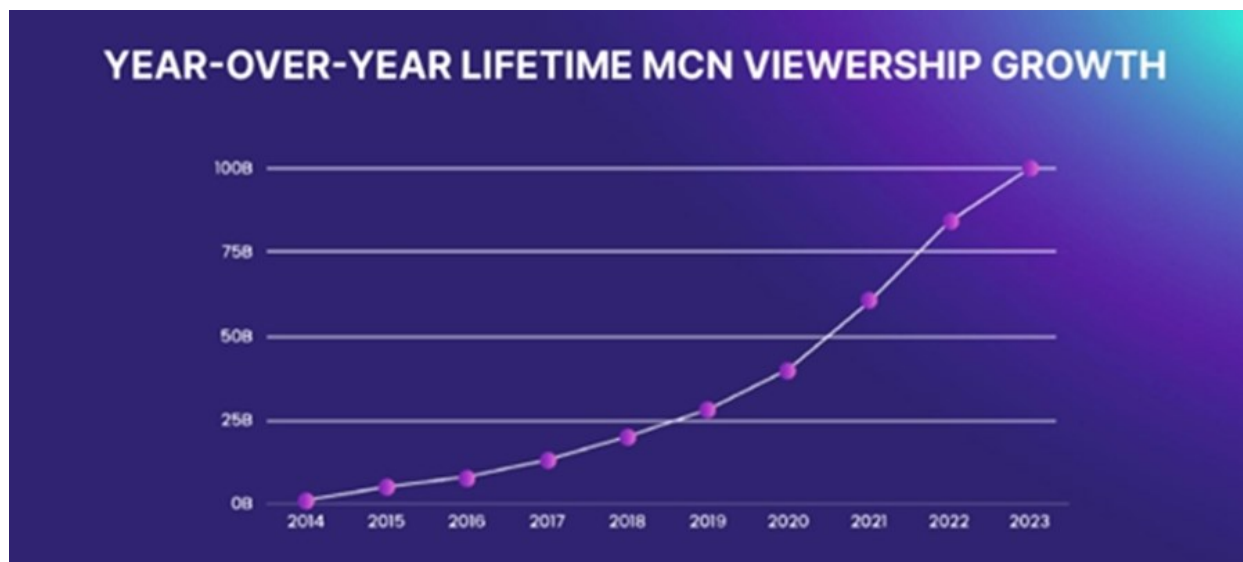


Multi-Channel Network

Multi-channel networks (MCNs) are third party platforms that provide a wide range of support services to content creators, aimed at improving content, optimizing monetization and facilitating distribution on additional digital platforms. The Company currently has over 10,000 influencers of different sizes on its platform, focusing on fashion, beauty, lifestyle, video games, cooking, automotive, travel, luxury and sports. TMG provides its creators content strategy, media production, content distribution through social and media placements, advertiser collaborations, music library access, data analytics through its

COMPANY OVERVIEW (continued)

Thoughtful Vision Dashboard, and legal support on a local and regional basis. A key driver to onboarding new creators is the size of TMG's reach, with over 85 million subscribers and roughly one billion monthly views on its more than 1,000 channel partners. MCN revenue is generated from Creator Revenue Sharing, which varies based on the reach of the creator and scale of TMG's services provided to that creator; Talent Management Services, which provides brand development to creators for a fixed fee; and Content Production, which provides full content production services for social content, films, TV shows, commercials, music videos and other digital content.



Premium Digital Advertising

This segment is centered around influencer marketing, whereby the Company connects brands to influencers that are geared towards the advertisers target audience. Other services include Content Production, Media Buying (for advertising placements), Social Media Reputation Management, Social Media Advertising, Video Advertising, Content Marketing, Search Engine Advertising, Display Advertising (on any digital screen), Native Advertising (designed to blend into the surrounding content), and Email Marketing. TMG is unique in that it can target messaging within its key markets or across the SEA region with multilingual content. Premium Digital Advertising clients include Nestle (Milo), Shell, LG, Pepsi, Toyota, Lancôme, Nivea, and HBOmax, among others. TMG generates Revenue in this segment through fees on all projects and services, and collects a margin on all third party expenses.

Social Commerce

This vertical leverages the power of social media to generate sales for its clients, which could include shoppable posts with in-video links, livestream shopping, branded hashtags, and the TikTok Creator Marketplace. TMG charges on a project basis, with total billing equaling roughly 10% to 30% of the clients spending budget. For livestream shopping, it charges a 5% to 15% commission on all items sold during the livestream.

Sports Marketing

This segment leverages its capabilities in the sports arena by increasing brand awareness through different sports-related events, personalities and media channels. Services within this vertical include sponsorships, event marketing, sports influencer marketing, athlete endorsements, branded content, fan engagement, and community initiatives. Revenue is generated based on the services provided. TMG will earn a healthy revenue split on sponsorship deals it brings, roughly one-third of the deal, influencer and athlete endorsements generate a percentage based on the size of the deal and depth of services provided, while all other services are on a per-project basis with built in margin.

COMPANY OVERVIEW (continued)

Music Entertainment

This segment differs from Sports Marketing as it is more focused on the promotion of music artists, labels and concert promotion. This segment developed from the acquisition of More Media, an Indonesian-based digital design and branding agency, and event organizer. The Company is launching a monthly series of concerts and one large festival in Indonesia that will be streamed on its different channels and open different influencer-based advertising opportunities to its clients. The intent is for this model to spread to its other SEA bases of operation. TMG generates revenue through event sponsorship, ticket sales, and the sale of food, beverages, and merchandise during the event.

Production House

This segment monetizes TMG's in-house production studio space, which is geared for podcast creation, music production and video production, from recording to sound and video editing to distribution. The Company earns fees on a project basis.

Society Pass Ecosystem

TMG is part of the Society Pass ecosystem, which includes a collection of service providers targeting middle to upper class consumers in the SEA region. The platform is based on the Society Pass Loyalty Wallet, which was launched in May 2023 and enables consumers to earn Society Points for purchases on platform companies. The value to TMG is it will have access to a increasingly large collection of timely consumer data in its key markets for advertising purposes.

CORPORATE & CAPITAL HISTORY

- 2010—Founded to provide influencer marketing to brands.
- July 7, 2022—100% of Thoughtful Media Group and AdActive Media was acquired by Society Pass for \$1.3 million in common stock (609,327 shares), a warrant to purchase 203,109 shares at \$2.1335, which expired, and the assumption of \$700,000 in liabilities.
- April 1, 2023—SOPA acquired 100% of PT Wahana Cerita Indonesia (f/k/a More Media), a digital marketing and event organizing company for \$35,000, with 24,752 shares issues along with \$10,000 in cash. This acquisition was integrated into TMG.
- October 10, 2023—SOPA announced its intent to publicly list Thoughtful Media Group.

CAP TABLE

(as of November 13, 2023)

Society Pass Inc.	8,000,000
Management & Directors	0
Public Float	0
Shares Outstanding	8,000,000
Options (exercisable at \$1.50, expire Jan 2, 2025)	480,000
Warrants—Sopa Capital (exercisable at \$1.50, expire Jan 2, 2025)	1,600,000
Fully Diluted Shares	10,080,000

NOTES:

Until it completes a financing or IPO, TMG has been dependent on Society Pass and its founders to provide capital, which bears no interest.

TMG has 50,000 Super Voting Preferred Shares, which provide the holders voting control over the Company. Raynauld Liang, CEO of Society Pass, and Maroon Capital Limited (Dennis Nguyen) each own 25,000 shares.

CORPORATE INFORMATION

Corporate HQ:	Summer Point Building, Unit 301-302, 1553 Sukhumvit Road, Phra Khanong Nuea, Bangkok City, Thailand
Website:	thoughtfulmedia.com

MANAGEMENT & DIRECTORS

	Age	Position(s)	Compensation	Shares	Options
<i>Kriangkrai Chaimongkol</i>	42	<i>CEO</i>	N/A	0	0
Mr. Chaimongkol joined TMG as CEO in April 2023 after serving as Executive Director of ADK Connect, a digital marketing agency in Thailand. Previous experience includes Group Account Director at J. Walter Thompson, an international marketing agency, and Group Account Director of MSTF, a Thai-Myanmar ad agency. Mr. Chaimongkol is based in Thailand.					
<i>Heng Xue Li</i>	33	<i>CFO</i>	N/A	0	0
Ms. Heng was promoted to CFO of TMG in June 2023 after originally joining SOPA in May 2022 as Finance Manager. Ms. Heng previously held accounting roles with Kinder World International, Kreston David Yeung Public Accounting, and Cornerstone Alliance LLP. Ms. Heng is based in Singapore.					
<i>Quynh Vo</i>	32	<i>CMO, MCN Head</i>	N/A	0	0
Ms. Vo joined TMG in 2014 and now serves as Chief Marketing Officer and oversees its MCN operations. Ms. Vo is based in Vietnam and the US.					
<i>Sumit Agrawal</i>	41	<i>CTO</i>	N/A	0	0
Mr. Agrawal has been with SOPA since February 2019 overseeing software development. Mr. Agrawal previously worked at Kent RO Water Purifier Company, Neotech Systems, Woo Dating Team, and MCarbon, all in software and mobile application development roles. Mr. Agrawal is based in the Philippines.					
<i>Heather Maynard</i>	37	<i>Executive Chairwoman</i>	N/A	0	0
Ms. Maynard was appointed Executive Chairwoman in October 2023, and has served on the Board of NusaTrip since August 2023. Ms. Maynard is a travel-related social media influencer and serves as CEO of a real estate investment company in France.					
<i>Linda Cutler</i>	75	<i>Director</i>	N/A	0	0
Ms. Cutler joined the Board in August 2023. Ms. Cutler spent much of her career in various roles at Cargill, most recently as VP, Deputy General counsel and Assistant Secretary, and assisted in numerous M&A and spin-off transactions. Ms. Cutler also sat on the Board of numerous companies and non-profits.					
<i>John MacKay</i>	67	<i>Director</i>	N/A	0	0
Mr. MacKay joined the Board in August 2023 and is the Founding Partner and Co-Chairman of SP Angel Corporate Finance, a midsize investment bank in the UK. Prior to this, Mr. Mackay served in various roles for firms including Merrill Lynch, HSBC and Seymour Pierce.					
<i>Ying (Carrie) Song</i>	44	<i>Director</i>	N/A	0	0
Ms. Song joined the Board in August 2023 and is the VP of Renewable Road Transportation at Neste. Ms. Song previously served as Sales Director-Americas for BP, held several leadership roles at Cummins, and worked in international trading at CITIC.					

MARKET OVERVIEW

Thoughtful Media is focused on building its operations in Southeast Asia, placing specific focus on Indonesia, Thailand, the Philippines, Vietnam, and Malaysia. The focus on these SEA countries is strategic due to the growth in population, low median age, and outsized expected GDP growth as compared to other locations. The GDP growth rate over the next four years is among the highest in the world for developed countries, nearly doubling the U.S. and exceeding China, but with arguably much less geopolitical risk than either country. All five countries are expected to see increases in population over the next four years, as forecasted by the World Bank, which compares favorably to China, which saw its population decline last year, a trend that is expected to continue.

	2023			2027				
	Population	Median Age	GDP	Population	Annual Pop Change	Median Age	GDP	Annual GDP Growth
Indonesia	227,534,122	30	4,373.9	286,233,232	5.9%	31	5,800.6	7.3%
Thailand	71,801,279	40	1,589.3	72,043,300	0.1%	42	1,953.0	5.3%
Philippines	117,337,368	25	1,256.0	124,343,503	1.0%	26	1,712.1	8.1%
Vietnam	98,858,950	33	1,429.0	101,228,069	0.6%	34	2,001.0	8.8%
Malaysia	34,308,525	31	1,185.3	35,718,158	1.0%	32	1,522.7	6.5%
China	1,411,878,144	39	32,529.2	1,408,257,536	-0.1%	41	42,050.2	6.6%
US	335,020,960	38	26,185.2	341,632,576	0.5%	39	30,281.5	3.7%

Source: IMF, World Bank

Despite the positive metrics above, it is the median age that is the key driver to TMG's future success. With the exception of Thailand, the median age of the other four SEA target countries is around 30 years old, which is far below that of more developed countries, including China. The low media age across the region is significant as this age group has grown up with the internet and mobile devices, and are prevalent users of social media. Internet penetration is between 72% and 96% across the five key countries, with mobile penetration even higher as there are 1.28 to 1.63 mobile devices per person in each country. Datareportal reported that the average person in the world spend 6:58 online each day, while the average person in SEA spends 10 hours per day online, with the Philippines leading they way at 11:01. Social media usage is also higher in the region, at between 60% to 78% penetration, for a total of 482 million active social media users. Adjusting to account only for those individuals that are 18 and over and the usage rate increases to 79% to 102%, which is significant as this is a key marketing demographic. We note the 102% figure is likely due to individuals having multiple accounts and minors

2023 (in millions)	Internet Users	Internet Penetration	Social Media Users	Social Penetration	18+ Social Penetration	Mobile Connections	Mobile per Population
Indonesia	212.9	93.6%		60.4%	79.5%		128.0%
Thailand	61.21	85.2%	52.25	72.8%	84.8%	101.2	140.9%
Philippines	85.16	72.6%	84.45	72.0%	102.0%	168.3	143.4%
Vietnam	77.93	78.8%	70.00	70.8%	89.0%	161.6	163.5%
Malaysia	33.03	96.3%	26.80	78.1%	99.8%	44.05	128.4%

NOTE: The population in the Datareportal report did not match World Bank population figures so we have only presented penetration rates

Source: Datareportal

MARKET OVERVIEW (continued)

self-reporting as being 18. The total influencer market size in SEA is estimated to hit \$603.5 million in 2023, and increase at roughly 12.1% annually through 2028, reaching \$1.07 billion, according to Statista. This growth is due to more reliance being placed on social platforms to reach consumers, with 75% of global brands allocating funds from their marketing budget towards influencer marketing last year. Combined, these factors present a substantial market for TMG's digital marketing platform.

Due to the relative low cost of entry, there are a number of local influencer marketing firms in the SEA region, however few cover the entire region or offer the breadth of services TMG does. Local competitors include:

- *AJ Marketing*—an APAC-focused digital and influencer marketing firm with over 7,000 influencers and locations in ten countries. {ajmarketing.io}
- *ATV Creative Asia*—an Indonesian-based influencer marketing and management agency and content creator with a mix of local and global advertisers as clients. {atvcreative.asia}
- *Creative Media United*—an Indonesian-based influencer marketing agency and video creator primarily targeting the Indonesian market and local advertisers {creativemediaindonesia.com}
- *Influence ID*—an Indonesian-based nano-influencer marketing agency, with over 300,000 influencers, primarily targeting the Indonesian market and local advertisers {influence.id}
- *Lemon*—an Indonesian-focused influencer campaign management firm working with local and global brands. {lemon.co.id}
- *Narrators*—a Singapore-based influencer marketing platform with a touted 1.5 million influencers across Asia that conducts campaigns for a variety of global brands across ten APAC markets, including all of TMG's key markets. {narrators.io}
- *Partipost*—a Singapore-based influencer marketing platform (targeting brands and marketing agencies) with 700,000 influencers in eight SEA markets. {partipost.com}
- *PopStar*—an influencer marketing and campaign management firm with over 650,000 influencers and offices in Indonesia and the Philippines working with local and global brands. {pop-star.me}

RISKS

Dependence on Media Platforms

TMG's MCN model is dependent on the open availability of mass media platforms like YouTube and TikTok, among others, to deliver content to viewers and generate advertising revenue.

History of Losses

There are no assurances TMG will generate a profit in the future. As such, it will be dependent on the availability of new capital to be raised to fund operations and expand, which should be rectified with its IPO.

Voting & Operational Control

After its IPO, TMG will be an independent entity that can no longer rely on SOPA for financial support. Additionally, Raynauld Liang, CEO of Society Pass, and Maroon Capital Limited (Dennis Nguyen) each own 25,000 shares of Super Voting Preferred Shares. These shares provide Mr. Liang and Mr. Nguyen voting control over the Company.

Competition

TMG faces competition from local and regional competitors in the digital advertising/influencer marketing space, some of which may have greater access to capital or greater brand recognition. Competitors may try to lure TMG's top influencers away to their platforms, which could impact future prospects for the Company.

Customer Concentration

Google accounts for the majority of the Company's revenue due to payments made to the MCN business from Youtube.

Potential Dilution

SOPA has announced its intent to take TMG public. It is likely TMG will raise money before, during and/or after the IPO to provide growth capital for its operations. Any equity sale would have a dilutive effect on existing shareholders.

Currency Fluctuations

FRX conducts its business in Vietnamese Dong, Indian Rupee, Philippines Pesos, Thai Baht and Indonesian Rupiah, and report results in US Dollars. Fluctuations between the currencies can impact the Company's results and stated asset values on the Balance Sheet.

Southeast Asia Focused

The Company is focused on the SEA region and is subject to local risks in that region, which could include changes in the economic outlook, international trade disputes, legal or political changes, the reemergence of Covid-19 or a similar pandemic, or a shift in view of the region from international investors.

Seasonality

TMG's business is seasonally weaker in Q1 after the holiday spending, with revenue increasing in Q2 and Q3 into the larger Q4 holiday season.

Share Liquidity

At the current time there is no market for TMG's stock. After the IPO, the liquidity of the public stock will be dependent on a number of factors, including the health of the overall market, demand for small cap stocks and demand for Asian stocks, among many others.

ESTIMATED INCOME STATEMENT

	(in 000s of USD)															
	H1:23A	2022A	H1:23A	Q3:23A	Q4:23e	2023e	Q1:24e	Q2:24e	Q3:24e	Q4:24e	2024e	Q1:25e	Q2:25e	Q3:25e	Q4:25e	2025e
Digital Advertising Revenue	3,047	6,159	2,795	1,785	2,154	6,734	2,727	3,136	3,606	4,147	13,617	4,769	5,485	6,308	7,254	23,816
Cost of Revenue	(2,576)	(4,814)	(2,270)	(1,457)	(1,788)	(5,515)	(2,182)	(2,446)	(2,741)	(3,069)	(10,437)	(3,529)	(4,059)	(4,668)	(5,368)	(17,624)
Gross Profit	471	1,345	525	328	366	1,219	545	690	866	1,078	3,179	1,240	1,426	1,640	1,886	6,192
Sales & Marketing	-	-	(21)	(1)	(11)	(33)	(21)	(31)	(41)	(51)	(144)	(61)	(71)	(81)	(91)	(304)
General & Administrative	(573)	(1,070)	(639)	(438)	(476)	(1,553)	(485)	(495)	(504)	(514)	(1,999)	(524)	(534)	(545)	(555)	(2,158)
Operating Income	(102)	275	(135)	(111)	(121)	(367)	39	164	320	513	1,037	655	821	1,014	1,240	3,730
EBITDA	(2,700)	277	(2,700)	(106)	(116)	(351)	44	169	325	519	1,057	660	826	1,020	1,245	3,751
Other Income	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-
Early Lease Termination	-	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-
Interest Expense	(3)	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	446	481	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income Before Taxes	341	749	(134)	(110)	(121)	(365)	39	164	320	513	1,037	655	821	1,014	1,240	3,730
Income Taxes	-	-	-	(1)	-	(1)	-	-	-	-	-	-	-	-	-	-
Net Income	341	749	(134)	(111)	(121)	(366)	39	164	320	513	1,037	655	821	1,014	1,240	3,730
Basic EPS	0.04	0.09	(0.02)	(0.01)	(0.02)	(0.05)	0.00	0.02	0.04	0.06	0.13	0.08	0.10	0.13	0.15	0.47
Basic S/O	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Diluted EPS	0.04	0.09	(0.02)	(0.01)	(0.02)	(0.05)	0.00	0.02	0.04	0.06	0.13	0.08	0.10	0.13	0.15	0.47
Diluted S/O	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	H1:23A	2022A	H1:23A	Q3:23A	Q4:23e	2023e	Q1:24e	Q2:24e	Q3:24e	Q4:24e	2024e	Q1:25e	Q2:25e	Q3:25e	Q4:25e	2025e
Gross Margin	30.4%	21.8%	30.4%	18.4%	17.0%	18.1%	20.0%	22.0%	24.0%	26.0%	23.3%	26.0%	26.0%	26.0%	26.0%	26.0%
Operating Margin	-143.3%	4.5%	-143.3%	-6.2%	-5.6%	-5.5%	1.4%	5.2%	8.9%	12.4%	7.6%	13.7%	15.0%	16.1%	17.1%	15.7%
EBITDA Margin	-113.8%	4.5%	-113.8%	-5.9%	-5.4%	-5.2%	1.6%	5.4%	9.0%	12.5%	7.8%	13.8%	15.1%	16.2%	17.2%	15.8%
Net Margin	-139.5%	12.2%	-139.5%	-6.2%	-5.6%	-5.4%	1.4%	5.2%	8.9%	12.4%	7.6%	13.7%	15.0%	16.1%	17.1%	15.7%

Source: SOPA documents filed with the SEC, TMG documents provided by SOPA, and Greenridge Global estimates

KEY MODEL ASSUMPTIONS

Our model assumes what we believe to be a relatively conservative growth rate for TMG's business. Despite calling for Revenue to roughly double each of the next two years, this growth is related to the fact that TMG is under new ownership and management (via SOPA), has expanded into key SEA markets to build a larger local footprint, and has expanded its service offering through bolt-on acquisitions, none of which has been reflected in results to date. Additionally, the online/social marketing space in SEA is growing rapidly due to the younger, mobile-heavy demographics of the region. In short, we expect TMG to see growth from the market growing larger and from it taking market share from its larger scale.

VALUATION

We are initiating coverage of Thoughtful Media Group Inc. and believe the Company has a current valuation of \$60.0 million. Our valuation is based on an EV/Revenue multiple of roughly 3 times our 2025 Revenue estimate of \$23.82 million, discounted back one year at 20%. While this represents a higher multiple than traditional advertising firms, we believe this multiple is validated by the faster pace of growth the influencer market is seeing, the organic growth TMG believes it will experience in the coming years, and the high growth potential of the SEA market. We note that any acquisitions or capital raised to expand its internal initiatives would be incremental to our estimates. Additionally, it is reasonable to think that management hitting its internal targets in the next few years would position TMG as an attractive acquisition candidate by a global agency looking for regional SEA exposure.

HISTORIC INCOME STATEMENT

(in 000s of USD)	H1:23	H2:22	2022	Q1:23	Q2:23	H1:23
Digital Advertising	3,047	3,112	6,159	1,284	1,511	2,795
Cost of Revenue	(2,576)	(2,238)	(4,814)	(964)	(1,306)	(2,270)
Gross Profit	471	874	1,345	320	205	525
Sales & Marketing Expenses	-	-	-	(8)	(13)	(21)
General & Administrative Expenses	(573)	(497)	(1,070)	(235)	(404)	(639)
Operating Income	(102)	377	275	77	(212)	(135)
Gain on Early Lease Termination	-	-	-	1	-	1
Interest Expense	(3)	(4)	(7)	-	-	-
Other Income	446	35	481	-	-	-
Net Income Before Taxes	341	408	749	78	(212)	(134)
Income Taxes	-	-	-	-	-	-
Net Income	341	408	749	78	(212)	(134)
Basic EPS	0.04	0.05	0.09	0.01	(0.03)	(0.02)
Basic S/O	8,000	8,000	8,000	8,000	8,000	8,000
Diluted EPS	0.04	0.05	0.09	0.01	(0.03)	(0.02)
Diluted S/O	8,000	8,000	8,000	8,000	8,000	8,000
Gross Margin	15.5%	28.1%	21.8%	24.9%	13.6%	18.8%
Operating Margin	-3.3%	12.1%	4.5%	6.0%	14.0%	-4.8%
Net Margin	11.2%	13.1%	12.2%	6.1%	14.0%	-4.8%

HISTORIC BALANCE SHEET

(in 000s of USD)	2022	H1:23
Cash & Cash Equivalents	670	397
Accounts Receivable, Net	567	803
Contract Assets	20	303
Deposits, Prepayments & Other Receivables	129	161
Total Current Assets	1,386	1,664
PP&E, Net	26	136
Right of Use Assets, Net	109	143
Total Assets	1,521	1,943
Accounts Payable	75	497
Accrued Liabilities & Other Payables	594	360
Contract Liabilities	180	55
Due to Related	872	1,379
Operating Lease Liabilities	46	54
Total Current Liabilities	1,767	2,345
Operating Lease Liabilities	62	89
Total Long-Term Liabilities	62	89
Total Liabilities	1,829	2,434
Additional Paid-In Capital	562	562
Accumulated Other Comprehensive	26	(22)
Accumulated Deficit	(897)	(1,031)
Total Equity	(309)	(491)
Total Liabilities & Equity	1,520	1,943

HISTORIC STATEMENT OF CASH FLOWS

	H1:23	2022	H1:23
Net Loss	342	749	(135)
Depreciation & Amortization	1	2	6
Early Lease Termination	-	-	(1)
Accounts Receivable	331	182	(236)
Deposits, Prepayments & Other Receivables	1	(23)	(32)
Contract Assets	-	(20)	(283)
Contract Liabilities	(334)	(199)	(125)
Accounts Payable	(481)	(901)	423
Accrued Liabilities & Other Payables	139	457	(233)
Right of Use Assets	-	17	22
Operating Lease Liabilities	31	16	(41)
Cash From Operating Activities	30	280	(635)
Purchase of PP&E	-	(24)	(117)
Cash From Investing Activities	-	(24)	(117)
Advance from Related Parties	1	556	508
Repayment of Government Loan	-	(158)	-
Cash From Financing Activities	1	398	508
Net Change in Cash	31	654	(244)
Change in Exchange Rate	(20)	(7)	(29)
Cash, Beginning	23	23	670
Cash, Ending	34	670	397

DISCLOSURES

Distribution of Ratings

Rating	Count	Percent	<u>I.B. last 12 months</u>	
			Count	Percent
BUY	7	70%	0	0%
HOLD	0	0%	0	0%
SELL	0	0%	0	0%
NO RATING	3	30%	0	0%

Explanation of Ratings

- BUY:** Describes undervalued stocks we expect to provide a total return (capital appreciation + yield) of 15% or more in the next twelve month period.
- HOLD:** Describes fully valued stocks we expect to provide a total return (capital appreciation + yield) of plus or minus 15% in the next twelve month period.
- SELL:** Describes overvalued stocks we expect to provide a total negative return (capital depreciation + yield) of 15% or more in the next twelve month period.
- NO RATING:** Describes stocks that have their investment rating and/or target price temporarily removed for fundamental or compliance-based reasons.

Analyst Certification

I, William Gregozeski, CFA, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and subject company. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

Other Disclosures

<u>Company</u>	<u>Disclosures</u>
Thoughtful Media Group Inc.	-
Society Pass Inc. [Buy, \$3.00]	8
Other Public Companies Mentioned In This Report	-

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Rating History**Rating and Target Price History for Thoughtful Media Group Inc. (Private) as of 2023/12/12**

PRIVATE

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