

## Society Pass

SOPA \$2.09

**Buy** | Target: **\$8.00**

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### Share Data

52 Week Range (\$)	1.49-77.34
Market Capitalization (\$mm)	49.816
Enterprise Value (\$mm)	20.594
Shares Outstanding (mm)	23.79
Average Daily Volume (000)	4175.052
Shares Outstanding Float (%)	65.7%

Dividend (\$)  
Dividend Yield (%)

### Company Financials

Year End: Dec		2021	2022E	2023E
Revenue	1Q	10	445	5,348
	2Q	8	499	6,355
	3Q	84	738	7,570
	4Q	419	5,455	9,993
	<b>Total</b>	<b>520</b>	<b>7,137</b>	<b>29,266</b>
EBITDA	1Q	-17	-3,361	-1,539
	2Q	-3,510	-4,397	-1,499
	3Q	1,852	-2,329	-1,372
	4Q	-2,592	-2,006	-1,100
	<b>Total</b>	<b>-4,267</b>	<b>-12,179</b>	<b>-5,551</b>
EPS	1Q	-0.15	-0.30	-0.23
	2Q	-0.59	-0.31	-0.22
	3Q	-1.08	-0.26	-0.22
	4Q	-4.83	-0.25	-0.21
	<b>Total</b>	<b>-3.69</b>	<b>-1.12</b>	<b>-0.88</b>

Source: Company reports and Spartan Capital Securities estimates

### Company Description

Society Pass aspires to be the next major Southeast Asia super-app. It owns eight companies in the food/beverage, luxury goods, telecom and media sectors and plans to tie these together with its Society Points loyalty program.

## 10-Q Shows Early Progress for Four Verticals

- Society Pass recently filed its second quarter 10Q which provided much greater detail on each of its four verticals and greater clarity on the business plan as it unfolds. These results include a full quarter of revenue for both Pushkart and Handycart, both acquired in 1Q, as well as a partial quarter for Gorilla, acquired during 2Q.
- Revenue for the new businesses was minimal, as expected due to lingering economic impacts of the pandemic. We like the new, more detailed reporting format as it will now provide visibility into each segment as they grow.
- Vietnamese e-commerce luxury goods retailer Leflair generated 92% of revenue and has strongly rebounded since being purchased out of bankruptcy and relaunched last year. Leflair posted a minor gross loss and a \$694k operating loss. We look for four major catalysts for Leflair for the remainder of 2022: first, the launch of a new app, second, re-entry into the Philippines market, entry into the Indonesian market and the 4Q holiday shopping season.
- The second largest contributor was online grocery and food delivery comprising 5% of revenue. This included both Pushkart, which offers supermarket delivery in the Philippines and Handycart which offers restaurant delivery in Hanoi, Vietnam. We suspect that Pushkart generated the bulk of this revenue. During 3Q, the company acquired Mangan, a restaurant delivery company in the Philippines, which should substantially increase segment revenue.
- The telecom segment is represented by Gorilla which was acquired in May. It generated \$5.6k in data sales revenue, versus our estimate of zero, ahead of the relaunch of its app planned for late 3Q.
- Lastly merchant POS, which is #HOTTAB, generated modest revenue of \$11k. We look for this unit to add sales people to start adding merchants onto its platform, accelerating growth.
- Both telecom and merchant POS had modest positive gross income, while the other two did not, netting to effectively zero. The operating loss was \$7.6 million, with the vast majority of this related to G&A. As revenue ramps, we expect each unit to first turn a positive gross margin, then cover operating expenses. As is normal for a growth company, we expect costs related to growth to keep operating income negative for at least the next year.
- Lastly, EBITDA came in at negative \$4.4 million and the company ended June with \$28 million in cash. Our model has the company generating \$10 million more in EBITDA losses through the end of 2023 before turning positive in 2024, so cash appears more than adequate. The Q also provided details on recent acquisitions, which are being done with modest cash outlays – all seven closed acquisitions were done for about \$1.2 million in cash, plus stock. So we see the opportunity for many more acquisitions as well with the cash on hand.

**Fig 1: Society Pass Has Seven Operating Businesses – With One Pending**

	<b>Leflair</b>	<b>Website</b>	<b>Acquired</b>
		<a href="https://leflair.com/en">https://leflair.com/en</a>	February 16, 2021
		Fashion flash sales Markets: Vietnam with 2022 launches in Philippines and Indonesia CEO: Loic Gautier Comps: Groupon	
	<b>NusaTrip</b>		
		<a href="https://nusatrip.com">https://nusatrip.com</a>	Pending
		Online travel Markets: Indonesia base, but works globally CEO: Hans Ebenhahn Comps: Travelocity, Booking.com, Expedia	
	<b>Thoughtful Media</b>		
		<a href="https://www.thoughtfulmedia.com">https://www.thoughtfulmedia.com</a>	July 7, 2022
		Social media public relations Markets: USA, Thailand, Vietnam, Philippines Co-CEOs: Bien Kiat Tan / Daniel Thorman Comps: Dolphin Entertainment	
	<b>Gorilla</b>		
		<a href="https://gorilla.global">https://gorilla.global</a>	May 31, 2022
		Mobile blockchain network Market: Singapore CEO: Xanne Leo Comps: Tracfone, Spectrum Mobile and Xfinity Mobile	
	<b>Mangan</b>		
		<a href="https://mangan.ph">https://mangan.ph</a>	July 20, 2022
		Restaurant delivery Market: Philippines CEO: Vince Briones Comps: DoorDash, GrubHub	
	<b>HandyCart</b>		
		<a href="https://handycart.vn">https://handycart.vn</a>	February 25, 2022
		Restaurant delivery Market: Vietnam CEO: Seo Jin Ho Comps: DoorDash, GrubHub	
	<b>PushKart</b>		
		<a href="https://pushkart.ph">https://pushkart.ph</a>	February 14, 2022
		Supermarket delivery Market: Philippines CEO: Michael Lim Comps: FreshDirect, Instacart, Peapod	
	<b>#HOTTAB</b>		
		<a href="https://hottab.net">https://hottab.net</a>	November 18, 2019
		Restaurant terminals and software Market: Vietnam CEO: Seo Jin Ho Comps: Micros, Block	

Source: Company reports and Spartan Capital Securities estimates

**Fig 2: Society Pass – Revenue Forecast**

Dollars in thousands, except per share data		2022E					2023E					2024E				
Fiscal years ended December		1QA	2QA	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
Milestones	Handy Cart acq. Pushkart acq.	Gorilla acquired	Gorilla relaunch Mangan acq. Nusatrip acq. Thoughtful acq.	Leflair Philippines Leflair Indonesia												
#HOTTAB acq. 11/18/19																
Hardware	-	69	100	200	369	500	1,000	2,000	3,000	6,500	5,000	5,000	5,000	5,000	20,000	
Software	10,949	10,941	13,000	15,000	49,890	20,000	25,000	35,000	50,000	130,000	60,000	75,000	100,000	150,000	385,000	
Total	10,949	11,010	13,100	15,200	50,259	20,500	26,000	37,000	53,000	136,500	65,000	80,000	105,000	155,000	405,000	
YoY growth						87.2%	136.1%	182.4%	248.7%	171.6%	217.1%	207.7%	183.8%	192.5%	196.7%	
Leflair acq. 2/16/21	434,141	458,574	700,000	2,000,000	3,592,715	2,000,000	2,500,000	3,000,000	4,500,000	12,000,000	5,000,000	6,000,000	7,000,000	12,000,000	30,000,000	
YoY growth						360.7%	445.2%	328.6%	125.0%	234.0%	150.0%	140.0%	133.3%	166.7%	150.0%	
Pushkart acq. 2/14/22		21,452	15,000	18,000	54,452	15,000	15,000	18,000	22,000	70,000	18,000	18,000	25,000	30,000	91,000	
YoY growth								20.0%	22.2%	28.6%	20.0%	20.0%	38.9%	36.4%	30.0%	
Handycart acq. 2/25/22		2,374	10,000	12,000	24,374	13,000	14,000	15,000	18,000	60,000	20,000	25,000	30,000	35,000	110,000	
YoY growth								50.0%	50.0%	146.2%	53.8%	78.6%	100.0%	94.4%	83.3%	
Gorilla acq. 5/31/22		5,642		10,000	15,642	100,000	250,000	500,000	1,000,000	1,850,000	1,000,000	1,200,000	1,500,000	1,600,000	5,300,000	
YoY growth									9900.0%	11727.1%	900.0%	380.0%	200.0%	60.0%	186.5%	
Thoughtful acq. 7/7/22				2,000,000	2,000,000	2,000,000	2,100,000	2,200,000	2,500,000	8,800,000	2,600,000	2,700,000	2,800,000	3,000,000	11,100,000	
YoY growth									25.0%	340.0%	30.0%	28.6%	27.3%	20.0%	26.1%	
Mangan acq. 7/20/22				200,000	200,000	200,000	250,000	300,000	400,000	1,150,000	500,000	600,000	700,000	800,000	2,600,000	
YoY growth									100.0%	475.0%	150.0%	140.0%	133.3%	100.0%	126.1%	
Nusatrip acq. pending				1,200,000	1,200,000	1,000,000	1,200,000	1,500,000	1,500,000	5,200,000	2,000,000	2,500,000	2,700,000	3,000,000	10,200,000	
YoY growth									25.0%	333.3%	100.0%	108.3%	80.0%	100.0%	96.2%	
<b>Total revenue</b>	<b>445,090</b>	<b>499,052</b>	<b>738,100</b>	<b>5,455,200</b>	<b>7,137,442</b>	<b>5,348,500</b>	<b>6,355,000</b>	<b>7,570,000</b>	<b>9,993,000</b>	<b>29,266,500</b>	<b>11,203,000</b>	<b>13,123,000</b>	<b>14,860,000</b>	<b>20,620,000</b>	<b>59,806,000</b>	
YoY growth						1101.7%	1173.4%	925.6%	83.2%	310.0%	109.5%	106.5%	96.3%	106.3%	104.3%	
<b>Cost of Sales</b>																
Online	395,890	457,943	652,500	4,896,000	6,402,333	4,262,400	5,063,200	6,026,400	7,952,000	23,304,000	7,796,600	9,130,100	10,328,500	14,325,500	41,580,700	
As a percent of revenue	91.2%	99.9%	90.0%	90.0%	178.2%	80.0%	80.0%	80.0%	80.0%	194.2%	70.0%	70.0%	70.0%	70.0%	138.6%	
Software sales	63,993	41,212	65,000	65,000	235,205	65,000	65,000	65,000	65,000	260,000	65,000	65,000	65,000	65,000	260,000	
Hardware	584.5%	376.7%	500.0%	433.3%	471.4%	325.0%	260.0%	185.7%	130.0%	200.0%	108.3%	86.7%	65.0%	43.3%	67.5%	
	-	45	50	100	195	250	500	1,000	1,500	3,250	2,500	2,500	2,500	2,500	10,000	
		65.2%	50.0%	50.0%	52.8%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	
<b>Total COGS</b>	<b>459,883</b>	<b>499,200</b>	<b>717,550</b>	<b>4,961,100</b>	<b>6,637,733</b>	<b>4,327,650</b>	<b>5,128,700</b>	<b>6,092,400</b>	<b>8,018,500</b>	<b>23,567,250</b>	<b>7,864,100</b>	<b>9,197,600</b>	<b>10,396,000</b>	<b>14,393,000</b>	<b>41,850,700</b>	
Gross Margin	(14,793)	(148)	20,550	494,100	499,709	1,020,850	1,226,300	1,477,600	1,974,500	5,699,250	3,338,900	3,925,400	4,464,000	6,227,000	17,955,300	
	-3.3%	0.0%	2.8%	9.1%	7.0%	19.1%	19.3%	19.5%	19.8%	19.5%	29.8%	29.9%	30.0%	30.2%	30.0%	

Source: Company reports and Spartan Capital Securities estimates

**Fig 3: Society Pass – Income Forecast**

Dollars in thousands, except per share data Fiscal years ended December 31		2022E					2023E					2024E				
		1QA	2QA	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
<b>Revenue</b>		<b>445,090</b>	<b>499,062</b>	<b>738,100</b>	<b>5,455,200</b>	<b>7,137,452</b>	<b>5,348,500</b>	<b>6,355,000</b>	<b>7,570,000</b>	<b>9,993,000</b>	<b>29,266,500</b>	<b>11,203,000</b>	<b>13,123,000</b>	<b>14,860,000</b>	<b>20,620,000</b>	<b>59,806,000</b>
YoY growth		4582.2%		783.6%	1201.8%	1272.9%	1101.7%	1173.4%	925.6%	83.2%	310.0%	109.5%	106.5%	96.3%	106.3%	104.3%
Seq growth		6.2%	12.1%	47.9%	639.1%		-2.0%	18.8%	19.1%	32.0%		12.1%	17.1%	13.2%	38.8%	
Cost of Revenue		459,883	499,200	717,550	4,961,100	6,637,733	4,327,650	5,128,700	6,092,400	8,018,500	23,567,250	7,864,100	9,197,600	10,396,000	14,393,000	41,850,700
Gross Margin		(14,793)	(14,931)	20,550	494,100	499,719	1,020,850	1,226,300	1,477,600	1,974,500	5,699,250	3,338,900	3,925,400	4,464,000	6,227,000	17,955,300
As a percent of revenue		-3.3%	0.0%	2.8%	9.1%	7.0%	19.1%	19.3%	19.5%	19.8%	19.5%	29.8%	29.9%	30.0%	30.2%	30.0%
Operating Expenses																
Sales and marketing		196,102	253,290	300,000	400,000	1,149,392	500,000	600,000	700,000	900,000	2,700,000	1,008,270	1,312,300	1,486,000	2,062,000	5,868,570
As a percent of revenue		44.1%	50.8%	40.6%	7.3%	16.1%	9.3%	9.4%	9.2%	9.0%	9.2%	9.0%	10.0%	10.0%	10.0%	9.8%
Software development		19,548	17,320	50,000	100,000	186,868	100,000	125,000	150,000	175,000	550,000	100,000	125,000	150,000	175,000	550,000
As a percent of revenue		4.4%	3.5%	6.8%	1.8%	2.6%	1.9%	2.0%	2.0%	1.8%	1.9%	0.9%	1.0%	1.0%	0.8%	0.9%
General and administrative		5,840,698	7,345,364	6,000,000	6,000,000	25,186,062	6,000,000	6,000,000	6,000,000	6,000,000	24,000,000	7,000,000	7,000,000	7,000,000	7,000,000	28,000,000
As a percent of revenue		1270.0%	1471.4%	836.2%	120.9%	379.4%	138.6%	117.0%	98.5%	74.8%	101.8%	89.0%	76.1%	67.3%	48.6%	66.9%
Impairment		526,583	-	-	-	526,583	-	-	-	-	-	-	-	-	-	-
<b>Operating Income</b>		<b>(6,599,724)</b>	<b>(7,616,112)</b>	<b>(6,329,450)</b>	<b>(6,005,900)</b>	<b>(26,551,186)</b>	<b>(5,579,150)</b>	<b>(5,498,700)</b>	<b>(5,372,400)</b>	<b>(5,100,500)</b>	<b>(21,550,750)</b>	<b>(4,769,370)</b>	<b>(4,511,900)</b>	<b>(4,172,000)</b>	<b>(3,010,000)</b>	<b>(16,463,270)</b>
Other Income																
Interest income		45	6,027	50	50	6,172	-	-	-	-	-	-	-	-	-	-
Interest expense		(4,045)	(384)	-	-	(4,429)	-	-	-	-	-	-	-	-	-	-
Litigation settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income		13,621	24,672	-	-	38,293	-	-	-	-	-	-	-	-	-	-
Pretax Income		(6,590,103)	(7,585,797)	(6,329,400)	(6,005,850)	(26,511,150)	(5,579,150)	(5,498,700)	(5,372,400)	(5,100,500)	(21,550,750)	(4,769,370)	(4,511,900)	(4,172,000)	(3,010,000)	(16,463,270)
Taxes		1,302	(797)	1,000	1,000	2,505	-	-	-	-	-	-	-	-	-	-
FX adjustment																
Non-controlling interest		(43,027)	82,270	(40,000)	(40,000)	(40,757)	(40,000)	(40,000)	(40,000)	(40,000)	(160,000)	(40,000)	(40,000)	(40,000)	(40,000)	(160,000)
<b>Net Income</b>		<b>(6,548,378)</b>	<b>(7,504,324)</b>	<b>(6,290,400)</b>	<b>(5,966,850)</b>	<b>(26,472,898)</b>	<b>(5,539,150)</b>	<b>(5,458,700)</b>	<b>(5,332,400)</b>	<b>(5,060,500)</b>	<b>(21,390,750)</b>	<b>(4,729,370)</b>	<b>(4,471,900)</b>	<b>(4,132,000)</b>	<b>(2,970,000)</b>	<b>(16,303,270)</b>
Diluted shares outstanding		21,892,111	24,347,607	24,348,607	24,349,607	23,734,483	24,350,607	24,351,607	24,352,607	24,353,607	24,352,107	24,354,607	24,355,607	24,356,607	24,357,607	24,356,107
Seq change		17,888,565	2,455,496	1,000	1,000		1,000	1,000	1,000	1,000		1,000	1,000	1,000	1,000	
<b>EPS</b>		<b>(\$0.30)</b>	<b>(\$0.31)</b>	<b>(\$0.26)</b>	<b>(\$0.25)</b>	<b>(\$1.12)</b>	<b>(\$0.23)</b>	<b>(\$0.22)</b>	<b>(\$0.22)</b>	<b>(\$0.21)</b>	<b>(\$0.88)</b>	<b>(\$0.19)</b>	<b>(\$0.18)</b>	<b>(\$0.17)</b>	<b>(\$0.12)</b>	<b>(\$0.67)</b>
<b>EBITDA</b>																
Net income		(6,548,378)	(7,504,324)	(6,290,400)	(6,005,900)	(26,551,186)	(5,539,150)	(5,498,700)	(5,372,400)	(5,100,500)	(21,550,750)	(4,769,370)	(4,511,900)	(4,172,000)	(3,010,000)	(16,463,270)
Addback: other income		(9,621)	(30,315)	(1,000)	(1,000)	35,788	-	-	-	-	-	-	-	-	-	-
Addback: tax		1,302	(797)	1,000	1,000	2,505	-	-	-	-	-	-	-	-	-	-
Addback: non-cash items from CFS		3,195,323	3,138,404	4,000,000	4,000,000	14,333,727	4,000,000	4,000,000	4,000,000	4,000,000	16,000,000	5,000,000	5,000,000	5,000,000	5,000,000	20,000,000
<b>EBITDA</b>		<b>(3,361,374)</b>	<b>(4,397,032)</b>	<b>(2,329,450)</b>	<b>(2,005,900)</b>	<b>(12,179,166)</b>	<b>(1,539,150)</b>	<b>(1,498,700)</b>	<b>(1,372,400)</b>	<b>(1,100,500)</b>	<b>(5,550,750)</b>	<b>230,630</b>	<b>488,100</b>	<b>828,000</b>	<b>1,990,000</b>	<b>3,536,730</b>

Source: Company reports and Spartan Capital Securities estimates

**Fig 4: Society Pass Balance Sheets**

Dollars in thousands Fiscal years ended December 31	2021				2022	
	1Q	2Q	3Q	4Q	1Q	2Q
<b>Current Assets</b>						
Cash and equivalents	\$871,073	\$142,633	\$5,722,450	\$23,264,777	\$30,967,561	\$28,012,846
Due from related parties			97,500			
Receivables, net	2,288	1,935	87,803	52,588	47,574	51,891
Inventories	-	-	-	221,068	267,409	336,476
Deposits, prepayments	308,092	62,221	69,623	6,094,254	5,798,748	4,549,753
<b>Total Current Assets</b>	<b>1,181,453</b>	<b>206,789</b>	<b>5,977,376</b>	<b>29,632,687</b>	<b>37,081,292</b>	<b>32,950,966</b>
Deposits, prepayments	-	-	-	858,667	-	-
Intangible assets	6,400,000	5,600,000	4,800,000	4,000,000	3,200,000	3,284,230
Goodwill	-	-	-	-	454,519	454,519
Property, plant and equipment	15,776	13,335	11,080	57,035	81,081	96,713
Right of use assets	70,395	61,290	529,782	627,968	807,869	710,586
<b>Total Assets</b>	<b>\$7,667,624</b>	<b>\$5,881,414</b>	<b>\$11,318,238</b>	<b>\$35,176,357</b>	<b>\$41,624,761</b>	<b>\$37,497,014</b>
<b>Liabilities and Shareholders Equity</b>						
Accounts payable	\$51,454	\$65,049	\$104,680	\$261,907	\$204,577	\$903,715
Contract liabilities	10,539	3,384	35,582	25,229	18,644	4,618
Accrued liabilities	1,405,034	709,643	752,640	813,598	778,073	1,271,656
Contingent service payable	633,000	633,000	-	-	-	-
Due to related parties	1,694,237	1,796,737	24,763	524,763	25,411	22,822
Operating lease liabilities	37,561	38,155	167,773	218,077	302,101	292,968
Loan	-	-	-	-	-	63,460
Due to first insurance funding	-	-	-	596,047	373,653	148,137
<b>Total current liabilities</b>	<b>3,831,825</b>	<b>3,245,968</b>	<b>1,085,438</b>	<b>2,439,621</b>	<b>1,702,459</b>	<b>2,707,376</b>
Operating lease liabilities	36,581	26,521	365,539	411,053	508,750	426,650
<b>Total Liabilities</b>	<b>3,868,406</b>	<b>3,272,489</b>	<b>1,450,977</b>	<b>2,850,674</b>	<b>2,211,209</b>	<b>3,134,026</b>
<b>Shareholders Equity (Defecit)</b>						
Preferred stock	16,925,494	17,178,334	25,289,788			
Common stock	1,854	1,854	970	1,973	2,375	2,454
Additional paid in capital	2,237,915	2,250,041	12,712,290	79,833,290	93,557,338	96,026,414
Accumulated other comprehensive loss	(21,754)	(28,337)	(19,478)	(54,340)	(96,501)	(35,997)
Accumulated deficit	(15,344,291)	(16,792,967)	(28,116,309)	(47,352,456)	(53,900,834)	(61,405,158)
<b>Total Shareholders Equity</b>	<b>3,799,218</b>	<b>2,608,925</b>	<b>9,867,261</b>	<b>32,428,467</b>	<b>39,562,378</b>	<b>34,587,713</b>
Non-controlling interest				(102,784)	(148,826)	(224,725)
<b>Total Liabilities and Shareholders Equity</b>	<b>\$7,667,624</b>	<b>\$5,881,414</b>	<b>\$11,318,238</b>	<b>\$35,176,357</b>	<b>\$41,624,761</b>	<b>\$37,497,014</b>

Source: Company reports

**Fig 5: Society Pass – Cash Flow Statements**

Fiscal years ended December 31

Note: cash flow statements are presented on a quarterly basis and not on the traditional year-to-date basis

	2021				2022	
	1Q	2Q	3Q	4Q	1Q	2Q
<b>Cash Flows From Operations</b>						
Net Income	-\$2,756,980	-\$4,205,656	-\$15,528,998	-\$34,864,740	-\$6,591,405	-\$14,177,999
Adjustments to reconcile net income (loss)						
Depreciation and amortization	802,237	1,604,451	2,406,648	3,210,448	806,622	1,614,617
Gain from early lease termination				(2,454)		
Impairment loss	200,000	200,000	200,000	200,000	528,583	528,583
Imputed interest	11,994	24,120	36,380	36,381		
Financing charges - insurance				5,023	4,045	4,429
Litigation settlement	550,000	550,000	550,000	550,000		
Stock comp for services	613,200	613,200	10,071,830	25,889,909	1,856,073	4,208,568
Warrant modification expense				58,363		
Inventory write-offs						
Change in contingent service payable						
Deferred taxes						
Shares issued to acquire non-control interest					22,470	
Change in operating assets and liabilities						
Accounts receivable	(391)	(38)	(85,906)	(50,691)	9,743	8,699
Inventories				(221,068)	(46,341)	(111,060)
Deposits and prepayments	3,690	(1,689)	(9,091)	(6,149,889)	1,163,776	(20,611)
Contract liabilities	(8,107)	(15,262)	16,936	6,583	(6,585)	2,470,800
Accounts payable	(2,802)	10,793	50,424	207,651	(60,134)	104,097
Accrued liabilities	17,462	(517,929)	(474,932)	(413,974)	250,988	436,712
Advances to related parties	122,500	225,000	127,500	725,000	(499,352)	(502,014)
Right of use assets	6,349	17,819	28,498	73,798	62,065	139,420
Operating lease liabilities	(9,063)	(18,529)	(29,064)	(74,278)	(61,465)	(152,715)
<b>Net Cash Flow From Operations</b>	<b>(449,911)</b>	<b>(1,513,720)</b>	<b>(2,639,775)</b>	<b>(10,813,938)</b>	<b>(2,560,917)</b>	<b>(5,448,474)</b>
<b>Cash Flows From Investing Activities</b>						
Purchase of investment assets	(40,000)	(200,000)	(200,000)	(200,000)	-	
Purchase of a subsidiary					(200,000)	(200,000)
Purchase of PP&E				(46,837)	(30,579)	(58,901)
Cash from purchase of subsidiary					5,445	31,028
<b>Net Cash Flow From Investing Activities</b>	<b>(40,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(246,837)</b>	<b>(225,134)</b>	<b>(227,873)</b>
<b>Cash Flows From Financing Activities</b>						
Preferred stock issuance	818,415	1,322,505	8,019,461	8,528,079	357,000	412,890
Equity offerings				25,447,154	10,402,891	10,402,891
Repayment of loan				(151,476)	(227,215)	(464,368)
<b>Net Cash Flow From Financing Activities</b>	<b>818,415</b>	<b>1,322,505</b>	<b>8,019,461</b>	<b>33,823,757</b>	<b>10,532,676</b>	<b>10,351,413</b>
FX effect on exchange rate	35,903	27,182	36,098	(4,871)	(43,841)	73,003
<b>Net Increase In Cash and Cash Equivalents</b>	<b>364,407</b>	<b>(364,033)</b>	<b>5,215,784</b>	<b>22,758,111</b>	<b>7,702,784</b>	<b>4,748,069</b>
BOP Cash and Cash Equivalents	506,666	506,666	506,666	506,666	23,264,777	23,264,777
EOP Cash and Cash Equivalents	871,073	142,633	5,722,450	23,264,777	30,967,561	28,012,846

Source: Company reports and Spartan Capital Securities estimates

# Important Disclosures

## Rating distribution by percentage (as of June 30, 2022):

All companies under coverage:

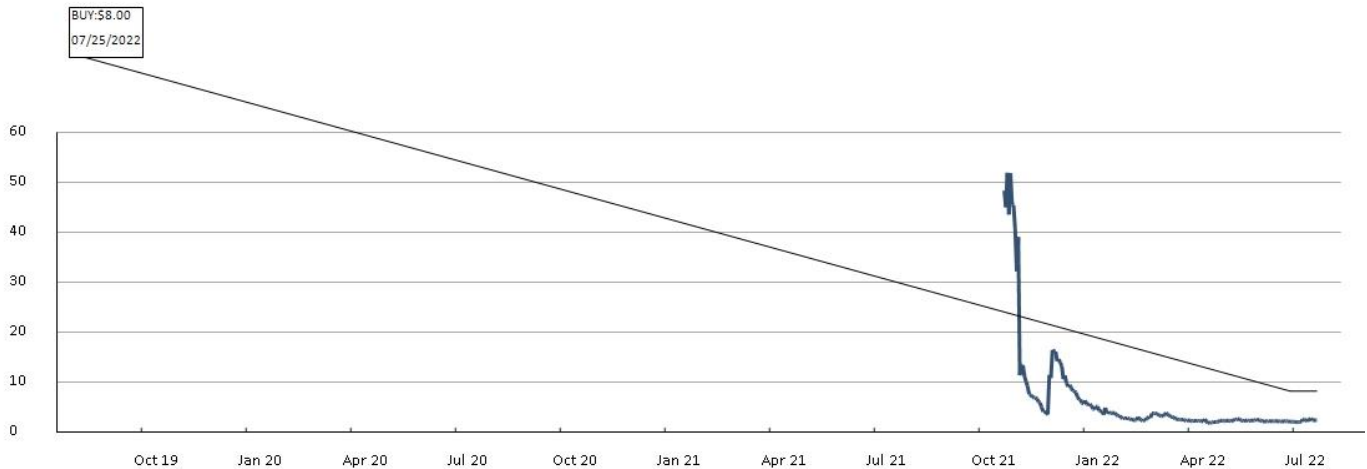
Buy	84
Hold	16
Sell	0
Not Rated (NR)	0

All companies under coverage to which it has provided investment banking services in the previous 12 months:

Buy	100
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## Price Charts

SOPA Rating History  
Powered By Jovus



## Rating System

The Equity Research Department Stock Rating System consists of three separate ratings. The appropriate rating is determined by a stock's estimated 12-month total return potential, which consists of the expected percentage price change to the 12-month price target plus the current yield on anticipated dividends. A 12-month price target is the analyst's best estimate of the market price of the stock in 12 months. A 12-month price target is highly subjective and the result of numerous assumptions, including company, industry, and market fundamentals, both on an absolute and relative basis, as well as investor sentiment, which can be highly volatile.

The definition of each rating is as follows:

- Buy: estimated total return potential greater than or equal to 10%
- Hold: estimated total return potential greater than -10% and less than 10%
- Sell: estimated total return potential less than or equal to -10%

NR: Not Rated

## Equity Research Disclosures as of August 18, 2022

Company	Disclosure
Society Pass	6,8

## Equity Research Disclosure Legend

1. Spartan Capital makes a market in the securities of the subject company.
2. The analyst or a member of the analyst's household serves as an officer, director, or advisory board member of the subject company.
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5. Spartan Capital has received compensation for investment banking services from the subject company in the last 12 months.
6. Spartan Capital expects to receive or intends to seek compensation for investment banking services from the subject company in the next three months.
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8. The subject company is, or during the past 12 months was, a client of Spartan Capital, which provided non-investment banking, securities-related services to, and received compensation from, the subject company for such services. The analyst or employees of Spartan Capital with the ability to influence the substance of this report knows the foregoing facts.
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For valuation methodology and related risk factors, please refer to the body text of this report or to individual reports on any covered companies referenced in this report.

The analyst(s) principally responsible for preparation of this report received compensation that is based upon many factors, including the firm's overall revenue.

## Analyst Certification

I, Barry M. Sine, was principally responsible for the preparation of this research report and certify that the views expressed in this research report accurately reflect my personal views about the subject security(ies) or issuer(s) and that my compensation was not, is not, or will not be directly or indirectly related to the specific recommendations or views contained in this research report.

## Investment Risks

In order to achieve our projections SoPa must successfully integrate acquisitions, complete significant IT work, add new customers and enter new markets. None of these is a given, and the company may fall short in some respects. Should it instead largely fail at achieving the above, we would not expect the company to achieve our price target.

## Valuation Methodology

We value SOPA shares using a multiple of 2024 revenue based on the current values at which comparable companies trade.

## Other Disclosures

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