

## Society Pass

SOPA \$1.96

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

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### Share Data

52 Week Range (\$)	1.49-77.34
Market Capitalization (\$mm)	46.506
Enterprise Value (\$mm)	19.167
Shares Outstanding (mm)	23.788
Average Daily Volume (000)	4363.275
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.

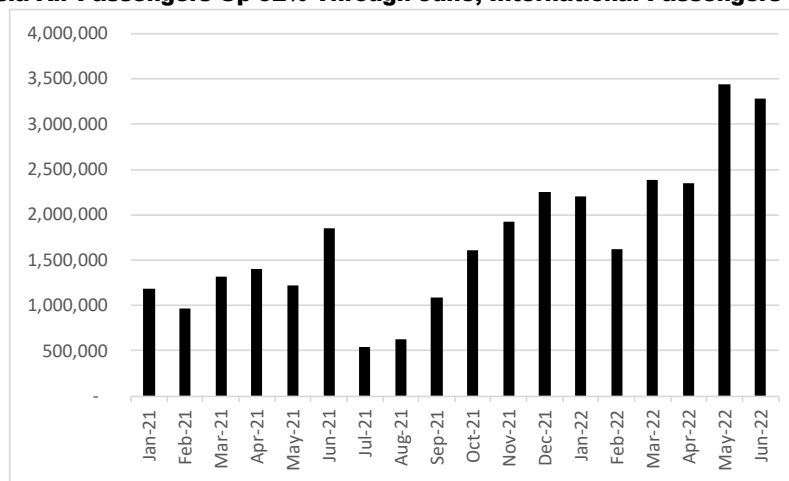
## SoPa's Nusatrip Cleared for Take-off

- Society Pass recently closed on its acquisition of the Indonesian online travel site Nusatrip just as the Indonesian travel market is taking off with international travel up 525% year-to-date.
- The deal was signed at an event on July 1 which we attended and just closed on August 15th with SoPa paying \$620,000. We attended the closing event, visited Nusatrip's Jakarta offices, met with its founder and CEO, and met the president of the seller, PT Moratelindo in Jakarta. Moratelindo is a telecom juggernaut in Indonesia with strong government connections, but Nusatrip was not a core business. The two companies remain close, for example with Nusatrip utilizing Moratelindo data centers, so SoPa has gained a strong, valuable partner in the region.
- Nusatrip is the third largest online travel agency in Indonesia, after Traveloka, which is independent, and Tiket.com, which is owned by the Indonesian conglomerate Djarum Group. According to recent press accounts, both have considered capital markets transactions in the last year which would value each in the billions of dollars. So Nusatrip could well be worth more than SoPa paid.
- Indonesia is a democracy with the fourth largest population in the world. GDP growth is projected at around 5% this year and next and its rapidly growing young population is served by numerous ultra-low-cost carriers (ULCCs). In our experience, young emerging market adults tend to avail themselves of international travel as soon as they have some disposable income. The domestic market is huge as Indonesia is an archipelago consisting of 18,000 islands, so much travel is by air, not by car.
- Nusatrip was EBITDA positive and growing rapidly before the pandemic with positive EBITDA from 2014, its second year in business, to 2018.
- The Indonesian travel market is again booming with traffic up 92% over 2021 through the first six months of this year. We expect this rebound to continue as it began later than the US and European markets and traffic is only about half that of 2019, before the pandemic.
- So, in our view, SoPa had impeccable timing, buying a business that was loaded with debt incurred to cover operating costs during the pandemic but poised for rapid growth, and likely to return to profitability again soon.
- We identify six relatively straightforward synergies between Nusatrip and the other seven SoPa business units which should drive revenue across the ecosystem, furthering the founder's dream of creating the next billion-dollar Southeast Asia super-app.

# Indonesian Airline Traffic Surging with Pandemic Fading

Indonesian airport traffic is surging in 2022 with domestic passengers up 77% and international passengers up 525% through the first half of the year according to data from Statistics Indonesia. This should provide a major boost to Nusatrip. Compared to traffic in 2019, before the pandemic, 2022 annualized passenger traffic is only 57% of what it was then. So even before organic growth, Nusatrip could see a doubling in revenue this year. And at that level, it was historically EBITDA positive, so that is likely to recur as well.

**Fig 1: Indonesia Air Passengers Up 92% Through June, International Passengers Up 525%**



Source: Statistics Indonesia

## Trip to Anywhere, Let's Go

Nusatrip is an Indonesian online travel website that works across the region and globally. We had an opportunity to meet with its founder and then CEO at Nusatrip headquarters in Jakarta in July. We believe Nusatrip is a truly differentiated travel app whose capabilities exceed those of well-known US travel websites such as Expedia.

Nusatrip was founded in 2013 with the founder explaining to us that the online travel market is generally the first e-commerce application in emerging markets. The name Nusatrip comes from the Indonesian word for island, which is nusa. With a population of 277 million, the fourth largest in the world, and 5% GDP growth expected for 2022, the country offers a robust domestic market. Nusatrip focuses on six high-growth emerging countries in the region, although its app works globally, including in the U.S. (We suggest that investors download it and try it.) It offers over 2,000 hotels and 500 airlines globally and has booked travel to almost every large and mid-sized city in the world, including ones as remote as Fairbanks, Alaska. It integrates with travel technology company Sabre but has direct links with its core ultra-low-cost carrier (ULCC) airline partners in the region, the largest of which is Lion Air. Setting up these direct links was difficult as a startup, but now that Nusatrip is the third-largest travel website in Indonesia, it has no difficulty working with hotel and airline partners. About 90% of revenue comes from booking flights and 10% from hotels. We see this as an opportunity since hotel travel spend is typically much more than 10% of total trip costs for both leisure and business travelers. About two-thirds of customers are local to its core markets. About 70% of revenue comes from tourist B2C bookings and the rest from its B2B business, which serves travel agents via API links to their own systems.

**Fig 2: Nusatrip Headquarters in Jakarta**



*Source: Company reports and Spartan Capital Securities estimates*

Indonesia is a democracy with a large population of 277 million (82% of the US) and is rapidly growing. It was a former Dutch colony gaining independence in 1949, and the Dutch influence is still evident. However, it also faces a homegrown Islamic terrorist problem with bombings in the capital in recent years. Visitors to Jakarta will note an increased security presence. It is also an archipelago of 18,000 islands, 6,000 of which are inhabited, although about half the population lives in the capital. Thus, demand for domestic air travel is significant since one cannot visit islands by car.

Nusatrip has three key technology advantages.:

- First, is its proprietary internally developed flight engine fare intelligence system which uses artificial intelligence machine learning technology to find the best flights for customers. The founder boasted that this technology can do things that even major U.S. travel websites like Expedia cannot do. When we traveled to Asia for due diligence for our initiation report, we used several such sites, and they came up with crazy results like \$16,000 fares with four or five connections, including ULCCs such as Frontier Airlines. We wound up flying Qatar Airways for around \$2,000 in economy class. After our Nusatrip meeting, we downloaded the app and ran a search. It came up with the optimal Qatar Airways itinerary we found through hours of trial and error. Even for domestic U.S. routes, such as LaGuardia to Miami, it found better fares. So, we believe the boast. While fancy technology is nice, the bottom line is that Nusatrip offers consumers more options at lower prices.
- The second innovation is direct, negotiated, custom technology links with the ultra-low-cost airlines prevalent in the market. These include AirAsia, Lion Air, Citilink, Super Air Jet, and Wings Air. On our flights in and out of Jakarta, we noted numerous planes from these airlines on the tarmac. For other airlines and hotels, it uses standard industry links from Sabre.
- The third innovation is in payments. Unlike the U.S., credit card payments are much less prevalent, with fees as high as 10% and a high rate of failed transactions. Only 7% of Indonesians even have credit cards. So Nusatrip built its own platform utilizing direct bank transfers. Its proprietary system has links with over 100 Indonesian banks to facilitate direct payments. In travel, once the travel site finds a fare with an airline, it only has a few minutes to purchase, or the price may rise, or the inventory becomes unavailable. Nusatrip's payments platform can process payments within this short window, so it can process payments and grab the tickets before the airline inventory is lost.

Nusatrip did about \$55 million in gross transaction value in 2019 before the pandemic (GAAP revenue is about 10% of this), but this fell to just \$10 million during the pandemic. While US travel has rebounded past 2019 levels, the recovery is in an earlier stage in Southeast Asia, with capacity still just about 30% of 2019 levels. But it is rebounding strongly now, and we expect very strong growth over the next few years. American travelers have demonstrated strong pent-up demand, selling out flights and theme parks, and we expect the Southeast Asian market to do likewise. In the first half of 2021, Nusatrip reported gross transaction value of \$17 million, 70% more than all of 2020, and we expect around \$25 million for the second half.

Because of the financial damage, we believe that Society Pass is acquiring Nusatrip at an ideal time and attractive price. The seller was PT Mora Telematika Indonesia or Moratelindo, a large conglomerate operating a 23,000-kilometer terrestrial and inter-island fiber optic network, a wireless business and web hosting centers in Indonesia. For Moratelindo, Nusatrip was a relatively insignificant, non-core holding, so they did not fully fund its growth ambitions. We expect Society Pass to remedy this.

With a purchase price of just \$620,000, we believe they got a good deal due to the motivated seller and recently distressed nature of the local travel market. But comparable travel websites are garnering billion dollar plus valuations in the market. Indonesia's Traveloka was founded in 2012 and raised \$1.4 billion prior to the pandemic. It is reportedly in talks for another \$200 million round, led by BlackRock. It had over 3,000 employees at the peak and 43% of the Indonesian online travel market, versus just 85 employees at Nusatrip. Hence, it is presumably much larger (or much less efficient), so we don't view Nusatrip as having anywhere near the same valuation. Still, investments in Traveloka do demonstrate the attractiveness of the market.

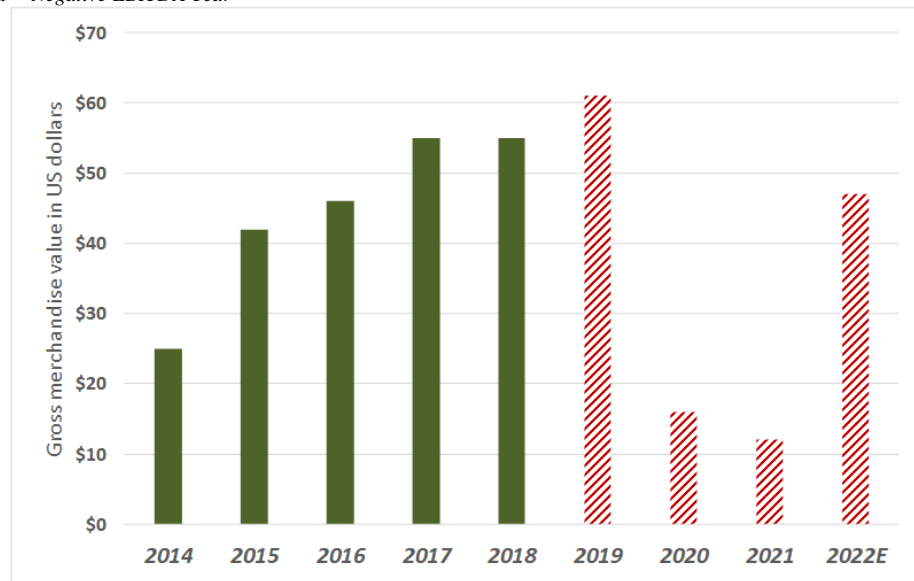
The other notable online travel provider in Indonesia is Tiket.com. It was founded in 2011 and acquired by local conglomerate Djarum Group in 2017 for an undisclosed price. We don't have financial data on it either, but estimates are that it has around 1,200 employees. Recent news reports suggested it was the target of a SPAC recently valuing it at \$200 million, which fell through and is now looking at merging with Blibli, which is also owned by Djarum, in another bid to create a super-app. Again, this suggests active investor interest in the Indonesian online travel market and the attractiveness of Nusatrip, even if it is smaller than Traveloka and Tiket.com.

It is still early, but we can certainly see the vision of Nusatrip as part of the Society Pass vision. Online travel fits well with food/beverage, telecom, media and luxury goods. Its Society Pass loyalty points program is to be integrated so consumers can earn and spend points across Nusatrip and other SoPa companies. We spent a good deal of time with SoPa's country manager, Patrick Soetanto – a Jesuit-trained graduate of Loyola Marymount College – and he is actively looking at other potential local acquisitions. Leflair is likely to launch in Indonesia later this year, and we expect to see other verticals such as food and beverage filled relatively soon.

Financially, Nusatrip was profitable and growing through 2018, with gross merchandise value of roughly \$55 million in 2017 and 2018, suggesting GAAP revenue of approximately \$5 million. With the pandemic and travel shutdowns, revenue plunged sharply, and Nusatrip fell into the red. Its owners did not view it as strategic so it used internal debt financing for operations rather than its owners investing additional capital. We understand that SoPa is acquiring it for a nominal amount but taking on these liabilities. While Indonesian air traffic capacity is still only around 30% of pre-pandemic levels, Nusatrip revenues are rebounding sharply as the company sees the same cabin fever and pent-up consumer travel demand as is so evident in the US and Europe this summer.

**Fig 3: Nusatrip Was Profitable and Growing, Until Covid**

*Solid Green = Positive EBITDA Year*  
*Striped Red = Negative EBITDA Year*



*Source: Company reports and Spartan Capital Securities estimates*

Our model has it doing \$5 million in revenue in 2023 and \$10 million in 2024. In our discussions with management, we learned that the hotel market has been largely untapped by Nusatrip, with hotel bookings at just 10% of revenue. Post the acquisition they plan to enter into the same type of close marketing relationships with hotels that management has so successfully built with ULCC airlines. Its technology also works globally, and setting up payment relationships similar to those in Indonesia is relatively straightforward. Regional travel via the many ULCCs is popular in all of the countries SoPa serves, so with additional capital, we see this expansion as a natural. In terms of synergies, Nusatrip travelers will also likely need eSIMs, sold by Gorilla, and Thoughtful Media’s army of social media influencers can market the service. Singapore is a major inbound shopping destination across the region since its low tariffs allow merchants to sell super-premium luxury goods at a 25% discount to other markets. Lastly, once it is up and running, consumers will be able to both earn Society Points for booking trips on Nusatrip and cash in Society Points earned on other SoPa businesses to pay for travel booked on Nusatrip.

## **Society Pass / Nusatrip Potential Synergies**

1. Expand Nusatrip to the other four countries where SoPa operates.
2. Cross sell Gorilla travel eSIMs so Nusatrip international travel customers can use their phones abroad.
3. Leverage Thoughtful Media social media/influencer marketing to market the service.
4. Leflair, SoPa’s luxury goods flash sale app, is launching in Indonesia later this year.
5. Allow Nusatrip customers to earn points through the Society Pass loyalty program to purchase goods on any of the seven other SoPa businesses.
6. Allow customers of the other seven SoPa businesses to use their loyalty points for travel booked through Nusatrip.

**Fig 4: All Major Indonesia Airports Showing Strong Passengers Increases Per Statistics Indonesia**

Airport		Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Polonia	Dom.	157,614	100,191	122,498	119,306	104,644	150,762	51,362	49,711	80,935	116,465	143,606	161,457
	Intl.	379	476	715	555	334	275	188	88	65	29	15	31
	Total	157,993	100,667	123,213	119,861	104,978	151,037	51,550	49,799	81,000	116,494	143,621	161,488
Soekarno Hatta	Dom.	507,262	482,132	672,107	703,135	598,615	858,770	249,940	321,287	560,577	824,287	974,987	1,192,278
	Intl.	48,941	30,819	38,210	41,100	42,513	54,120	45,257	42,345	47,081	52,031	73,898	95,915
	Total	556,203	512,951	710,317	744,235	641,128	912,890	295,197	363,632	607,658	876,318	1,048,885	1,288,193
Juanda	Dom.	189,560	152,366	198,457	219,430	210,700	346,782	74,127	97,491	166,499	231,536	278,750	305,669
	Intl.	1,252	1,052	1,153	1,545	1,113	1,111	451	236	344	136	106	53
	Total	190,812	153,418	199,610	220,975	211,813	347,893	74,578	97,727	166,843	231,672	278,856	305,722
Ngurah Rai	Dom.	118,965	71,105	116,888	142,344	121,441	225,671	49,999	47,409	113,912	224,887	274,179	318,264
	Intl.	198	73	200	79	197	577	159	419	417	240	142	320
	Total	119,163	71,178	117,088	142,423	121,638	226,248	50,158	47,828	114,329	225,127	274,321	318,584
Hasanudin	Dom.	163,992	128,429	166,182	175,885	142,954	210,516	73,783	66,276	112,102	159,016	182,441	182,396
	Intl.												
	Total	163,992	128,429	166,182	175,885	142,954	210,516	73,783	66,276	112,102	159,016	182,441	182,396
Total Dom.		1,137,393	934,223	1,276,132	1,360,100	1,178,354	1,792,501	499,211	582,174	1,034,025	1,556,191	1,853,963	2,160,064
Total Intl.		50,770	32,420	40,278	43,279	44,157	56,083	46,055	43,088	47,907	52,436	74,161	96,319
<b>Total</b>		<b>1,188,163</b>	<b>966,643</b>	<b>1,316,410</b>	<b>1,403,379</b>	<b>1,222,511</b>	<b>1,848,584</b>	<b>545,266</b>	<b>625,262</b>	<b>1,081,932</b>	<b>1,608,627</b>	<b>1,928,124</b>	<b>2,256,383</b>
		<b>Jan-22</b>	<b>Feb-22</b>	<b>Mar-22</b>	<b>Apr-22</b>	<b>May-22</b>	<b>Jun-22</b>	<b>YTD</b>					
Polonia	Dom.	225,304	137,536	177,348	166,129	245,423	217,171	1,168,911					
	Intl.	15	15	26	1,994	16,793	23,176	42,019					
	Total	225,319	137,551	177,374	168,123	262,216	240,347	1,210,930					
Growth	43%	37%	44%	40%	150%	59%	60%						
Soekarno Hatta	Dom.	1,069,185	808,604	1,195,146	1,205,872	1,561,795	1,527,356	7,367,958					
	Intl.	82,944	100,774	173,978	226,526	307,859	301,659	1,193,740					
	Total	1,152,129	909,378	1,369,124	1,432,398	1,869,654	1,829,015	8,561,698					
Growth	107%	77%	93%	92%	192%	100%	124%						
Juanda	Dom.	301,152	220,164	319,093	285,101	501,021	404,070	2,030,601					
	Intl.	108	8	2,376	14,791	31,804	43,037	92,124					
	Total	301,260	220,172	321,469	299,892	532,825	447,107	2,122,725					
Growth	58%	44%	61%	36%	152%	29%	61%						
Ngurah Rai	Dom.	317,662	191,034	290,652	224,687	395,423	362,418	1,781,876					
	Intl.	518	1,028	11,453	47,923	110,403	170,325	341,650					
	Total	318,180	192,062	302,105	272,610	505,826	532,743	2,123,526					
Growth	167%	170%	158%	91%	316%	135%	167%						
Hasanudin	Dom.	211,736	156,830	219,928	179,676	275,356	229,650	1,273,176					
	Intl.							-					
	Total	211,736	156,830	219,928	179,676	275,356	229,650	1,273,176					
Growth	29%	22%	32%	2%	93%	9%	29%						
Total Dom.		2,125,039	1,514,168	2,202,167	2,061,465	2,979,018	2,740,665	13,622,522					
Growth		87%	62%	73%	52%	153%	53%	77%					
Total Intl.		83,585	101,825	187,833	291,234	466,859	538,197	1,669,533					
Growth		65%	214%	366%	573%	957%	860%	525%					
Total		2,208,624	1,615,993	2,390,000	2,352,699	3,445,877	3,278,862	15,292,055					
Growth		86%	67%	82%	68%	182%	77%	92%					

Source: Statistics Indonesia

**Fig 5: 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	
	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%	
Hardware	-	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 6: 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>499,052</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		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
			(14,941)													
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
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>(7,616,122)</b>	<b>(6,329,450)</b>	<b>(6,005,900)</b>	<b>(26,551,196)</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)	(7,585,807)	(6,329,400)	(6,005,850)	(26,511,160)	(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>(7,504,334)</b>	<b>(6,290,400)</b>	<b>(5,966,850)</b>	<b>(26,472,908)</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)	(7,504,334)	(6,290,400)	(6,005,900)	(26,551,196)	(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>(4,397,042)</b>	<b>(2,329,450)</b>	<b>(2,005,900)</b>	<b>(12,179,176)</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



# Important Disclosures

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

All companies under coverage:

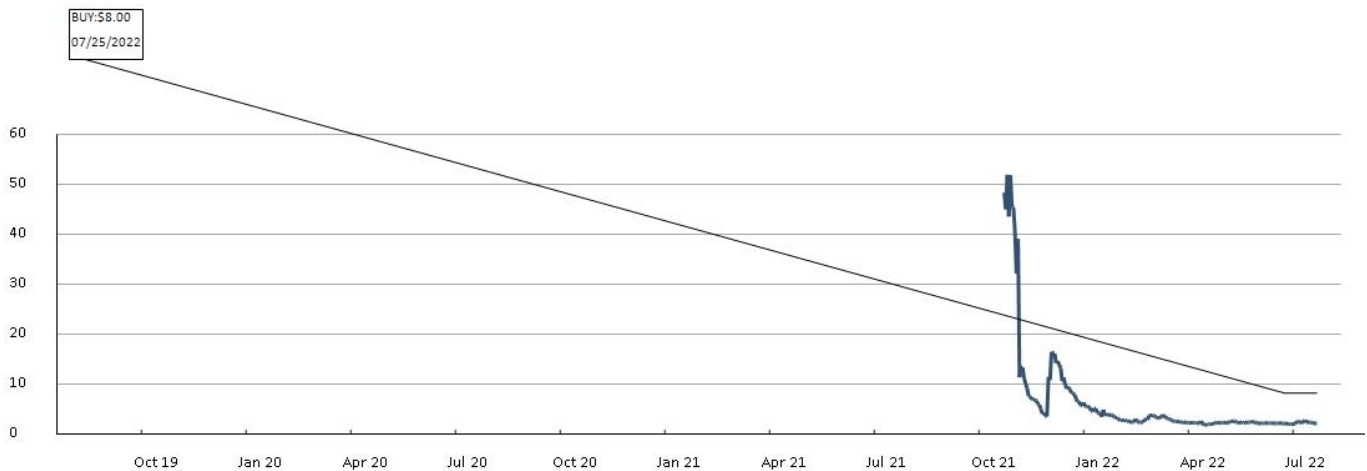
Buy	84
Hold	16
Sell	0
Not Rated (NR)	0

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 25, 2022

Company	Disclosure
Society Pass	6,8

## Equity Research Disclosure Legend

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2. The analyst or a member of the analyst's household serves as an officer, director, or advisory board member of the subject company.
3. The analyst or a member of the analyst's household owns shares of the subject company.
4. Spartan Capital has managed or co-managed a public offering of securities for the subject company in the last 12 months.
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.
9. An affiliate of Spartan Capital received compensation from the subject company for products or services other than investment banking services during the past 12 months. The analyst or employees of Spartan Capital with the ability to influence the substance of this report know or have reason to know the foregoing facts.

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.

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