



Society Pass Inc.

Q2 about inline with strong revenue growth. We believe strong growth over the next year to drive stock much higher. Raising P/T to \$3.75.

COMPANY UPDATE

Rating: BUY

Ticker: SOPA

Price: \$0.47

Target: \$3.75
(from \$3.50)

Q2 strong revenue growth: Society Pass recently (on August 10) reported its fiscal Q2 2023 (ending June) results. Revenue was \$2.2 million (+338% y-o-y), compared to our estimates of \$2.5 million and consensus of \$2.7 million. EPS was (0.12), compared to our and consensus estimates of \$(0.21). There was no Q2 guidance.

Major M&A: Just announced in July 2023, the company has 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.

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 \$11 million, from \$12 million, and for EPS to \$(0.57) from \$(0.79).

Major acquisition: We note that our estimates do not include its recently announced (on July 7) (but expected to close by September 2023) major acquisition of 95% of PT Inetindo Info. Inetindo has annual revenue of ~\$30 million, so it will be a significant contributor to Society Pass results going forward.

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).

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 raising our 12-month price target to \$3.75 from \$3.50, 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

August 16, 2023

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Stock Data

Exchange:	NasdaqCM
52-week Range:	0.43 – 2.14
Shares Outstanding (million):	28
Market cap (\$million):	\$13
EV (\$million):	\$2
Debt (\$million):	\$0
Cash (\$million):	\$11
Avg. Daily Trading Vol. (\$million):	\$0.3
Float (million shares):	17
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Mar	2.0A		4.5E	
Q2 Jun	2.2A	2.5E	5.0E	
Q3 Sep	3.0E	3.5E	6.5E	
Q4 Dec	<u>3.8E</u>	<u>4.0E</u>	<u>8.0E</u>	
Total	11.0E	12.0E	24.0E	
EV/Revs	0.2x		0.1x	

Earnings per Share (pro forma)

	<u>2023E</u> (Cur.)	<u>2023E</u> (Old)	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)
Q1 Mar	(0.20)A		(0.10)E	(0.14)E
Q2 Jun	(0.12)A	(0.21)E	(0.10)E	(0.13)E
Q3 Sep	(0.13)E	(0.20)E	(0.10)E	(0.11)E
Q4 Dec	<u>(0.13)E</u>	<u>(0.19)E</u>	<u>(0.09)E</u>	
Total	(0.57)E	(0.79)E	(0.38)E	(0.47)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 August 10) reported its fiscal Q2 2023 (ending June) results.
- Revenue was \$2.2 million (+338% y-o-y), compared to our estimates of \$2.5 million and consensus of \$2.7 million.
- EPS was (0.12), compared to our and consensus estimates of \$(0.21).
- There was no Q2 guidance.
- The company did not provide forward guidance.
- We are adjusting our 2023 estimates for revenue to \$11 million, from \$12 million, and for EPS to \$(0.57) from \$(0.79).
- We are maintaining our 2024 revenue estimates of \$24 million, but raising it for EPS to \$(0.38) from \$(0.47).

ADDITIONAL DETAILS

- Gross profit for the quarter was \$0.6 million, compared with our estimate of \$0.8 million.
- Gross margin for the quarter was 26%, versus our expectation of 30% and 0% last year.
- Operating expenses were \$4.0 million, versus our expectation of \$6.8 million.
- Operating loss was \$3.4 million, versus our expectation of a loss of \$6.1 million.
- Net loss was \$3.3 million, versus our expectation of a loss of \$6.1 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.

Just announced in July 2023, the company has 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.

We note that our estimates do not include its recently announced (but expected to close by September 2023) major acquisition of 95% of PT Inetindo Info. Inetindo has annual revenue of ~\$30 million, so it will be a significant contributor to Society Pass results going forward.

The company’s balance sheet had \$11 million in cash and no debt, compared with \$14 million in cash and no debt at the end of March.

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

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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

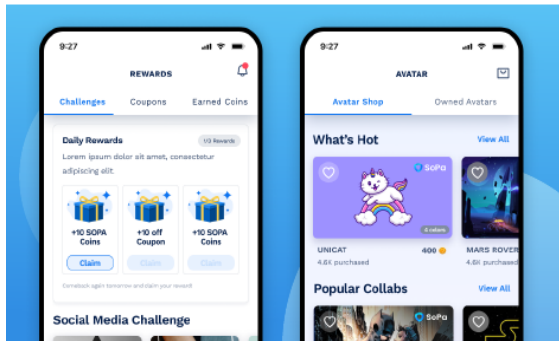


LOYALTY

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

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Society Pass

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

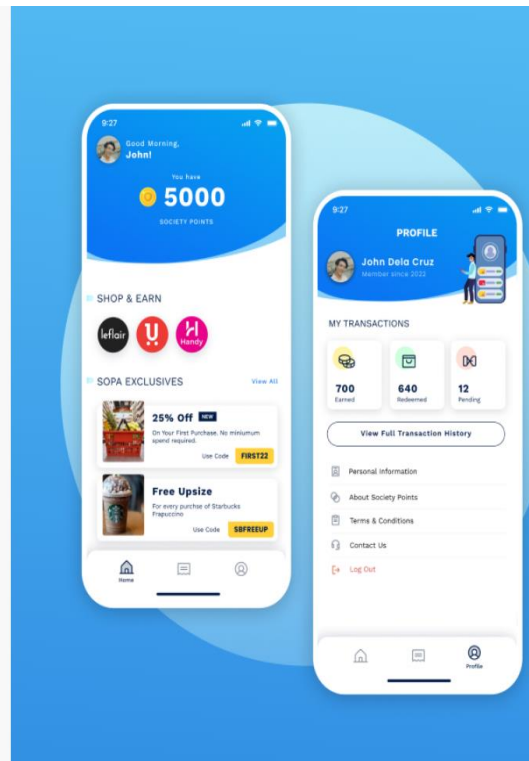
Consumers:

- 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: Q2 2023 Financial Report (as of August 10, 2023)

Society Pass Inc's (Nasdaq: SOPA) 2Q/1H 2023 Financial Results Illustrate Continuing Breakneck Revenue Growth and Exceptional Profit Margin Expansion; Confidently Forecasts Achieving Cash Profitability in 2H 2023

**Recognises 348% Year on Year Revenue Growth for 1H 2023;
Gross Margin Increases to 29.9% in 2Q 2023 from -1.6% in 2Q 2022**

New York, Aug 10, 2023 - (ACN Newswire) - Society Pass Incorporated (Nasdaq: SOPA) ("SoPa"), Southeast Asia (SEA)'s next generation, data-driven, loyalty, fintech and e-commerce ecosystem, today announces unaudited financial results for second quarter ended 30 June 2023 and a filing of its 2Q 2023 Form 10-Q with the Securities and Exchange Commission (SEC).

Summary Points:

- With cash on hand of \$10.8 million (approximately \$0.38 per share) and book value of \$12.7 million (approximately \$0.45 per share) on 31 March 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.
- 1H 2023 revenues grew 348.0% year on year (from \$944,152 in 1H 2022 to \$4,229,812 in 1H 2023).
- 2Q 2023 revenues grew 338.3% year on year (from \$499,062 in 2Q 2022 to \$2,187,232 in 2Q 2023).
- 2Q 2023 revenues grew 7.1% quarter on quarter (from \$2,042,580 in 1Q 2023 to \$2,187,232 in 2Q 2023).
- SoPa completed the following acquisitions in 2Q 2023: [VLeisure](#), Vietnam's leading provider of hotel management and payment solutions; and Newave, an Indonesia-based KOL management agency. In addition, SoPa announced the acquisition of PT Inetindo Infocom, a subsidiary of [Story-I Limited](#), a leading Indonesia-based retailer of Apple products, for a total consideration of approximately \$1.85 million. Management expects the PT Inetindo Infocom acquisition to close in September 2023.
- Since inception, SoPa has onboarded approximately 3.3 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 six verticals in SEA: digital advertising, travel, lifestyle, loyalty, food & beverage delivery and telecommunications,
- SoPa operates in five SEA countries: Singapore, Vietnam, Indonesia, Philippines and Thailand.
- SoPa employs approximately 225 people throughout SEA.

Source: Company report.

Exhibit 6: Society Pass Revenue By Product (Q2 2023 and 2022)

	Three Months ended June 30, 2023						Total
	Online F&B and Groceries Deliveries	Digital Marketing	Online Ticketing and reservation	e-Commerce	Telecommunication Reseller	Merchant POS	
Revenue from external customers							
Sales – online ordering	54,762	—	—	57,407	—	—	112,169
Sales – digital marketing	—	1,510,960	—	—	—	—	1,510,960
Sales – online ticketing and reservation	—	—	556,042	—	—	—	556,042
Sales – data	—	—	—	—	6,369	—	6,369
Software sales	—	—	1,142	—	—	550	1,692
Total revenue	54,762	1,510,960	557,184	57,407	6,369	550	2,187,232

	Years ended December 31, 2022						Total
	Online F&B and Groceries Deliveries	Digital Marketing	Online Ticketing and reservation	e-Commerce	Telecommunication Reseller	Merchant POS	
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 Acquisition of PT Inetindo Info (on July 7, 2023)

Society Pass Inc (Nasdaq: SOPA) Subsidiary, NextGen Retail Inc, to Acquire Indonesia's PT Inetindo Infocom to Create an Online and Offline Electronics and Gaming Retailer in the World's 4th Most Populous Economy

Acquisition Onboards Approximately US\$30 million to Society Pass Revenue Base

- NextGen Retail Inc (formerly known as Leflair Inc) ventures out of Vietnam and enters the Indonesian market for the first time; creates online and offline retailer in SEA
- PT Inetindo Infocom acquisition onboards approximately US\$30 million of annual revenues to Society Pass Inc. as well as substantial customer base for Society Pass's Loyalty App

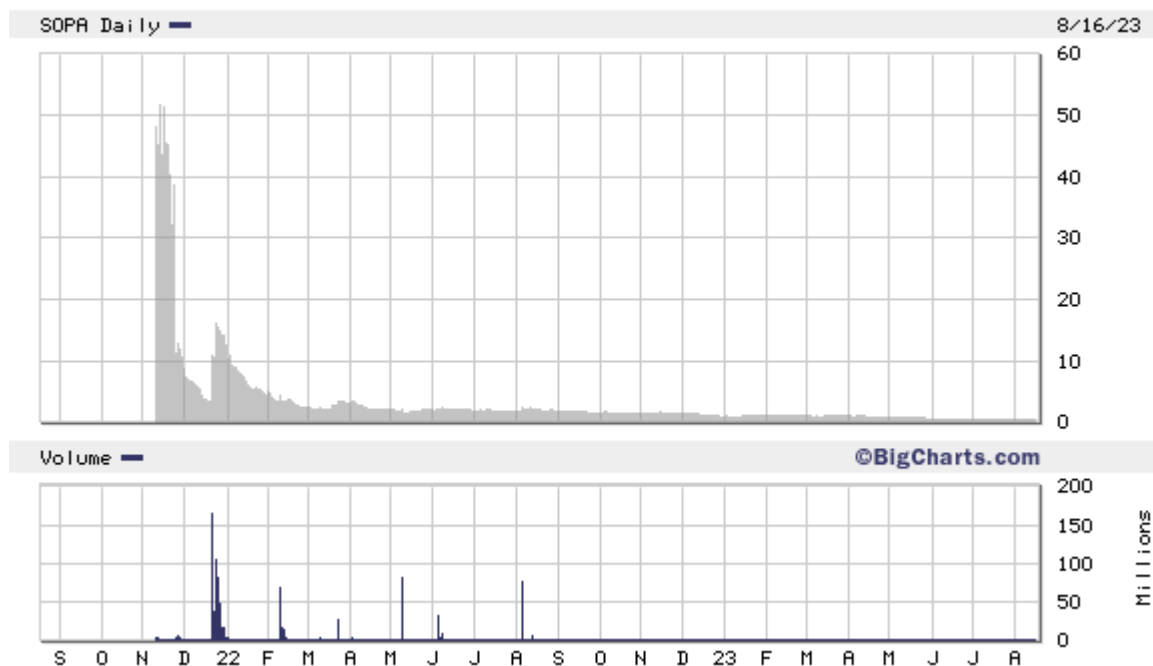
SINGAPORE, July 07, 2023 (GLOBE NEWSWIRE) -- via [NewMediaWire](#) – [NextGen Retail Inc](#) (“NextGen Retail”), the online retail arm of [Society Pass Incorporated](#) (“SoPa”) (**Nasdaq: SOPA**), Southeast Asia’s (SEA) next generation, data-driven, loyalty, fintech and e-commerce ecosystem, today announces that it has 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 Authorized Education Partner as well as an electronic gaming retailer for several different gaming companies.



Story-i Senayan Park (SPark) Jakarta, Indonesia

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 August 10, 2023)

	Revenue (mils)			EPS	
	2023E	2024E		2023E	2024E
Q1 Mar	\$2.0A		Q1 Mar	\$(0.20)A	
Q2 Jun	\$2.7E		Q2 Jun	\$(0.21)E	
Q3 Sep	\$3.6E		Q3 Sep	\$(0.20)E	
Q4 Dec			Q4 Dec		
Total	\$23.1E	\$24.5E	Total	\$(0.77)E	\$(0.46)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	Q3E	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	3.0	3.8	11.0	4.5	5.0	6.5	8.0	24.0
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	1.8	2.1	6.9	1.8	2.0	2.8	3.3	9.8
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	1.2	1.6	4.1	2.8	3.0	3.8	4.7	14.2
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	0.1	0.1	0.1	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	0.3	0.8	0.2	0.3	0.3	0.4	1.2
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	4.7	5.1	19.6	5.6	5.8	6.5	7.2	25.1
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	4.9	5.4	20.5	5.9	6.1	6.9	7.7	26.5
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)	(3.7)	(3.8)	(16.4)	(3.1)	(3.1)	(3.1)	(3.0)	(12.3)
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	0.0	0.0	0.2	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)	(3.7)	(3.8)	(16.1)	(3.1)	(3.1)	(3.1)	(3.0)	(12.3)
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)	(3.7)	(3.8)	(16.1)	(3.1)	(3.1)	(3.1)	(3.0)	(12.3)
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)	(3.7)	(3.8)	(16.1)	(3.1)	(3.1)	(3.1)	(3.0)	(12.3)
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	28.8	29.8	28.5	30.8	31.8	32.8	33.8	32.3
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	28.8	29.8	28.5	30.8	31.8	32.8	33.8	32.3
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)	(\$0.13)	(\$0.13)	(\$0.57)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.09)	(\$0.38)
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)	(\$0.13)	(\$0.13)	(\$0.57)	(\$0.10)	(\$0.10)	(\$0.10)	(\$0.09)	(\$0.38)
Margins																					
Gross margin	-69%	-92%	-1012%	-91%	-7%	-37%	-3%	0%	15%	26%	17%	34%	26%	40%	44%	37%	61%	60%	58%	59%	59%
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%	8%	8%	7%	5%	5%	5%	5%	5%
General & administrative	6728%	20556%	53550%	9927%	4530%	6424%	1312%	1472%	484%	282%	542%	293%	177%	155%	135%	178%	125%	115%	100%	90%	104%
Operating margin	-7150%	-23080%	-55566%	-10081%	-4599%	-6581%	-1483%	-1526%	-493%	-373%	-606%	-267%	-156%	-124%	-100%	-149%	-70%	-61%	-48%	-37%	-51%
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%	-124%	-100%	-147%	-70%	-61%	-48%	-37%	-51%
Y/Y % change																					
Total Revenue						891%	4582%	6312%	2354%	530%	984%	359%	338%	46%	43%	95%	120%	129%	117%	112%	118%
Gross margin						427%	68%	-100%	-506%	-2566%	-607%	-4739%	-418331%	290%	143%	324%	301%	420%	213%	186%	246%
Research & development						-42%	-80%	-11%	14%	-17%	-24%	-81%	9%	97%	26%	33%	-54%	11%	30%	23%	148%
Sales and marketing						10370%	21689%	514%	396%	39%	205%	-33%	-61%	13%	-10%	-23%	72%	153%	35%	33%	56%
General & administrative						846%	-83%	26%	35%	-25%	-9%	-80%	-35%	20%	9%	-36%	-71%	2%	13%	11%	28%
Operating income (loss)						812%	201%	76%	20%	-49%	0%	-17%	-55%	-63%	-62%	-52%	-42%	-11%	-16%	-21%	-25%
Net income (loss)						808%	138%	73%	18%	-49%	-3%	-19%	-56%	-63%	-61%	-52%	-41%	-8%	-16%	-21%	-24%
EPS Diluted (pro forma)						562%	-20%	-47%	-61%	-72%	-62%	-35%	-62%	-67%	-66%	-59%	-48%	-18%	-26%	-31%	-33%

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	Q3E	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	7.7	5.7	4.0	2.3	2.1	2.0
Short term investments												0.0	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	1.7	2.1	2.5	2.8	3.6	4.4
Inventory					0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.4	0.5	0.5	0.7	0.8
Contract assets								0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3
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	1.9	2.3	2.5	3.3	4.0
Total current assets	0.6			6.0	29.6	37.1	33.0	28.0	23.0	16.9	14.6	11.6	10.5	9.7	8.5	10.0	11.7
Property and equipment, net	0.0		0.0	0.1	0.1	0.1	0.1	0.6	0.7	0.8	0.8	0.7	0.5	0.4	0.2	0.1	(0.1)
Leases	0.1		0.5	0.6	0.8	0.7	0.6	1.5	1.5	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Intangibles, net	7.2		4.8	4.0	3.7	3.7	11.5	7.5	7.5	6.7	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Deferred income tax												0.0	0.0	0.0	0.0	0.0	0.0
Other					0.9							0.0	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	20.9	19.6	18.6	17.3	18.7	20.2
Liabilities and stockholders' equity																	
Accounts payable	0.1			0.1	0.3	0.2	0.9	1.2	1.3	1.5	1.7	2.4	3.0	3.4	3.8	4.9	6.0
Accrued expenses	0.7			0.8	1.9	1.2	1.4	9.6	8.3	5.9	6.5	6.0	7.5	9.0	10.0	13.0	16.0
Contract liabilities	0.0			0.0	0.0	0.0	0.0	1.3	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Deferred revenue												0.0	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	0.0
Leases	0.0		0.2	0.2	0.3	0.3	0.3	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Other	2.2		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
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	10.3	12.5	14.3	15.6	19.8	23.9
Deferred income taxes												0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities												0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities												0.0	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	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Deferred revenue												0.0	0.0	0.0	0.0	0.0	0.0
Long term debt												0.0	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	1.1	1.1	1.1	1.1	1.1	1.1
Minority interest				(0.1)	(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	0.0
Common stock	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.8	1.1	1.5	1.9	2.3
Additional paid-in capital	2.2		12.7	79.8	93.6	96.0	99.2	101.4	102.8	103.1	103.1	103.1	103.1	103.1	103.1	103.1	103.1
Retained earnings	(12.6)		(28.1)	(47.4)	(53.9)	(61.4)	(71.4)	(81.1)	(86.4)	(89.7)	(93.5)	(97.3)	(100.4)	(103.5)	(106.6)	(109.6)	(109.6)
Other												0.1	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)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total stockholders' equity	4.8		9.9	32.3	39.4	34.4	27.6	20.0	15.6	12.7	9.5	6.0	3.3	0.6	(2.2)	(4.8)	(4.8)
Total stockholders' equity and liabili	7.9		11.3	35.2	41.6	37.5	40.7	32.7	26.1	24.0	20.9	19.6	18.6	17.3	18.7	20.2	20.2

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	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	462%			200%	1454%	1303%	912%	202%	105%	99%	84%	50%	50%	50%	50%	50%	50%
Inventory as % of total rev	0%			0%	53%	60%	67%	12%	12%	11%	9%	10%	10%	10%	10%	10%	10%
A/P as % of total rev	414%			125%	62%	46%	181%	59%	49%	72%	79%	79%	79%	75%	75%	75%	75%
Accrued exp related as % of total rev	5167%			901%	462%	259%	284%	467%	315%	291%	297%	200%	200%	200%	200%	200%	200%
Activity Ratios																	
A/R Days Sales Outstanding	13			95	11	10	9	25	32	38	51	50	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	\$0.33	\$0.20	\$0.11	\$0.02	-\$0.07	-\$0.14
Cash per Share (diluted)	\$0.07			\$0.73	\$1.54	\$1.41	\$1.15	\$0.91	\$0.72	\$0.51	\$0.38	\$0.27	\$0.19	\$0.13	\$0.07	\$0.06	\$0.06
Net cash per Share (diluted)	\$0.07			\$0.73	\$1.54	\$1.41	\$1.15	\$0.90	\$0.72	\$0.51	\$0.38	\$0.27	\$0.19	\$0.13	\$0.07	\$0.06	\$0.06

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	Q3E	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)	(3.7)	(3.8)	(16.2)	(3.1)	(3.1)	(3.1)	(3.0)	(12.3)	
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	
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	0.4	0.4	3.0	0.4	0.4	0.4	0.4	1.5	
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					0.0					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			0.0					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)	(0.4)	(0.4)	(1.1)	(0.4)	(0.3)	(0.8)	(0.8)	(2.4)	
Inventory	(0.0)				(0.2)	(0.2)	(0.0)	(0.1)	0.1	(0.1)	(0.1)	0.1	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.4)	
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	(0.4)	1.0	(0.4)	(0.3)	(0.8)	(0.8)	(2.1)	
Contract assets						0.0			(0.0)	(0.0)	(0.0)	0.0	(0.3)		(0.3)						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)		(0.2)						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	0.0	0.0	0.3	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	0.6	0.6	1.7	0.4	0.4	1.1	1.1	3.0	
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	(0.5)	1.5	(1.0)	1.5	1.0	3.0	3.0	8.5	
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)	0.0	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)	(3.2)	(1.9)	(12.0)	(1.6)	(1.7)	(0.2)	(0.0)	(3.5)	
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)	(0.4)	(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			0.0					0.0	
Other						0.0	0.0	0.0	1.6		1.6					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)	(0.3)	(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	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	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)		(0.6)						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	(0.6)	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		(0.3)						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)	(5.175)	(2.908)	(3.2)	(2.0)	(13.3)	(1.7)	(1.7)	(0.2)	(0.1)	(3.7)	
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	7.7	19.0	5.7	4.0	2.3	2.1	5.7	
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	7.7	5.7	5.7	4.0	2.3	2.1	2.0	2.0	

Source: Company reports and Ascendant Capital Markets estimates

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Society Pass Inc.

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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.

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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 July 14, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	51	98%	16	31%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	16	31%

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