

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2021

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-51815

LOGIQ INC.

(Exact name of registrant as specified in its charter)

Delaware

46-5057897

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

**85 Broad Street, 16-079
New York, NY 10004**

(Address of principal executive offices, including Zip Code)

(808) 829-1057

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
N/A		

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☒

Accelerated filer ☐
Smaller reporting company ☒
Emerging growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of November 12, 2021, the issuer had 26,350,756 shares of common stock issued and outstanding.

LOGIQ INC.
QUARTERLY REPORT ON FORM 10-Q
September 30, 2021

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PART 1 - FINANCIAL INFORMATION

ITEM 1. Financial Statements

LOGIQ INC. Consolidated Balance Sheets

	September 30 2021 (Unaudited)	December 31 2020 (Audited)
ASSETS		
Non-current assets		
Intangible assets, net	15,814,398	11,736,540
Property and equipment, net	167,700	178,561
Goodwill	5,577,926	5,078,090
Total non-current assets	21,560,024	16,993,191
Current assets		
Amount due from associate	6,952,700	5,673,700
Accounts receivable	3,148,244	2,618,494
Right to use assets - operating lease	91,571	364,234
Prepayment, deposit and other receivables	969,769	206,443
Financial assets held for resale	681	594,263
Restricted cash	21,682	10,889
Cash and cash equivalents	5,340,480	3,478,889
Total current assets	16,525,127	12,946,912
Total assets	\$ 38,085,151	\$ 29,940,103
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	2,181,496	1,009,204
Accruals and other payables	1,438,993	1,110,732
Deferred revenue	14,198	46,857
Lease liability - operating lease	91,571	364,234
Convertible promissory notes	-	2,911,000
Amount due to director	-	77,500
Total current liabilities	3,726,258	5,519,527
Non-Current Liabilities		
Other loan	10,000	10,000
Notes payable	-	507,068
Total non-current liabilities	10,000	517,068
Total liabilities	\$ 3,736,258	\$ 6,036,595
STOCKHOLDERS' EQUITY		
Common stock, \$0.0001 par value, 250,000,000 shares authorized, 26,244,715 and 15,557,439 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively*	2,624	1,556
Additional paid-in capital	82,439,706	66,739,895
Capital reserves	28,860,684	19,285,383
Accumulated deficit brought forward	(76,954,121)	(62,123,326)
Total stockholder's equity	34,348,893	23,903,508
Total liabilities and stockholders' equity	\$ 38,085,151	\$ 29,940,103

* The number of shares of common stock has been retroactively restated to reflect the 1 for 13 reverse stock-split on February 25, 2020.

The accompanying notes are an integral part of these financial statements

LOGIQ INC.
Consolidated Statement of Operations

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Service Revenue	\$ 7,826,249	\$ 7,030,305	\$ 24,210,548	\$ 31,326,759
Cost of Service	5,520,862	5,919,848	17,230,056	26,351,514
Gross Profit	2,305,387	1,110,457	6,980,492	4,975,245
Operating Expenses				
Depreciation and amortization	1,030,932	455,424	2,751,208	1,354,674
General and administrative	5,159,813	1,968,763	14,296,952	6,346,531
Sales and marketing	477,226	544,970	1,198,479	697,190
Research and development	1,447,567	1,018,389	4,010,239	3,681,162
Total Operating Expenses	8,115,538	3,987,546	22,256,878	12,079,557
(Loss) from Operations	(5,810,151)	(2,877,089)	(15,276,386)	(7,104,312)
Other (Expenses)/Income, net	36,740	(1,460)	456,032	(262,876)
Net (Loss) before income tax	(5,773,411)	(2,878,549)	(14,820,354)	(7,367,188)
Income tax (Corporate tax)	-	-	(10,441)	-
Net (Loss)	\$ (5,773,411)	\$ (2,878,549)	\$ (14,830,795)	\$ (7,367,188)
Net (Loss) profit per common share - basic and fully diluted:	(0.2471)	(0.2257)	(0.7623)	(0.6037)
Weighted average number of basic and fully diluted common shares outstanding*	23,365,486	12,753,230	19,455,335	12,203,769

* The weighted average number of shares of common stock has been retroactively restated to reflect the 1 for 13 reverse stock-split on February 25, 2020.

The accompanying notes are an integral part of these financial statements.

LOGIQ INC.
Consolidated Statements of Cash Flows

For the nine months
ended

September 30

	2021	2020
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES:		
Net loss	\$ (14,830,795)	\$ (7,367,188)
Adjustments to reconciled net loss to net cash used by operating activities:		
Depreciation of property, plant, and equipment	39,097	34,924
Amortization of intangible assets	2,712,111	1,319,750
PPP Loan forgiveness	(507,068)	-
Changes in operating assets and liabilities:		
Accounts receivable	(529,750)	(858,799)
Intangible assets	-	(116,000)
Prepayments, deposit and other receivables	(763,326)	1,531,900
Accounts payable	1,172,292	594,219
Accruals and payables	328,258	195,025
Deferred revenue	(32,659)	-
Net cash (used in) operating activities	<u>(12,411,838)</u>	<u>(4,666,169)</u>
INVESTING ACTIVITIES:		
Increase in amount due from associate	(1,279,000)	(2,198,000)
Financial assets held for resale	593,582	1,733,949
Net restricted cash acquired in acquisitions	7,736	1,599,572
Net cash provided by (used in) investing activities	<u>(677,682)</u>	<u>1,135,521</u>
FINANCING ACTIVITIES:		
Repayment of bank loan	-	(500,000)
Borrowings under long term loan	-	10,000
Proceeds from Convertible bond	-	2,911,000
Proceeds from notes payable-US government CARES Act	-	503,700
Proceeds from shares to be issued	-	2,235,184
Proceeds from stock issuance, net of expenses	11,051,120	245,399
Proceeds from stock issuance from IPO, net of expenses	3,910,784	-
Net cash provided by (used in) financing activities	<u>14,961,904</u>	<u>5,405,283</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,872,384	1,874,635
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	<u>3,489,778</u>	<u>2,972,649</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	<u>\$ 5,362,162</u>	<u>\$ 4,847,284</u>
NON-CASH TRANSACTION		
Issuance of shares for services received	<u>\$ 3,501,236</u>	<u>\$ 309,580</u>

The accompanying notes are an integral part of these financial statements

LOGIQ INC.
Consolidated Statements of Stockholders' Equity

	<u>Common stock*</u>	<u>Amount</u>	<u>Additional paid-in capital</u>	<u>Capital reserves</u>	<u>Accumulated (deficit)</u>	<u>Stockholders' (equity)</u>
Balance December 31, 2020	15,557,439	\$ 1,556	\$ 66,739,895	\$ 19,285,383	\$ (62,123,326)	\$ 23,903,508
Issuance of shares for proceeds	238,194	24	1,420,389	-	-	1,420,413
Issuance of shares for acquisitions	1,032,056	103	-	6,192,336	-	6,192,439
Issuance of shares for services	998,955	100	1,525,904	-	-	1,526,004
Cancellation of shares	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(4,081,749)	(4,081,749)
Balance March 31, 2021	17,826,644	\$ 1,783	\$ 69,686,188	\$ 25,477,719	\$ (66,205,075)	\$ 28,960,615
Issuance of shares for proceeds	2,488,767	249	3,851,650	-	-	3,851,899
Issuance of shares for acquisitions	-	-	-	1,126,331	-	1,126,331
Issuance of shares for services	921,000	92	1,406,828	-	-	1,406,920
Net loss for the period	-	-	-	-	(4,975,635)	(4,975,635)
Balance June 30, 2021	21,236,411	\$ 2,124	\$ 74,944,666	\$ 26,604,050	\$ (71,180,710)	\$ 30,370,130
Issuance of shares for proceeds	2,864,147	286	4,015,256	-	-	4,015,542
Cancellation of shares for proceeds	(90,000)	(9)	-	-	-	(9)
Issuance of shares for acquisitions	-	-	-	2,256,634	-	2,256,634
Issuance of shares for services	1,211,384	121	1,850,389	-	-	1,850,510
Cancellation of shares for service	(839,204)	(84)	(1,281,605)	-	-	(1,281,689)
Issuance of shares for convertible note	3,721,745	372	2,911,000	-	-	2,911,372
Cancellation of shares for convertible note	(1,859,768)	(186)	-	-	-	(186)
Net loss for the period	-	-	-	-	(5,773,411)	(5,773,411)
Balance September 30, 2021	26,244,715	\$ 2,624	\$ 82,439,706	\$ 28,860,684	\$ (76,954,121)	\$ 34,348,893

* The number of shares of common stock has been retroactively restated to reflect the 1 for 13 reverse stock-split on February 25, 2020.

	<u>Common stock*</u>	<u>Amount</u>	<u>Additional paid-in capital</u>	<u>Capital reserves</u>	<u>Accumulated (deficit)</u>	<u>Stockholders' (equity)</u>
Balance December 31, 2019	111,304,253	\$ 11,130	\$ 58,058,118	\$ -	\$ (47,613,657)	\$ 10,455,591
Effect of reverse split from 13 shares to 1 share	(102,742,549)	(10,274)	10,274	-	-	-
Issuance of shares for proceeds	607,812	790	(790)	-	-	-
Issuance of shares for acquisitions	2,747,201	3,571	-	14,282,143	-	14,285,714
Issuance of shares for services	437,503	569	667,717	-	-	668,286
Cancellation of shares	(589)	(1)	1	-	-	-
Net loss for the period	-	-	-	-	(2,813,092)	(2,813,092)
Balance March 31, 2020	12,353,630	\$ 5,785	\$ 58,735,320	\$ 14,282,143	\$ (50,426,749)	\$ 22,596,499
Issuance of shares for proceeds	11,500	15	(180)	-	-	(165)
Issuance of shares for services	127,000	165	(258,387)	-	-	(258,222)
Cancellation of shares	(296,157)	(385)	385	-	-	-
Net loss for the period	-	-	-	-	(1,675,546)	(1,675,546)
Balance June 30, 2020	12,195,973	\$ 5,580	\$ 58,477,138	\$ 14,282,143	\$ (52,102,295)	\$ 20,662,566
Issuance of shares for proceeds	1,075,057	1,397	(1,452)	-	-	(55)
Issuance of shares for services	42,018	55	(164,501)	-	-	(164,446)
Cancellation of shares	(107,693)	(140)	140	-	-	-
Net loss for the period	-	-	-	-	(2,878,549)	(2,878,549)
Balance September 30, 2020	13,205,355	\$ 6,891	\$ 58,311,325	\$ 14,282,143	\$ (54,980,844)	\$ 17,619,516

* The number of shares of common stock has been retroactively restated to reflect the 1 for 13 reverse stock-split on February 25, 2020.

The accompanying notes are an integral part of these financial statements

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND BUSINESS DESCRIPTION

Corporate Information

Logiq, Inc., formerly known as Weyland Tech, Inc., is a Delaware corporation that was incorporated in 2004. Logiq is headquartered in New York, with offices in New York City, Singapore, Minneapolis, MN, Denver, CO, and Jakarta, Indonesia. The Company's common stock is quoted on the OTCQX under the symbol, "LGIQ", and NEO Exchange in Canada under the same symbol.

Business Overview

The Company offers solutions that help small-to-medium-sized businesses ("SMBs") to provide access to and reduce transaction friction of e-commerce for their clients globally. The Company's solutions are provided through (i) its core platform, "AppLogiq" (operated as CreateApp), which allows SMBs to establish their point-of-presence on the web, and (ii) "DataLogiq", a digital marketing analytics business unit that offers proprietary data management, audience targeting and other digital marketing services that improve an SMB's discovery and branding within the vast e-commerce landscape.

The Company enables SMBs to create a mobile app for their business without the need of technical knowledge, high investment, or background in IT by utilizing "AppLogiq", which is a platform that is offered as a Platform as a Service ("PaaS") to the Company's customers. The Company's DataLogiq business unit offers online marketing solutions on a performance marketing and self-serve, Software as a Service ("SaaS") basis.

We provide our PaaS and digital marketing to SMBs in a wide variety of industry sectors. We believe that SMBs can increase their sales, reach more customers, and promote their products and services using our affordable and cost-effective solutions. We recognize revenue on a pay to use subscription basis when our customers use our PaaS platform to create mobile apps for their business and on our SaaS platform when provisioning services for their marketing campaigns. We also recognize revenue on a Cost per lead ("CPL") and other metrics for engagements undertaken on a performance marketing basis.

The Company continues to expand its portfolio of offerings and the industries they serve:

- In May 2018, the Company expanded its portfolio to fintech applications with the launch of its PayLogiq mobile payments platform in Indonesia.
- In the fall of 2019, the Company expanded its portfolio to short-distance food delivery service with the launch of GoLogiq, a PaaS platform that provides mobile payment capabilities for the local food delivery service industry in Indonesia.
- In January 2020, the Company completed the acquisition of substantially all of the assets of Push Holdings, Inc., headquartered in Minneapolis, Minnesota. This acquired business, which the Company has rebranded as its DataLogiq division, operates a consumer data management platform powered by lead generation, online marketing, and multichannel reengagement strategies through its owned and operated brands. DataLogiq has developed a proprietary data management platform and integrated with several third-party service providers to optimize the return on its marketing efforts. DataLogiq focuses on consumer engagement and enrichment to maximize its return on acquisition through repeat monetization of each consumer. DataLogiq also licenses its software technology and provides managed technology services to various other e-commerce companies. DataLogiq is located in Minneapolis, Minnesota, USA.
- On November 2, 2020, the Company completed the acquisition of Fixel AI Inc., thereby acquiring its self-serve MarTech Audience Targeting platform as a further expansion of its DataLogiq product suite.
- On March 29, 2021, the Company completed the acquisition of Rebel AI, Inc., thereby acquiring its "The Rebel AI" advertising platform as a further expansion of its DataLogiq product suite.
- On June 21, 2021, the Company completed the IPO offering of 1,976,434 units of its securities, consisting of shares common stock and warrants to purchase shares of common stock, on the NEO exchange in Canada.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements have been prepared on a historical cost basis to reflect the financial position and results of operations of the Company in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Logiq, Inc (Delaware) and its wholly owned material operating subsidiaries, Logiq, Inc (Nevada), Fixel AI Inc. (Delaware), and Rebel AI Inc. (Delaware) Material intercompany balances and transactions have been eliminated on consolidation.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is currently expected to be temporary, there is uncertainty around the duration. Therefore, while we expect this matter to negatively impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

USE OF ESTIMATES

The preparation of the Company's financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes its best estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Actual results could differ from those estimates.

BUSINESS COMBINATIONS

The Company accounts for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. The Company allocates the purchase price of the acquisition to the tangible assets, liabilities and identifiable intangible assets acquired based on their estimated fair values. The excess of the purchase price over those fair values is recorded as goodwill. Acquisition related expenses and integration costs are expensed as incurred.

CERTAIN RISKS AND UNCERTAINTIES

The Company relies on cloud-based hosting through a global accredited hosting provider. Management believes that alternate sources are available; however, disruption or termination of this relationship could adversely affect our operating results in the near-term.

SEGMENT REPORTING

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by our chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company has two operating business segments:

AppLogiq marketed as CreateApp platform, acquired in 2015 and subsequently enhanced in 2016 and 2017, offered on a PaaS basis providing digital marketing to SMBs in a wide variety of industry sectors, to increase their sales, reach more customers, and promote their products and services using our affordable and cost-effective solutions. We recognize revenue on a pay to use subscription basis when our customers use our PaaS platform to create mobile apps for their business; and

DataLogiq is a business segment created in January 2020 from our acquisition of the assets of Push Holdings, Inc., comprising a consumer data management platform powered by lead generation, online marketing, and multichannel reengagement strategies through its owned and operated brands by Fixel AI Inc. and Rebel AI Inc. DataLogiq has developed a proprietary data management platform and integrates with several third-party service providers to optimize the return on its marketing efforts. DataLogiq focuses on consumer engagement and data enrichment to maximize its return on acquisition through repeat monetization of each consumer.

We identify our reportable segments as those customer groups that represent more than 10% of our combined revenue or gross profit or loss of all reported operating segments. We manage our business on the basis of the two reportable segment e-commerce solutions and service providers. The accounting policies for segment reporting are the same as for the Company as a whole. We do not segregate assets by segments since our chief operating decision maker, or decision-making group, does not use assets as a basis to evaluate a segment's performance.

GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill is recorded as the difference between the aggregate consideration in a business combination and the fair value of the acquired net tangible and intangible assets acquired. The Company evaluates goodwill for impairment on an annual basis in the fourth quarter or more frequently if indicators of impairment exist that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. Based on that qualitative assessment, if it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company conducts a quantitative goodwill impairment test, which involves comparing the estimated fair value of the reporting unit with its carrying value, including goodwill. The Company estimates the fair value of a reporting unit using a combination of the income and market approach. If the carrying value of the reporting unit exceeds its estimated fair value, an impairment loss is recorded for the difference. The Company performed its qualitative assessment and determined that no impairment indicators were present during the three months ended September 30, 2021 and 2020.

The Company's intangible assets consist of software technology, which is amortized using the straight-line method over five years. Amortization expense for the nine months ended September 30, 2021 and 2020 amounted to \$2,712,111 and \$1,319,750, respectively, which was included in the amortization of intangible assets expense of the accompanying consolidated statements of operations.

PROPERTY AND EQUIPMENT, NET

Property and equipment are stated at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are five to seven years for leasehold improvements and three to five years for computer and related equipment. Expenditures for major renewals and betterments are capitalized, while minor replacements, maintenance and repairs, which do not extend the asset lives, are charged to operations as incurred. Upon sale or disposition, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in the accompanying statements of operations.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company classifies its long-life assets into: (i) computer and office equipment, (ii) furniture and fixtures, (iii) leasehold improvements, and (iv) finite – life intangible assets.

Long-life assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be fully recoverable. It is possible that these assets could become impaired as a result of technology, economy or other industry changes. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-life asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, relief from royalty income approach, quoted market values and third-party independent appraisals, as considered necessary.

The Company makes various assumptions and estimates regarding estimated future cash flows and other factors in determining the fair values of the respective assets. The assumptions and estimates used to determine future values and remaining useful lives of long-lived assets are complex and subjective. They can be affected by various factors, including external factors such as industry and economic trends, and internal factors such as the Company's business strategy and its forecasts for specific market expansion.

GROUP ACCOUNTING

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group. Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are attributed to the equity holders of the Company, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are attributed to the equity holders of the Company until the minority's share of losses previously absorbed by the equity holders of the Company has been recovered.

SUBSIDIARIES

When subsidiaries are excluded from consolidation on the basis that their inclusion involving expense and delay out of proportion to the value to members of the Company, investments in subsidiaries are stated at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investment is taken to the income statement.

ASSOCIATES

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding interest of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. The group's investment in associates includes goodwill identified on acquisition. The group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognized as a reduction in the carrying amount of the investment. Where the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealized gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the group.

FINANCIAL ASSETS

Financial assets at fair value through profit or loss are stated at fair value, with any resulting gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other gains and losses' line in the statement of profit or loss and other comprehensive income.

The Company measures certain financial assets at fair value on a recurring basis, including the available-for-sale debt securities. Fair value is the price the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. The Company uses a three-level hierarchy established by the Financial Accounting Standards Board ("FASB") that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach).

The levels of the fair value hierarchy are described below:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs with little or no market data available, which require the reporting entity to develop its own assumptions.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. Financial assets and liabilities are classified in their entirety based on the most conservative level of input that is significant to the fair value measurement.

LEASES

The Company adopted ASU 2016-02, Leases (Topic 842), on January 8, 2020, using a modified retrospective approach reflecting the application of the standard to leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements.

The Company leases its offices, which are classified as operating leases in accordance with Topic 842. Under Topic 842, lessees are required to recognize the following for all leases (with the exception of short-term leases) on the commencement date: (i) lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (ii) right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

At the commencement date, the Company recognizes the lease liability at the present value of the lease payments not yet paid, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate for the same term as the underlying lease. The right-of-use asset is recognized initially at cost, which primarily comprises the initial amount of the lease liability, plus any initial direct costs incurred, consisting mainly of brokerage commissions, less any lease incentives received. All right-of-use assets are reviewed for impairment. There was no impairment for right-of-use lease assets as of September 30, 2021.

AVAILABLE-FOR-SALES INVESTMENTS

Certain shares and debt securities held by the group are classified as being available for sale and are stated at fair value. Gains and losses arising from changes in fair value, impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognized directly in profit or loss. Dividends on available-for-sale equity instruments are recognized in profit or loss when the Company's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortized cost of the available-for-sale monetary asset is recognized in profit or loss, and other changes are recognized in other comprehensive income.

ACCOUNTS RECEIVABLE AND CONCENTRATION OF RISK

Accounts receivable consists of trade receivables from customers. The Company records accounts receivable at its net realizable value, recognizing an allowance for doubtful accounts based on our best estimate of probable credit losses on our existing accounts receivable. Balances are written off against the allowance after all means of collection have been exhausted and the possibility of recovery is considered remote.

As of September 30, 2021 and 2020, the allowance for bad debt was approximately \$54,619 and \$54,619, respectively.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash on hand, demand deposits, and other short-term highly liquid investments placed with banks, which have original maturities of twelve months or less and are readily convertible to known amounts of cash.

EARNINGS PER SHARE

Basic (loss) earnings per share is based on the weighted average number of common shares outstanding during the period, while the effects of potential common shares outstanding during the period are included in diluted earnings per share.

FASB Accounting Standard Codification Topic 260 ("ASC 260"), "Earnings Per Share," requires that employee equity share options, non-vested shares and similar equity instruments granted to employees be treated as potential common shares in computing diluted earnings per share. Diluted earnings per share should be based on the actual number of options or shares granted and not yet forfeited, unless doing so would be anti-dilutive. The Company uses the "treasury stock" method for equity instruments granted in share-based payment transactions provided in ASC 260 to determine diluted earnings per share. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted earnings or loss per share as their impact was antidilutive.

REVENUE RECOGNITION

The Company generates revenue from its two primary segments: AppLogiq and DataLogiq:

The Company's AppLogiq PaaS provides the infrastructure allowing users to develop their own applications and IT services, which users can access anywhere via a web or desktop browser. The Company recognizes revenue on a pay-to-use subscription basis when our customers use our platform. For the territories licensed to our distributors and on a white label basis, we derive royalty income from the end user use of our platform on a white label basis.

The Company maintains the PaaS software platform at its own cost. Any enhancements and minor customization for our resellers/distributors are not separately billed. Major new proprietary features are billed to the customer separately as development income while re-usable features are added to the features available to all customers on subsequent releases of our platform.

The Company's DataLogiq segment generates revenue through the management of online display advertising campaigns on behalf of customers, which include per-impression, and cost per acquisition ("CPA") arrangements as well as the delivery of qualified leads. Revenue derived on a cost per thousand impressions basis is recognized in the period in which the impressions are delivered. Revenue derived on a CPA basis is recognized in the period in which the acquisition occurs. Revenue derived from leads is recognized in the period the lead is sold. DataLogiq receives a fee from its customers and pays a fee to publishers based on revenue generated, or on a cost per thousand impressions basis. DataLogiq recognizes revenue on a gross basis since DataLogiq is the primary obligor in the arrangement.

COST OF REVENUE

The Company cost of revenue comprises fees from third party cloud-based hosting services and media costs.

INCOME TAXES

The Company uses the asset and liability method of accounting for income taxes in accordance with Accounting Standards Codification ("ASC") 740, "Income Taxes" ("ASC 740"). Under this method, income tax expense is recognized as the amount of: (i) taxes payable or refundable for the current year and (ii) future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of available evidence it is more likely than not that some portion or all of the deferred tax assets will not be realized.

STOCK BASED COMPENSATION

We value stock compensation based on the fair value recognition provisions *ASC 718, Compensation – Stock Compensation*, which establishes accounting for stock-based awards exchanged for employee services and requires companies to expense the estimated grant date fair value of stock awards over the requisite employee service period.

We do not ascertain the fair value of restricted stock awards using the Black-Scholes-Merton option pricing model.

See Note 15, Stockholders' Equity, for further details on our stock awards.

RECENT ACCOUNTING PRONOUNCEMENTS

On October 2, 2017, the FASB issued Accounting Standards Update (ASU) No. 2017-13, “Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments.” The ASU adds SEC paragraphs to the new revenue and leases sections of the Codification on the announcement the SEC Observer made at the 20 July 2017 Emerging Issues Task Force (“EITF”) meeting. The SEC Observer said that the SEC staff would not object if entities that are considered public business entities only because their financial statements or financial information is required to be included in another entity’s SEC filing use the effective dates for private companies when they adopt ASC 606, Revenue from Contracts with Customers, and ASC 842, Leases. This would include entities whose financial statements are included in another entity’s SEC filing because they are significant acquirees under Rule 3-05 of Regulation S-X, significant equity method investees under Rule 3-09 of Regulation S-X and equity method investees whose summarized financial information is included in a registrant’s financial statement notes under Rule 4-08(g) of Regulation S-X. The ASU also supersedes certain SEC paragraphs in the Codification related to previous SEC staff announcements and moves other paragraphs, upon adoption of ASC 606 or ASC 842. The Company does not expect that the adoption of this guidance will have a material impact on its condensed consolidated financial statements.

On November 22, 2017, the FASB ASU No. 2017-14, “Income Statement-Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606): Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 116 and SEC Release 33-10403.” The ASU amends various paragraphs in ASC 220, Income Statement - Reporting Comprehensive Income; ASC 605, Revenue Recognition; and ASC 606, Revenue From Contracts With Customers, that contain SEC guidance. The amendments include superseding ASC 605-10-S25-1 (SAB Topic 13) as a result of SEC Staff Accounting Bulletin No. 116 and adding ASC 606-10-S25-1 as a result of SEC Release No. 33-10403. The Company does not expect that the adoption of this guidance will have a material impact on its condensed consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, “Reclassification of Certain Tax Effects From Accumulated Other Comprehensive Income.” The ASU amends ASC 220, Income Statement - Reporting Comprehensive Income, to “allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act.” In addition, under the ASU, an entity will be required to provide certain disclosures regarding stranded tax effects. The ASU is effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Company does not expect that the adoption of this guidance will have a material impact on its condensed consolidated financial statements.

In March 2018, the FASB issued ASU 2018-05 - Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (“ASU 2018-05”), which amends the FASB Accounting Standards Codification and XBRL Taxonomy based on the Tax Cuts and Jobs Act (the “Act”) that was signed into law on December 22, 2017 and Staff Accounting Bulletin No. 118 (“SAB 118”) that was released by the Securities and Exchange Commission. The Act changes numerous provisions that impact U.S. corporate tax rates, business-related exclusions, and deductions and credits and may additionally have international tax consequences for many companies that operate internationally. The Company does not believe this guidance will have a material impact on its condensed consolidated financial statements.

In July 2018, the FASB issued ASU 2018-10, “Codification Improvements to Topic 842, Leases.” The ASU addresses 16 separate issues which include, for example, a correction to a cross reference regarding residual value guarantees, a clarification regarding rates implicit in lease contracts, and a consolidation of the requirements about lease classification reassessments. The guidance also addresses lessor reassessments of lease terms and purchase options, variable lease payments that depend on an index or a rate, investment tax credits, lease terms and purchase options, transition guidance for amounts previously recognized in business combinations, and certain transition adjustments, among others. For entities that early adopted Topic 842, the amendments are effective upon issuance of this Update, and the transition requirements are the same as those in Topic 842. For entities that have not adopted Topic 842, the effective date and transition requirements will be the same as the effective date and transition requirements in Topic 842. The Company does not believe this guidance will have a material impact on its condensed consolidated financial statements.

In July 2018, the FASB issued ASU 2018-11 - Leases (Topic 842): Targeted Improvements. The ASU simplifies transition requirements and, for lessors, provides a practical expedient for the separation of non-lease components from lease components. Specifically, the ASU provides: (1) an optional transition method that entities can use when adopting ASC 842 and (2) a practical expedient that permits lessors to not separate non-lease components from the associated lease component if certain conditions are met. For entities that have not adopted Topic 842 before the issuance of this Update, the effective date and transition requirements for the amendments in this Update are the same as the effective date and transition requirements in Update 2016-02. For entities that have adopted Topic 842 before the issuance of this Update, the transition and effective date of the amendments in this Update are as follows: 1) The practical expedient may be elected either in the first reporting period following the issuance of this Update or at the original effective date of Topic 842 for that entity, and 2) The practical expedient may be applied either retrospectively or prospectively. All entities, including early adopters, that elect the practical expedient related to separating components of a contract in this Update must apply the expedient, by class of underlying asset, to all existing lease transactions that qualify for the expedient at the date elected. The Company does not believe this guidance will have a material impact on its condensed consolidated financial statements.

The Company has considered all new accounting pronouncements and has concluded that there are no new pronouncements that may have a material impact on results of operations, financial condition, or cash flows, based on current information.

NOTE 3 – INTANGIBLE ASSETS, NET

As of September 30, 2021, and 2020, the Company has the following amounts related to intangible assets:

	Logiq (Delaware)	DataLogiq	Total
Cost as of January 1, 2021	\$ 1,885,330	\$ 12,928,422	\$ 14,813,752
Additions	\$ -	\$ 6,789,969	\$ 6,789,969
Cost as of September 30, 2021	\$ 1,885,330	\$ 19,718,391	\$ 21,603,721
Amortization			
Brought forward as of January 1, 2021	\$ 1,271,265	\$ 1,805,947	\$ 3,077,212
Charge for the period	\$ 93,850	\$ 2,618,261	\$ 2,712,111
Accumulated depreciation as of September 30, 2021	\$ 1,365,115	\$ 4,424,208	\$ 5,789,323
Net intangible assets as of September 30, 2021	\$ 520,215	\$ 15,294,183	\$ 15,814,398
Net intangible assets as of December 31, 2020	\$ 614,065	\$ 11,122,475	\$ 11,736,540

Additions during the period comprise the acquisitions of intangible assets of Push, Fixel and Rebel AI, as disclosed in Note 20 below.

Amortization expense related to intangible assets for the three months ended September 30, 2021 and 2020 amounted to \$1,017,204 and \$443,782, respectively.

Amortization expense related to intangible assets for the nine months ended September 30, 2021 and 2020 amounted to \$2,712,111 and \$1,319,750, respectively.

No significant residual value is estimated for these intangible assets.

The estimated future amortization expense of intangible costs as of September 30, 2021 in the next five fiscal years and thereafter is as follows:

Remaining of 2021	\$ 1,017,203
2022	4,068,811
2023	4,068,811
2024	4,068,811
2025 and thereafter	2,590,762
	<u>\$ 15,814,398</u>

NOTE 4 – PROPERTY AND EQUIPMENT, NET

As of September 30, 2021, and 2020, the Company has the following amounts related to property and equipment:

	Leasehold Improvements	Computer and Equipment	Total
Cost as of January 1, 2021	\$ 165,957	\$ 59,169	\$ 225,126
Additions	\$ -	\$ 28,236	\$ 28,236
Cost as of September 30, 2021	\$ 165,957	\$ 87,405	\$ 253,362
Amortization			
Brought forward as of January 1, 2021	\$ 33,635	\$ 12,930	\$ 46,565
Charge for the period	\$ 25,227	\$ 13,709	\$ 39,097
Accumulated depreciation as of September 30, 2021	\$ 58,862	\$ 26,800	\$ 85,662
Net property and equipment as of September 30, 2021	\$ 107,095	\$ 60,605	\$ 167,700
Net property and equipment as of December 31, 2020	\$ 132,322	\$ 46,239	\$ 178,561

Depreciation expense for the three months ended September 30, 2021 and 2020 amounted to \$13,729 and \$11,642, respectively.

Depreciation expense for the nine months ended September 30, 2021 and 2020 amounted to \$39,097 and \$34,924, respectively.

NOTE 5 – GOODWILL

	September 30, 2021	December 31, 2020
Goodwill at cost - Push	\$ 4,781,208	\$ 4,781,208
Goodwill at cost - Fixel	296,882	296,882
Goodwill at cost - Rebel	499,836	-
Total	<u>5,577,926</u>	<u>5,078,090</u>
Accumulated impairment losses	\$ -	\$ -
Balance at end of period	<u><u>\$ 5,577,926</u></u>	<u><u>\$ 5,078,090</u></u>

Goodwill has been allocated for impairment testing purposes to the acquisition of the assets of Push Holdings, Inc., Fixel and Rebel.

The recoverable amount of Push is determined based on external valuation performed by a third-party valuation firm on March 20, 2020, as updated to December 31, 2020.

The assets were valued using a Fair Market Value basis as defined by The Financial Accounting Standards Board (FASB ASC 820-10-20). Liabilities were taken from Push Holdings, Inc.'s Consolidated Balance Sheet as of January 8, 2020, Fixel AI Inc.'s Consolidated Balance Sheet as of November 2, 2020 and Rebel AI Inc.'s Consolidated Balance Sheet as of March 29, 2021.

NOTE 6 – ACCOUNTS RECEIVABLE

	September 30, 2021	December 31, 2020
Accounts receivable - gross	\$ 3,202,863	\$ 2,673,113
Allowance for doubtful debts	(54,619)	(54,619)
Accounts receivable - net	<u>3,148,244</u>	<u>2,618,494</u>

Movement in allowance for doubtful debts

Balance as at beginning of period	\$ 54,619	\$ 54,619
Provision for bad debts	-	60,324
Reversal of the provision	-	(60,324)
Balance at end of period	<u>54,619</u>	<u>54,619</u>

Age of Impaired trade receivables

Current	\$ 2,080,362	66.1%
1 - 30 days	630,468	20.0%
31 - 60 days	172,159	5.5%
61-90 days	204,507	6.5%
91 and over	60,748	1.9%
Total	<u>3,148,244</u>	<u>100.0%</u>

NOTE 7 – FINANCIAL ASSETS

	Fair value			
	As at September 30, 2021		As at December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Held-for-trading investments	\$ 681	\$ -	\$ 594,263	\$ -

The investments above include investments in quoted fixed income securities that offer the Company the opportunity for return through interest income and fair value gains. They have various fixed maturity and coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

Fair value of the Company's financial assets and financial liabilities are measured at fair value on recurring quoted bid prices on an active market basis. All the available for sale financial assets are classified as Level 1 as described in the Company's accounting policies.

NOTE 8 – INVESTMENT IN ASSOCIATE

On April 23, 2018, the Company participated in the incorporation of a company in Indonesia, PT Weyland Indonesia Perkasa ("WIP"), an Indonesian limited liability company of which the Company held a 49% equity interest with the option to purchase an additional 31% equity interest at a later date. In April 2019, the Company completed the distribution as a dividend in specie, to the Company's shareholders of record at October 12, 2018 of 49% equity interest in WIP to Weyland AtoZPay Inc. and now holds an equitable interest of 31% in WIP.

The results of operations under brand name PAY/GOLogiq of WIP from April 23, 2018 to September 30, 2020 has not been included as the amount had been fully impaired.

The Company held a 31% unexercised option in WIP as of December 31, 2018. Due to the continuing legal restructuring in Indonesia, all the conditions precedent had not been satisfied and the 31% option had not been exercised as of September 30, 2021.

The Company is in the process of increasing its equity interest in WIP to 51% in order to consolidate the financial results of WIP on a going-forward basis.

NOTE 9 – AMOUNT DUE FROM ASSOCIATE

The amount due from Associate is interest free, unsecured with no fixed repayment terms.

NOTE 10 – PREPAYMENTS, DEPOSIT AND OTHER RECEIVABLES

Prepayments, deposits and other receivables consist of the following:

	As of September 30, 2021	As of December 31, 2020
Deposit	\$ 390,000	\$ 60,000
Other receivables	-	1,876
Prepayments	579,769	144,567
	<u>\$ 969,769</u>	<u>\$ 206,443</u>

NOTE 11 – ACCRUALS AND OTHER PAYABLE

Accruals and other payable consist of the following:

	As of September 30, 2021	As of December 31, 2020
Accruals	\$ 1,438,993	\$ 910,325
Other payables	-	200,407
	<u>\$ 1,438,993</u>	<u>\$ 1,110,732</u>

NOTE 12 – INCOME TAX

The United States of America

Logiq, Inc. is incorporated in the State of Delaware in the U.S., and is subject to a gradual U.S. federal corporate income tax of 21%. The Company generated no taxable income for the nine months ended September 30, 2021 and 2020, which, had the Company generated any taxable income, would have been subject to U.S. federal corporate income tax rate of 21% and 21%, respectively.

	As of September 30, 2021	As of September 30, 2020
U.S. statutory tax rate	21.00%	21.00%
Effective tax rate	21.00%	21.00%

DataLogiq business segment (Logiq, Inc. (Nevada) formerly known as Origin8, Inc.)

As of September 30, 2021, the Company does not have any deferred tax asset.

NOTE 13 – NOTES PAYABLE

On April 24, 2020, the Company's subsidiary Logiq, Inc. (Nevada), formerly known as Origin8, Inc., received loan proceeds in the amount of \$503,700 (the "PPP Loan") under the Paycheck Protection Program ("PPP") under the Coronavirus Aid, Relief and Economic Security Act and applicable regulations (the "CARES Act").

Under the terms of the CARES Act, as amended by the Paycheck Protection Program Flexibility Act of 2020, Logiq, Inc. (Nevada) was eligible to apply for and receive forgiveness for all or a portion of its PPP Loan. Such forgiveness was to be determined, subject to limitations, based on the use of the loan proceeds for certain permissible purposes as set forth in the PPP, including, but not limited to, payroll costs (as defined under the PPP) and mortgage interest, rent or utility costs (collectively, "Qualifying Expenses") incurred during the 24 weeks subsequent to funding, and on the maintenance of employee and compensation levels, as defined, following the funding of the PPP Loan. Logiq, Inc. (Nevada) used the proceeds of its PPP Loan for Qualifying Expenses.

On May 20, 2021, the PPP Loan of \$503,700 was fully forgiven by the Small Business Administration of the CARES Act.

NOTE 14 – CONVERTIBLE PROMISSORY NOTES

From April to August 20, 2020, the Company entered into convertible promissory notes issued to various investors (the "2020 Notes"), whereby the Company borrowed an aggregate of \$2,911,000. Proceeds received by the Company were in consideration for convertible promissory notes issued to the investors. The maturity date is July 20, 2021 and interest accrues at 10% per annum throughout the term of the 2020 Notes.

The 2020 Notes contained a contingent conversion feature as follows:

Qualifying Event shall be any of the following events: (i) a sale of any subsidiary. (ii) repayment to the Company in cash in full of amounts advanced to Weyland Indonesia Perkasa ("WIP"), an Indonesian limited liability company, an "Associate" of the Company, or (iii) upon the closing of a financing (or aggregated financings) of five million dollars (\$5,000,000) or more, in gross proceeds to the Company.

The derivative liability is recorded at fair value with changes in fair value recognized in interest income (expense), net.

Contingent Conversion Upon a Qualifying Event –Effective upon closing a Qualifying Event, as defined above, the 2020 Notes will automatically be converted into common stock at a conversion price of \$2.50 per share. In the event there is no Qualifying Event prior to Maturity Date, the Note holders would have the right either to be paid back principal with interest or to convert the outstanding principal and accrued interest at a conversion price of \$1.20.

One September 1, 2021, with the exception of two convertible promissory notes issued amounting to principal of \$30,000, all holders of the 2020 Notes converted their notes into an aggregate of 1,169,652 shares issued as additional paid in capital following the qualifying conversion date of July 17, 2021.

NOTE 15 – STOCKHOLDERS' EQUITY

Common Stock

On February 25, 2020, the Company filed a certificate of amendment (the "Certificate of Amendment") to the Company's Certificate of Incorporation, as amended, with the Secretary of State of the State of Delaware, to effect a reverse stock split of the Company's common stock, \$0.0001 par value per share, at a rate of approximately 1-for-13 (the "Reverse Stock Split").

Upon the filing of the Certificate of Amendment, and the resulting effectiveness of the Reverse Stock Split, every 13 outstanding shares of the Company's common stock were, without any further action by the Company, or any holder thereof, combined into and automatically became 1 share of the Company's common stock. No fractional shares were issued as a result of the Reverse Stock Split. In lieu thereof, fractional shares were cancelled, and stockholders received a cash payment in an amount equal to the fair market value of such fractional shares on the effective date. All shares of common stock eliminated as a result of the Reverse Stock Split have been returned to the Company's authorized and unissued capital stock, and the Company's capital was reduced by an amount equal to the par value of the shares of common stock so retired.

The Reverse Stock Split did not change the Company's authorized number of shares of common stock or its par value. As such, the Company is authorized to issue up to 250,000,000 shares of common stock, par value \$0.0001.

Issuance of Common Stock

Sale of Common Stock – January 2021

On January 12, 2021, Logiq entered into a Stock Purchase Agreement with certain investors, pursuant to which the Company agreed to issue and sell, in a registered direct offering, 101,694 shares of the Company's common stock to the purchasers at an offering price of \$8.50 per share.

The offering resulted in gross proceeds of approximately \$864,000 before deducting offering expenses. The shares of common stock were offered by the Company pursuant to a prospectus supplement to the Company's effective shelf registration statement on Form S-3 (Registration No. 333-248069), which was initially filed with the Securities and Exchange Commission on August 17, 2020, and was declared effective on August 26, 2020 (the "Registration Statement").

Agreement and Plan of Merger – Rebel AI, Inc.

On March 29, 2021, Logiq, RAI Acquisition Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company ("Merger Sub"), Rebel AI, Inc., a Delaware corporation ("Rebel AI"), and Emmanuel Puentes, on behalf of the stockholders of Rebel AI (in such capacity, the "Stockholders' Agent"), consummated a transaction pursuant to the terms of that certain Agreement and Plan of Merger (the "Merger Agreement") whereby the parties effectuated a merger of Merger Sub with and into Rebel AI, and as a result, Rebel AI became a wholly-owned subsidiary of the Company (the "Merger").

As consideration for the Merger, the Company delivered to those persons set forth in the Merger Agreement an aggregate total cash payment of \$1,126,000 (the "Cash Consideration"), and an aggregate number of restricted shares of the Company's common stock, par value \$0.0001 per share ("Common Stock"), equal to (i) (x) \$7,000,000, divided by (ii) the volume weighted average closing price of the Company's Common Stock for the twenty consecutive trading days prior to Closing (the "Stock Consideration," and together with the Cash Consideration, the "Merger Consideration"), subject in each case to adjustment as provided in the Merger Agreement. Notwithstanding the foregoing, pursuant to the terms of the Merger Agreement, (i) a portion of the Cash Consideration, in an amount equal to the outstanding balance of that PPP Loan made to Rebel AI in January 2021, shall be withheld at Closing and placed into an escrow account, pending forgiveness or repayment of the PPP Loan, as applicable, and (ii) \$2,000,000 of Common Stock shall be withheld from the Stock Consideration and deposited into an escrow account, pending release in accordance with the terms of the Merger Agreement.

On June 30, 2021, the parties entered into an Amendment No. 1 to Agreement and Plan of Merger (the "Amendment"), pursuant to which the parties amended the Merger Agreement to eliminate any potential reductions to the total cash purchase price payable pursuant to the Merger Agreement in the event that the PPP Loan made to Rebel AI in January 2021 is not forgiven in full. As a result, Schedule A to the Merger Agreement was deleted and eliminated in its entirety.

Sale of Common Stock – March 2021

On March 8, 2021, Logiq entered into a Stock Purchase Agreement with an accredited investor, pursuant to which the Company agreed to issue and sell, in a registered direct offering, 100,000 shares of the Company's common stock, to the purchaser at an offering price of \$5.00 per share.

The offering resulted in gross proceeds of approximately \$500,000 before deducting offering expenses. The shares were offered by the Company pursuant to a prospectus supplement to the Company's Registration Statement.

Sale of Common Stock – April 2021

On April 15, 2021, Logiq entered into a Stock Purchase Agreement with certain investors, pursuant to which the Company agreed to issue and sell, in a registered direct offering, 304,000 shares of the Company's common stock, to the purchasers at an offering price of \$5.00 per share.

The offering resulted in gross proceeds of approximately \$1,520,000 before deducting offering expenses. The shares were offered by the Company pursuant to a prospectus supplement to the Company's Registration Statement.

Sale of Units in Connection With Canadian IPO - June 2021

On June 9, 2021, Logiq entered into an Agency Agreement (the "Agency Agreement") with Research Capital Corporation (the "Agent") relating to the offering (the "Offering") by the Company of a minimum of 1,666,667 units of securities (each, a "Unit"), and a maximum of 3,333,333 Units, at a price of C\$3.00 per Unit (the "Offering Price"), for minimum gross proceeds of C\$5,000,000, and maximum gross proceeds of C\$10,000,000. Each Unit consists of (i) one share of common stock of the Company, par value \$0.0001 per share (and the Common Stock included in a Unit being a "Unit Share"), and (ii) one Common Stock purchase warrant (each, a "Warrant"), where each Warrant entitles the holder thereof to acquire one share of Common Stock (each, a "Warrant Share") at an exercise price of C\$3.50 per Warrant Share, subject to adjustment, at any time before the third anniversary (the "Warrant Expiry Date") of June 17, 2021 (the "Closing Date").

In consideration for the Agent's services to the Company in connection with the Offering, the Company agreed to pay the Agent a cash fee (the "Agent's Commission") equal to 8.0% of the aggregate gross proceeds of the Offering. As additional compensation, the Company also agreed to issue to the Agent such number of non-transferrable compensation options (the "Agent Options") equal to 8.0% of the number of Units sold pursuant to the Offering. Each Agent Option is exercisable for one Unit (an "Agent Unit") at an exercise price of C\$3.00 until the third anniversary of the Closing Date. Each Agent Unit consists of (i) one share of Common Stock, and (ii) one Common Stock purchase warrant (each, an "Agent Unit Warrant"). The Agent Unit Warrants will be issued under a Warrant Indenture, and have the same attributes as the Warrants to be comprised in the Units.

Furthermore, the Company agreed to issue 83,333 units of securities (the "Advisory Fee Units") to the Agent as compensation for certain strategic advisory and support services rendered. This number was determined by dividing C\$250,000 by the Offering Price. Each Advisory Fee Unit is comprised of (i) one share of Common Stock, and (ii) one warrant exercisable to purchase one share of Common Stock at an exercise price of C\$3.50 for a period of 36 months from the Closing Date.

Pursuant to the terms of the Agency Agreement, the Company also agreed to grant the Agent an option (the "Over-Allotment Option"), exercisable in whole or in part, at the sole discretion of the Agent, at any time up to 30 days following the Closing Date, to purchase from the Company: (i) up to such additional number of Units (the "Over-Allotment Units") equal to 15% of the number of Units sold under the Offering (the "Over-Allotment Number") at the Offering Price; (ii) up to such number of additional Warrants (the "Over-Allotment Warrants") equal to 15% of the number of Warrants comprising the Units sold under the Offering at C\$0.4898 per Over-Allotment Warrant; (iii) up to such number of additional shares of Common Stock (the "Over-Allotment Unit Shares") equal to 15% of the number of shares of Common Stock comprising the Units sold under the Offering at C\$2.5102 per Over-Allotment Unit Share; or (iv) any combination of Over-Allotment Units, Over-Allotment Warrants, and Over-Allotment Unit Shares, so long as the aggregate number of Over-Allotment Units, Over-Allotment Warrants, and Over-Allotment Unit Shares does not comprise together more than what is included in the Over-Allotment Number of Over-Allotment Units. The Over-Allotment Option was granted to the Agent solely to cover over-allotments, if any, and for market stabilization purposes.

On June 21, 2021, the Offering closed whereby the Company sold 1,976,434 Units for aggregate gross proceeds of C\$5,929,302 before deducting offering expenses. The Company also issued 83,333 Advisory Fee Units and 158,115 Agent Options to the Agent at the closing of the Offering. In connection with the closing of the Offering, the Company entered into a Warrant Indenture (the "Warrant Indenture") with Odyssey Trust Company (the "Warrant Agent"), pursuant to which the Company issued Warrants to purchase up to a maximum of 4,223,333 shares of Common Stock. Each Warrant is exercisable at any time after June 21, 2021, and prior to June 21, 2024.

On June 21, 2021, the Company filed a prospectus supplement (the "Resale Prospectus Supplement") to the Registration Statement. The Resale Prospectus Supplement covered the resale of the shares of Common Stock, Warrants (and the Warrant Shares underlying the Warrants), and Agent Options sold in the Offering, and may be used by the selling stockholders or certain of their respective assigns identified therein to resell such securities.

On July 27, 2021, the Company closed the partial exercise of the over-allotment option granted to the Agent in connection with the Offering (the "Over-Allotment Offering"), whereby the Company sold an additional 201,700 Units for aggregate gross proceeds of C\$605,100 before deducting offering expenses. The Company also issued an additional 16,136 non-transferrable Agent Options to the Agent as compensation for certain strategic advisory and support services rendered to the Company in connection with the Offering.

In connection with the Over-Allotment Offering, on July 27, 2021, the Company filed a prospectus supplement to the Registration Statement. The prospectus supplement covers the resale of the shares of Common Stock, Warrants (and the Warrant Shares underlying the Warrants), and Agent Options sold in the Over-Allotment Offering, and may be used by the selling stockholders or certain of their respective assigns identified therein to resell such securities.

Over-allotment-Allotment Offering – July 2021

On July 27, 2021, the Company closed the partial exercise of the over-allotment option granted to the Agent in connection with the Offering in Canada (the “Over-Allotment Offering”), whereby the Company sold an additional 201,700 Units for aggregate gross proceeds of C\$605,100 before deducting offering expenses. The Company also issued an additional 16,136 non-transferrable Agent Options to the Agent as compensation for certain strategic advisory and support services rendered to the Company in connection with the Offering.

In connection with the Over-Allotment Offering, on July 27, 2021, the Company filed a prospectus supplement to its shelf registration statement on Form S-3 (Registration No. 333-248069), which was initially filed with the Commission on August 17, 2020, and was declared effective on August 26, 2020. The prospectus supplement covers the resale of the shares of Common Stock, Warrants (and the Warrant Shares underlying the Warrants), and Agent Options sold in the Over-Allotment Offering, and may be used by the selling stockholders or certain of their respective assigns identified therein to resell such securities.

Conversion of promissory notes-July 2021

On July 21, 2021, the total outstanding convertible promissory notes of \$2,911,000, with the exception of two convertible promissory notes issued amounting to principal amount of \$30,000, converted their notes into shares issued as additional paid in capital.

Sale of Common stock & Warrants - August 2021

On August 6, 2021, Logiq entered into a Stock Purchase Agreement with certain investors, pursuant to which the Company agreed to issue and sell, in a registered direct offering, 1,668,042 shares of the Company’s common stock to the purchasers at an offering price of \$2.40 per share.

The offering resulted in gross proceeds of approximately \$4,003,301 before deducting offering expenses. The Shares were offered by the Company pursuant to a prospectus supplement to the Company’s Registration Statement.

On August 6, 2021, the Company issued warrants (each, a “Warrant”) to purchase up to 1,668,042 shares of common stock. Each Warrant is a cash warrant and is exercisable at any time after August 6, 2021, and prior to August 6, 2024, with an exercise price of \$2.85 per share (subject to a contractual 8% discount for one holder).

The Warrants were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, to a limited number of persons who are “accredited investors” or “sophisticated persons” as those terms are defined in Rule 501 of Regulation D promulgated by the SEC or Regulation S thereunder, without the use of any general solicitation or advertising to market or otherwise offer the Warrants for sale. None of the Warrants or the Common Stock underlying such Warrants have been registered under the Securities Act of 1933, as amended, or applicable state securities laws, and none may be offered or sold in the United States absent registration under the Securities Act of 1933, as amended, or an exemption from such registration requirements.

General Summary

During the period from January 1, 2021 to September 30, 2021, a total of 10,687,276 shares with par value of \$0.0001 per share were issued to various stockholders.

Capital Reserve

On March 29, 2021, the Company acquired Rebel in exchange for 1,032,056 shares of the Company's common stock.

On November 2, 2020, the Company acquired Fixel in exchange for 564,467 shares of the Company's common stock in the amount of \$5,000,000 and represents the excess of consideration over the par value of common stock of \$0.0001 issued.

On January 9, 2020, the Company issued 35,714,285 shares (pre reverse stock split) to Conversion Point Technologies Inc. as consideration for the acquisition of all the assets of Push Holdings Inc in the amount of \$14,284,714 and represents the excess of consideration over the par value of common stock of \$0.0001 issued.

During the year ended December 31, 2020, a total of 1,318,640 shares with par value of \$0.0001 per share were issued for consultancy services received including shares issued to Senior Management, Directors, Operational Staff, Legal Consultants, Strategy Advisors and Technology Consultants received and 5,677,684 shares with par value of \$0.0001 per share were issued to various stockholders.

During the three months ended March 31, 2021, a total of 998,955 shares with par value of \$0.0001 per share were issued for consultancy services received including shares issued to Senior Management, Directors, Operational Staff, Legal Consultants, Strategy Advisors and Technology Consultants received and 1,270,250 shares with par value of \$0.0001 per share were issued to various stockholders.

During the three months ended June 30, 2021, a total of 921,000 shares with par value of \$0.0001 per share were issued for consultancy services received including shares issued to Senior Management, Directors, Operational Staff, Legal Consultants, Strategy Advisors and Technology Consultants received, 2,488,767 shares with par value of \$0.0001 per share were issued to various stockholders and 1,976,434 shares with par value of \$0.0001 per share were issued to various stockholders of the IPO on NEO Exchange in Canada on June 21, 2021.

During the three months ended September 30, 2021, a total of 372,180 shares with par value of \$0.0001 per share were issued for consultancy services received including shares issued to Senior Management, Directors, Operational Staff, Legal Consultants, Strategy Advisors and Technology Consultants received and 4,636,124 shares with par value of \$0.0001 per share were issued to various stockholders.

Cancellation of Common Stock

During the nine months ended September 30, 2021, 2,788,972 shares with par value of \$0.0001 per share were cancelled.

Stock-Based Compensation

For the nine months ended September 30, 2021, a total of 2,292,135 shares of common stock were issued as stock-based compensation to directors, staff, consultants and other professional parties. Of the 2,292,135 shares of common stock issued as stock-based compensation for the nine months ended September 30, 2021, 32,000, 33,333 and 130,000 shares were issued to our president, CEO and COO, respectively, and 483,814 shares were issued to DataLogiq staff.

Amendment to Equity Incentive Plan

On April 21, 2021, Logiq, in connection with the Company being listed on the NEO Exchange in Canada and in order to comply with the corporate governance requirements of the NEO Exchange, amended and restated its 2020 Equity Incentive Plan to provide that stock options issued under the plan (i) may not be transferred and (ii) may not have an exercise price less than the fair market value ("FMV") of such stock options as of the grant date. Pursuant to the A&R Plan (as defined below), FMV shall be determined as follows: (i) if the Company's common stock is then listed or admitted to trading on a national stock exchange, the FMV shall be either (x) the five-day volume weighted average trading price, calculated by dividing the total value by the total volume of securities traded on a national stock exchange for the relevant period, or (y) the closing price of the Company's common stock on a national stock exchange on the previous trading day prior to the date of grant of the award; or (y) if the Company's common stock is not then listed or admitted to trading on a national stock exchange, the FMV shall be a price determined by the administrator of the A&R Plan in good faith using any reasonable method of valuation. In addition, the Company amended and restated the form agreements for awards made pursuant to the Company's Amended and Restated 2020 Equity Incentive Plan (the "A&R Plan") to reflect the foregoing changes.

The Company's A&R Plan and amended form award agreements were approved by the Company's Board of Directors on April 21, 2021. The A&R Plan remains subject to shareholder approval, which the Company shall undertake to obtain at the special meeting of stockholders scheduled to be held on December 20, 2021. In the event that the Company does not obtain the requisite shareholder approval of the A&R Plan within one year, the A&R Plan shall not be effective and the form agreements for awards made thereunder shall revert to their original form.

NOTE 16 – (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings per common share for the three and nine months ended September 30, 2021 and 2020, respectively:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Numerator – basic and diluted				
Net (Loss)	\$ (5,773,411)	\$ (2,878,549)	\$ (14,830,795)	\$ (7,367,188)
Denominator				
Weighted average number of common shares outstanding – basic and diluted	23,365,486	12,753,230	19,455,335	12,203,769
(Loss) per common share – basic and diluted	\$ (0.2471)	\$ (0.2257)	\$ (0.7623)	\$ (0.6037)

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Leases

The Company's current executive offices are currently leased for \$820 per month.

Logiq, Inc. (Nevada) leases approximately 30,348 square feet comprising 12,313 square feet of office space and 18,217 square feet of warehouse space in Minneapolis, Minnesota, at a rate of \$367,200 per annum under an operating lease. The leased office space from a related party under common ownership is under a 7.5-year lease expiring December 31, 2021. The lease on the primary offices has a renewal option providing for additional lease periods.

The operating lease is listed as separate line item on Logiq, Inc.'s (Nevada)'s September 30, 2021 and December 31, 2020 consolidated balance sheets and represent the Group's right to use the underlying asset for the lease term. The Group's obligations to make lease payments are also listed as a separate line items on the Group's September 30, 2021 and December 31, 2020 consolidated balance sheets. Based on the present value of the lease payments for the remaining lease term of the Group's existing leases, the Group recognized right-of-use assets and lease liabilities for operating leases of approximately \$693,000, on January 8, 2020. Operating lease right-of-use assets and liabilities commencing after January 8, 2020 are recognized at commencement date based on the present value of lease payments over the lease term. As of September 30, 2021 and December 31, 2020, total operating right-of-use assets were \$91,571 and \$364,234, respectively. All operating lease expense is recognized on a straight-line basis over the lease term.

Because the rate implicit in the lease is not readily determinable, the Group uses its incremental borrowing rate to determine the present value of the lease payments.

Information related to the Group's operating lease liabilities are as follows:

	As of September 30, 2021	As of December 31, 2020
Cash paid for operating lease liabilities	\$ 275,400	367,200
Remaining lease term	6 months	1 years
Discount rate	1.5%	1.5%

Future minimum lease payments under the non-cancellable operating lease agreements are as follows:

2021	\$ 91,800
Less imputed interest	(229)
Total lease liability	\$ 91,571

Legal proceedings

None.

NOTE 18 – SEGMENT INFORMATION

The Group has determined that it operates in two operating and reportable business segments: AppLogiq and DataLogiq. The Company determined its reportable segments based on operating and financial reports regularly reviewed by the Company’s Chief Operating Decision Maker (“CODM”), which is the Company’s Chief Executive Officer (“CEO”).

The AppLogiq reportable segment is comprised of the accounts of CreateApp and Corporate activities.

The DataLogiq reportable segment is comprised of the subsidiaries’ accounts of Logiq, Inc. (a Nevada Corporation), Fixel AI, Inc. and Rebel AI Inc.

The following table presents the segment information for the three and nine months ended September 30, 2021 and 2020:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Logiq (Delaware) incl APPLogiq				
Segment operating income	\$ 2,849,539	\$ 3,206,346	\$ 8,134,352	\$ 20,645,584
Other corporate expenses, net	5,814,458	5,171,383	17,220,157	24,820,628
Total operating (loss)	(2,964,919)	(1,965,037)	(9,085,805)	(4,175,044)
Logiq (Nevada) incl DATALogiq				
Segment operating income	\$ 4,976,710	\$ 3,823,959	\$ 16,076,196	\$ 10,681,175
Other corporate expenses, net	7,785,202	4,737,471	21,821,186	13,873,319
Total operating (loss)	(2,808,492)	(913,512)	(5,744,990)	(3,192,144)
Consolidated				
Segment operating income	\$ 7,826,249	\$ 7,030,305	\$ 24,210,548	\$ 31,326,759
Other corporate expenses, net	13,599,660	9,908,854	39,014,343	38,693,947
Total operating (loss)	(5,773,411)	(2,878,549)	(14,830,795)	(7,367,188)

Significant Customers

No revenues from any single customer exceeded 10% of total net revenues for the nine months ended September 30, 2021 and 2020.

NOTE 19 – GEOGRAPHICAL INFORMATION

Revenue by geographical region for the three and nine months ended September 30, 2021 and 2020 were as follows:

	For the nine months ended September 30,		For the nine months ended September 30,	
	2021	%	2020	%
Southeast Asia	\$ 4,067,176	16.8	15,484,188	49.4
EU	2,033,588	8.4	3,096,838	9.9
South Korea	1,220,153	5.0	2,064,558	6.6
Africa	813,435	3.4	-	0.0
North America	16,076,196	66.4	10,681,175	34.1
Total revenue	\$ 24,210,548	100.0	\$ 31,326,759	100.0
	For the three months ended September 30,		For the three months ended September 30,	
	2021	%	2020	%
Southeast Asia	\$ 1,424,769	18.2	2,404,759	34.2
EU	712,385	9.1	480,952	6.8
South Korea	427,431	5.5	320,635	4.6
Africa	284,954	3.6	-	0.0
North America	4,976,710	63.6	3,823,959	54.4
Total revenue	\$ 7,826,249	100.0	\$ 7,030,305	100.0

NOTE 20 – BUSINESS COMBINATION

Push Holdings, Inc.

On January 8, 2020, the Company acquired substantially all the assets of Push Holdings, Inc. in exchange for 35,714,285 shares of the Company's common stock. The fair value of the shares of common stock at the close of the transaction was \$14,285,714.

The acquisition of substantially all the assets of Push Holdings, Inc. was accounted for as a business combination in accordance with Accounting Standards Codification Topic 805, *Business Combinations* ("ASC 805"), with the results of Logiq, Inc. (Nevada)'s operations included in the Company's consolidated financial statements from January 9, 2020. Goodwill has been measured as the excess of the total consideration over the amounts assigned to identifiable assets acquired and liabilities assumed.

During the period ended December 31, 2020, the Company, through its wholly-owned subsidiary, Logiq, Inc. (Nevada) acquired substantially all of the assets of Push Holdings, Inc. The fair values of assets acquired and liabilities assumed were as follows:

Cash and cash equivalents	\$ 574,572
Restricted cash	1,025,000
Accounts receivable, net	709,053
Prepaid expenses and other current assets	11,940
Property, plant and equipment	225,126
Intangible assets	8,250,000
Accounts payable	(367,091)
Accrued expenses and other current liabilities	(424,094)
Due to parent company	(500,000)
Goodwill	4,781,208
Net assets acquired	<u>\$ 14,285,714</u>

Fair valuation methods used for the identifiable net assets acquired in the acquisition make use of quoted prices in active markets, discounted cash flows and risk adjusted weighted cost of capital. The methods used in determining fair value of the intangible assets included consideration of the three traditional approaches to value: market, income, and cost. Accordingly, after due consideration of other appropriate and generally accepted valuation methodologies, the value of intangible assets acquired from Push has been developed primarily on the basis of the income approach. Under the income approach, the Company evaluated revenue projections derived from the software technology and the appropriate royalty rate that Push Holdings would have paid if Push Holdings did not own the software technology.

On the acquisition date, goodwill of \$4,781,208 and other intangible assets of \$8,250,000 were recorded. The other intangible asset identified during the acquisition is software technology, which has a weighted average useful life of five years, which is management's best estimate at the time of the acquisition.

The Company incurred some accounting and legal fees related to the acquisition of the assets of Push Holdings. The amount attributable to the Company has been included in general and administrative expenses in the accompanying consolidated statement of operations for the three and nine months ended September 30, 2021.

In the consolidated statements of operations, revenues and expenses include the operations of Logiq, Inc. (Nevada) since January 9, 2020, which is the day after the acquisition date.

Fixel AI Inc.

On November 2, 2020, the Company acquired Fixel AI Inc., a Delaware corporation (“Fixel”) in exchange for 564,467 shares of the Company’s common stock. The fair value of the shares of common stock at the close of the transaction was \$8.86.

On the Closing Date, the Company issued 564,467 restricted shares of its common stock to Fixel Stockholders, of which the shares allocated to the Fixel stockholders that are residents of Israel (“Israel Stockholders”) will be delivered to an independent third-party escrow (the “Escrow Shares”), where (i) such shares will be released to Israel Stockholders upon each Israel Stockholder’s compliance with the 104H tax ruling issued by certain tax authorities of Israel in connection with the Merger and (ii) shares held by Founders making up approximately 20% of the shares issued will be held subject to offset for indemnification purposes. The Shares were issued at a trailing twenty (20) day VWAP of \$8.86 per share.

The fair values of assets acquired and liabilities assumed were as follows:

Cash and cash equivalents	\$ 67,167
Restricted cash	10,229
Accounts receivable, net	29,036
Prepaid expenses and other current assets	20,963
Intangible assets	4,678,422
Accounts payable	280
Accrued expenses and other current liabilities	(47,021)
Deferred revenue	(55,958)
Goodwill	296,882
Net assets acquired	<u>\$ 5,000,000</u>

Fair valuation methods used for the identifiable net assets acquired in the acquisition make use of quoted prices in active markets, discounted cash flows and risk adjusted weighted cost of capital. The methods used in determining fair value of the intangible assets included consideration of the three traditional approaches to value: market, income, and cost. Accordingly, after due consideration of other appropriate and generally accepted valuation methodologies, the value of intangible assets acquired from Fixel has been developed primarily on the basis of the income approach. Under the income approach, the Company evaluated revenue projections derived from the software technology and the appropriate royalty rate that Fixel would have paid if Fixel did not own the software technology.

On the acquisition date, goodwill of \$296,882 and other intangible assets of \$4,678,422 were recorded. The other intangible asset identified during the acquisition is software technology, which has a weighted average useful life of five years, which is management’s best estimate at the time of the acquisition.

The Company incurred some accounting and legal fees related to the acquisition of the assets of Fixel. The amount attributable to the Company has been included in general and administrative expenses in the accompanying consolidated statement of operations for the three and nine months ended September 30, 2021.

In the consolidated statements of operations, revenues and expenses include the operations of Fixel AI, Inc. since November 3, 2020, which is the day after the acquisition date.

Rebel AI Inc.

On March 29, 2021, the Company acquired Rebel for a total cash consideration of \$1,126,000 and in exchange for 1,032,056 shares of the Company's common stock. The fair value of the shares of common stock at the close of the transaction was \$6.00.

On the closing date, the Company issued 1,032,056 restricted shares of its common stock to Rebel Stockholders, and at a trailing twenty (20) day VWAP of \$6.00 per share.

Cash and cash equivalents	\$ 7,736
Accounts receivable, net	10,052
Prepaid expenses and other current assets	14,617
Property, plant and equipment	28,236
Intangible assets	6,789,969
Accrued expenses and other current liabilities	(32,110)
Goodwill	499,836
Net assets acquired	<u>\$ 7,318,336</u>

Fair valuation methods used for the identifiable net assets acquired in the acquisition make use of quoted prices in active markets, discounted cash flows and risk adjusted weighted cost of capital. The methods used in determining fair value of the intangible assets included consideration of the three traditional approaches to value: market, income, and cost. Accordingly, after due consideration of other appropriate and generally accepted valuation methodologies, the value of intangible assets acquired from Rebel has been developed primarily on the basis of the income approach. Under the income approach, the Company evaluated revenue projections derived from the software technology and the appropriate royalty rate that Rebel would have paid if Rebel did not own the software technology.

On the acquisition date, goodwill of \$499,836 and other intangible assets of \$6,789,969 were recorded. The other intangible asset identified during the acquisition is software technology, which has a weighted average useful life of five years, which is management's best estimate at the time of the acquisition.

The Company incurred some accounting and legal fees related to the acquisition of the assets of Rebel. The amount attributable to the Company has been included in general and administrative expenses in the accompanying consolidated statement of operations for the three and nine month period ended September 30, 2021.

In the consolidated statements of operations, revenues and expenses include the operations of Rebel AI, Inc. since March 29, 2021, which is the day after the acquisition date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and operating results should be read in conjunction with our consolidated financial statements and related notes to those statements included elsewhere in this report.

This document contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact contained in this document and the materials accompanying this document are forward-looking statements.

The forward-looking statements are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. Frequently, but not always, forward-looking statements are identified by the use of the future tense and by words such as "believes," "expects," "anticipates," "intends," "will," "may," "could," "would," "projects," "continues," "estimates" or similar expressions. Forward-looking statements are not guarantees of future performance and actual results could differ materially from those indicated by the forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by the forward-looking statements.

The forward-looking statements contained or incorporated by reference in this document are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act") and are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. These statements include declarations regarding our plans, intentions, beliefs, or current expectations.

Among the important factors that could cause actual results to differ materially from those indicated by forward-looking statements are the risks and uncertainties described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission ("SEC") on June 30, 2021, and elsewhere in this document and in our other filings with the SEC.

Forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and we do not undertake any obligation to update forward-looking statements to reflect new information, subsequent events, or otherwise.

Use of Terms

Except as otherwise indicated by the context and for the purposes of this report only, references in this report to:

- "Logiq, Inc. (Delaware) (formerly known as Weyland) the "Company," "we," "us," or "our," are to the business of Logiq Inc (Delaware), a Delaware corporation and AppLogiq;
- DataLogiq and Logiq, Inc. (Nevada), a Nevada corporation, business segment;
- PAY/GOLogiq or Weyland International Perkasa, an Indonesian associate of the Company;
- "SEC" are to the Securities and Exchange Commission;
- "Securities Act" are to the Securities Act of 1933, as amended;
- "Exchange Act" are to the Securities Exchange Act of 1934, as amended;
- "U.S. dollars," "dollars" and "\$" are to the legal currency of the United States.

You should read the following plan of operation together with our financial statements and related notes appearing elsewhere in this quarterly report and the most recent Form 10-K and Form 10-Q. This quarterly report contains forward-looking statements that involve risks, uncertainties, and assumptions. The actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors.

Overview

The Company offers solutions that help small-to-medium-sized businesses ("SMBs") to provide access to and reduce transaction friction of e-commerce for their clients globally. The Company's solutions are provided through (i) its core platform, "AppLogiq" (operated as CreateApp (<https://www.createapp.com/>), which allows SMBs to establish their point-of-presence on the web, and (ii) "DataLogiq", a digital marketing analytics business unit that offers proprietary data management, audience targeting and other digital marketing services that improve an SMB's discovery and branding within the vast e-commerce landscape.

The Company enables SMBs to create a mobile app for their business without the need of technical knowledge, high investment, or background in IT by utilizing "AppLogiq", which is a platform that is offered as a Platform as a Service ("PaaS") to the Company's customers. The Company's DataLogiq business unit offers online marketing solutions on a performance marketing and self-serve, Software as a Service ("SaaS") basis.

We provide our PaaS and digital marketing to SMBs in a wide variety of industry sectors. We believe that SMBs can increase their sales, reach more customers, and promote their products and services using our affordable and cost-effective solutions. We recognize revenue on a pay to use subscription basis when our customers use our PaaS platform to create mobile apps for their business and on our SaaS platform when provisioning services for their marketing campaigns. We also recognize revenue on CPL and other metrics for engagements undertaken on a performance marketing basis.

The Company continues to expand its portfolio of offerings and the industries they serve:

- In May 2018, the Company expanded its portfolio to fintech applications with the launch of its PayLogiq mobile payments platform in Indonesia.
- In the fall of 2019, the Company expanded its portfolio to short-distance food delivery service with the launch of GoLogiq, a PaaS platform that provides mobile payment capabilities for the local food delivery service industry in Indonesia.
- In January 2020, the Company completed the acquisition of substantially all of the assets of Push Holdings, Inc., headquartered in Minneapolis, Minnesota. This acquired business, which the Company has rebranded as its DataLogiq division, operates a consumer data management platform powered by lead generation, online marketing, and multichannel reengagement strategies through its owned and operated brands. DataLogiq has developed a proprietary data management platform and integrated with several third-party service providers to optimize the return on its marketing efforts. DataLogiq focuses on consumer engagement and enrichment to maximize its return on acquisition through repeat monetization of each consumer. DataLogiq also licenses its software technology and provides managed technology services to various other e-commerce companies. DataLogiq is located in Minneapolis, Minnesota, USA.
- On November 2, 2020, the Company completed the acquisition of Fixel AI Inc., thereby acquiring its self-serve MarTech Audience Targeting platform as a further expansion of its DataLogiq product suite.
- On March 29, 2021, the Company completed the acquisition of Rebel AI, Inc., thereby acquiring its “The Rebel AI” advertising platform as a further expansion of its DataLogiq product suite..
- On June 21, 2021, the Company completed the IPO offering of 1,976,434 units of its securities, consisting of shares common stock and warrants to purchase shares of common stock, on the NEO exchange in Canada.

Recent Corporate Developments

Amendment to Equity Incentive Plan

On April 21, 2021, Logiq, in connection with the Company being listed on the NEO Exchange in Canada and in order to comply with the corporate governance requirements of the NEO Exchange, amended and restated its 2020 Equity Incentive Plan to provide that stock options issued under the plan (i) may not be transferred and (ii) may not have an exercise price less than the fair market value (“FMV”) of such stock options as of the grant date. Pursuant to the A&R Plan (as defined below), FMV shall be determined as follows: (i) if the Company’s common stock is then listed or admitted to trading on a national stock exchange, the FMV shall be either (x) the five-day volume weighted average trading price, calculated by dividing the total value by the total volume of securities traded on a national stock exchange for the relevant period, or (y) the closing price of the Company’s common stock on a national stock exchange on the previous trading day prior to the date of grant of the award; or (y) if the Company’s common stock is not then listed or admitted to trading on a national stock exchange, the FMV shall be a price determined by the administrator of the A&R Plan in good faith using any reasonable method of valuation. In addition, the Company amended and restated the form agreements for awards made pursuant to the Company’s Amended and Restated 2020 Equity Incentive Plan (the “A&R Plan”) to reflect the foregoing changes.

The Company’s A&R Plan and amended form award agreements were approved by the Company’s Board of Directors on April 21, 2021. The A&R Plan remains subject to shareholder approval, which the Company shall undertake to obtain at the special meeting of stockholders scheduled to be held on December 20, 2021. In the event that the Company does not obtain the requisite shareholder approval of the A&R Plan within one year, the A&R Plan shall not be effective and the form agreements for awards made thereunder shall revert to their original form.

On April 21, 2021, the Company's Board of Directors (the "Board"), in connection with the Company being listed on the NEO Exchange in Canada and in order to comply with the corporate governance requirements of the NEO Exchange, approved and adopted a Majority Voting Policy for the election of directors (the "Policy"), which policy effectively alters the manner in which directors are elected under the Company's Bylaws, and is therefore, subject to shareholder approval. The Company intends to submit a proposal to shareholders to approve the Policy and related changes to the Company's Bylaws at the special meeting of stockholders scheduled to be held on December 20, 2021.

Under the Policy, in an uncontested election, any director nominee who receives a greater number of votes "withheld" than votes "for" his or her election at a meeting of shareholders of the Company must promptly tender his or her resignation to the chairman of the Board. Following receipt of such resignation, the Governance Committee of the Board (the "Committee") will consider the resignation and recommend to the Board whether to accept such tendered resignation. Except in special circumstances, the Committee will be expected to accept and recommend acceptance of the resignation by the Board. A press release disclosing the Board's determination (and the reasons for rejecting the resignation, if applicable) will be issued within 90 days following the date of the relevant meeting of shareholders and a copy of the press release will be sent concurrently to the NEO Exchange, provided that the Company's common stock is then listed for trading on the NEO Exchange. The director's resignation, if accepted, will become effective immediately upon acceptance thereof by the Board.

Any director who tenders his or her resignation pursuant to the Policy will not participate in the recommendation of the Committee or the decision of the Board with respect to such resignation.

Subject to any restrictions imposed by applicable law, where the Board accepts a resignation in accordance with the Policy, the Board may (i) leave the director vacancy unfilled until the next annual meeting of shareholders, (ii) fill the vacancy through the appointment of a new director, or (iii) call a special meeting of shareholders at which a new candidate will be presented to fill the vacant position.

The Policy applies only in circumstances involving an uncontested election of directors. For purposes of the Policy, an "uncontested election" of directors of the Company means an election held at any meeting of shareholders called for, either alone or with other matters, the election of directors, with respect to which the number of nominees for election is equal to the number of positions on the Board to be filled through the election to be conducted at such meeting.

COVID-19 Effect

Due to the unprecedented effect and related impact of Covid-19 pandemic, the Company has experienced a push back from the Company's resellers and white label distributors from April 2020, for its Platform as a Service pay-to-use subscription basis. The Company is expecting an uncertain outlook in its service revenues, as its operations in South East Asia are currently being disrupted by the continuing impact of Covid-19 pandemic. In particular, our PAY/GOLogiq associate revenues have been reduced as offices and compulsory lock down protocols are being implemented, which are expected to be in force until the majority of the populous have been vaccinated through to the end of calendar year 2021.

Components of Results of Operations

Revenue (Service)

The Company's AppLogiq business segment's PaaS, operated as CreateApp provides the infrastructure allowing users to develop their own applications and IT services, which users can access anywhere via a smart mobile phone, web or desktop browser. The Company recognizes revenue on a pay-to-use subscription basis when our customers use our platform. For the territories licensed to our distributors and on a white label basis, we derive royalty income from the end user's use of our platform on a white label basis.

The Company maintains the PaaS software platform at its own cost. Any enhancements and minor customization for our resellers/distributors are not separately billed. Major new proprietary features are billed to the customer separately as development income while reusable features are added to the features available to all customers on subsequent releases of our platform.

The Company's DataLogiq revenues are derived through the management of online advertising campaigns on behalf of customers, which include per-impression, and cost per acquisition ("CPA") arrangements as well as the delivery of qualified leads.

Cost of Revenue (Service)

Cost of revenue primarily consists of fees from cloud-based hosting services and personnel costs. Personnel costs consist of wages, bonuses, benefits, and stock-based compensation expenses. Allocated overhead costs consist of certain facilities and utility costs. We expect cost of revenue to increase in absolute dollars, as product revenue increases.

The Company's DataLogiq digital marketing analytics business segment cost of revenue is primarily generated by media cost to power our assets.

Operating Expenses

Our operating expenses consist of general and administrative, depreciation and amortization, and research and development expenses. Salaries and personnel-related costs, benefits, and stock-based compensation expense, are the most significant components of each category of operating expenses. Operating expenses also include allocated overhead costs for facilities and utility costs.

General and Administrative – General and administrative expense consists primarily of employee compensation and related expenses for administrative functions including finance, legal, human resources and fees for third-party professional services, as well as allocated overhead. We expect our general and administrative expense to increase in absolute dollars as we continue to invest in growing the business.

Depreciation and amortization – Depreciation and amortization expense consists primarily of amortization of development costs and trademark for our software platforms.

Research and Development – Research and development expense consists primarily of employee compensation and related expenses, allocated overhead, and developments to our website, e-commerce, and mobile app platforms. We expect our research and development expenses to increase in absolute dollars as we continue to invest in new and existing products and services.

Other Income (Expense), net

Other income consists of income received for activities outside of our core business. In 2021, this includes interest from US based financial asset money market funds.

Other (expense) consists of expense for activities outside of our core business. In 2021, DataLogiq incurred early withdrawal fees from an escrow account relating to Conversion Point Technologies.

Provision for Income Taxes

Provision for income taxes consists of estimated income taxes due to the United States, foreign countries, and the respective taxing authorities in jurisdictions in which we conduct business.

Results of Operation

Results of Operations for the Three Months ended September 30, 2021 and 2020

The following sets forth selected items from our statements of operations and the percentages that such items bear to net sales for the three months ended September 30, 2021 and 2020. The consolidated results include Logiq, Inc. (a Delaware Corporation), and its subsidiaries, Logiq, Inc. (a Nevada Corporation), Fixel, and Rebel (collectively also known as DataLogiq business segment). Logiq, Inc. (Delaware) results include our business segment AppLogiq.

Consolidated Results of Operations

	For the three months ended					
	September 30, 2021		September 30, 2020		Change	
Revenue (service)	\$ 7,826,249	100.0%	\$ 7,030,305	100.0%	\$ 795,944	11.3%
Cost of revenues (service)	5,520,862	70.5	5,919,848	84.2	(398,986)	(6.7)
Gross profit	2,305,387	29.5	1,110,457	15.8	1,194,930	107.6
Depreciation and amortization	1,030,932	13.2	455,424	6.5	575,508	126.4
General and administrative	5,159,813	65.9	1,968,763	28.0	3,191,050	162.1
Sales and marketing	477,226	6.1	544,970	7.8	(67,744)	(12.4)
Research and development	1,447,567	18.5	1,018,389	14.5	429,178	42.1
Total operating expenses	8,115,538	103.7	3,987,546	56.7	4,127,992	103.5
(Loss) from operations	(5,810,151)	(74.2)	(2,877,089)	(40.9)	(2,993,062)	101.9
Other (Expenses)/Income, net	36,740	0.47	(1,460)	(0.02)	38,200	(2,616.4)
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(5,773,411)	(73.8)	(2,878,549)	(40.9)	(2,894,862)	100.6
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	(5,773,411)	(73.8)	(2,878,549)	(40.9)	(2,894,862)	100.6

Logiq (Delaware) including AppLogiq results of operations

	For the three months ended					
	September 30, 2021		September 30, 2020		Change	
Revenue (service)	\$ 2,849,539	100.0%	\$ 3,206,346	100.0%	\$ (356,807)	(11.1)%
Cost of revenues (service)	1,945,855	68.3	2,818,957	87.9	(873,102)	(31.0)
Gross profit	903,684	31.7	387,389	12.1	516,295	133.3
Depreciation and amortization	31,285	1.1	31,283	1.0	2	-
General and administrative	2,525,672	88.6	909,721	28.4	1,615,951	177.6
Sales and marketing	52,550	1.8	459,057	14.3	(406,507)	(88.6)
Research and development	1,257,220	44.1	949,922	29.6	307,298	32.3
Total operating expenses	3,866,727	135.7	2,349,983	73.3	1,516,744	64.5
(Loss) from operations	(2,963,043)	(104.0)	(1,962,594)	(61.2)	(1,000,449)	51.0
Other (Expenses)/Income, net	(1,876)	(0)	(2,445)	(0.08)	(569)	(23.27)
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(2,964,919)	(104.0)	(1,965,039)	(61.3)	(999,880)	50.9
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	(2,964,919)	(104.0)	(1,965,039)	(61.3)	(999,880)	50.9

Logiq (Nevada) including DataLogiq results of operations

	For the three months ended					
	September 30, 2021		September 30, 2020		Change	
Revenue (service)	\$ 4,976,710	100.0%	\$ 3,823,959	100.0%	\$ 1,152,751	30.1%
Cost of revenues (service)	3,575,007	71.8	3,100,891	81.1	474,116	15.3
Gross profit	1,401,703	28.2	723,068	18.9	678,635	93.9
Depreciation and amortization	999,647	20.1	424,141	11.1	575,506	135.7
General and administrative	2,634,141	52.9	1,059,042	27.7	1,575,099	148.7
Sales and marketing	424,676	8.5	85,913	2.2	338,763	394.3
Research and development	190,347	3.8	68,467	1.8	121,880	178.0
Total operating expenses	4,248,811	85.4	1,637,563	42.8	2,611,248	159.5
(Loss) from operations	(2,847,108)	(57.2)	(914,495)	(23.9)	(1,932,613)	211.3
Other (Expenses)/Income, net	38,616	0.78	985	0.03	37,631	3,820.41
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(2,808,492)	(56.4)	(913,510)	(23.9)	(1,894,982)	207.4
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	(2,808,492)	(56.4)	(913,510)	(23.9)	(1,894,982)	207.4

Consolidated Revenue (Service)

Consolidated Revenues were \$7,826,249 and \$7,030,305 for the three months ended September 30, 2021 and 2020, respectively.

The revenues from our AppLogiq segment (CreateApp platform) decreased to \$2,849,539 compared to \$3,206,346 for the three months ended September 30, 2021 and 2020, respectively, as a result of our strategic shift of targeting high margin end customer segment compared to low margin high volume white label resellers.

Our DataLogiq platform revenues increased to \$4,976,710 compared to \$3,829,959 for the three months ended September 30, 2021 and 2020, respectively. The increase in revenues is due to a large increase in the data monetization business and the inclusion of revenue from Rebel AI.

Consolidated Cost of Revenue (Service)

Consolidated Cost of revenues were \$5,520,862 and \$5,919,848 for the three months ended September 30, 2021 and 2020, respectively.

The Cost of revenues of the Company's CreateAPP platform decreased to \$1,945,855 from \$2,818,957 for the three months ended September 30, 2021 and 2020 respectively.

Our DataLogiq platform cost of revenue was \$3,575,007 compared to \$3,100,891 for the three months ended September 30, 2021 and 2020 respectively.

Consolidated Gross Profit

Our consolidated gross margin was \$2,305,387 compared to \$1,110,457 for the three months ended September 30, 2021 and 2020 respectively.

Our consolidated gross margin increased to 29.5% from 15.8% for the three months ended September 30, 2021 and 2020.

Our AppLogiq (CreateApp) platform gross margin was \$903,684 compared to \$387,389 for the three months ended September 30, 2021 and 2020 respectively. Our AppLogiq gross margin increased to 31.7% from 12.1% as a result of our strategic shift of targeting high margin end customer segment compared to low margin high volume white label resellers.

Our DataLogiq platform gross margin was \$1,401,703 and \$723,068 for the three months ended September 30, 2021 and 2020, respectively. Our DataLogiq platform gross margin increased to 28.2% from 18.9% for the three months ended September 30, 2021 and 2020, respectively.

Consolidated Operating Expenses

General and Administrative (G&A)

Consolidated General and administrative expenses were \$5,159,813 and \$1,968,763 for the three months ended September 30, 2021 and 2020, respectively.

The Company including AppLogiq's General and administrative expenses were \$2,525,672 and \$909,721 for the three months ended September 30, 2021 and 2020, respectively. The increase in the three months ended September 30, 2021 of \$568,505 reflects stock compensation costs including shares issued to consultants, a director and issued to DataLogiq team members. Other G&A cash expenses include legal & professional costs increase of \$429,576, consultants \$291,555 due to our uplisting exercise and IR/PR related costs and team costs \$237,970.

Our DataLogiq platform General and administrative expenses were \$2,634,141 and \$1,059,042 for the three months ended September 30, 2021 and 2020, respectively. The increase was partly as a result of inclusion of Fixel AI and Rebel AI together with new hires in the branding and operations management.

Stock-based compensation

Stock-based compensation expenses for the three months ended September 30, 2021 and 2020 was \$568,505 and (\$100,319), respectively reflecting the Company's efforts in our uplisting through an initial public offering on NEO exchange in Canada and S-3 shelf registration. The comparative for 2020 includes shares that were cancelled.

Sales and Marketing (S&M)

Consolidated Sales and Marketing expenses were \$477,226 and \$544,970 for the three months ended September 30, 2021 and 2020, respectively. This includes Sales and Marketing expenses from our AppLogiq platform of \$52,550 and \$459,057 from our general marketing effort. Sales and Marketing expenses from our DataLogiq platform of \$424,676 and \$85,913 for the three months ended September 30, 2021 and 2020 includes the increased incentive compensation for sales teams and the inclusion of Fixel's and Rebel's sales and marketing costs.

Research and Development (R&D)

Consolidated Research and Development expenses were \$1,447,567 and \$1,018,389 for the three months ended September 30, 2021 and 2020, respectively.

Our AppLogiq (CreateAPP) platform Research and Development (R&D) expenses were \$1,257,220 and \$949,922 for the three months ended September 30, 2021 and 2020, respectively, which includes our R&D efforts to develop a dashboard for data mining and analytics for PAY/GoLogiq. Our DataLogiq platform Logiq's Research and Development expenses was \$190,347 and \$68,467 for the three months ended September 30, 2021 and 2020, respectively. Our increased spending reflects continued development of the Company's system support knowledge base, integrated various functionality and data analytics of the AtoZGo delivery service and the AtoZPay payment facility and other internal systems in the three months ended September 30, 2021.

Consolidated Other Income/(Expenses)

Consolidated Other income (expenses), net was \$36,740 and (\$1,460) for the three months ended September 30, 2021 and 2020 respectively. Our DataLogiq platform received income of \$38,616 mainly from the PPP loan forgiveness.

Consolidated Net (Loss) Before Income Tax

The Company reports a Consolidated net loss of (\$5,773,411) and (\$2,878,549) for the three months ended September 30, 2021 and 2020 respectively.

The Company incorporating our AppLogiq (CreateAPP) platform incurred a net loss of (\$2,964,919) and (\$1,965,039) for the three months ended September 30, 2021 and 2020, respectively.

Our DataLogiq platform incurred a net loss of (\$2,808,492) and (\$913,510) for the three months ended September 30, 2021 and 2020 respectively.

Consolidated Income Tax (Expense)

No provision for corporate taxes is made as the Company incurred a loss and has unutilized loss carryforwards.

Logiq, Inc. (Delaware) including AppLogiq Results of Operations

Revenue (Service)

Our AppLogiq segment, with the change in focus away from bulk white label distributors to direct marketing end users, reduced our revenues by 11.1% to \$2,849,539 from \$3,206,346 in the same period in FY2020. Although the reduction was significant, we managed to achieve a significant increase in gross profit margins of 31.7% up from 12.1%.

Cost of Revenue (Service)

AppLogiq Cost of Service revenues were \$1,945,855 and \$2,818,957 for the three months ended September 30, 2021 and 2020, respectively, as a result of reduced revenues.

Gross Profit

AppLogiq Gross Profit increased to \$903,684 from \$387,389 for the three months ended September 30, 2021 and 2020, respectively. Gross Profit % improved to 31.7% from 12.1% for the three months ended September 30, 2021 and 2020, respectively as a result of the change in strategic focus from bulk white label distributors to direct marketing end users.

General and Administrative (G&A)

AppLogiq G&A expenses was \$2,525,672 and \$909,721 for the three months ended September 30, 2021 and 2020, respectively. The increase in the three months ended September 30, 2021 of \$568,505 reflects stock compensation costs including shares issued to consultants, a director and issued to DataLogiq team members. Other G&A cash expenses include legal & professional costs increase of \$429,576, consultants \$291,555 due to our uplisting exercise and IR/PR related costs and team costs \$237,970.

Consultancy fees including stock compensation were \$1,351,607 and \$357,847 for the three months ended September 30, 2021 and 2020, respectively.

Legal & professional fees including stock compensation was \$635,066 and \$205,490 for the three months ended September 30, 2021 and 2020, respectively.

An increase in both Consultancy fees and Legal & professional fees due to the submission of uplisting applications on both NEO and NASDAQ exchanges in 2021 and 2020 respectively.

Sales and Marketing (S&M)

AppLogiq S&M expense was \$52,550 and \$459,057 for the three months ended September 30, 2021 and 2020, respectively.

Research and Development (R&D)

AppLogiq Research and Development expense was \$1,257,220 and \$949,922 for three months ended September 30, 2021 and 2020, respectively.

The increased spending reflects an increase in spending on features for lower margin accounts serviced through bulk white-label distributors the contracts of which have subsequently been terminated from a change in our strategic focus. The Company continued development of the Company's system support knowledge base, integrated various functionality and data mining and analytics dashboard for the AtoZGo delivery service and the AtoZPay payment facility and other internal systems in the three months ended September 30, 2021.

(Loss) from Operations

The Company including our AppLogiq segment posted a loss from operations of \$(2,963,043) and \$(1,962,594) for the three months ended September 30, 2021 and 2020, respectively. Our loss arose as a result of change in strategic focus from bulk white label distributors to direct marketing end users. In addition, our General and Administrative increase reflects stock compensation costs including \$126,498 issued to DataLogiq team members, related legal & professional costs increase due to preparatory work for uplisting on both NEO and NASDAQ exchanges and IR/PR related costs.

Other Income/(Expenses)

AppLogiq there was a movement in fair value of (\$1,876) on our financial asset fund for the period.

Logiq Inc. (Nevada) including DataLogiq Results of Operations

Revenue (Service)

DataLogiq revenues were \$3,823,959 for the three months ended September 30, 2020 compared to \$4,976,710 for the same period in 2021, an increase of \$1,152,751 or 30.1%. The increase in revenues is primarily a result of our continued focus on growing the data monetization business.

Cost of Revenue (Service)

DataLogiq Cost of revenue was \$3,100,891 for the three months ended September 30, 2020 compared to \$3,575,007 for the same period in 2021, an increase of \$474,116 or 15.3%.

Gross Profit

DataLogiq gross profit was \$723,068 for the three months ended September 30, 2020 compared to \$1,401,703 for the same period in 2021, an increase of \$678,635 or 93.9%. Gross profit margin was 18.9% for the three months ended September 30, 2020 compared to 28.2% for the same period in 2021. The increase is due to an increase in our data monetization revenues and a decrease in our overall customer acquisition costs.

Depreciation and amortization

DataLogiq depreciation and amortization expenses were \$424,141 for the three months ended September 30, 2020 compared to \$999,647 for the same period in 2021, an increase of \$575,506 or 135.7%. The increase is due to the acquisitions of Fixel AI in November 2020 and Rebel AI in March 2021 and the depreciation and amortization expense associated with those subsidiaries.

General and administrative

DataLogiq general and administrative expenses were \$1,059,042 for the three months ended September 30, 2020 compared to \$2,634,141 for the same period in 2021, an increase of \$1,575,009 or 148.7%. The increase is due to increase in payroll related costs and employee headcount to help support the growth of the business.

Sales and marketing

DataLogiq sales and marketing expenses include those expenses required to support our sales efforts and includes sales commissions and consultants. Sales and marketing expenses were \$85,913 for the three months ended September 30, 2020 compared to \$424,676 for the same period in 2021, an increase of \$338,763 or 394.3%. The increase is primarily due to the increased incentive compensation for our sales teams and the inclusion of Fixel's and Rebel's sales and marketing costs.

Research and development

DataLogiq research and development expenses were \$68,467 for the three months ended September 30, 2020 compared to \$190,347 for the same period in 2021, an increase of \$121,880 or 178%. Research and development costs include developers that support and enhance our technologies. The increase in research and development is due to the acquisition of Fixel AI and Rebel AI and the research and development expenses from that business unit.

(Loss) from Operations

DataLogiq's loss from operations was \$(2,847,108) for the three months ended September 30, 2021 compared to \$(914,495) for the same period in 2020.

Other Income/(Expenses)

For the three months ended September 30, 2021, DataLogiq other income was \$38,616 compared to \$985 for the same period in 2020.

Results of Operations for the Nine Months ended September 30, 2021 and 2020

The following sets forth selected items from our statements of operations and the percentages that such items bear to net sales for the nine months ended September 30, 2021 and 2020. The consolidated results include Logiq, Inc. (a Delaware Corporation), and its subsidiaries, Logiq, Inc. (a Nevada Corporation), Fixel, and Rebel (collectively also known as DataLogiq business segment). Logiq, Inc. (Delaware) results include our business segment AppLogiq.

Consolidated Results of Operations

	For the nine months ended					
	September 30, 2021		September 30, 2020		Change	
Revenue (service)	\$ 24,210,548	100.0%	\$ 31,326,759	100.0%	\$ (7,116,211)	(22.7)%
Cost of revenues (service)	17,230,056	71.2	26,351,514	84.1	(9,121,458)	(34.6)
Gross profit	6,980,492	28.8	4,975,245	15.9	2,005,247	40.3
Depreciation and amortization	2,751,208	11.4	1,354,674	4.3	1,396,534	103.1
General and administrative	14,296,952	59.1	6,346,531	20.3	7,950,421	125.3
Sales and marketing	1,198,479	5.0	697,190	2.2	501,289	71.9
Research and development	4,010,239	16.6	3,681,162	11.8	329,077	8.9
Total operating expenses	22,256,878	91.9	12,079,557	38.6	10,177,321	84.3
(Loss) from operations	(15,276,386)	(63.1)	(7,104,312)	(22.7)	(8,172,074)	115.0
Other (Expenses)/Income, net	456,032	1.88	(262,876)	(0.84)	718,908	(273.5)
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(14,820,354)	(61.2)	(7,367,188)	(23.5)	(7,453,166)	101.2
Income tax (expense)	(10,441)	(0)	-	-	(10,441)	(0)
Net (Loss)	(14,830,795)	(61.3)	(7,367,188)	(23.5)	(7,463,607)	101.3

Logiq (Delaware) including AppLogiq results of operations

	For the nine months ended					
	September 30, 2021		September 30, 2020		Change	
Revenue (service)	\$ 8,134,352	100.0%	\$20,645,584	100.0%	\$ (12,511,232)	(60.6)%
Cost of revenues (service)	5,595,014	68.8	17,513,193	84.8	(11,918,179)	(68.1)
Gross profit	2,539,338	31.2	3,132,391	15.2	(593,053)	(18.9)
Depreciation and amortization	93,852	1.2	82,250	0.4	11,602	14.1
General and administrative	8,240,873	101.3	3,259,419	15.8	4,981,454	152.8
Sales and marketing	122,300	1.5	459,000	2.2	(336,700)	(73.4)
Research and development	3,449,720	42.4	3,498,500	16.9	(48,780)	(1.4)
Total operating expenses	11,906,745	146.4	7,299,169	35.4	4,607,576	63.1
(Loss) from operations	(9,367,407)	(115.2)	(4,166,778)	(20.2)	(5,200,629)	124.8
Other (Expenses)/Income, net	(76,937)	(1)	(8,267)	(0.04)	(68,670)	830.65
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(9,444,344)	(116.1)	(4,175,045)	(20.2)	(5,269,299)	126.2
Income tax (expense)	(10,441)	(0)	-	-	(10,441)	(0)
Net (Loss)	(9,454,785)	(116.2)	(4,175,045)	(20.2)	(5,279,740)	126.5

Logiq (Nevada) including DataLogiq results of operations

	For the nine months ended					
	September 30, 2021		September 30, 2020		Change	
Revenue (service)	\$ 16,076,196	100.0%	\$ 10,681,175	100.0%	\$ 5,395,021	50.5%
Cost of revenues (service)	11,635,042	72.4	8,838,321	82.7	2,796,721	31.6
Gross profit	4,441,154	27.6	1,842,854	17.3	2,598,300	141.0
Depreciation and amortization	2,657,356	16.5	1,272,424	11.9	1,384,932	108.8
General and administrative	6,056,079	37.7	3,087,112	28.9	2,968,967	96.2
Sales and marketing	1,076,179	6.7	238,190	2.2	837,989	351.8
Research and development	560,519	3.5	182,662	1.7	377,857	206.9
Total operating expenses	10,350,133	64.4	4,780,388	44.8	5,569,745	116.5
(Loss) from operations	(5,908,979)	(36.8)	(2,937,534)	(27.5)	(2,971,445)	101.2
Other (Expenses)/Income, net	532,969	3.32	(254,609)	(2.38)	787,578	(309.33)
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(5,376,010)	(33.4)	(3,192,143)	(29.9)	(2,183,867)	68.4
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	(5,376,010)	(33.4)	(3,192,143)	(29.9)	(2,183,867)	68.4

Consolidated Revenue (Service)

Consolidated Revenues were \$24,210,548 and \$31,326,759 for the nine months ended September 30, 2021 and 2020, respectively.

The revenues from the our AppLogiq segment (CreateAPP platform) decreased to \$8,134,352 compared to \$20,645,584 for the nine months ended September 30, 2021 and 2020, respectively, as a result of our strategic shift of targeting high margin end customer segment compared to low margin high volume white label resellers.

Our DataLogiq platform revenues increased to \$16,076,196 compared to \$10,681,175 for the nine months ended September 30, 2021 and 2020, respectively. The nine months ended September 30, 2021 include revenues from Fixel AI and Rebel AI of \$155,157 and \$25,119, respectively.

Consolidated Cost of Revenue (Service)

Consolidated Cost of revenues were \$17,230,056 and \$26,351,514 for the nine months ended September 30, 2021 and 2020, respectively.

The Cost of revenues of the Company's CreateAPP platform decreased to \$5,595,014 from \$17,513,193 for the nine months ended September 30, 2021 and 2020, respectively.

Our DataLogiq platform cost of revenue was \$11,635,042 compared to \$8,838,321 for the nine months ended September 30, 2021 and 2020, respectively.

Consolidated Gross Profit

Our consolidated gross margin increased to \$6,980,492 and \$4,975,245 for the nine months ended September 30, 2021 and 2020, respectively, and our gross profit percentage improved to 28.8% from 15.9% for the nine months ended September 30, 2021 and 2020.

Our AppLogiq (CreateAPP) platform gross margin decreased to \$2,539,338 from \$3,132,391 for the nine months ended September 30, 2021 and 2020, respectively, with an improvement in our gross profit percentage to 31.2% from 15.2% as a result of our strategic shift of targeting high margin end customer segment compared to low margin high volume white label resellers.

Our DataLogiq platform gross margin increased to \$4,441,154 from \$1,842,854 for the nine months ended September 30, 2021 and 2020, respectively, through an improvement in our gross profit percentage to 27.6% from 17.3% for the nine months ended September 30, 2021 and 2020 respectively.

Consolidated Operating Expenses

General and Administrative (G&A)

Consolidated General and administrative expenses were \$14,296,952 and \$6,346,531 for the nine months ended September 30, 2021 and 2020, respectively.

The Company including AppLogiq General and administrative expenses were \$8,240,873 and \$3,259,419 for the nine months ended September 30, 2021 and 2020, respectively. The increase in the nine months ended September 30, 2021 reflects stock compensation costs including \$739,026 issued to DataLogiq team members, related legal & professional costs increase due to preparatory work for uplisting on both NEO and NASDAQ exchanges and IR/PR related costs.

Our DataLogiq platform General and administrative expenses were \$6,056,079 and \$3,087,112 for the nine months ended September 30, 2021 and 2020, respectively. The increase was partly as a result of inclusion of Fixel AI and Rebel AI General and administrative expenses of \$369,861 and \$592,487 respectively together with new hires in the branding and operations management.

Stock-based compensation

Stock-based compensation expenses for the nine months ended September 30, 2021 and 2020 was \$3,501,236 and \$309,580, respectively, reflecting the Company's efforts in our uplisting through an initial public offering exercise and S-3 shelf registration.

Sales and Marketing (S&M)

Consolidated Sales and Marketing expenses were \$1,198,479 and \$697,190 for the nine months ended September 30, 2021 and 2020, respectively. This includes our DataLogiq platform Sales and Marketing expenses of \$1,076,179 and \$238,190 for the nine months ended September 30, 2021 and 2020, respectively which reflects increased incentive compensation for sales teams and the inclusion of Fixel's and Rebel's sales and marketing costs.

Research and Development (R&D)

Consolidated Research and Development expenses were \$4,010,239 and \$3,681,162 for the nine months ended September 30, 2021 and 2020, respectively.

Our AppLogiq (CreateAPP) platform Research and Development (R&D) expenses were \$3,449,720 and \$3,498,500 for the nine months ended September 30, 2021 and 2020, respectively. AppLogiq continued development of the Company's system support knowledge base, integrated various functionality and data of the AtoZGo delivery service and the AtoZPay payment facility and other internal systems in the nine months ended September 30, 2021. In addition, we developed a data mining and analytics dashboard for the AtoZGo delivery service.

Our DataLogiq platform Research and Development (R&D) expenses were \$560,519 and \$182,662 for the nine months ended September 30, 2021 and 2020, respectively.

Consolidated Other Income/(Expenses)

Consolidated Other income (expenses), net was \$456,032 and (\$262,876) for the nine months ended September 30, 2021 and 2020, respectively. The increase was from our DataLogiq platform received income of \$532,968 mainly from the PPP loan forgiveness as compared to a change in fair value in same period in 2020.

There was a movement in change in fair value of (\$78,040) on disposal of this fund for the nine month period ended September 30, 2021.

Consolidated Net (Loss) Before Income Tax

The Company reported a Consolidated net loss of (\$14,830,795) and (\$7,367,188) for the nine months ended September 30, 2021 and 2020, respectively.

The Company incorporating our AppLogiq (CreateAPP) platform incurred a net loss of (\$9,454,785) and (\$4,175,045) for the nine months ended September 30, 2021 and 2020, respectively.

Our DataLogiq platform incurred a net loss of (\$5,376,010) and (\$3,192,143) for the nine months ended September 30, 2021 and 2020 respectively.

Consolidated Income Tax (Expense)

No provision for corporate taxes is made, as the Company incurred a loss and has unutilized loss carryforwards.

Logiq Inc. (Delaware) including AppLogiq Results of Operations

Revenue (Service)

Our AppLogiq segment, with the change in focus away from bulk white label distributors to direct marketing end users, reduced our revenues by 60.6% to \$8,134,352 from \$20,645,584 in the same period in FY2020. Although the reduction was significant, we improved our gross profit margins to 31.2% up from 15.2%.

Cost of Revenue (Service)

AppLogiq Cost of Service revenues were \$5,595,014 and \$17,513,193 for the nine months ended September 30, 2021 and 2020, respectively, as a result of reduced revenues.

Gross Profit

AppLogiq Gross Profit contribution was \$2,539,338 and \$3,132,391 for the nine months ended September 30, 2021 and 2020, respectively. Gross Profit margin improved to 31.2% from 15.2% for the nine months ended September 30, 2021 and 2020, respectively, as a result of the change in strategic focus from bulk white label distributors to direct marketing end users.

General and Administrative (G&A)

AppLogiq G&A expenses was \$8,240,873 and \$3,259,419 for the nine months ended September 30, 2021 and 2020, respectively, and the stock based compensation was \$3,501,236 and \$309,580 for the same periods. The increase in the nine months ended September 30, 2021 includes \$3,191,657 stock based compensation costs for shares issued to consultants, director and to DataLogiq team members. Other G&A cash expenses include legal & professional costs increase of \$810,180, consultants \$693,174 due to our uplisting exercise and IR/PR related costs and team costs \$423,720 in preparation for for uplisting on both NEO and NASDAQ exchanges and IR/PR related costs.

Consultancy fees including stock based compensation were \$3,072,392 and \$1,126,182 for the nine months ended September 30, 2021 and 2020, respectively.

Legal & professional fees including stock based compensation was \$1,262,123 and \$447,943 for the nine months ended September 30, 2021 and 2020, respectively.

There was an increase in both Consultancy fees and Legal & professional fees due to uplisting applications on both NEO and NASDAQ exchanges in 2021 and 2020 respectively.

Sales and Marketing (S&M)

AppLogiq S&M expense was \$122,300 and \$459,000 for the nine months ended September 30, 2021 and 2020, respectively, as a result of engaging in market awareness campaigns.

Research and Development (R&D)

AppLogiq Research and Development expense was \$3,449,720 and \$3,498,500 for nine months ended September 30, 2021 and 2020, respectively.

The lower expense reflects a decrease in spending on features for lower margin accounts serviced through bulk white-label distributors the contracts of which have subsequently been terminated from a change in our strategic focus. The Company continued development of the Company's system support knowledge base, integrated various functionality and data of the AtoZGo delivery service and the AtoZPay payment facility and other internal systems in the nine months ended September 30, 2021. In addition, we developed a data mining and analytics dashboard for the AtoZGo delivery service.

(Loss) from Operations

AppLogiq and the Company posted a loss from operations of \$(9,367,407) and \$(4,166,778) for the nine months ended September 30, 2021 and 2020, respectively. Our loss increased as a result of change in strategic focus from bulk white label distributors to direct marketing end users. In addition, our General and Administrative increased was due to legal and compliance costs relating to our uplisting application through an initial public offering on NEO exchange and the increase in retainers for certain head office team members.

Other Income/(Expenses)

AppLogiq experienced a loss on change in fair value of (\$76,937) and (\$8,267) for the nine months ended September 30, 2021 and 2020, respectively, arising on disposal of our financial asset fund.

Logiq Inc. (Nevada) including DataLogiq Results of Operations

Revenue (Service)

DataLogiq revenues were \$10,681,175 for the nine months ended September 30, 2020 compared to \$16,076,196 for the same period in 2021, an increase of \$5,395,021 or 50.5%. The increase in revenues is primarily a result of increasing our focus on the data monetization business.

Cost of Revenue (Service)

DataLogiq Cost of revenue was \$8,838,321 for the nine months ended September 30, 2020 compared to \$11,635,042 for the same period in 2021, an increase of \$2,796,721 or 31.6%.

Gross Profit

DataLogiq gross profit was \$1,842,854 for the nine months ended September 30, 2020 compared to \$4,441,154 for the same period in 2021, an increase of \$2,598,300 or 141.0%. Gross profit margin was 17.3% for the nine months ended September 30, 2020 compared to 27.6% for the same period in 2021. The increase is due to an increase in our data monetization revenues and a decrease in our overall customer acquisition costs.

Depreciation and amortization

DataLogiq depreciation and amortization expenses were \$1,272,424 for the nine months ended September 30, 2020 compared to \$2,657,356 for the same period in 2021, an increase of \$1,384,932 or 108.8%. The increase is due to the acquisitions of Fixel AI in November 2020 and Rebel AI in March 2021 and the depreciation and amortization expense associated with those subsidiaries.

General and administrative

DataLogiq general and administrative expenses were \$3,087,112 for the nine months ended September 30, 2020 compared to \$6,056,079 for the same period in 2021, an increase of \$2,968,967 or 96.2%. The increase is due to increase in payroll related costs and employee headcount to help support the growth of the business and the acquisitions of Fixel and Rebel.

Sales and marketing

DataLogiq sales and marketing expenses include those expenses required to support our sales efforts and includes sales commissions and consultants. Sales and marketing expenses were \$238,190 for the nine months ended September 30, 2020 compared to \$1,076,179 for the same period in 2021, an increase of \$837,989 or 351.8%. The increase is primarily due to the increased incentive compensation for our sales teams and the inclusion of Fixel's and Rebel's sales and marketing costs.

Research and development

DataLogiq research and development expenses were \$182,662 for the nine months ended September 30, 2020 compared to \$560,519 for the same period in 2021, an increase of \$377,857 or 206.9%. Research and development costs include developers that support and enhance our technologies. The increase in research and development is due to the acquisition Fixel AI and the research and development expenses from that business unit.

(Loss) from Operations

DataLogiq's loss from operations was \$(5,908,979) for the nine months ended September 30, 2021 compared to \$(2,937,534) for the same period in 2020.

Other Income/(Expenses)

In the nine months ended September 30, 2021, DataLogiq other income of \$532,969 was mainly from the PPP loan forgiveness.

Liquidity and Capital Resources

As of September 30, 2021, the Company had working capital of \$12,798,971. During the nine month period ended September 30, 2021, our primary sources of capital came from (i) cash flows from our operations, predominantly from providing services under our AppLogiq platform and DataLogiq platform, (ii) existing cash, (iii) government loans, (iii) the March 2021 sales of 100,000 shares of the Company's common stock for gross proceeds of approximately \$500,000, (iv) the April 2021 sale of 429,000 shares of the Company's common stock for gross proceeds of approximately \$1,774,691 before deducting offering expenses, (v) the June 2021 sale of 1,976,434 Units in connection with the Company's Offering in Canada for gross proceeds of approximately \$4,742,303 before deducting offering expenses, and (vi) the August 2021 sale of 1,668,042 shares of the Company's common stock (along with warrants to purchase 1,668,042 shares of the Company's common stock) for gross proceeds of approximately \$4,003,301 before deducting offering expenses.

Although there are signs that COVID-19 may begin to taper off, COVID-19 still has an impact on worldwide economic activity, and the ongoing effects of the COVID-19 pandemic has adversely impacted, and may continue to adversely impact, many aspects of our business. In response to the COVID-19 pandemic, many state, local, and foreign governments have put in place restrictions in order to control the spread of the disease. Such restrictions, or the perception that further restrictions could occur, have resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, travel restrictions, and cancellation or postponement of events, among other effects that impacted productivity and disrupted our operations and those of our partners, suppliers, contractors, vendors, and customers.

One way that COVID-19 has directly affected our operations is that some of the Company's resellers and white label distributors located in South East Asia have been impacted by the COVID-19 pandemic. In particular, PAY/GoLogiq associate revenues have been reduced as offices and compulsory lock down protocols are still being implemented in these regions, and the Company's management expects that such measures will be in force until the majority of the populous have been vaccinated through to the end of calendar year 2021.

During the pandemic, as state, local, and foreign governments implemented (and may continue to implement) preventative measures to contain or mitigate the outbreak of COVID-19, the usage of our products and services fluctuated, and we cannot predict how usage levels will continue to be impacted by these preventative measures. There is no assurance that customers will continue to use our products and services, or to the same extent, as the COVID-19 pandemic begins to taper off or when it has ended. As a result, it has been difficult to accurately forecast our revenues or financial results, especially given that the near and long term impact of the pandemic remains uncertain. In addition, while the potential impact and duration of the COVID-19 pandemic on the economy and our business in particular may be difficult to assess or predict, the pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, and may reduce our ability to access additional capital, which could negatively affect our liquidity in the future. Our results of operations could be materially below our forecasts as well, which could adversely affect our results of operations, disappoint analysts and investors, or cause our stock price to decline.

Furthermore, a decrease in the usage of our products and services in a given period could negatively affect our revenues in future periods. The COVID-19 pandemic may also have the effect of heightening many of the other risks described in the "Risk Factors" section of our December 31, 2020 Annual Report on Form 10-K. We may take further actions that alter our operations as may be required by federal, state, or local authorities, or which we determine are in our best interests. While much of our operations can be performed remotely, certain activities require personnel to be on-site, and our ability to carry out these activities have been, and may continue to be negatively impacted if our employees or local personnel are not able to travel. In addition, for activities that may be conducted remotely, there is no guarantee that we will be as effective while working remotely because our team is dispersed and many employees and their families have been negatively affected, mentally or physically, by the COVID-19 pandemic. Decreased effectiveness and availability of our team could harm our business. In addition, we may decide to postpone or cancel planned investments in our business in response to changes in our business as a result of the spread of COVID-19, which may impact our ability to attract and retain customers and our rate of innovation, either of which could harm our business.

We do not yet know the full extent of potential delays or impacts on our business, operations, or the global economy as a whole. While there have recently been vaccines developed and administered, and certain government orders and restrictions in particular cities, counties, and states have been lifted as the spread of COVID-19 starts to get contained and mitigated, we cannot predict the timing of the vaccine roll-out globally or the efficacy of such vaccines, and we do not yet know how businesses, customers, contractors, vendors, distributors, or our partners will operate in a post COVID-19 environment, especially if additional or supplemental governmental orders, limitations, and restrictions are reinstated. There may be additional costs or impacts to our business and operations, including when we are able to resume in-person activities, travel, and events. In addition, there is no guarantee that a future outbreak of this or any other widespread epidemics will not occur, or that the global economy will recover, either of which could harm our business.

Although the Company's revenue growth during the nine months period ended September 30, 2021 and the prior year slowed due to the effects of COVID-19, the Company was able to mitigate the effects, to some degree, of the reduced revenue attributable to the economic impact of COVID-19 as a result of a shift of targeting high margin end customer segment compared to low margin high volume white label resellers, and implementing cost containment measures.

Our sources of liquidity and cash flows are used to fund ongoing operations, research and development projects for new products and technologies, and provide ongoing support services for our customers. Over the next two fiscal years, we anticipate that we will use our liquidity and cash flows from our operations to fund our growth, particularly to grow our data sales. In addition, as part of our business strategy, we occasionally evaluate potential acquisitions of businesses, products and technologies, and minority equity investments. Accordingly, a portion of our available cash may be used at any time for the acquisition of complementary products or businesses or minority equity investments. Such potential transactions may require substantial capital resources, which may require us to seek additional debt or equity financing. We cannot assure you that we will be able to successfully identify suitable acquisition or investment candidates, complete acquisitions or investments, integrate acquired businesses into our current operations, or expand into new markets. Furthermore, we cannot provide assurances that additional financing will be available to us in any required time frame and on commercially reasonable terms, if at all.

As of September 30, 2021, we had budgeted capital expenditures. Our capex & R&D plans are dependent on the availability of working capital and is able to be scaled back without penalty as required.

We know of no material trends in our capital trends aside from the funds to be raised in future offerings. We have focused our resources behind a plan to grow our data sales, where we have a technology advantage and higher margins. If we are successful in implementing our plan, we expect to return to a positive cash flow from operations. However, there is no assurance that we will be able to achieve this objective.

We know of no trends or demands reasonably likely to affect liquidity other than those listed under the section titled, “Risk Factors” in this quarterly report.

The following table summarizes our cash flows for the nine months ended September 30, 2021 and 2020:

Cash flows:	For the nine months September 30,	
	2021	2020
Net cash (used in) operating activities	\$ (12,411,838)	\$ (4,666,169)
Net cash (used in) provided by investment activities	\$ (677,682)	\$ 1,135,521
Net cash provided by financing activities	\$ 14,961,904	\$ 5,405,283

Operating Activities

During the nine months ended September 30, 2021, (loss) from operations used (\$15,276,386), compared to (\$7,104,312) for the nine months ended September 30, 2020. Our net (loss) for the nine months ended September 30, 2021 increased to (\$14,830,795) and (\$7,367,188) respectively compared to the same period last year. Depreciation and amortization increased to \$2,751,208, compare to \$1,354,674 in the same period last year as a result of acquisitions of Fixel AI and Rebel AI. Movement in changes in operating assets and liabilities was \$12,411,838 and \$4,666,169 as a result of increase in accounts receivable, accounts payable and accrued liabilities in our DataLogiq segment. Accrued liabilities in our AppLogiq segment increased in the nine months ended September 30, 2021 as a result of an increase in professional fees as compared to the same period last year due to the acquisition of the DataLogiq segment, its subsidiaries and NEO IPO and related uplisting accruals.

Investing Activities

During the nine months ended September 30, 2021, we used cash of (\$677,682) in investing activities as the Company’s financial asset investment portfolio based and managed in the US was reduced and a lower amount advanced to our associate, compared to net cash provided of \$1,135,521 during the nine months ended September 30, 2020 arising from net restricted cash acquired in acquisitions.

Financing Activities

During the nine months ended September 30, 2021, we generated \$14,961,904 from financing activities, compared to \$5,405,283 for the nine months ended September 30, 2020, primarily from the proceeds from the sale of common stock, our NEO IPO net proceeds, S-3 shelf and other private placements.

We estimate that based on current plans, assumptions and fund raising plans, that our available cash and the cash we generate from our core operations will generally be sufficient to satisfy our budgeted capital expenditures, which are capable of being scaled back without penalty, under our present operating expectations. Based on the foregoing, we have sufficient working capital to fund our existing operations and obligations. However, we shall continue to evaluate our capital expenditure needs based upon factors including our growth rate, the timing and extent of spending to support development efforts, the expansion of our sales and marketing, the timing of new product introductions, and the continuing market acceptance of our products and services. If cash generated from operations is insufficient to satisfy our capital requirements, we may open a revolving line of credit with a bank, or we may have to sell additional equity or debt securities or obtain expanded credit facilities to fund our operating expenses, or delay our expansion plans or pay our obligations, diversify our geographical reach, and grow our Company. In the event such financing is needed in the future, there can be no assurance that such financing will be available to us, or, if available, that it will be in amounts and on terms acceptable to us. If we cannot raise additional funds when we need or want them, our operations and prospects could be negatively affected. However, if cash flows from operations become insufficient to continue operations at the current level, and if no additional financing were obtained, then management would restructure the Company in a way to preserve its business while maintaining expenses within operating cash flows.

Critical Accounting Policies

For a description of our critical accounting policies, see Note 2 – Summary of Significant Accounting Policies in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Recently Issued or Newly Adopted Accounting Standards

For a description of our recently issued accounting pronouncements, see Note 2 – Summary of Significant Accounting Policies in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any legal proceedings, litigation or claims, nor are aware of any pending, threatened, or unasserted claims, which, if determined adversely to us, would have a material adverse effect on our business, financial condition, results of operations or cash flows. We may from time to time, be a party to litigation and subject to claims incident to the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

Please carefully consider the information set forth in this Quarterly Report on Form 10-Q and the risk factors discussed in Part I, Item 1 A. of our Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect our business, financial condition or future results. In evaluating our business, you should carefully consider the risk factors discussed in our Annual Report on Form 10-K, as updated by our subsequent filings under the Exchange Act. The occurrence of any of the risks discussed in such filings, or other events that we do not currently anticipate or that we currently deem immaterial, could harm our business, prospects, financial condition and results of operations. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

RISKS RELATED TO OUR BUSINESS

We are subject to risks associated with changing technologies in the mobile apps industry, which could place us at a competitive disadvantage.

The successful implementation of our business strategy requires us to continuously evolve our existing solutions and introduce new solutions to meet customers' needs. We believe that our customers rigorously evaluate our solution and service offerings on the basis of a number of factors, including, but not limited to: quality; price competitiveness; technical expertise and development capability; innovation; reliability and timeliness of delivery; operational flexibility; customer service; and overall management.

Our success depends on our ability to continue to meet our customers' changing requirements and specifications with respect to these and other criteria. There can be no assurance that we will be able to address technological advances or introduce new offerings that may be necessary to remain competitive within the mobile apps industry.

Systems failures could cause interruptions in our services or decreases in the responsiveness of our services which could harm our business.

If our systems fail to perform for any reason, we could experience disruptions in operations, slower response times, or decreased customer satisfaction. Our ability to host mobile apps successfully and provide high quality customer service depends on the efficient and uninterrupted operation of our hosting company's computer and communications hardware and software systems. Although unlikely, our hosting company's systems are vulnerable to damage or interruption from human error, natural disasters, power loss, telecommunication failures, break-ins, sabotage, computer viruses, intentional acts of vandalism, and similar events. Any systems failure that causes an interruption in our services or decreases the responsiveness of our services could impair our reputation, damage our brand name, and materially adversely affect our business, financial condition and results of operations and cash flows.

If our security is breached, our business could be disrupted, our operating results could be harmed, and customers could be deterred from using our products and services.

Our business relies on the secure electronic transmission, storage, and hosting of sensitive information, including financial information, and other sensitive information relating to our customers, company, and workforce. As a result, we face some risk of a deliberate or unintentional incident involving unauthorized access to our computer systems (including, among other methods, cyber- attacks or social engineering) that could result in misappropriation or loss of assets or sensitive information, data corruption, or other disruption of business operations. In light of this risk, we have devoted significant resources to protecting and maintaining the confidentiality of our information, including implementing security and privacy programs and controls, training our workforce, and implementing new technology. We have no guarantee that these programs and controls will be adequate to prevent all possible security threats. We believe that any compromise of our electronic systems, including the unauthorized access, use, or disclosure of sensitive information or a significant disruption of our computing assets and networks, would adversely affect our reputation and our ability to fulfill contractual obligations, and would require us to devote significant financial and other resources to mitigate such problems, and could increase our future cyber security costs. Moreover, unauthorized access, use, or disclosure of such sensitive information could result in contractual or other liability. In addition, any real or perceived compromise of our security or disclosure of sensitive information may result in lost revenues by deterring customers from using or purchasing our products and services in the future or prompting them to use competing service providers.

Delays in the release of new or enhanced products or services or undetected errors in our products or services may result in increased cost to us, delayed market acceptance of our products, and delayed or lost revenue.

To achieve market acceptance, new or enhanced products or services can require long development and testing periods, which may result in delays in scheduled introduction. Any delays in the release schedule for new or enhanced products or services may delay market acceptance of these products or services and may result in delays in new or existing customers from using these new or enhanced products or services or the loss of new or existing customers. In addition, new or enhanced products or services may contain a number of undetected errors or “bugs” when they are first released. Although we extensively test each new or enhanced product or service before it is released to the market, there can be no assurance that significant errors will not be found in existing or future releases. As a result, in the months following the introduction of certain releases, we may need to devote significant resources to correct these errors. There can be no assurance, however, that all of these errors can be corrected.

Defects or errors in our applications could harm our reputation, result in significant cost to us and impair our ability to market our products and services.

Our applications may contain defects or errors, some of which may be material. Errors may result from our own technology or from the interface of our cloud-based solutions with legacy systems and data, which we did not develop. The risk of errors is particularly significant when a new product is first introduced or when new versions or enhancements of existing products are released. The likelihood of errors is increased when we do more frequent releases of new products and enhancements of existing products. We have, from time to time, found defects in our applications. Although these past defects have not resulted in any litigation against us to date, we have invested significant capital, technical, managerial, and other resources to investigate and correct these past defects and we have needed to divert these resources from other development efforts. In addition, material performance problems or defects in our applications may arise in the future. Material defects in our cloud-based solutions could result in a reduction in sales, delay in market acceptance of our applications, or credits or refunds to our customers. In addition, such defects may lead to the loss of existing customers and difficulty in attracting new customers, diversion of development resources, or harm to our reputation. Correction of defects or errors could prove to be impossible or impractical. The costs incurred in correcting any defects or errors or in responding to resulting claims or liability may be substantial and could adversely affect our operating results.

If we are not able to reliably meet our data storage and management requirements, or if we experience any failure or interruption in the delivery of our services over the Internet, customer satisfaction and our reputation could be harmed and customer contracts may be terminated.

As part of our current business model, we deliver our applications over the Internet and store and manage hundreds of terabytes of data for our customers, resulting in substantial information technology infrastructure and ongoing technological challenges, which we expect to continue to increase over time. If we do not reliably meet these data storage and management requirements, or if we experience any failure or interruption in the delivery of our services over the Internet, customer satisfaction and our reputation could be harmed, leading to reduced revenues and increased expenses. Our hosting services are subject to service-level agreements and, in the event that we fail to meet guaranteed service or performance levels, we could be subject to customer credits or termination of these customer contracts. If the cost of meeting these data storage and management requirements increases, our results of operations could be harmed.

Upgrading our products and services could result in implementation issues and business disruptions.

We update our products and services on a periodic basis. In doing so, we face the possibility that existing customers will find the updated product and/or service unacceptable, or new customers may not be as interested as they have been in the past versions. Furthermore, translation errors might introduce new software and/or technical bugs that will not be caught.

New entrants and the introduction of other platforms in our markets may harm our competitive position.

The markets for development, distribution, and sale of offering SMBs a platform to create mobile apps for their business are rapidly evolving. New entrants seeking to gain market share by introducing new technology, new products, and new platforms may make it more difficult for us to sell our products which could create increased pricing pressure, reduced profit margins, increased sales and marketing expenses, or the loss of market share or expected market share, any of which may significantly harm our business, operating results and financial condition.

Our future success depends on our ability to develop and successfully introduce new and enhanced products that meet the needs of our customers.

Our sales depend on our ability to anticipate our existing and prospective customers' needs and develop products that address those needs. Our future success will depend on our ability to design new products, anticipate technological improvements and enhancements, and to develop products that are competitive in the rapidly changing mobile apps industry. Introduction of new products and product enhancements will require coordination of our efforts with our customers to develop products that offer performance features desired by our customers and performance and functionality superior or more cost effective than solutions offered by our competitors. If we fail to coordinate these efforts, develop product enhancements or introduce new products that meet the needs of our customers as scheduled, our operating results will be materially and adversely affected, and our business and prospects will be harmed. We cannot assure that product introductions will meet our anticipated release schedules or that our products will be competitive in the market. Furthermore, given the rapidly changing nature of the mobile apps market, there can be no assurance our products and technology will not be rendered obsolete by alternative or competing technologies.

Our cost structure is partially fixed. If our revenues decline and we are unable to reduce our costs, our profitability will be adversely affected.

Our cost structure is partially fixed, and if our revenues decrease, these fixed costs will not be reduced. We base our cost structure on historical and expected levels of demand for our services, as well as our fixed operating infrastructure, such as computer hardware, software, and staffing levels. If demand for our services declines, and as a result, our revenues decline, we may not be able to adjust our cost structure on a timely basis and our profitability may be materially adversely affected.

Attrition of customers and failure to attract new customers could have a material adverse effect on our business, financial condition and results of operations, and cash flows.

Although we offer mobile apps designed to support and retain our customers, our efforts to attract new customers or prevent attrition of our existing customers may not be successful. If we are unable to retain our existing customers or acquire new customers in a cost-effective manner, our business, financial condition and results of operations, and cash flows would likely be adversely affected. Although we have spent significant resources on business development and related expenses and plan to continue to do so, these efforts may not be cost-effective at attracting new customers.

Our ability to sustain or increase revenues will depend upon our success in entering new markets, continuing to increase our customer base, and in deriving additional revenues from our existing customers.

One component of our overall business strategy is to derive more revenues from our existing customers by expanding their use of our products and services. Such strategy would have our customers utilize our PaaS platforms and our tools and components to leverage vast amounts of information stored in both corporate databases and public data sources in order to make informed business decisions during the research and development process. In addition, we seek to expand into new markets, and new areas within our existing markets, by potentially acquiring businesses in these markets, attracting and retaining personnel knowledgeable in these markets, identifying the needs of these markets, and developing marketing programs to address these needs. If successfully implemented, these strategies could increase the usage of our PaaS platforms from SMBs operating within our existing customer base, as well as by new customers in other industries. However, if our strategies are not successfully implemented, our products and services may not achieve market acceptance or penetration in targeted new departments within our existing customers or in new industries. As a result, we may incur additional costs and expend additional resources without being able to sustain or increase revenue.

If we are not successful in selecting and integrating the businesses and technologies we acquire, or in managing our current and future divestitures, our business may suffer.

Over the years, we have expanded our business through acquisitions. We continue to search to acquire businesses and technologies and form strategic alliances. However, businesses and technologies may not be available on terms and conditions we find acceptable. We risk spending time and money investigating and negotiating with potential acquisition or alliance partners, but not completing transactions. Even if completed, acquisitions and alliances involve numerous risks which may include: difficulties in achieving business and continuing financial success; difficulties and expenses incurred in assimilating and integrating operations, services, products, technologies, or pre-existing relationships with our customers, distributors, and suppliers; challenges with developing and operating new businesses, including those which are materially different from our existing businesses and which may require the development or acquisition of new internal capabilities and expertise; challenges of maintaining staffing at the acquired entities, including loss of key employees; potential losses resulting from undiscovered liabilities of acquired companies that are not covered by the indemnification we may obtain from the seller(s); the presence or absence of adequate internal controls and/or significant fraud in the financial systems of acquired companies; diversion of management's attention from other business concerns; acquisitions could be dilutive to earnings, or in the event of acquisitions made through the issuance of our common stock to the shareholders of the acquired company, dilutive to the percentage of ownership of our existing shareholders; new technologies and products may be developed which cause businesses or assets we acquire to become less valuable; and risks that disagreements or disputes with prior owners of an acquired business, technology, service, or product may result in litigation expenses and distribution of our management's attention. In the event that an acquired business or technology or an alliance does not meet our expectations, our results of operations may be adversely affected.

Some of the same risks exist when we decide to sell a business, site, product line, or division. In addition, divestitures could involve additional risks, including the following: difficulties in the separation of operations, services, products, and personnel; and the need to agree to retain or assume certain current or future liabilities in order to complete the divestiture. We evaluate the performance and strategic fit of our businesses. These and any divestitures may result in significant write-offs, including those related to goodwill and other intangible assets, which could have an adverse effect on our results of operations and financial condition. In addition, we may encounter difficulty in finding buyers or alternative exit strategies at acceptable prices and terms and in a timely manner. We may not be successful in managing these or any other significant risks that we encounter in divesting a business, site, product line, or division, and as a result, we may not achieve some or all of the expected benefits of the divestitures.

If we are unable to manage our growth and expand our operations successfully, our business and operating results will be harmed and our reputation may be damaged.

We have expanded our operations significantly since inception and anticipate that further significant expansion will be required to achieve our business objectives. The growth and expansion of our business and product offerings places a continuous and significant strain on our management, operational, and financial resources. Any such future growth would also add complexity to and require effective coordination throughout our organization. To manage any future growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems and controls, and our ability to manage headcount, capital and processes in an efficient manner. We may not be able to successfully implement improvements to these systems and processes in a timely or efficient manner, which could result in additional operating inefficiencies and could cause our costs to increase more than planned. If we do increase our operating expenses in anticipation of the growth of our business and this growth does not meet our expectations, our operating results may be negatively impacted. If we are unable to manage future expansion, our ability to provide high quality products and services could be harmed, which could damage our reputation and brand and may have a material adverse effect on our business, operating results, and financial condition.

We may be unable to respond to customers' demands for new mobile app solutions and service offerings, and our business, financial condition and results of operations, and cash flows may be materially adversely affected.

Our customers may demand new mobile app solutions and service offerings. If we fail to identify these demands from customers or update our offerings accordingly, new offerings provided by our competitors may render our existing solutions and services less competitive. Our future success will depend, in part, on our ability to respond to customers' demands for new offerings on a timely and cost-effective basis and to adapt to address the increasingly sophisticated requirements and varied needs of our customers and prospective customers. We may not be successful in developing, introducing or marketing new offerings. In addition, our new offerings may not achieve market acceptance. Any failure on our part to anticipate or respond adequately to customer requirements, or any significant delays in the development, introduction or availability of new offerings or enhancements of our current offerings could have a material adverse effect on our business, financial condition and results of operations and cash flows.

Increasing competition and increasing costs within our customers' industries may affect the demand for our products and services, which may affect our results of operations and financial condition.

Our customers' demand for our products is impacted by continued demand for their products and by our customers' research and development costs, budget costs, and capital expenditures. Demand for our customers' products could decline, and prices charged by our customers for their products may decline, as a result of increasing competition that our customers face in their respective industries. In addition, our customers' expenses could continue to increase as a result of increasing costs of complying with government regulations and other factors. A decrease in demand for our customers' products, pricing pressures associated with the sales of these products, and additional costs associated with product development could cause our customers to reduce their research and development costs, budget costs, and capital expenditures. Although we believe our products can help our customers increase productivity, generate additional sales, and reduce costs in many areas, because our products and services depend on such research and development, budget, and capital expenditures, our revenues may be significantly reduced.

We are subject to pricing pressures in some of the markets we serve.

The market for PaaS for the SMB industry is intensely competitive. In response to increased competition and general adverse economic conditions in this market, we may be required to modify our pricing practices. Changes in our pricing model could adversely affect our revenue and earnings.

We may be unable to respond to the evolving industry practices and technology solutions, and our business, financial condition and results of operations and cash flows may be materially adversely affected.

To remain competitive as a mobile app provider, we must continue to invest in research and development of new technology solutions in order to keep up with the ever-evolving industry practices and enhancements to our existing solutions. The process of developing new technologies, products and services is complex and expensive. The introduction of new solutions by our competitors, the market acceptance of competitive solutions based on new or alternative technologies or the emergence of new industry practices could render our solutions less competitive.

We derive a significant percentage of our revenues from a concentrated group of customers and the loss of more than one of our major customers could materially and adversely affect our business, results of operations or financial condition.

The loss of any of our major customers could have a material adverse effect on our results of operations and financial condition. We may not be able to maintain our customer relationships, and our customers may delay payment under, or fail to renew, their agreements with us, which could adversely affect our business, results of operations, or financial condition. Any reduction in the amount of revenues that we derive from these customers, without an offsetting increase in new sales to other customers, could have a material adverse effect on our operating results. A significant change in the liquidity or financial position of our customers could also have a material adverse effect on the collectability of our accounts receivable, our liquidity, and our future operating results.

The loss of any of our major customers could have a material adverse effect on our results of operations and financial condition. We may not be able to maintain our customer relationships, and our customers may delay payment under, or fail to renew, their agreements with us, which could adversely affect our business, results of operations, or financial condition. We may not be able to maintain our customer relationships, and our customers may delay payment under, or fail to renew, their agreements with us, which could adversely affect our business, results of operations, or financial condition. Any reduction in the amount of revenues that we derive from these customers, without an offsetting increase in new sales to other customers, could have a material adverse effect on our operating results. A significant change in the liquidity or financial position of our customers could also have a material adverse effect on the collectability of our accounts receivable, our liquidity, and our future operating results.

However, with the new business segment of DataLogiq, on a consolidated revenue basis, there is no significant customer concentration in the three months ended September 30, 2021 and the same period in 2020.

Our insurance coverage may not be sufficient to avoid material impact on our financial position or results of operations resulting from claims or liabilities against us, and we may not be able to obtain insurance coverage in the future.

We maintain insurance coverage for protection against many risks of liability. The extent of our insurance coverage is under continuous review and is modified as we deem it necessary. Despite this insurance, it is possible that claims or liabilities against us may have a material adverse impact on our financial position or results of operations. In addition, we may not be able to obtain any insurance coverage, or adequate insurance coverage, when our existing insurance coverage expires.

We depend on key personnel and may not be able to retain these employees or recruit additional qualified personnel, which could harm our business.

Our success depends to a significant extent on the continued services of our senior management and other members of management. We have contractual agreements with our CEO, CFO, and COO.

If our CEO, CFO, COO, or other members of senior management do not continue in their present positions, our business may suffer. Because of the nature of our business, we are highly dependent upon attracting and retaining qualified personnel. While we have a strong record of employee retention, there is still significant competition for qualified personnel in our industry. Therefore, we may not be able to attract and retain the qualified personnel necessary for the development of our business. The loss of the services of existing personnel, as well as the failure to recruit additional key technical, UX, and managerial personnel in a timely manner, could harm our business.

We must successfully navigate the demand, supply and operational challenges associated with the ongoing coronavirus (COVID-19) pandemic.

Although there are signs that COVID-19 may begin to taper off, COVID-19 still has an impact on worldwide economic activity, and the ongoing effects of the COVID-19 pandemic has adversely impacted, and may continue to adversely impact, many aspects of our business. In response to the COVID-19 pandemic, many state, local, and foreign governments have put in place restrictions in order to control the spread of the disease. Such restrictions, or the perception that further restrictions could occur, have resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, travel restrictions, and cancellation or postponement of events, among other effects that impacted productivity and disrupted our operations and those of our partners, suppliers, contractors, vendors, and customers.

One way that COVID-19 has directly affected our operations is that some of the Company's resellers and white label distributors located in South East Asia have been impacted by the COVID-19 pandemic. In particular, PAY/GoLogiq associate revenues have been reduced as offices and compulsory lock down protocols are still being implemented in these regions, and the Company's management expects that such measures will be in force until the majority of the populous have been vaccinated through to the end of calendar year 2021.

During the pandemic, as state, local, and foreign governments implemented (and may continue to implement) preventative measures to contain or mitigate the outbreak of COVID-19, the usage of our products and services fluctuated, and we cannot predict how usage levels will continue to be impacted by these preventative measures. There is no assurance that customers will continue to use our products and services, or to the same extent, as the COVID-19 pandemic begins to taper off or when it has ended. As a result, it has been difficult to accurately forecast our revenues or financial results, especially given that the near and long term impact of the pandemic remains uncertain. In addition, while the potential impact and duration of the COVID-19 pandemic on the economy and our business in particular may be difficult to assess or predict, the pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, and may reduce our ability to access additional capital, which could negatively affect our liquidity in the future. Our results of operations could be materially below our forecasts as well, which could adversely affect our results of operations, disappoint analysts and investors, or cause our stock price to decline.

Furthermore, a decrease in the usage of our products and services in a given period could negatively affect our revenues in future periods. The COVID-19 pandemic may also have the effect of heightening many of the other risks described in the “Risk Factors” section of our December 31, 2020 Annual Report on Form 10-K. We may take further actions that alter our operations as may be required by federal, state, or local authorities, or which we determine are in our best interests. While much of our operations can be performed remotely, certain activities require personnel to be on-site, and our ability to carry out these activities have been, and may continue to be negatively impacted if our employees or local personnel are not able to travel. In addition, for activities that may be conducted remotely, there is no guarantee that we will be as effective while working remotely because our team is dispersed and many employees and their families have been negatively affected, mentally or physically, by the COVID-19 pandemic. Decreased effectiveness and availability of our team could harm our business. In addition, we may decide to postpone or cancel planned investments in our business in response to changes in our business as a result of the spread of COVID-19, which may impact our ability to attract and retain customers and our rate of innovation, either of which could harm our business.

We do not yet know the full extent of potential delays or impacts on our business, operations, or the global economy as a whole. While there have recently been vaccines developed and administered, and certain government orders and restrictions in particular cities, counties, and states have been lifted as the spread of COVID-19 starts to get contained and mitigated, we cannot predict the timing of the vaccine roll-out globally or the efficacy of such vaccines, and we do not yet know how businesses, customers, contractors, vendors, distributors, or our partners will operate in a post COVID-19 environment, especially if additional or supplemental governmental orders, limitations, and restrictions are reinstated. There may be additional costs or impacts to our business and operations, including when we are able to resume in-person activities, travel, and events. In addition, there is no guarantee that a future outbreak of this or any other widespread epidemics will not occur, or that the global economy will recover, either of which could harm our business.

Although the Company’s revenue growth during the nine months period ended September 30, 2021 and the prior year slowed due to the effects of COVID-19, the Company was able to mitigate the effects, to some degree, of the reduced revenue attributable to the economic impact of COVID-19 as a result of a shift of targeting high margin end customer segment compared to low margin high volume white label resellers, and implementing cost containment measures.

We are subject to risks associated with the operation of a global business.

We derive a significant portion of our total revenue from our operations in international markets. During the three months ended September 30, 2021 and the same period in 2020, 30.2% and 78.7%, respectively, of our total revenue was derived from our international operations. For the year ended December 31, 2019, 100%, of our total revenue was derived from our international operations. In the year ended December 31, 2020, 57% was derived from our international operations. Our global business may be affected by local economic conditions, including inflation, recession, and currency exchange rate fluctuations. In addition, political and economic changes, including international conflicts, including terrorist acts, throughout the world may interfere with our or our customers’ activities in particular locations and result in a material adverse effect on our business, financial condition, and operating results. Potential trade restrictions, exchange controls, adverse tax consequences, and legal restrictions may affect the repatriation of funds into the U.S. Also, we could be subject to unexpected changes in regulatory requirements, the difficulties of compliance with a wide variety of foreign laws and regulations, potentially negative consequences from changes in or interpretations of U.S. and foreign tax laws, import and export licensing requirements, and longer accounts receivable cycles in certain foreign countries. These risks, individually or in the aggregate, could have an adverse effect on our results of operations and financial condition.

Potential changes in U.S. and international tax law.

Tax proposals to reform corporate tax law are constantly being considered. Proposals include both increasing and reducing the corporate statutory tax rate, broadening the corporate tax base through the elimination or reduction of deductions, exclusions, and credits, implementing a territorial regime of taxation, limiting the ability of U.S. corporations to deduct interest expense associated with offshore earnings, modifying the foreign tax credit rules, and reducing the ability to defer U.S. tax on offshore earnings. These or other changes in the U.S. tax laws could increase our effective tax rate, which would affect our profitability.

Changes in government regulation or in practices relating to mobile apps and e-wallet industries could decrease the need for the products and services we provide.

Governmental agencies throughout the world, including but not limited to the U.S., regulate mobile apps, e-wallets, and the products and services we offer to our customers. Changes in regulations, such as a relaxation in regulatory requirements, or an increase in regulatory requirements that we have difficulty satisfying or that make our products and services less competitive, could eliminate or substantially reduce the demand for our products and services.

Any negative commentaries made by any regulatory agencies or any failure by us to comply with applicable regulations and related guidance could harm our reputation and operating results, and compliance with new regulations and guidance may result in additional costs.

Any negative commentaries made by any regulatory agencies or any failure on our part to comply with applicable regulations could result in the termination of customers using our products and services. This could harm our reputation, our prospects for generating future revenue, and our operating results. If our operations are found to violate any applicable law or other governmental regulations, we might be subject to civil and criminal penalties, damages, and fines. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and damage our reputation.

Current and future litigation against us, which may arise in the ordinary course of our business, could be costly and time consuming to defend.

We are subject to claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes and employment claims made by our current or former employees. Third parties may in the future assert intellectual property rights to technologies that are important to our business and demand back royalties or demand that we license their technology. Litigation may result in substantial costs and may divert management's attention and resources, which may seriously harm our business, overall financial condition, and operating results. Insurance may not cover such claims, may not be sufficient for one or more such claims, and may not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, negatively affecting our business, results of operations, and financial condition.

We could incur substantial costs resulting from product liability claims relating to our products or services or our customers' use of our products or services.

Any failure or errors caused by our products or services could result in a claim for substantial damages against us by our customers, regardless of our responsibility for the failure. Although we are generally entitled to indemnification under our customer contracts against claims brought against us by third parties arising out of our customers' use of our products, we might find ourselves entangled in lawsuits against us that, even if unsuccessful, may divert our resources and energy and adversely affect our business. Further, in the event we seek indemnification from a customer, a court may not enforce our indemnification right if the customer challenges it or the customer may not be able to fund any amounts for indemnification owed to us. In addition, our existing insurance coverage may not continue to be available on reasonable terms or may not be available in amounts sufficient to cover one or more large claims, or the insurer may disclaim coverage as to any future claim.

As a public company, we may incur significant administrative workload and expenses in connection with new and changing compliance requirements.

As a public company with common stock quoted on OTCQX and the NEO Exchange in Canada, we must comply with various laws, regulations and requirements. New laws and regulations, as well as changes to existing laws and regulations affecting public companies, including the provisions of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, rules adopted by the SEC, and Canadian securities legislation may result in increased general and administrative expenses and a diversion of management's time and attention as we respond to new requirements.

There can be no assurance that we will be successful in maintaining our existing contractual relationships with our customers.

Our customers have in the past, and may in the future, negotiate agreements that are short-term and subject to renewal, non-exclusive and/or terminable at the option of the customer on relatively short notice or no notice and without penalty. In the event that such contracts are terminated, the customer is generally required to pay the Company costs associated with any work completed as of the date of the termination. While contract termination is rare, there can be no assurance that long-term contractual relationships will not be terminated, which could adversely affect the Company.

RISKS RELATED TO OUR COMMON STOCK

Our quarterly and annual operating results fluctuate and may continue to fluctuate in the future, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially.

We believe that operating results for any particular quarter are not necessarily a meaningful indication of future results. Nonetheless, fluctuations in our quarterly operating results could negatively affect the market price of our common stock. Our results of operations in any quarter or annual period have varied in the past, and may vary from quarter to quarter or year to year and are influenced by such factors as:

- changes in the general global economy;
- changes in customer budget cycles;
- the number and scope of ongoing customer engagements;
- changes in the mix of our products and services;
- competitive pricing pressures;
- the extent of cost overruns;
- buying patterns of our customers;
- the timing of new product releases by us or our competitors;
- general economic factors, including factors relating to disruptions in the world credit and equity markets and the related impact on our customers' access to capital;
- our earnings releases, actual or anticipated changes in our earnings, fluctuations in our operating results or our failure to meet the expectations of financial market analysts and investors;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- speculation about our business in the press or the investment community;
- significant developments relating to our relationships with our customers or suppliers;
- stock market price and volume fluctuations of other publicly traded companies and, in particular, those that are in our industry;
- customer demand for our business solutions;
- investor perceptions of our industry in general and our Company in particular;
- the operating and stock performance of comparable companies;
- the timing and charges associated with completed acquisitions, divestitures, and other events;
- changes in accounting standards, policies, guidance, interpretation or principles;
- changes in tax laws, rules, regulations, and tax rates in the locations in which we operate;
- exchange rate fluctuations;
- loss of external funding sources;
- sales of our common stock, including sales by our directors, officers or significant stockholders; and
- addition or departure of key personnel.

Securities class action litigation is often instituted against companies following periods of volatility in their stock price. Should this type of litigation be instituted against us, it could result in substantial costs to us and divert our management's attention and resources.

Moreover, securities markets may from time to time experience significant price and volume fluctuations for reasons unrelated to the operating performance of particular companies. These market fluctuations may adversely affect the price of our common stock and other interests in our Company at a time when you may want to sell your interest in our common stock.

If securities or industry analysts issue an adverse opinion regarding our stock or do not publish research or reports about our company, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that equity research analysts publish about us and our business. We anticipate having limited analyst coverage and we may continue to have inadequate analyst coverage in the future. Even if we obtain adequate analyst coverage, we would have no control over such analysts or the content and opinions in their reports. Securities analysts may elect not to provide research coverage of our company and such lack of research coverage may adversely affect the market price of our common stock. The price of our common stock could also decline if one or more equity research analysts downgrade our common stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business. If one or more equity research analysts cease coverage of our company, we could lose visibility in the market, which in turn could cause our stock price to decline.

Substantial future sales of shares of our common stock could cause the market price of our common stock to decline.

The market price of our common stock could decline as a result of substantial sales of our common stock (particularly sales by our directors, executive officers and significant stockholders), a large number of common stock becoming available for sale or the perception in the market that holders of a large number of common stock intend to sell. Moreover, we may enter into agreements with certain holders of our common stock which could give such holders certain rights, subject to some conditions, to require us to file Canadian prospectus or U.S. registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders.

As of November 12, 2021, we have 26,350,756 shares of our common stock outstanding.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our certificate of incorporation and bylaws, as may be amended from time to time, may have the effect of delaying or preventing a change of control or changes in our management. Some of these provisions:

- authorize our board of directors to issue up to 250,000,000 shares of authorized common stock;
- specify that special meetings of our stockholders can be called only by the Chairman of our board of directors, President, or Vice President; and
- provide that stockholders will not be allowed to vote cumulatively in the election of directors;

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us, unless such transaction satisfies certain conditions.

These anti-takeover provisions and other provisions in our certificate of incorporation and bylaws, as may be amended from time to time, make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

Our inability to raise additional capital on acceptable terms in the future may limit our ability to develop and commercialize new solutions and technologies and expand our operations.

If our available cash balances and anticipated cash flow from operations are insufficient to satisfy our liquidity requirements, due to lower demand for our products as a result of other risks described in this “Risk Factors” section, we may seek to raise additional capital through equity offerings, debt financings, collaborations or licensing arrangements. We may also consider raising additional capital in the future to expand our business, pursue strategic investments, take advantage of financing opportunities, develop and exploit existing and new products, expand into new markets, or other reasons.

Additional funding may not be available to us on acceptable terms, or at all. If we raise funds by issuing equity securities, dilution to our stockholders could result. Any equity securities issued also may provide for rights, preferences or privileges senior to those of holders of our common stock. The terms of debt securities issued or borrowings could impose significant restrictions on our operations. The incurrence of indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights, and other operating restrictions that could adversely affect our ability to conduct our business. In addition, the issuance of additional equity securities by us, or the possibility of such issuance, may cause the market price of our common stock to decline. If we do not have, or are not able to obtain, sufficient funds, we may have to delay development or commercialization of our products or license to third parties the rights to commercialize products or technologies that we would otherwise seek to commercialize. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish some rights to our technologies or our products, or to grant licenses on terms that are not favorable to us. If we are unable to raise adequate funds, we may have to liquidate some or all of our assets, or delay, reduce the scope of or eliminate some or all of our development programs. We also may have to reduce marketing, customer support or other resources devoted to our products or cease operations. Any of these actions could harm our business, operating results, and financial condition.

Negative Operating Cash Flow

The Company has negative cash flow from operating activities. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows.

We do not intend to pay dividends for the foreseeable future.

For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on our common stock. Accordingly, investors must be prepared to rely on sales of their common stock after price appreciation to earn an investment return, which may never occur. Investors seeking cash dividends should not purchase our common stock. Any determination to pay dividends in the future will be made at the discretion of our board of directors and will depend on our results of operations, financial condition, contractual restrictions, restrictions imposed by applicable law and other factors our board deems relevant.

RISKS RELATED TO INTELLECTUAL PROPERTY

We may be unable to adequately enforce or defend our ownership and use of our intellectual property and other proprietary rights.

Part of our success is dependent upon our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright, unpatented know-how, and unfair competition laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our employees and consultants to enter into confidentiality, non-competition, and assignment-of-inventions agreements. The steps we take to protect these rights may not be adequate to prevent misappropriation of our technology by third parties, or may not be adequate under the laws of some foreign countries, which may not protect our intellectual property rights to the same extent as do the laws of the United States. Our attempts to protect our intellectual property may be challenged by others or invalidated through administrative process or litigation, and agreement terms that address non-competition are difficult to enforce in many jurisdictions and may not be enforceable in any particular case. In addition, there remains the possibility that others will “reverse engineer” our products in order to introduce competing products, or that others will develop competing technology independently. If we resort to legal proceedings to enforce our intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could be burdensome and expensive, even if we were to prevail. The failure to adequately protect our intellectual property and other proprietary rights may have a material adverse effect on our business, results of operations or financial condition.

Claims by others that we infringe their intellectual property or trade secret rights could harm our business.

Our industry is characterized by vigorous protection and pursuit of intellectual property rights, which has resulted in protracted and expensive litigation for many companies. Third parties may in the future assert claims of infringement of intellectual property rights against us or against our customers or channel partners for which we may be liable. As the number of products and competitors in our market increases and overlaps occur, infringement claims may increase.

Intellectual property or trade secret claims against us, and any resulting lawsuits, may result in our incurring significant expenses and could subject us to significant liability for damages and invalidate what we currently believe are our proprietary rights. Our involvement in any patent dispute or other intellectual property dispute or action to protect trade secrets and know-how could have a material adverse effect on our business. Adverse determinations in any litigation could subject us to significant liabilities to third parties, require us to seek licenses from third parties and prevent us from developing and selling our products. Any of these situations could have a material adverse effect on our business. These claims, regardless of their merits or outcome, would likely be time consuming and expensive to resolve and could divert management's time and attention.

Some of our products and services utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could adversely affect our business.

Some of our products utilize software covered by open source licenses. Open source software is typically freely accessible, usable and modifiable, and is used by our development team in an effort to reduce development costs and speed up the development process. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on unfavorable terms or at no cost. This can subject previously proprietary software to open source license terms. While we monitor the use of all open source software in our products, processes and technology, in some areas of our business we do not have written policies and procedures for managing against the risks of potential copyright or other intellectual property infringement claims made by third parties. Enforcement of such intellectual property rights may have an adverse effect on our business, such as, for example, following inadvertent use of open source software that requires us to disclose or make available the source code to related products.

Failure to adequately protect our trademarks and other intellectual property rights in foreign jurisdictions could adversely affect our business.

We utilize a combination of trademark, trade secret, copyright, unpatented know-how, and unfair competition laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. We believe that having distinctive marks is important to our brand, our success, and our competitive position. The laws of some countries do not protect intellectual property rights to the same extent as do U.S. laws, and there may be different levels of protection and enforceability in different foreign jurisdictions in which we do business. We have not yet pursued a global trademark registration strategy and, as such, we may be unable to successfully protect our brand names and related intellectual property rights or resolve intellectual property conflicts with others, which could adversely affect our business or financial condition. For example, we actively use the AtozPay and AtozGo brand names in Indonesia but have not pursued trademark protection in that jurisdiction to date.

Additionally, the agreements we use in an effort to protect our intellectual property, such as trade secrets, copyrightable works, confidential information, and other proprietary information may be ineffective or insufficient to prevent unauthorized use or disclosure of such information. For example, a party to one of these agreements may breach the agreement and we may not have adequate remedies for such breach. As a result, our proprietary information may become known to others, including our competitors. Furthermore, our competitors or others may independently develop or discover our trade secrets and other proprietary information, which would render them less valuable to us.

RISKS RELATED TO OUR INTERNATIONAL OPERATIONS

Our international sales and operations subject us to additional risks that can adversely affect our operating results and financial condition.

Our international operations subject us to a variety of risks and challenges, including: exposure to fluctuations in foreign currency exchange rates; increased management, travel, infrastructure and legal compliance costs associated with having international operations; reliance on channel partners; increased financial accounting and reporting burdens and complexities; compliance with foreign laws and regulations; compliance with U.S. laws and regulations for foreign operations; and reduced protection for intellectual property rights in some countries and practical difficulties of enforcing rights abroad. Any of these risks could adversely affect our international operations, reduce our international sales or increase our operating costs, adversely affecting our business, operating results and financial condition and growth prospects.

We may be exposed to liabilities under the Foreign Corrupt Practices Act, and any determination that we violated the Foreign Corrupt Practices Act could have a material adverse effect on our business.

We are subject to the Foreign Corrupt Practice Act, or FCPA, and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. persons and issuers as defined by the statute for the purpose of obtaining or retaining business. We have operations, agreements with third parties and make sales in Asia, which may experience corruption. Our activities in Asia create the risk of unauthorized payments or offers of payments by one of the employees, consultants or agents of our company, because these parties are not always subject to our control. It is our policy to implement safeguards to discourage these practices by our employees. Also, our existing safeguards and any future improvements may prove to be less than effective, and the employees, consultants, sales agents or distributors of our Company may engage in conduct for which we might be held responsible. Violations of the FCPA may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the government may seek to hold our Company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

Emerging Market Risk

The Company derives approximately 5% of its sales from emerging markets. Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. The Company's international operations are exposed to political and economic risk, including risks relating to change in government policy. The Company may accordingly be subject to a number of risks stemming from change in exchange rates, inflation, problems with the repatriation of foreign earnings, dividends and investment capital, as well as political instability in the international jurisdictions it operates in. Contractual relationships in emerging markets are subject to heightened risks and the Company may be adversely affected by, among other things, the following risks associated with emerging market economies: (i) political and social instability; (ii) government involvement, including, but not limited to, currency controls and risk of expropriation; (iii) difficulties in enforcing contractual rights; (iv) currency volatility; (v) risk of high inflation; and (vi) infrastructure issues.

The Company's activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on the Company

The Company's operations in foreign jurisdictions may be adversely affected by changes in foreign government policies and legislation, including corporate law, or social instability, and other factors which are not within the Company's control. In addition, in the event of a dispute arising in connection with the Company's operations in a foreign jurisdiction where the Company conducts its business, the Company may be subject to the exclusive jurisdiction of foreign courts, or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or the U.S., or enforcing Canadian or U.S. judgments in such other jurisdictions. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on the Company.

The Company is subject to various risks and requirements associated with transacting business in many countries

The Company's international operations expose it to trade and economic sanctions, export controls and other restrictions imposed by the United States or other governments or organizations. For example, the U.S. Departments of Justice, Commerce, State and Treasury and other U.S. federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, the Foreign Corrupt Practices Act, and other U.S. federal statutes and regulations. Under these laws and regulations, the United States government may require export licenses, may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries, and modifications to compliance programs, which may increase compliance costs and may subject the Company to fines, penalties and other sanctions. A violation of any of these laws or regulations could materially and adversely impact its business, operating results, and financial condition. Furthermore, the Company's personnel could engage in unauthorized conduct for which the Company may be held responsible. Violations of such laws and regulations may result in severe criminal or civil sanctions and the Company may be subject to other liabilities, which could materially and adversely affect its financial results.

The Company's ability to operate in some countries could be restricted by foreign regulations and controls on investments

Many countries restrict, or in the future might restrict, foreign investments in a manner adverse to the Company. These restrictions and controls may in the future restrict or preclude the Company's investment in joint ventures or the acquisition of businesses in certain jurisdictions or may increase the cost to the Company of entering into such transactions. Various governments, particularly in the Asia/Pacific region, require governmental approval before foreign persons may make investments in domestic businesses and also limit the extent of any such investments. Furthermore, various governments may reserve the right to approve the repatriation of capital by, or the payment of dividends to, foreign investors. Restrictive policies regarding foreign investments may increase the Company's costs of pursuing growth opportunities in foreign jurisdictions, which could materially and adversely affect the Company's financial results.

Difficulty in enforcement of judgements

All of our subsidiaries and the majority of our assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise.

The Company's business and the business of its subsidiaries is conducted outside of Canada. All of the Company's directors and officers reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of our directors or officers for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims or otherwise in original actions instituted in foreign jurisdictions. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On March 29, 2021, the Company issued 1,032,056 shares of the Company's common stock in connection with its acquisition of Rebel.

During the nine months ended September 30, 2021, a total of 2,292,135 shares with par value of \$0.0001 per share were issued for consultancy services received including shares issued to Senior Management, Directors, Operational Staff, Legal Consultants, Strategy Advisors and Technology Consultants received, and 6,418,707 shares with par value of \$0.0001 per share were issued to various stockholders and 1,976,434 shares with par value of \$0.0001 per share were issued to various stockholders of the IPO on NEO Exchange in Canada on June 21, 2021.

No underwriters were involved in the transactions described above. All of the securities issued in the foregoing transactions were issued by the Company in reliance upon the exemption from registration available under Section 4(a)(2) of the Securities Act, including Regulation D and/or Regulation S promulgated thereunder, in that the transactions involved the issuance and sale of the Company's securities to financially sophisticated individuals or entities that were aware of the Company's activities and business and financial condition, and took the securities for investment purposes and understood the ramifications of their actions. The Company did not engage in any form of general solicitation or general advertising in connection with the transactions. The individuals or entities represented that they were each an "accredited investor" as defined in Regulation D at the time of issuance of the securities, and that each of such individuals or entities was acquiring such securities for their own account and not for distribution. All certificates, if such certificates were issued in certificated form, representing the securities issued have a legend imprinted on them stating that the shares have not been registered under the Securities Act and cannot be transferred until properly registered under the Securities Act or an exemption applies.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

There is no other information required to be disclosed under this item which was not previously disclosed.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Certificate of Incorporation, filed November 18, 2004	10-K	000-51815	3.1	March 31, 2021	
3.2	Certificate of Amendment to the Certificate of Incorporation of the Company, filed March 1, 2007	10-K	000-51815	3.2	March 31, 2021	
3.3	Certificate of Amendment to the Certificate of Incorporation of the Company, filed August 2, 2011	10-K	000-51815	3.3	March 31, 2021	
3.4	Certificate of Amendment to the Certificate of Incorporation of the Company, filed January 14, 2013	10-K	000-51815	3.4	March 31, 2021	
3.5	Certificate of Amendment to the Certificate of Incorporation of the Company, filed April 10, 2013	10-K	000-51815	3.5	March 31, 2021	
3.6	Certificate of Amendment to the Certificate of Incorporation of the Company, filed May 10, 2013	10-K	000-51815	3.6	March 31, 2021	
3.7	Certificate of Amendment to the Certificate of Incorporation of the Company, filed September 18, 2013	10-K	000-51815	3.7	March 31, 2021	
3.8	Certificate of Amendment to the Certificate of Incorporation of the Company, filed December 5, 2013	10-K	000-51815	3.8	March 31, 2021	
3.9	Certificate of Amendment to the Certificate of Incorporation of the Company, filed August 5, 2015	10-K	000-51815	3.9	March 31, 2021	
3.10	Certificate of Amendment to the Certificate of Incorporation of the Company, filed February 25, 2020	10-K	000-51815	3.10	March 31, 2021	
3.11	Certificate of Amendment to the Certificate of Incorporation of the Company, filed July 31, 2020	10-K	000-51815	3.11	March 31, 2021	
3.12	Bylaws	SB-2	333-128399	3.2	September 19, 2005	
10.1 †	Logiq, Inc. Amended and Restated 2020 Equity Incentive Plan and related form agreements	8-K	000-51815	10.1	April 27, 2021	
10.2	Form of Stock Purchase Agreement	8-K	000-51815	10.1	April 16, 2021	
10.3	Agency Agreement, dated June 9, 2021	8-K	000-51815	1.1	June 15, 2021	
10.4	Form of Warrant Indenture, dated June 21, 2021	8-K	000-51815	4.1	June 21, 2021	
10.5	Amendment No. 1 to Agreement and Plan of Merger, dated June 30, 2021	8-K	000-51815	2.1	June 30, 2021	
10.6	Form of Stock Purchase Agreement	8-K	000-51815	10.1	August 6, 2021	
10.7	Form of Warrant to Purchase Common Stock	8-K	000-51815	10.2	August 6, 2021	
31.1*	Certification of the Chief Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.					X
31.2*	Certification of the Principal Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101 INS**	Inline XBRL Instance Document					X
101 SCH**	Inline XBRL Taxonomy Extension Schema Document					X
101 CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101 LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101 PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
101 DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 attachments)					X

* These certifications are being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934 and are not to be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

** The XBRL related information in Exhibit 101 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section and shall not be incorporated by reference into any filing or other document pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing or document.

† Indicates a management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 15, 2021

Logiq, Inc.

By: /s/ Tom Furukawa
Tom Furukawa
Chief Executive Officer, Principal Executive Officer

By: /s/ Brent Suen
Brent Suen
Chairman, President, Principal Financial Officer &
Director

By: /s/ Lionel Choong
Lionel Choong
Chief Financial Officer, Principal Accounting Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Tom Furukawa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Logiq, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2021

/s/ Tom Furukawa

Tom Furukawa

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Brent Suen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Logiq, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2021

/s/ Brent Suen

Brent Suen
President and Executive Chairman
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report on Form 10-Q for the quarter ending September 30, 2021 of Logiq, Inc. (the “Company”) as filed with the Securities and Exchange Commission on the date hereof, the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, each of the undersigned has executed this statement this 15th day of November, 2021.

/s/ Tom Furukawa

Tom Furukawa

Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report on Form 10-Q for the quarter ending September 30, 2021 of Logiq, Inc. (the “Company”) as filed with the Securities and Exchange Commission on the date hereof, the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, each of the undersigned has executed this statement this 15th day of November, 2021.

/s/ Brent Suen

Brent Suen

President and Executive Chairman

(Principal Financial Officer)