

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 **March 31, 2022**

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 May 9, 2022, the issuer had 33,401,334 shares of common stock issued and outstanding.

LOGIQ INC.
QUARTERLY REPORT ON FORM 10-Q
March 31, 2022

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PART 1 - FINANCIAL INFORMATION

ITEM 1. Financial Statements

LOGIQ INC. Consolidated Balance Sheets

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
Non-current assets		
Intangible assets, net	13,779,993	14,797,196
Property and equipment, net	140,246	153,973
Goodwill	5,577,926	5,577,926
Total non-current assets	19,498,165	20,529,095
Current assets		
Amount due from associate	-	7,208,700
Accounts receivable	2,857,200	3,966,086
Right to use assets - operating lease	173,803	91,571
Prepayment, deposit and other receivables	606,627	804,011
Financial assets held for resale	-	681
Restricted cash	22,045	22,513
Cash and cash equivalents	3,749,303	1,563,752
Total current assets	7,408,978	13,657,314
Total assets	\$ 26,907,143	\$ 34,186,409
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	2,159,995	2,293,858
Accruals and other payables	1,732,925	1,804,131
Deferred revenue	3,154	10,500
Lease liability - operating lease	173,803	91,571
Deposits received for share to be issued	17,100	401,028
Total current liabilities	4,086,977	4,601,088
Non-Current Liabilities		
Other loan	10,000	10,000
Total non-current liabilities	10,000	10,000
Total liabilities	\$ 4,096,977	\$ 4,611,088
STOCKHOLDERS' EQUITY		
Common stock, \$0.0001 par value, 250,000,000 shares authorized, 29,169,516 and 26,350,756 shares issued and outstanding as of March 31, 2022 and December 31, 2020, respectively	2,917	2,635
Additional paid-in capital	84,068,490	82,473,004
Capital reserves	24,969,396	29,349,795
Accumulated deficit brought forward	(86,230,637)	(82,250,113)
Total stockholder's equity	22,810,166	29,575,321
Total liabilities and stockholders' equity	\$ 26,907,143	\$ 34,186,409

The accompanying notes are an integral part of these financial statements

LOGIQ INC.
Consolidated Statements of Operations

	For the three months ended March 31,	
	2022	2021
	(Unaudited)	(Unaudited)
Service Revenue	\$ 8,105,384	\$ 8,080,312
Cost of Service	5,900,723	5,854,056
Gross Profit	2,204,661	2,226,256
Operating Expenses		
Depreciation and amortization	1,030,930	689,345
General and administrative	3,600,997	4,144,365
Sales and marketing	299,316	369,261
Research and development	1,257,084	1,103,137
Total Operating Expenses	6,188,327	6,306,108
(Loss) from Operations	(3,983,666)	(4,079,852)
Other (Expenses)/Income, net	3,142	(1,897)
Net (Loss) before income tax	(3,980,524)	(4,081,749)
Income tax (Corporate tax)	-	-
Net (Loss)	\$ (3,980,524)	\$ (4,081,749)
Net (Loss) profit per common share - basic and fully diluted:	(0.1510)	(0.2497)
Weighted average number of basic and fully diluted common shares outstanding	26,367,804	16,345,439

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

LOGIQ INC.
Consolidated Statements of Cash Flows

	For the three months ended March 31,	
	2022 (Unaudited)	2021 (Unaudited)
OPERATING ACTIVITIES:		
Net loss	\$ (3,980,524)	\$ (4,081,749)
Adjustments to reconciled net loss to net cash used by operating activities:		
Depreciation of property, plant, and equipment	13,727	11,641
Amortization of intangible assets	1,017,203	677,705
Changes in operating assets and liabilities:		
Accounts receivable	1,108,886	(699,169)
Prepayments, deposit and other receivables	197,383	(30,345)
Accounts payable	(133,863)	573,371
Accruals and other payables	(71,206)	1,594,481
Deferred revenue	(7,346)	(45,924)
Net cash (used in) operating activities	(1,855,740)	(1,999,989)
INVESTING ACTIVITIES:		
Increase in amount due from associate	7,208,700	(500,000)
Financial assets held for resale	681	47,062
Net restricted cash acquired in acquisitions	-	7,736
Net cash provided by (used in) investing activities	7,209,381	(445,202)
FINANCING ACTIVITIES:		
Repayment of bank loan	-	1,531
Proceeds from notes payable-US government CARES Act	-	1,820,521
Proceeds from shares to be issued	(383,928)	-
Proceeds from stock issuance, net of expenses	(2,784,631)	-
Net cash provided by (used in) financing activities	(3,168,559)	1,822,052
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,185,082	(623,139)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	1,586,265	3,489,778
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 3,771,348	\$ 2,866,639
NON-CASH TRANSACTION		
Issuance of shares for services received	\$ 616,191	\$ 1,525,904

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, 2021	26,350,756	\$ 2,635	\$ 82,473,004	\$ 29,349,795	\$ (82,250,113)	\$ 29,575,321
Issuance of Shares	2,951,080	295	1,595,486	(4,380,399)	-	(2,784,618)
Cancellation of shares	(132,320)	(13)	-	-	-	(13)
Net loss for period	-	-	-	-	(3,980,524)	(3,980,524)
Balance March 31, 2022	29,169,516	\$ 2,917	\$ 84,068,490	\$ 24,969,396	\$ (86,230,637)	\$ 22,810,166

	<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
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

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 the 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 "AppLogiq" business segment (operated as CreateApp (<https://www.createapp.com/>), which allows SMBs to establish their point-of-presence on the web, and (ii) its "DataLogiq" business segment, 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's CreateApp platform that is offered as a Platform as a Service ("PaaS") to the Company's customers. The Company's DataLogiq business segment 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. 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. ("Fixel"), 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., a Delaware corporation ("Rebel"). By acquiring Rebel and its platform, the Company enables brands and agencies to securely transact media and activate first-party data.

- On June 21, 2021, the Company completed its Canadian IPO offering of 1,976,434 units of its securities, consisting of shares warrants to purchase shares of common stock, on the NEO exchange in Canada.
- On March 31, 2022 the Company, Battle Bridge Acquisition Co, LLC, a company beneficially owned entirely by the Company (the “Buyer”), Section 2383 LLC, a Wyoming limited liability company (“Seller”), Travis Phipps, an individual (“Phipps”) and Robb Billy (“Billy” and, together with Phipps, the “Founders”) and Travis Phipps, as Representative, entered into an asset purchase agreement (the “Battle Bridge Purchase Agreement”) whereby the Buyer agreed to purchase from Seller and Seller agreed to sell to Buyer substantially all of the assets of Seller which represents the “Battle Bridge Labs” business (the “Battle Bridge Assets”) (collectively, the “Transaction”). The consummation of the Transaction (the “Closing”) occurred simultaneously with execution of the Battle Bridge Purchase Agreement on March 31, 2022.

As consideration for the Buyer’s acquisition of the Battle Bridge Assets, the Company agreed to pay \$3,250,000 (the “Purchase Price”) which consisted of \$250,000 in cash (the “Cash Consideration”) and the issuance of 2,912,621 shares of restricted common stock of the Company at \$1.03 per share (the “Stock Consideration”) (representing \$3,000,000 in Stock Consideration) which was the volume weighted average price (VWAP) of the Company’s Common Stock as reported by Bloomberg LP for the twenty (20) trading days immediately prior to Closing. \$500,000 in Stock Consideration was retained by the Company at the Closing and held as partial security to satisfy indemnification claims for a period of 12 months following the Closing.

In addition, the recipients of the Stock Consideration agreed to sign lock-up and leak-out agreements which provide that, following a 6-month lock-period and ending 18 months after Closing, any sales of the Company’s common stock by such recipients do not exceed one percent (1%) of the then applicable thirty (30) day trading average volume of the Company’s common stock as of such date.

AppLogiq Spin-Off

On December 15, 2021, the Company entered into various agreements with Lovarra, a Nevada corporation (“Lovarra”), and public reporting majority owned subsidiary of the Company, pursuant to which the Company agreed to transfer its AppLogiq business to Lovarra, subject to customary conditions and approvals and completion of requisite financial statement audits (the “Separation”). Lovarra is a fully reporting U.S. public company, which is approximately 74.9% owned by the Company’s wholly owned subsidiary GoLogiq LLC (“GoLogiq”). In connection with the Separation, the Company intends to distribute, on a pro rata basis, 100% of the Company’s ownership interests in Lovarra to the Company’s shareholders of record as of December 30, 2021 (the “Record Date”) (the “Distribution,” and collectively with the “Separation,” the “Spin Off”), which Distribution of said shares is expected to occur approximately six months from completion of the Separation (the “Distribution Date”), subject to customary conditions and approvals.

On January 27, 2022, the Company completed the transfer of its AppLogiq business to Lovarra. In connection with the completion of the transfer of AppLogiq to Lovarra, Lovarra issued 26,350,756 shares of its common stock to GoLogic (the “Lovarra Shares”). The Company, through GoLogiq, will hold the Lovarra Shares until it distributes 100% of the Lovarra Shares to the Company’s stockholders of record as of December 30, 2021 on a 1-for-1 basis (i.e. for every 1 share of Logiq held on December 30, 2021, the holder thereof will receive 1 share of Lovarra).

Until such time as the Distribution is complete, the Company will consolidate and report the financials of the AppLogiq business as a consolidated subsidiary of Logiq.

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. and Rebel AI Inc., as well as the accounts of Lovarra, a majority owned subsidiary of Logiq, Inc. Material intercompany balances and transactions have been eliminated on consolidation.

Unless the context indicates otherwise, references in these notes to the consolidated financial statements to “AppLogiq,” “CreateApp” and “Lovarra” mean the Company’s reportable AppLogiq segment, which reflects the operations of Lovarra (OTC Pink: LOVA) within Logiq, Inc.

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 is a platform acquired in 2015 and subsequently enhanced in 2016 and 2017, offered on a Platform-as-a-Service (“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. Our AppLogiq segment was sold and assigned to Lovarra, a majority owned subsidiary of the Company, on January 27, 2022.

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 business 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 provider. 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 March 31, 2022 and 2021.

The Company’s intangible assets consist of software technology, which is amortized using the straight-line method over five years. Amortization expense for the three months ended March 31, 2022 and 2021 amounted to \$1,017,203 and \$677,705, respectively, which was included in the amortization of intangible assets expense of the accompanying consolidated 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 resultant 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.

LEASE

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. No impairment for right-of-use lease assets as of March 31, 2022.

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 March 31, 2022 and 2021, the allowance for bad debt was approximately \$155,592 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's Platform as a Service ("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.

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 13, 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 July 20, 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. 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 March 31, 2022 and 2021, the Company has the following amounts related to intangible assets:

	Lovarra Inc (Including CreateApp)	DataLogiq	Total
Cost as of January 1, 2022	\$ 1,885,330	\$ 19,718,391	\$ 21,603,721
Additions	\$ -	\$ -	\$ -
Cost as of March 31, 2022	\$ 1,885,330	\$ 19,718,391	\$ 21,603,721
Amortization			
Brought forward as of January 1, 2022	\$ 1,396,398	\$ 5,410,127	\$ 6,806,525
Charge for the period	\$ 31,283	\$ 985,920	\$ 1,017,203
Accumulated depreciation as of March 31, 2022	\$ 1,427,681	\$ 6,396,047	\$ 7,823,728
Net intangible assets as of March 31, 2022	\$ 457,649	\$ 13,322,344	\$ 13,779,993
Net intangible assets as of December 31, 2021	\$ 488,932	\$ 14,308,264	\$ 14,797,196

Amortization expense related to intangible assets for the quarter ended March 31, 2022 and 2021 amounted to \$1,017,203 and \$677,705, respectively.

No significant residual value is estimated for these intangible assets.

The estimated future amortization expense of intangible costs as of March 31, 2022 in the next five fiscal years and thereafter is as follows:

Remaining of 2022	\$ 3,051,608
2023	4,068,811
2024	4,068,811
2025	2,251,265
2026 and thereafter	339,498
	<u>\$ 13,779,993</u>

NOTE 4 – PROPERTY AND EQUIPMENT, NET

As of March 31, 2022 and 2021, the Company has the following amounts related to property and equipment:

	Leasehold Improvements	Computer and Equipment	Total
Cost as of January 1, 2022	\$ 165,957	\$ 87,405	\$ 253,362
Additions	\$ -	\$ -	\$ -
Cost as of March 31, 2022	\$ 165,957	\$ 87,405	\$ 253,362
Amortization			
Brought forward as of January 1, 2022	\$ 67,271	\$ 32,118	\$ 99,389
Charge for the period	\$ 8,409	\$ 5,318	\$ 13,727
Accumulated depreciation as of March 31, 2022	\$ 75,680	\$ 37,436	\$ 113,116
Net property and equipment as of March 31, 2022	\$ 90,277	\$ 49,969	\$ 140,246
Net property and equipment as of December 31, 2021	\$ 98,686	\$ 55,287	\$ 153,973

Depreciation expense for the quarter ended March 31, 2022 and 2021 amounted to \$13,727 and \$11,641, respectively.

NOTE 5 – GOODWILL

	As of March 31, 2022	As of December 31, 2021
Goodwill at cost - Push	\$ 4,781,208	\$ 4,781,208
Goodwill at cost - Fixel	296,882	296,882
Goodwill at cost - Rebel	499,836	499,836
Total	<u>5,577,926</u>	<u>5,577,926</u>
Accumulated impairment losses	\$ -	\$ -
Balance at end of period	<u>\$ 5,577,926</u>	<u>\$ 5,577,926</u>

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

The recoverable amount of this unit is determined based on external valuation performed by a third-party valuation firm on March 20, 2020 as updated to December 31, 2021.

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 Consolidated Balance Sheet as of January 8, 2020, Fixel AI Inc Consolidated Balance Sheet as of November 2, 2020 and Rebel AI Inc Consolidated Balance Sheet as of March 29, 2021.

NOTE 6 – ACCOUNTS RECEIVABLE

	As of March 31, 2022	As of December 31, 2021
Accounts receivable - gross	\$ 3,012,792	\$ 4,121,678
Allowance for doubtful debts	(155,592)	(155,592)
Accounts receivable - net	<u>2,857,200</u>	<u>3,966,086</u>

Movement in allowance for doubtful debts

Balance as at beginning of period	\$ 155,592	\$ 54,619
Provision for bad debts	-	100,973
Reversal of the provision	-	-
Balance at end of period	<u>155,592</u>	<u>155,592</u>

Age of Impaired trade receivables

Current	\$ 1,354,812	45.0%
1 - 30 days	1,318,353	43.8%
31 - 60 days	67,905	2.3%
61-90 days	3,965	0.1%
91 and over	267,757	8.9%
Total	<u>3,012,792</u>	<u>100.0%</u>

NOTE 7 – 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 its 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 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 March 31, 2022.

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 8 – AMOUNT DUE FROM ASSOCIATE

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

The amount due from associate of \$7,243,700 has been acquired by Lovarra as of January 27, 2022.

	As of March 31, 2022	As of December 31, 2021
Amount due from associate	\$ -	\$ 7,208,700
	<u>\$ -</u>	<u>\$ 7,208,700</u>

NOTE 9 – PREPAYMENTS, DEPOSIT AND OTHER RECEIVABLES

Prepayments, deposits and other receivables consist of the following:

	As of March 31, 2022	As of December 31, 2021
Deposit	\$ 401,151	\$ 400,801
Other receivables	-	-
Prepayments	205,476	403,210
	<u>\$ 606,627</u>	<u>\$ 804,011</u>

NOTE 10 – ACCRUALS AND OTHER PAYABLE

Accruals and other payable consist of the following:

	As of March 31, 2022	As of December 31, 2021
Accruals	\$ 1,732,925	\$ 1,804,131
Other payables	-	-
	<u>\$ 1,732,925</u>	<u>\$ 1,804,131</u>

NOTE 11 – 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 three months ended March 31, 2022 and 2021, which, had the Company generated any taxable income, would have been subject to U.S. federal corporate income tax rate of 21% and 34%, respectively.

	As of March 31, 2021	As of December 31, 2020
U.S. statutory tax rate	21.00%	21.00%
Effective tax rate	21.00%	21.00%

As of March 31, 2022, the Company does not have any deferred tax assets.

NOTE 12 – 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 13 – 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 ("Common Stock"), 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 current 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

In the year 2021 we have below common stock issuance:

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.

Overallotment-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.

During the period from October 1, 2021 to December 31, 2021, a total of 106,041 shares with par value of \$0.0001 per share were issued to various stockholders.

In the year 2022 we have below common stock issuance:

Sale of Common Stock – March 2022

On March 30, 2022, Logiq, Inc., a Delaware corporation (the “Company”), entered into a Purchase Agreement with Ionic Ventures, LLC (“Ionic”), whereby the Company has the right, but not the obligation, to sell to Ionic, and Ionic is obligated to purchase up to in the aggregate \$40,000,000 worth of the Company’s common stock (the “Purchase Shares”), par value \$0.0001 per share (“Common Stock”). Sales of Common Stock by the Company under the Purchase Agreement will be subject to certain limitations, and may occur from time to time, at the Company’s sole discretion, over the 24-month period commencing on March 30, 2020 (the “Primary Commencement Date”).

In connection with the execution of the Purchase Agreement, the Company is registering 2,926,000 shares of Common Stock to Ionic in connection with the purchase of \$3,000,000 in shares of Common Stock (the “Primary Shares”) in connection with the initial purchase of Common Stock under the Purchase Agreement, which reflects an estimated value equal to the product of (A) the quotient of (y) the purchase amount (i.e., \$3,000,000) divided by (z) the Pre-Settlement Regular Purchase Price (defined below), multiplied by (B) 125% (which Ionic may increase at its discretion). The “Pre-Settlement Regular Purchase Price” is equal to 80% of the closing price of the Common Stock on the OTCQX Market on the date immediately preceding the Company’s receipt of a purchase notice under the Purchase Agreement.

The Regular Purchase Price, which is the price at which future shares of Common Stock sold under the Purchase Agreement will be sold at, for the Purchase Shares shall equal 97% of the arithmetic average of the five lowest VWAPs during the period starting on the date that Ionic receives Pre-Settlement Regular Purchase Shares and ending on such date that the aggregate dollar volume of our common stock traded on our Principal Market equals five times the Purchase Amount, in the aggregate, subject to a five Trading Day minimum (provided, however, that each day on which Ionic has requested Purchase Shares which cannot be delivered to Ionic shall be excluded from such calculation). This is a forward pricing mechanism based on an estimate and true up and as of the date of this filing, the Regular Purchase Price has yet to be calculated.

Also in connection with the execution of the Purchase Agreement, the Company issued a Warrant to purchase 631,579 shares of Common Stock (1.5% of the total \$40,000,000 commitment amount) to Ionic for no consideration as a commitment fee, and has agreed to register the shares issuable upon exercise of the Warrant. The Warrant may be exercised for cash, but may also be exercised on a cashless exercise basis, which means the Company may not receive any proceeds from such cashless exercise. Under the Warrant, the Company does not have the right to control the timing and amount of any Warrant exercises by Ionic, except that there is a 9.99% ownership limitation blocker in the Warrant. Ionic may ultimately decide to exercise all, some or none of the Warrant.

The Company intends to register the remaining up to \$37,000,000 worth of Common Stock under the Purchase Agreement, or any additional Primary Shares that may be issued after the date hereof to Ionic, or any Purchase Shares which may be issuable to Ionic as a “true up” pursuant to the initial purchase described above pursuant to a resale registration statement on Form S-1 to be filed subsequently with the Securities and Exchange Commission (the “SEC”). The Company and Ionic entered into a Registration Rights Agreement (the “RRA”) dated as of March 30, 2022, for such purpose.

Actual sales of Common Stock to Ionic under the Purchase Agreement will depend on a variety of factors to be determined by the Company from time to time, including, among others, an effective resale registration statement, which is a condition to the commencement of additional sales under the Purchase Agreement (each, a “Secondary Commencement”), market conditions, the trading price of the Common Stock and determinations by the Company as to the appropriate sources of funding for the Company and its operations.

The Company expects that any net proceeds received by the Company from sales to Ionic under the Purchase Agreement will be used for working capital and general corporate purposes.

The purchase price of the Common Stock purchased by the Ionic under the Purchase Agreement will be derived from prevailing market prices of the Company’s Common Stock immediately preceding the time of sale. The Company will control the timing and amount of future sales, if any, of Common Stock to Ionic. Ionic has no right to require the Company to sell any Common Stock to it, but Ionic is obligated to make purchases as the Company directs, subject to certain conditions.

The Purchase Agreement and the RRA each contains certain representations, warranties, covenants, closing conditions and indemnification and termination provisions by, between and for the benefit of the parties which are customary of transactions of this nature. Ionic may not assign or transfer its rights and obligations under the Purchase Agreement.

The issuance of the Primary Shares and the shares issuable upon exercise of the Warrant have been registered pursuant to the Company’s effective shelf registration statement on Form S-3 (File No. 333-259851) (the “Registration Statement”), and the related base prospectus included in the Registration Statement dated October 8, 2021, as supplemented by a prospectus supplement to be filed on or about March 31, 2022 (the “Prospectus Supplement”). A copy of the legal opinion of Procopio, Cory, Hargreaves & Savitch LLP as to the legality of the Primary Shares and the legal opinion of Carter Ledyard & Milburn LLP with respect to the legality of the Warrant are filed as Exhibits 5.1 and 5.2, respectively, attached hereto.

The foregoing is a summary description of certain terms of the Purchase Agreement, the RRA and the Warrant and, by its nature, is incomplete. Copies of the Purchase Agreement, RRA and Warrant are filed as Exhibits 10.1, 10.2 and 4.1, respectively, attached hereto. The foregoing descriptions of the Purchase Agreement, the RRA and the Warrant are qualified in their entirety by reference to the full text of such exhibits.

The provisions of the Purchase Agreement including any representations and warranties contained therein, are not for the benefit of any party other than the parties thereto and are not intended as documents for investors and the public to obtain factual information about the current state of affairs of the parties thereto. Rather, investors and the public should look to other disclosures contained in the Company’s annual, quarterly and current reports it may file with the SEC.

On March 31, 2022 the Company, Battle Bridge Acquisition Co, LLC, a company beneficially owned entirely by the Company (the “Buyer”), Section 2383 LLC, a Wyoming limited liability company (“Seller”), Travis Phipps, an individual (“Phipps”) and Robb Billy (“Billy” and, together with Phipps, the “Founders”) and Travis Phipps, as Representative, entered into an asset purchase agreement (the “Battle Bridge Purchase Agreement”) whereby the Buyer agreed to purchase from Seller and Seller agreed to sell to Buyer substantially all of the assets of Seller which represents the “Battle Bridge Labs” business (the “Battle Bridge Assets”) (collectively, the “Transaction”). The consummation of the Transaction (the “Closing”) occurred simultaneously with execution of the Battle Bridge Purchase Agreement on March 31, 2022.

As consideration for the Buyer’s acquisition of the Battle Bridge Assets, the Company agreed to pay \$3,250,000 (the “Purchase Price”) which consisted of \$250,000 in cash (the “Cash Consideration”) and the issuance of 2,912,621 shares of restricted common stock of the Company at \$1.03 per share (the “Stock Consideration”) (representing \$3,000,000 in Stock Consideration) which was the volume weighted average price (VWAP) of the Company’s Common Stock as reported by Bloomberg LP for the twenty (20) trading days immediately prior to Closing. \$500,000 in Stock Consideration was retained by the Company at the Closing and held as partial security to satisfy indemnification claims for a period of 12 months following the Closing.

In addition, the recipients of the Stock Consideration agreed to sign lock-up and leak-out agreements which provide that, following a 6-month lock-period and ending 18 months after Closing, any sales of the Company’s common stock by such recipients do not exceed one percent (1%) of the then applicable thirty (30) day trading average volume of the Company’s common stock as of such date.

During the period from January 1, 2022 to March 31, 2022, a total of 2,951,080 shares with par value of \$0.0001 per share were issued to various stockholders.

Capital Reserve

On January 9, 2020, the Company issued 35,714,285 shares to Conversion Point Technologies Inc. as consideration for the acquisition of all the assets of Logiq, Inc. Nevada formerly known as Origin8, Inc. incorporating 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.

On November 2, 2020, the Company acquired substantially all the assets of Fixel AI Inc., a Delaware corporation (“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.

In July 2019, the Company issued a total of 51,762,839 Reg S shares to high net worth individuals and family offices in South East Asia.

During the year ended December 31, 2019, a total of 19,311,309 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 58,627,601 shares with par value of \$0.0001 per share were issued to various stockholders.

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 period from January 1, 2022 to March 31, 2022, a total of 25,080 shares with par value of \$0.0001 per share were issued for consultancy services received.

Cancellation of Common Stock

During the three months ended March 31, 2022, 132,320 shares of common stock par value of \$0.0001 per share, were cancelled.

Stock-Based Compensation

For the three months ended March 31, 2022 for Logiq, Inc., a total of 132,320 shares of common stock was returned and 25,080 shares of common stock was issued for stock-based compensation to consultants.

NOTE 14 – (LOSS) PER SHARE

The following table sets forth the computation of basic and diluted earnings per common share for the three months ended March 31, 2022 and 2021, respectively:

	For the three months ended March 31,	
	2022	2021
Numerator - basic and diluted		
Net (Loss)	\$ (3,980,524)	\$ (4,081,749)
Denominator		
Weighted average number of common shares outstanding - basic and diluted	26,367,804	16,345,439
(Loss) per common share - basic and diluted	\$ (0.1510)	\$ (0.2497)

NOTE 15 – COMMITMENTS AND CONTINGENCIES**Leases**

The Company's current executive offices are currently leased for \$923 per month.

Logiq Inc (Nevada) leases approximately 12,422 square feet comprising 8,737 square feet of office space and 3,685 square feet of warehouse space in Minneapolis, Minnesota, at a rate of \$210,000 per annum. The original lease of office space from a related party under common ownership was a 7.5-year lease expiring December 31, 2021. The Company extended its lease on the primary offices with a renewal option providing for additional lease period of twelve (12) months expiring December 31, 2022.

The operating lease is listed as separate line item on Logiq, Inc. (Nevada)'s March 31, 2022 and December 31, 2021 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 March 31, 2022 and December 31, 2021 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 March 31, 2022 and December 31, 2021, total operating right-of-use assets were \$173,803 and \$91,571, 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 March 31, 2022	As of December 31, 2021
Cash paid for operating lease liabilities	\$ 208,304	367,200
Remaining lease term	9 months	1 years
Discount rate	1.5%	1.5%

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

2022	\$ 175,000
Less imputed interest	(1,197)
Total lease liability	\$ 173,803

Legal proceedings

None.

NOTE 16 – SEGMENT INFORMATION

The Group has determined that it operates in two operating and reportable business segments: DataLogiq and Lovarra (including CreateApp (Formerly known as AppLogiq)). 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 DataLogiq reportable segment is comprised of the subsidiaries' accounts of Logiq, Inc. (a Nevada Corporation), Fixel AI, Inc. and Rebel AI Inc.

The Lovarra reportable segment is comprised of the reportable segment of the CreateApp (Formerly known as AppLogiq), which is held by the Company's majority owned subsidiary, Lovarra.

The Logiq reportable segment is not a business segment but comprise Corporate activities.

The following table presents the segment information for the three months ended March 31, 2022 and 2021:

	For the three months ended March 31,	
	2022	2021
Logiq (Delaware)		
Segment operating income	\$ -	\$ 2,441,128
Other corporate expenses, net	(256,531)	5,270,305
Total operating (loss) income	(256,531)	(2,829,177)
Lovarra (including CreateApp)		
Segment operating income	\$ 3,309,017	\$ -
Other corporate expenses, net	4,699,640	-
Total operating (loss)	(1,390,623)	-
Logiq (Nevada) incl DataLogiq		
Segment operating income	\$ 4,796,367	\$ 5,639,184
Other corporate expenses, net	7,642,798	6,891,756
Total operating (loss)	(2,846,431)	(1,252,572)
Consolidated		
Segment operating income	\$ 8,105,384	\$ 8,080,312
Other corporate expenses, net	12,085,908	12,162,061
Total operating (loss)	(3,980,524)	(4,081,749)

Significant Customers

No revenues from any single customer exceeded 10% of total net revenues for the three months ended March 31, 2022 and 2021.

NOTE 17 – GEOGRAPHICAL INFORMATION

Revenue by geographical region for the three months ended March 31, 2022 and 2021 were as follows:

	For the three months ended March 31,		For the three months ended March 31,	
	2022	%	2021	%
Southeast Asia	\$ 2,398,184	29.6	1,220,564	15.1
EU	1,199,092	14.8	610,282	7.6
South Korea	719,455	8.9	366,169	4.5
Africa	479,637	5.9	244,113	3.0
North America	3,309,017	40.8	5,639,184	69.8
Total revenue	\$ 8,105,384	100.0	\$ 8,080,312	100.0

NOTE 18 – 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 Pushing Holding 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 year 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 months ended March 31, 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 months ended March 31, 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 period ended March 31, 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.

Lovarra

On January 27, 2022, the Company sold substantially all the assets of CreateApp to Lovarra, a fully reporting majority owned subsidiary of the Company, in exchange for 26,350,756 of Lovarra's common stock at a price per share of \$1.195411 (of par value \$0.001). The fair value of the shares of common stock at the close of the transaction was \$31,500,000 as determined by a valuation of the business. As a result of the transaction, Lovarra became a majority owned subsidiary of the Company.

The acquisition by Lovarra of substantially all the assets of CreateApp was accounted for as a business combination in accordance with Accounting Standards Codification Topic 805, Business Combinations ("ASC 805"), with the results of Lovarra's operations included in the Company's consolidated financial statements from January 1, 2022. 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 March 31, 2022, Lovarra acquired substantially all of the assets of CreateApp. The fair value of assets acquired assumed were as follows:

Intangible assets, net	\$ 24,000,000
Goodwill	7,500,000
Net assets acquired	<u>31,500,000</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 Logiq, Inc. 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 Lovarra would have paid if Lovarra did not own the software technology.

On the acquisition date, goodwill of \$7,500,000 and intangible assets of \$24,000,000 were recorded. The intangible asset identified during the acquisition is software technology for CreateApp and Atoz Pay/Go platform, which has a weighted average useful life of five years, which is management's best estimate at the time of the acquisition.

The CreateApp platform enables SMBs to create a mobile app for their business without the need of technical knowledge, high investment, or background in IT by utilizing "CreateApp," which is a platform that is offered as a Platform as a Service ("PaaS") to our customers.

AtozPay competes primarily with credit card and debit card service providers, banks with payment processing offerings, other offline payment options and other electronic payment system operators. AtozGo is our PaaS platform that provides mobile payment capabilities for the local food delivery service industry.

The Company incurred some accounting and legal fees related to the acquisition of the assets of CreateApp. The amount attributable to the Company has been included in general and administrative expenses in the accompanying consolidated statement of operations for the quarter ended March 31, 2022.

In the consolidated statements of operations, revenues and expenses include the operations of CreateApp since January 27, 2022, which is the day after the acquisition date.

NOTE 19 – SUBSEQUENT EVENTS

None

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 Quarterly Report on Form 10-Q. 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, 2021 filed with the Securities and Exchange Commission ("SEC"), 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 refer to the following:

- "Logiq, Inc. (Delaware) (formerly known as Weyland) the "Company," "we," "us," or "our," are to the business of Logiq, Inc. (Delaware), a Delaware corporation;
- DataLogiq and Logiq, Inc. (Nevada), a Nevada corporation, a business segment of the Company;
- AppLogiq, a business segment of the Company, which is owned by Lovarra, a majority owned subsidiary of the Company;
- 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.

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 "AppLogiq" business segment (operated as CreateApp (<https://www.createapp.com/>), which allows SMBs to establish their point-of-presence on the web, and (ii) "DataLogiq" business segment, 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's CreateApp platform that is offered as a Platform as a Service ("PaaS") to the Company's customers. The Company's DataLogiq business segment 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") basis 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.. 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. (“Fixel”), 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 Canadian 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.
- On March 31, 2022 the Company, Battle Bridge Acquisition Co, LLC, a company beneficially owned entirely by the Company (the “Buyer”), Section 2383 LLC, a Wyoming limited liability company (“Seller”), Travis Phipps, an individual (“Phipps”) and Robb Billy (“Billy” and, together with Phipps, the “Founders”) and Travis Phipps, as Representative, entered into an asset purchase agreement (the “Battle Bridge Purchase Agreement”) whereby the Buyer agreed to purchase from Seller and Seller agreed to sell to Buyer substantially all of the assets of Seller which represents the “Battle Bridge Labs” business (the “Battle Bridge Assets”) (collectively, the “Transaction”). The consummation of the Transaction (the “Closing”) occurred simultaneously with execution of the Battle Bridge Purchase Agreement on March 31, 2022.

As consideration for the Buyer’s acquisition of the Battle Bridge Assets, the Company agreed to pay \$3,250,000 (the “Purchase Price”) which consisted of \$250,000 in cash (the “Cash Consideration”) and the issuance of 2,912,621 shares of restricted common stock of the Company at \$1.03 per share (the “Stock Consideration”) (representing \$3,000,000 in Stock Consideration) which was the volume weighted average price (VWAP) of the Company’s Common Stock as reported by Bloomberg LP for the twenty (20) trading days immediately prior to Closing. \$500,000 in Stock Consideration was retained by the Company at the Closing and held as partial security to satisfy indemnification claims for a period of 12 months following the Closing.

In addition, the recipients of the Stock Consideration agreed to sign lock-up and leak-out agreements which provide that, following a 6-month lock-period and ending 18 months after Closing, any sales of the Company’s common stock by such recipients do not exceed one percent (1%) of the then applicable thirty (30) day trading average volume of the Company’s common stock as of such date.

Recent Corporate Developments

Amendment to Equity Incentive Plan

On April 21, 2021, 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 (the “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.

On October 22, 2021, the Company's board of directors unanimously approved the Company's Second Amended and Restated 2020 Equity Incentive Plan (the "Second A&R Plan"), subject to stockholder approval. The Second A&R Plan amends the Company's Plan to (i) incorporate those changes previously included in the First A&R Plan and (ii) increase the number of shares of common stock authorized for issuance thereunder from 2,000,000 shares to 5,000,000 shares. In addition, the Company amended and restated the form agreements for awards made pursuant to the Company's Second A&R Plan to reflect the foregoing changes.

The Company's Second A&R Plan and amended form award agreements were approved by the Company's stockholders on January 25, 2022, and adopted by the Company on the same day.

Amendments to Bylaws – Adoption of Majority Voting Policy

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 was therefore, subject to shareholder approval.

On October 22, 2022, the Company's board of directors approved the adoption of its First Amended and Restated Bylaws (the "A&R Bylaws"), subject to shareholder approval. The A&R Bylaws amend and restate the Company's Bylaws in full and incorporate the Policy noted above, amongst other changes. The Company's Stockholders approved the Company's A&R Bylaws at a special meeting of stockholders on January 25, 2022.

Under the Policy incorporated into the A&R Bylaws, 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.

AppLogiq Spin-Off

On December 15, 2021, we entered into various agreements with Lovarra, a Nevada corporation (“Lovarra”) and public reporting subsidiary of the Company, pursuant to which the Company agreed to transfer its AppLogiq business to Lovarra, subject to customary conditions and approvals and completion of requisite financial statement audits (the “Separation”). Lovarra is a fully reporting U.S. public company, which is approximately 78.5% owned by the Company’s wholly owned subsidiary GoLogiq LLC (“GoLogiq”). In connection with the Separation, the Company intends to distribute, on a pro rata basis, 100% of the Company’s ownership interests in Lovarra to the Company’s shareholders of record as of December 30, 2021 (the “Record Date”) (the “Distribution,” and collectively with the “Separation,” the “Spin Off”), which Distribution of said shares is expected to occur six months from completion of the Separation (the “Distribution Date”).

On January 27, 2022, we completed the transfer of our AppLogiq business to Lovarra. In connection with the completion of the transfer of AppLogiq to Lovarra, Lovarra issued 26,350,756 shares of its common stock to the Company (the “Lovarra Shares”). The Company will hold the Lovarra Shares until it distributes 100% of the Lovarra Shares to the Company’s stockholders of record as of December 30, 2021 on a 1-for-1 basis (i.e. for every 1 share of Logiq held on December 30, 2021, the holder thereof will receive 1 share of Lovarra), which the Company intends to complete approximately 6 months from now, subject to customary conditions and approvals.

Until such time as the Distribution is complete, we will consolidate and report the financials of the AppLogiq business as a consolidated subsidiary of Logiq.

Ionic Ventures Purchase Agreement

On March 30, 2022, the Company, entered into a Purchase Agreement (the “Ionic Purchase Agreement”) with Ionic Ventures, LLC (“Ionic”), whereby the Company has the right, but not the obligation, to sell to Ionic, and Ionic is obligated to purchase up to in the aggregate \$40,000,000 worth of the Company’s common stock (the “Purchase Shares”). Sales of common stock by the Company under the Ionic Purchase Agreement will be subject to certain limitations, and may occur from time to time, at the Company’s sole discretion, over the 24-month period commencing on March 30, 2020 (the “Primary Commencement Date”).

In connection with the execution of the Ionic Purchase Agreement, the Company registered 2,926,000 shares of common stock sold to Ionic in connection with the purchase of \$3,000,000 in shares of common stock (the “Primary Shares”) in connection with the initial purchase of Common Stock under the Ionic Purchase Agreement, which reflects an estimated value equal to the product of (A) the quotient of (y) the purchase amount (i.e., \$3,000,000) divided by (z) the Pre-Settlement Regular Purchase Price (defined below), multiplied by (B) 125% (which Ionic may increase at its discretion). The “Pre-Settlement Regular Purchase Price” is equal to 80% of the closing price of the Company’s common stock on the OTCQX Market on the date immediately preceding the Company’s receipt of a purchase notice under the Ionic Purchase Agreement.

The Regular Purchase Price, which is the price at which future shares of common stock sold under the Ionic Purchase Agreement will be sold at, for the Purchase Shares shall equal 97% of the arithmetic average of the five lowest VWAPs during the period starting on the date that Ionic receives Pre-Settlement Regular Purchase Shares and ending on such date that the aggregate dollar volume of our common stock traded on our Principal Market equals five times the Purchase Amount, in the aggregate, subject to a five Trading Day minimum (provided, however, that each day on which Ionic has requested Purchase Shares which cannot be delivered to Ionic shall be excluded from such calculation). This is a forward pricing mechanism based on an estimate and true up and as of the date of this filing, the Regular Purchase Price has yet to be calculated.

Also in connection with the execution of the Ionic Purchase Agreement, the Company issued a Warrant to purchase 631,579 shares of Common Stock (1.5% of the total \$40,000,000 commitment amount) to Ionic for no consideration as a commitment fee, and has agreed to register the shares issuable upon exercise of the Warrant. The Warrant may be exercised for cash, but may also be exercised on a cashless exercise basis, which means the Company may not receive any proceeds from such cashless exercise. Under the Warrant, the Company does not have the right to control the timing and amount of any Warrant exercises by Ionic, except that there is a 9.99% ownership limitation blocker in the Warrant. Ionic may ultimately decide to exercise all, some or none of the Warrant.

The Company intends to register the remaining up to \$37,000,000 worth of common stock issuable under the Ionic Purchase Agreement, or any additional Primary Shares that may be issued after the date hereof to Ionic, or any Purchase Shares which may be issuable to Ionic as a “true up” pursuant to the initial purchase described above pursuant to a resale registration statement on Form S-1 to be filed subsequently with the SEC. The Company and Ionic entered into a Registration Rights Agreement (the “RRA”) dated as of March 30, 2022, for such purpose.

Battle Bridge Acquisition

On March 31, 2022 the Company, Battle Bridge Acquisition Co, LLC, a company beneficially owned entirely by the Company (the “Buyer”), Section 2383 LLC, a Wyoming limited liability company (“Seller”), Travis Phipps, an individual (“Phipps”) and Robb Billy (“Billy” and, together with Phipps, the “Founders”) and Travis Phipps, as Representative, entered into an asset purchase agreement (the “Battle Bridge Purchase Agreement”) whereby the Buyer agreed to purchase from Seller and Seller agreed to sell to Buyer substantially all of the assets of Seller which represents the “Battle Bridge Labs” business (the “Battle Bridge Assets”) (collectively, the “Transaction”). The consummation of the Transaction (the “Closing”) occurred simultaneously with execution of the Battle Bridge Purchase Agreement on March 31, 2022.

As consideration for the Buyer’s acquisition of the Battle Bridge Assets, the Company agreed to pay \$3,250,000 (the “Purchase Price”) which consisted of \$250,000 in cash (the “Cash Consideration”) and the issuance of 2,912,621 shares of restricted common stock of the Company at \$1.03 per share (the “Stock Consideration”) (representing \$3,000,000 in Stock Consideration) which was the volume weighted average price (VWAP) of the Company’s Common Stock as reported by Bloomberg LP for the twenty (20) trading days immediately prior to Closing. \$500,000 in Stock Consideration was retained by the Company at the Closing and held as partial security to satisfy indemnification claims for a period of 12 months following the Closing.

In addition, the recipients of the Stock Consideration agreed to sign lock-up and leak-out agreements which provide that, following a 6-month lock-period and ending 18 months after Closing, any sales of the Company’s common stock by such recipients do not exceed one percent (1%) of the then applicable thirty (30) day trading average volume of the Company’s common stock as of such date.

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 2022.

Components of Results of Operations

Revenue (Service)

The Company’s AppLogiq business segment’s Platform as a Service (“PaaS”), operated as CreateApp (“PaaS”) 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 2022, 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 March 31, 2022 and 2021

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 March 31, 2022 and 2021. The consolidated results include Logiq Inc. (a Delaware Corporation), Logiq, Inc. (a Nevada Corporation), Fixel, and Rebel (collectively also known as DataLogiq business segment), as well as Lovarra, a majority owned subsidiary of the Company, the results of which include our AppLogiq business segment.

Consolidated Results of Operations

	For the three months ended					
	March 31, 2022		March 31, 2021		Change	
Revenue (service)	\$ 8,105,384	100.0%	\$ 8,080,312	100.0%	\$ 25,072	0.3%
Cost of revenues (service)	5,900,723	72.8	5,854,056	72.4	46,667	0.8
Gross profit	2,204,661	27.2	2,226,256	27.6	(21,595)	(1.0)
Depreciation and amortization	1,030,930	12.7	689,345	8.5	341,585	49.6
General and administrative	3,600,997	44.4	4,144,365	51.3	(543,369)	(13.1)
Sales and marketing	299,316	3.7	369,261	4.6	(69,945)	(18.9)
Research and development	1,257,084	15.5	1,103,137	13.7	153,947	14.0
Total operating expenses	6,188,327	76.3	6,306,108	78.0	(117,782)	(1.9)
(Loss) from operations	(3,983,666)	(49.1)	(4,079,852)	(50.5)	96,187	(2.4)
Other (Expenses)/Income, net	3,142	0.04	(1,897)	(0.02)	5,039	(265.6)
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(3,980,524)	(49.1)	(4,081,749)	(50.5)	101,226	(2.5)
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	(3,980,524)	(49.1)	(4,081,749)	(50.5)	101,226	(2.5)

Logiq (Delaware) Results of Operations

	For the three months ended					
	March 31, 2022		March 31, 2021		Change	
Revenue (service)	\$ -	100.0%	\$ 2,441,128	100.0%	\$ (2,441,128)	(100.0)%
Cost of revenues (service)	-	-	1,706,165	69.9	(1,706,165)	(100.0)
Gross profit	-	-	734,963	30.1	(734,963)	(100.0)
Depreciation and amortization	-	-	31,283	1.3	(31,283)	(100)
General and administrative	(256,531)	-	2,538,107	104.0	(2,794,638)	(110.1)
Sales and marketing	-	-	69,750	2.9	(69,750)	(100.0)
Research and development	-	-	925,000	37.9	(925,000)	(100.0)
Total operating expenses	(256,531)	-	3,564,140	146.0	(3,820,671)	(107.2)
(Loss) from operations	256,531	-	(2,829,177)	(115.9)	3,085,708	(109.1)
Other (Expenses)/Income, net	-	-	-	-	-	-
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	256,531	-	(2,829,177)	(115.9)	3,085,708	(109.1)
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	256,531	-	(2,829,177)	(115.9)	3,085,708	(109.1)

Lovarra including AppLogiq Results of Operations

	For the three months ended					
	March 31, 2022		March 31, 2021		Change	
Revenue (service)	\$ 3,309,017	100.0%	\$ -	100.0%	\$ 3,309,017	100.0%
Cost of revenues (service)	2,235,341	67.6	-	-	2,235,341	100.0
Gross profit	1,073,676	32.4	-	-	1,073,676	100.0
Depreciation and amortization	31,283	0.9	-	-	31,283	100.0
General and administrative	1,337,516	40.4	-	-	1,337,516	100.0
Sales and marketing	5,000	0.2	-	-	5,000	100.0
Research and development	1,090,500	33.0	-	-	1,090,500	100.0
Total operating expenses	2,464,299	74.5	-	-	2,464,299	100.0
(Loss) from operations	(1,390,623)	(42.0)	-	-	(1,390,623)	100.0
Other (Expenses)/Income, net	-	-	-	-	-	100.0
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(1,390,623)	(42.0)	-	-	(1,390,623)	100.0
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	(1,390,623)	(42.0)	-	-	(1,390,623)	100.0

Logiq (Nevada) including DataLogiq results of operations

	For the three months ended					
	March 31, 2022		March 31, 2021		Change	
Revenue (service)	\$ 4,796,367	100.0%	\$ 5,639,184	100.0%	\$ (842,817)	(14.9)%
Cost of revenues (service)	3,665,382	76.4	4,147,891	73.6	(482,509)	(11.6)
Gross profit	<u>1,130,985</u>	<u>23.6</u>	<u>1,491,293</u>	<u>26.4</u>	<u>(360,308)</u>	<u>(24.2)</u>
Depreciation and amortization	999,647	20.8	658,062	11.7	341,585	51.9
General and administrative	2,520,011	52.5	1,606,258	28.5	913,753	56.9
Sales and marketing	294,316	6.1	299,511	5.3	(5,195)	(1.7)
Research and development	166,584	3.5	178,137	3.2	(11,553)	(6.5)
Total operating expenses	<u>3,980,558</u>	<u>83.0</u>	<u>2,741,968</u>	<u>48.6</u>	<u>1,238,590</u>	<u>45.2</u>
(Loss) from operations	(2,849,573)	(59.4)	(1,250,675)	(22.2)	(1,598,898)	127.8
Other (Expenses)/Income, net	3,142	0.07	(1,897)	(0.03)	5,039	(265.63)
Impairment loss on investment in associate	-	-	-	-	-	-
Net (Loss) before income tax	(2,846,431)	(59.3)	(1,252,572)	(22.2)	(1,593,859)	127.2
Income tax (expense)	-	-	-	-	-	-
Net (Loss)	<u>(2,846,431)</u>	<u>(59.3)</u>	<u>(1,252,572)</u>	<u>(22.2)</u>	<u>(1,593,859)</u>	<u>127.2</u>

Consolidated Revenue (Service)

Consolidated revenues were \$8,105,384 and \$8,080,312 for the three months ended March 31, 2022 and 2021, respectively.

The revenues from our AppLogiq segment increased to \$3,309,017 compared to \$2,441,128 for the three months ended March 31, 2022 and 2021, 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 decreased to \$4,796,367 compared to \$5,639,184 for the three months ended March 31, 2022 and 2021, respectively. The decrease in revenues is primarily due to Medicare enrolment.

Consolidated Cost of Revenue (Service)

Consolidated Cost of revenues were \$5,900,723 and \$5,854,056 for the three months ended March 31, 2022 and 2021, respectively.

The Cost of revenues of the Company's AppLogiq segment increased to \$2,235,341 from \$1,706,165 for the three months ended March 31, 2022 and 2021 respectively.

Our DataLogiq platform cost of revenue was \$3,665,382 compared to \$4,147,891 for the three months ended March 31, 2022 and 2021 respectively.

Consolidated Gross Profit

Consolidated Gross Profit was \$2,204,661 and \$2,226,256 for the three months ended March 31, 2022 and 2021, respectively.

Our consolidated gross margin decreased to 27.2% from 27.6% for the three months ended March 31, 2022 and 2021.

Our AppLogiq segment gross margin was \$1,073,676 compared to \$734,165 for the three months ended March 31, 2022 and 2021 respectively. Our AppLogiq gross margin increased to 32.4% from 30.1% 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 \$1,130,985 and \$1,491,293 for the three months ended March 31, 2022 and 2021, respectively. Our DataLogiq platform gross margin decreased to 23.6% from 26.4% for the three months ended March 31, 2022 and 2021, respectively.

Consolidated Operating Expenses

General and Administrative (G&A)

Consolidated General and administrative expenses were \$3,600,997 and \$4,144,365 for the three months ended March 31, 2022 and 2021, respectively.

The Company including AppLogiq's (Lovarra's) General and administrative expenses were \$1,337,516 and \$nil for the three months ended March 31, 2022 and 2021, respectively. AppLogiq's general and administrative expenses \$780,000 were reflects stock compensation costs including shares issued to consultants and director.

Our DataLogiq platform General and administrative expenses were \$2,520,011 and \$1,606,258 for the three months ended March 31, 2022 and 2021, 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 March 31, 2022 and 2021 was \$616,191 and \$1,525,904, respectively.

Sales and Marketing (S&M)

Consolidated Sales and Marketing expenses were \$299,316 and \$369,261 for the three months ended March 31, 2022 and 2021, respectively.

Research and Development (R&D)

Consolidated Research and Development expenses were \$1,257,084 and \$1,103,137 for the three months ended March 31, 2022 and 2021, respectively.

Our AppLogiq segment (Lovarra) Research and Development (R&D) expenses were \$1,090,500 and \$925,000 for the three months ended March 31, 2022 and 2021, respectively.

Consolidated Other Income/(Expenses)

Consolidated Other income (expenses), net was \$3,142 and (\$1,897) for the three months ended March 31, 2022 and 2021 respectively.

Consolidated Net (Loss) Before Income Tax

The Company posted a net loss before income tax (\$3,980,524) and (\$4,081,749) for the three months ended March 31, 2022 and 2021, respectively.

The Company incorporating our AppLogiq segment (Lovarra) incurred a net loss of (\$1,390,623) and \$nil for the three months ended March 31, 2022 and 2021, respectively.

Our DataLogiq platform incurred a net loss of (\$2,846,431) and (\$1,252,572) for the three months ended March 31, 2022 and 2021 respectively.

Consolidated Income Tax (Expense)

No provision for corporate taxes is made as the Company incurred a loss and has unutilized loss carryforwards. The tax paid during the fiscal year is for Delaware franchise taxes for the current and prior years.

Logiq (Delaware) Inc. Results of Operations

Our AppLogiq segment had been acquisition by Lovarra Inc. in January 2022. All revenue, cost had been transferred to the Company Lovarra.

Logiq, Inc. (Nevada) including DataLogiq Results of Operations

Revenue (Service)

DataLogiq revenues were \$4,796,367 for the three months ended March 31, 2021 compared to \$5,639,184 for the same period in 2021, a decrease of \$842,817 or 14.9%. The decrease in revenues is primarily a result due to Medicare enrollment.

Cost of Revenue (Service)

DataLogiq Cost of revenue was \$3,665,382 for the three months ended March 31, 2022 compared to \$4,147,891 for the same period in 2021, a decrease of \$482,509 or 11.6%.

Gross Profit

DataLogiq gross profit was \$1,130,985 for the three months ended March 31, 2022 compared to \$1,491,293 for the same period in 2021, a decrease of \$360,308 or 24.1%.

Depreciation and amortization

DataLogiq depreciation and amortization expenses were \$999,647 for the three months ended March 31, 2021 compared to \$658,062 for the same period in 2021, an increase of \$341,585 or 51.9%.

General and administrative

DataLogiq general and administrative expenses were \$2,520,011 for the three months ended March 31, 2022 compared to \$1,606,258 for the same period in 2022, an increase of \$913,753 or 56.9%. 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 \$294,316 for the three months ended March 31, 2022 compared to \$299,511 for the same period in 2021, a decrease of \$5,195 or 1.7%.

Research and development

DataLogiq research and development expenses were \$166,584 for the three months ended March 31, 2022 compared to \$178,137 for the same period in 2021, a decrease of \$11,553 or 6.5%. Research and development costs include developers that support and enhance our technologies.

(Loss) from Operations

DataLogiq's loss from operations was (\$2,849,573) for the three months ended March 31, 2022 compared to (\$1,250,675) for the same period in 2021.

Other Income/(Expenses)

For the three months ended March 31, 2022, DataLogiq other income was \$3,142 compared to (\$1,897) for the same period in 2021.

Liquidity and Capital Resources

During the year ended March 31, 2022, 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, and (iii) proceeds from third-party financings.

Canadian Initial Public Offering (IPO)

On June 9, 2021, the Company entered into an Agency Agreement (the "Agency Agreement") with Research Capital Corporation (the "Agent") relating to a Canadian initial public 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 ("Common Stock", 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"). The Warrants will be governed by a warrant indenture (the "Warrant Indenture") between the Company and Odyssey Trust Company (the "Warrant Agent"). No Units will be issued, however, as the Units will be immediately separated and purchasers will receive only shares of Common Stock and Warrants. 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.

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 units of securities (the "Advisory Fee Units"), and 158,115 non-transferrable compensation options (the "Agent Options") to the Agent as compensation for certain strategic advisory and support services rendered to the Company in connection with the Offering. Each Advisory Fee Unit is comprised of (i) one share of Common Stock, and (ii) one Warrant. Each Agent Option is exercisable for one Unit at an exercise price of C\$3.00 per Unit. On June 21, 2021, the Company's common stock began trading on the NEO Exchange under the symbol "LGIQ". The Company's common stock continues to trade in the United States on the OTCQX under the same symbol.

Ionic Ventures Purchase Agreement

On March 30, 2022, the Company, entered into the Ionic Purchase Agreement with Ionic, whereby the Company has the right, but not the obligation, to sell to Ionic, and Ionic is obligated to purchase up to in the aggregate \$40,000,000 worth of the Company's common stock. Sales of common stock by the Company under the Ionic Purchase Agreement will be subject to certain limitations, and may occur from time to time, at the Company's sole discretion, over the 24-month period commencing on March 30, 2020.

In connection with the execution of the Ionic Purchase Agreement, the Company registered 2,926,000 shares of common stock sold to Ionic in connection with the purchase of \$3,000,000 in shares of common stock (the "Primary Shares") in connection with the initial purchase of Common Stock under the Ionic Purchase Agreement, which reflects an estimated value equal to the product of (A) the quotient of (y) the purchase amount (i.e., \$3,000,000) divided by (z) the Pre-Settlement Regular Purchase Price (defined below), multiplied by (B) 125% (which Ionic may increase at its discretion). The "Pre-Settlement Regular Purchase Price" is equal to 80% of the closing price of the Company's common stock on the OTCQX Market on the date immediately preceding the Company's receipt of a purchase notice under the Ionic Purchase Agreement.

The Regular Purchase Price, which is the price at which future shares of common stock sold under the Ionic Purchase Agreement will be sold at, for the Purchase Shares shall equal 97% of the arithmetic average of the five lowest VWAPs during the period starting on the date that Ionic receives Pre-Settlement Regular Purchase Shares and ending on such date that the aggregate dollar volume of our common stock traded on our Principal Market equals five times the Purchase Amount, in the aggregate, subject to a five Trading Day minimum (provided, however, that each day on which Ionic has requested Purchase Shares which cannot be delivered to Ionic shall be excluded from such calculation). This is a forward pricing mechanism based on an estimate and true up and as of the date of this filing, the Regular Purchase Price has yet to be calculated.

Also in connection with the execution of the Ionic Purchase Agreement, the Company issued a Warrant to purchase 631,579 shares of common stock (1.5% of the total \$40,000,000 commitment amount) to Ionic for no consideration as a commitment fee, and has agreed to register the shares issuable upon exercise of the Warrant. The Warrant may be exercised for cash, but may also be exercised on a cashless exercise basis, which means the Company may not receive any proceeds from such cashless exercise. Ionic may ultimately decide to exercise all, some or none of the Warrant.

The Company intends to register the remaining up to \$37,000,000 worth of common stock issuable under the Ionic Purchase Agreement, or any additional Primary Shares that may be issued after the date hereof to Ionic, or any Purchase Shares which may be issuable to Ionic as a “true up” pursuant to the initial purchase described above pursuant to a resale registration statement on Form S-1 to be filed subsequently with the SEC.

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 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 March 31, 2022, we currently have material commitments for capital expenditures. Our capex & R&D plans are dependent on the availability of working capital and is able to be scaled back 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 discussed elsewhere in this Quarterly Report on Form 10-Q and the Risk Factor section of our Annual Report on Form 10-K for the year ended December 31, 2021.

The following table summarizes our cash flows for the three months ended March 31, 2022 and 2021:

	For the three months March 31,	
	2022	2021
Cash flows:		
Net cash (used in) operating activities	\$ (1,855,740)	\$ (1,999,989)
Net cash provided (used in) by investment activities	\$ 7,209,381	\$ (445,202)
Net cash (used in) provided by financing activities	\$ (3,168,559)	\$ 1,822,052

Operating Activities

During the three months ended March 31, 2022, (loss) from operations used (\$1,855,740), compared to (\$1,999,989) for the three months ended March 31, 2021. Our net (loss) for the three months ended March 31, 2022 decreased to (\$3,980,524) and (\$4,081,749) respectively compared to the same period last year. Depreciation and amortization increased to \$1,030,930 and \$689,346 respectively compared to the same period last year as a result of acquisitions of Fixel and Rebel.

Investing Activities

During the three months ended March 31, 2022, we used cash \$7,209,381 for investing activities in our financial asset investment portfolio based and managed in the US, compared to (\$445,202) during the three months ended March 31, 2021. The investment is reduced as a result of the funding requirements of the Company in three months ended March 31, 2022 compared to same period in 2021.

Financing Activities

During the three months ended March 31, 2022, we generated (\$3,168,559) from financing activities, compared to \$1,822,052 for the three months ended March 31, 2021, primarily from the proceeds from the sale of common stock.

We estimate that based on current plans, assumptions and fund raising, that our available cash and the cash we generate from our core operations will generally be sufficient to satisfy our capital expenditures under our present operating expectations, for up to 12 months. We believe that we have sufficient working capital to fund the expansion of our operations and to provide working capital necessary for our ongoing 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

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below and the risk factors discussed in Part I, “Item 1A. Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on April 1, 2022 (the “Annual Report”), as well as the other information in this Quarterly Report on Form 10-Q (this “Report”), including our financial statements and the related notes, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” before deciding whether to invest in our common stock. If any of the risks included in this Quarterly Report and our Annual Report actually occurs, our business, financial condition, results of operations and future prospects could be materially and adversely affected. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. Because of the risks discussed in this Quarterly Report and our Annual Report, as well as other variables affecting our operating results, past financial performance should not be considered as a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

Except as set forth below, there have been no material updates or changes to the risk factors previously disclosed in our Annual Report; provided, however, additional risks not currently known or currently material to us may also harm our business.

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.

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.

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.

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.

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

There were no unregistered shares of equity securities sold during this time period which were not previously disclosed.

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 No.	Description of Exhibit
2.1	Asset Purchase Agreement, dated March 31, 2022, by and among Logiq, Inc., Battle Bridge Acquisition Co, LLC, Section 2383 LLC, Travis Phipps and Robb Billy (1)
3.1	Certificate of Incorporation, filed November 18, 2004 (2)
3.2	Certificate of Amendment to the Certificate of Incorporation of the Company, filed March 1, 2007 (2)
3.3	Certificate of Amendment to the Certificate of Incorporation of the Company, filed August 2, 2011 (2)
3.4	Certificate of Amendment to the Certificate of Incorporation of the Company, filed January 14, 2013 (2)
3.5	Certificate of Amendment to the Certificate of Incorporation of the Company, filed April 10, 2013 (2)
3.6	Certificate of Amendment to the Certificate of Incorporation of the Company, filed May 10, 2013 (2)
3.7	Certificate of Amendment to the Certificate of Incorporation of the Company, filed September 18, 2013 (2)
3.8	Certificate of Amendment to the Certificate of Incorporation of the Company, filed December 5, 2013 (2)
3.9	Certificate of Amendment to the Certificate of Incorporation of the Company, filed August 5, 2015 (2)
3.10	Certificate of Amendment to the Certificate of Incorporation of the Company, filed February 25, 2020 (2)
3.11	Certificate of Amendment to the Certificate of Incorporation of the Company, filed July 31, 2020 (2)
3.12	Amended and Restated Bylaws (3)
4.1	Warrant to Purchase Common Stock, dated March 30, 2022 (4)
10.1	Second Amended and Restated 2020 Equity Incentive Plan and related form agreements, dated January 25, 2022 (3)
10.2	Purchase Agreement, dated March 30, 2022, by and between Logiq, Inc. and Ionic Ventures, LLC (4)
10.3	Registration Rights Agreement, dated March 30, 2022, by and between Logiq, Inc. and Ionic Ventures, LLC (4)
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	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.
32.2*	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.
101.INS*	Inline XBRL Instance Document.**
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.**
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.**
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.**
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.**
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.**
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).**

* Filed herewith

** 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.

- (1) incorporated by reference to Form 8-K of the Company filed with the Securities and Exchange Commission on April 6, 2022
- (2) incorporated by reference to Form 10-K of the Company filed with the Securities and Exchange Commission on March 31, 2021
- (3) incorporated by reference to Form 8-K of the Company filed with the Securities and Exchange Commission on January 26, 2022
- (4) incorporated by reference to Form 8-K of the Company filed with the Securities and Exchange Commission on March 31, 2022

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: May 16, 2022

Logiq, Inc.

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

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

**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, 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(s) 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(s) 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: May 16, 2022

By: /s/ Brent Suen

Brent Suen
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
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(s) 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(s) 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: May 16, 2022

By: /s/ Brent Suen

Brent Suen
Chief Executive Officer, 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 the Quarterly Report on Form 10-Q of Logiq, Inc. (the “Company”) for the quarter ended March 31, 2022, 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 March 31, 2022 (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.

Date: May 16, 2022

By: /s/ Brent Suen

Brent Suen
Chief Executive Officer, President and Executive
Chairman
(Principal Executive and Financial 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 the Quarterly Report on Form 10-Q of Logiq, Inc. (the “Company”) for the quarter ended March 31, 2022, 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 March 31, 2022 (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.

Date: May 16, 2022

By: /s/ Brent Suen

Brent Suen
Chief Executive Officer, President and Executive
Chairman
(Principal Executive and Financial Officer)