

## SADOT GROUP, INC.

### New Initiatives, Highly Targeted Approach to Drive Sales & Income Growth

Rob Goldman  
[rob@goldmanresearch.com](mailto:rob@goldmanresearch.com)

August 8, 2023

### SADOT GROUP, INC. (NASDAQ – SDOT - \$1.18)

Industry: Diversified Food

12-Month Price Target: \$4.50

#### KEY STATISTICS

Price: 8/7/23		\$1.18	
52-Week Range:		\$1.599 - \$0.30	
Est. Shares:		29.4M	
Mkt Cap:		\$34.7M	
Avg. Vol:		422,912	
Exch:		NASDAQ	
Cash P/S:		\$0.22	
BV P/S:		\$0.63	
Public Float:		20.9M	
<b>Rev (mil)</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
CY:	\$2,710	\$740	\$851
CY P/Rev:	0.0	0.05	0.04
<b>Adj. EPS</b>	<b>2022A</b>	<b>2023E</b>	<b>2024E</b>
CY:	\$0.49	\$0.21	\$0.30
CY P/E:	0.0	5.6	3.9
<b>Tgt Price:</b>			<b>\$4.50</b>
<b>Tgt P/E:</b>			<b>15x</b>

#### COMPANY INFORMATION

**Sadot Group, Inc.**  
1751 River Run, Suite 200  
Fort Worth TX 76107  
Web: [www.SadotGroupInc.com](http://www.SadotGroupInc.com)  
Email: [ir@sadotco.com](mailto:ir@sadotco.com)  
Phone : 832.604.9568

#### INVESTMENT HIGHLIGHTS

Management has embarked on a series of revenue and income-driving, targeted initiatives, including a name change from Muscle Maker, Inc. to Sadot Group, Inc. Recent and future milestones appear poised to materially enhance adjusted net income profitability and future gross margin.

Changes in core parameters of SDOT's service agreement with AGGIA serve as a boon to the Company's adjusted net income. The 50% reduction in compensation expenses associated with these changes became effective as of April 2023.

The acquisition of farmland in Zambia and the formation of a business entity focused on the Americas diversifies SDOT's business and could have a material impact on future gross margins. Revenue contribution to Sadot could commence in 4Q23.

Our revised forecasts reflect some seasonality and the new initiatives. As for the full P&L, for 2Q23, we project \$160M in revenue with a loss per share of (\$0.03). For the full year, we currently project revenue of \$740.3M and a loss per share of (\$0.09). In 2024, we project top-line of \$850.8M and EPS of \$0.11.

Our 12-month target is \$4.50, which represents a reasonable 15x our adjusted EPS of \$0.30 for 2024. We believe that given the structure, an adjusted P&L model is the most appropriate valuation metric for these shares.

## COMPANY SNAPSHOT

Tracing its roots to 1995, **Sadot Group, Inc. (NASDAQ: SDOT)** formerly known as **Muscle Maker, Inc. (NASDAQ: GRIL)**, is the parent company of a unique, diversified, high growth business model that positions the Company as an emerging leader in the global food supply chain. Sadot Group connects producers and consumers across the globe, sourcing agri-commodity products from the Americas, Africa, and the Black Sea region, and delivering them to markets in Southeast Asia, China and the Middle East/North Africa region.

Sadot Group currently operates within three key verticals of the global food supply chain:

- Global agri-commodity sourcing and trading operations for food/feed products such as soybean meal, wheat and corn.
- Farm operations producing grains and tree crops in Southern Africa.
- Food service operations under multiple brands with more than 50 restaurants across the U.S.

Sadot Group Inc. is headquartered in Fort Worth, Texas with subsidiary operations in Miami, Dubai, Singapore, Kyiv and Zambia.

SDOT seeks to leverage its ever-growing footprint in agri-commodity logistics, shipping and production with its legacy presence in healthy, fast casual restaurant franchising and meal prep concepts. Management embarked on a series of transformative supply chain initiatives in recent months has led to hundreds of millions in revenue for the supply chain segment already in 2023. Given its upgraded focus and business model, we believe its share price is set to markedly change as well---by a factor 3x, in the coming quarters. Further, with the implementation of recent and upcoming initiatives, we believe greater upside exists in 2024 and beyond.

## NEW INITIATIVES = KEY COMPANY DRIVERS

### *Re-branding Initiative Adds Value to Core Business*

In early 3Q23, the Company announced it has re-branded itself to Sadot Group, Inc., to better reflect its core business. The parent company name change was initiated by the Company's strategic pivot into the global agri-food supply chain industry. Since the shift in November 2022, the company has delivered enviable top-line monthly results. As of June 30, 2023, Sadot LLC, a wholly-owned subsidiary, crossed the \$500 million total revenue milestone since its inception. The Company has now exceeded \$45 million in monthly revenue for eight consecutive months. In addition to high revenues month after month, the Company recently announced the expansion into new trade routes throughout North, Central and South America along with the purchase and initiation of farming operations in Zambia, keeping the Company on its trajectory to reach its goals of becoming a significant global presence in the sector.

### *Modifications to AGGIA Service Agreement Aid Net Profit Growth*

In late 2022, the Company formed a new division, Sadot LLC, which has been directly involved in the wholesaling of food and engaging in the physical food commodities arena, including production, procurement, logistics, shipping, and sale. This division has been operated by GRIL's consultant AGGIA LLC FZ, a team of seasoned

professionals in the global food supply chain industry. The AGGIA team possesses specific expertise in moving various grains, such as wheat, corn or soybeans around the world. A typical single cargo ship transaction consists of shipping grains from one country to another containing 25,000 to 70,000 metric tons of grains with values ranging between \$5 million and \$40 million dollars per shipment.

In exchange for running these operations through the wholly-owned Sadot LLC subsidiary, AGGIA entered into a creative pay for performance plan. Under the service agreement as previously entered, AGGIA earned shares based on the net income generated by Sadot. Specifically, 80% of Sadot's net income was used to calculate the shares earned via the service agreement. AGGIA has the potential to earn up to a total of 14,424,275 shares of the Company's common stock, which the new addendum has not impacted. AGGIA has earned 5,568,823 shares through Q1 and has also nominated eight new board members by generating over \$9.9 million in net income to date out of a total potential \$22.5M, for the 14.4M shares noted above.

The new addendum, which took effect April 1, 2023, modifies the formula by which the Company will issue shares of common stock earned by AGGIA for net income generated through the Sadot division from 80% of net income to 40% of net income. The overall intended effect will be to reduce, by 50%, the quarterly non-cash expenses related to stock issuances to AGGIA, streamline the reporting processes and is expected to have a favorable impact the Company's financial performance. This method also reduces the number of additional shares "added" each quarter to account for the net income contribution, which is a major plus for investors.

#### *First Foray into Farmland Ownership Diversifies Revenue, Markets, Boost Gross Margin*

In recent months, SDOT has acquired agricultural land in Zambia for \$8.5M---the Company's first farmland procurement. The 4,942 acres (2000 hectares) of producing agricultural land, along with buildings and related assets, is located within the Mkushi Farm Block of Zambia's Region II agricultural zone. This zone, which represents Zambia's most fertile and productive farmlands, can produce wheat, soy, and corn, which are Sadot's main target commodities, along with other high-value tree crops such as avocado and mango. In the initial stages, these products will be sold to local African markets with the goal of later integrating into Sadot's international trade, launching a new business vertical in the food supply chain strategy.

Sadot entered into a Joint Venture Shareholders Agreement pursuant to which the parties agreed to form a new entity to serve as a joint venture with respect to the operation of the Farm. The joint venture is expected to be named Sadot Enterprises Limited ("Sadot Zambia") with Sadot holding 70% of the equity and other joint venture partners holding 30% of the equity while continuing to operate the Farm.

This strategic acquisition is poised to help transform Sadot as it expands its position as a leading international agri-foods company. In our view, this transaction diversifies the core business both geographically and via products. As a result, we believe that the Company could receive a boost in gross margin, given the inherently greater profitability of this segment versus agri-trading and logistics.

### *Formation of Sadot Latam Diversifies Markets and Financials*

In recent weeks, SDOT has expanded its agri-commodity sourcing and trading operations into North, Central and South America, further diversifying the Company's geographic reach beyond its existing operations in Europe, Asia, the Middle East and Africa. The expansion was facilitated by a strategic agreement between Sadot's agri-food operations and newly-formed Buenaventura Trading LLC ("Buenaventura") based in Miami FL. Buenaventura's team brings a wealth of experience and exposure to new trade routes throughout the Americas by adding multiple sourcing and trading consultants to Sadot with backgrounds from several of the largest international food supply chain organizations.

In order to support the expansion into the Americas and our agreement with Buenaventura, Sadot LLC has formed a new subsidiary, Sadot Latam LLC. This agreement marks a significant milestone for Sadot as it provides access to new trade routes originating in North America to markets in Central and South America. The planned Americas trade routes are intended to generate accretive value for the Company by tapping into the thriving market demand for agricultural products across Central and South America. This planned expansion is expected to further enhance Sadot's position as an emerging entity in the global commodity trading industry. Moreover, a presence in these lucrative markets could represent a meaningful percentage of business going forward for SDOT.

We believe that the first revenue generation could occur as early as 4Q23.

## **RISK FACTORS**

In our view, the Company's risks can be divided into three categories: legacy fast casual, Sadot, and capital markets.

On the legacy, fast-casual side, the risks are apparent; sales growth, franchising growth, and achieving break-even status. The current economic environment is not helping matters but we believe that this focus could not only achieve above average industry sales growth but help lower overall expenses, especially if fewer company-owned stores are opened. Competitive risks in this category include lower pricing, more effective sales/marketing, from other firms/brands. The aforementioned risks could come from larger competitors, existing firms, or new entrants. Still, these future concerns are consistent with firms of SDOT's size and standing. Moreover, we believe that SDOT's seasoned management team is prepared to overcome these hurdles and generate significant top-line growth and consistent social media management implementations.

On the Sadot side, the core risks include achieving consistent sales and income levels and making the right decisions regarding the farmland and new market initiatives. Separately, losses during transport or spoiled commodities could impair the subsidiary's performance.

Volatility and liquidity are typical concerns for microcap stocks that trade on the NASDAQ National Market. An overriding financial benefit as a public company is the favorable access to and the availability of capital to fund product launches, consistent marketing campaigns and other initiatives. Since the proceeds of any future funding

would be used in large part to advance major business development, expansion, and sales, we believe that any dilutive effect from such a funding could be offset by related increases in market value.

## OUR TAKE

### *SDOT Getting Bigger and Better*

There is a lot to like about Sadot Group, Inc. As strong as the top-line results were for the first half of 2023, management was feeling its way and learning about the tendencies and opportunities of the global agri-commodity trading markets. Some of the tendencies and opportunities included seasonality issues in the space, along with the heightened benefits of product, geography and market diversification. Therefore, we believe that the recently announced initiatives outlined above position the Company to enjoy a strong performance in 2H23 and an even stronger 2024.

Looking at the big picture, adding new geographies (and hemispheres) along with new products boost top-line growth and could even position revenue into an even more consistent monthly and quarterly pace. Sourcing products from its own farming operations (such as Zambia) improves opportunities across the region and the globe. Moreover, as an integrated operation, a materially positive impact to gross margin could occur post-harvest, while operating expenses in this segment become right-sized after a harvest or two. Finally, a presence in the Western Hemisphere cannot be understated. The sale of product from the US to key Latam nations and markets could be a mini-boon to top-line growth and clearly lessen reliance on other markets during non-harvest periods.

### *The Financials*

Given that SDOT will publish its 2Q23 financial results on August 10, 2023, we elected not to make too many changes to our model at this time. We hope to leverage some new information and guidance on the quarterly call and feel even more confident than when we initially published in May 2023.

Our model reflects an adjustment to quarterly top-line sales for Q2, Q3, and Q4 of this year and full year 2024. We have also made associated changes to reflect the modified and more favorable AGGIA service agreement payment terms on operating profit and EPS. Looking ahead, we believe 2H23 and 2024 upside exist in our revenue figures, due in part to the Zambia and Latam moves. Plus, even an incremental improvement in gross margin could have a substantially positive impact on operating profit. Even a one basis point improvement can add \$8M to the operating income figure in 2024! Clearly, it doesn't take much to move the needle and therefore valuation for SDOT's shares.

### *Full P&L Versus Adjusted and Without Legacy Biz*

As we mentioned in our initiation of coverage report, while it may meet certain accounting standards, these one-time stock-based compensation line items to AGGIA reflect a "double counting" as future quarters reflect dilution from this compensation. Thus, we proffer that an adjusted P&L, which eliminates this line item is a better representation of true operating performance, and valuation of these shares.

As for the full P&L, for 2Q23, we project \$160M in revenue with a loss per share of **(\$0.03)**. For the full year, we currently project revenue of \$740.3M and a loss per share of **(\$0.09)**. In 2024, we project top-line of \$850.8M and EPS of \$0.11.

On an adjusted basis, we project EPS of \$0.03 (versus a loss) for 2Q23, EPS of \$0.21 for 2023 and EPS of \$0.30 for 2024, as compared with EPS of \$0.11.

Separately, as part of the agreement with AGGIA, which now has a majority of the board seats, both parties originally agreed that despite their losses, SDOT will continue its legacy fast casual restaurant model for two years. It is possible, that if losses do not improve, or revenue initiatives do not produce meaningful growth that the Company could consider a spin-off or sale of this business line in 2024. Not only could this potentially generate more than \$10M to SDOT in a sale, but without the associated expenses in 2024, EPS could enjoy a big jump from 2023.

Since this potential spin-off/sale is just a *potential* outcome and not an *expected* or planned one, we are not using such an event to calculate a price target or valuation for SDOT. Our 12-month price target of \$4.50 reflects a reasonable 15x adjusted SDOT EPS of \$0.30 for 2024. We note that this figure may change slightly once an accurate share count and loan-related costs to stock-based compensation are reflected in future financials. Still, we believe that such changes could be a merely 10-15% in this price target, from our present modeling.

**Table I. Sadot Group, Inc.**  
Pro Forma Projected Income Statement

	<b>FY22A</b>	<b>1Q23A</b>	<b>2Q23E</b>	<b>3Q23E</b>	<b>4Q23E</b>	<b>FY23E</b>	<b>FY24E</b>
<b>Revenue:</b>							
Commodity sales	\$150,585,644	\$210,366,000	\$157,000,000	\$167,990,000	\$193,188,500	\$728,544,500	\$837,826,175
Comp rest sales, net of disc	\$10,300,394	\$2,301,000	\$2,485,080	\$2,696,312	\$2,912,017	\$10,394,409	\$11,537,793
Franchise royalties & fees	\$726,854	\$284,000	\$298,200	\$319,074	\$341,409	\$1,242,683	\$1,379,378
Franchise adv fund contr	\$80,536	\$16,000	\$16,640	\$17,472	\$18,346	\$68,458	\$75,988
Other revenue	\$4,989	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$161,698,417</b>	<b>\$212,967,000</b>	<b>\$159,799,920</b>	<b>\$171,022,858</b>	<b>\$196,460,272</b>	<b>\$740,250,049</b>	<b>\$850,819,335</b>
<b>Total Operating Expenses</b>							
Commodity Oper Exp:							
Commodity cost	\$145,671,454	\$205,055,000	\$152,290,000	\$162,950,300	\$187,392,845	\$707,688,145	\$808,502,259
Labor	\$346,750	\$620,000	\$638,600	\$670,530	\$704,057	\$2,633,187	\$3,028,164
Other commodity exp	\$19,000	\$154,000	\$158,620	\$163,379	\$168,280	\$644,279	\$721,592
Total commodity exp	\$146,037,204	\$205,829,000	\$153,087,220	\$163,784,209	\$188,265,181	\$710,965,610	\$812,252,015
Restaurant Oper Exp:							
Food and bev costs	\$3,940,321	\$839,000	\$872,560	\$898,737	\$934,686	\$3,544,983	\$3,970,381
Labor	\$3,844,140	\$880,000	\$906,400	\$933,592	\$961,600	\$3,681,592	\$4,123,383
Rent	\$1,190,903	\$274,000	\$282,220	\$290,687	\$299,407	\$1,146,314	\$1,283,871
Other rest exp	\$2,294,688	\$472,000	\$486,160	\$500,745	\$515,767	\$1,974,672	\$2,211,633
Total restaurant exp	\$11,270,052	\$2,465,000	\$2,547,340	\$2,623,760	\$2,711,460	\$10,347,561	\$11,589,268
<b>Total commodity and rest exp</b>	<b>\$157,307,256</b>	<b>\$208,294,000</b>	<b>\$155,634,560</b>	<b>\$166,407,969</b>	<b>\$190,976,642</b>	<b>\$721,313,171</b>	<b>\$823,841,283</b>
Impairment intangible asset	\$347,110	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation & Amortization	\$2,015,048	\$633,000	\$651,990	\$671,550	\$691,696	\$2,648,236	\$2,833,612
Franchise adv fund exp	\$80,536	\$16,000	\$16,640	\$17,472	\$18,346	\$68,458	\$73,250
Preopening exp	\$116,728	\$36,000	\$37,440	\$38,938	\$40,495	\$152,873	\$168,160
Post-closing exp	\$197,101	\$94,000	\$96,820	\$99,725	\$102,716	\$393,261	\$424,722
Stock-based consult exp	\$3,601,987	\$3,359,000	\$1,884,000	\$2,015,880	\$2,318,262	\$9,577,142	\$8,000,000
SG&A	\$6,149,801	\$2,142,000	\$2,270,520	\$2,418,104	\$2,575,281	\$9,405,904	\$10,252,436
Total Operating Expenses	\$169,815,567	\$214,574,000	\$160,591,970	\$171,669,637	\$196,723,438	\$743,559,044	\$845,593,463
<b>Operating Income (Loss)</b>	<b>(\$8,117,150)</b>	<b>(\$1,607,000)</b>	<b>(\$792,050)</b>	<b>(\$646,779)</b>	<b>(\$263,166)</b>	<b>(\$3,308,995)</b>	<b>\$5,225,872</b>
Operating Margin	N/A	N/A	N/A	N/A	N/A	N/A	0.6%
Other income (Expense)	\$44,944	\$0	\$0	\$0	\$0	\$0	\$100
Interest expense, net	(\$6,730)	\$3,000	\$2,000	\$2,000	\$0	\$7,000	\$0
Chg in FV accrued comp		\$541,000	\$0	\$0	\$0	\$0	\$0
Gain on debt extinguishment	\$141,279	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income (Expense), net	\$179,493	\$544,000	\$2,000	\$2,000	\$0	\$548,000	\$100
Gain (Loss) before Income Tax	(\$7,937,657)	(\$1,063,000)	(\$790,050)	(\$644,779)	(\$263,166)	(\$2,760,995)	\$5,225,972
Income tax	\$24,771	\$3,000	\$3,000	\$2,000	\$3,000	\$11,000	\$522,597
<b>Net Income (Loss)</b>	<b>(\$7,962,428)</b>	<b>(\$1,066,000)</b>	<b>(\$793,050)</b>	<b>(\$646,779)</b>	<b>(\$266,166)</b>	<b>(\$2,771,995)</b>	<b>\$4,703,375</b>
<b>Net Loss Per Share</b>	<b>(\$0.28)</b>	<b>(\$0.04)</b>	<b>(\$0.03)</b>	<b>(\$0.02)</b>	<b>(\$0.01)</b>	<b>(\$0.09)</b>	<b>\$0.11</b>
Wtd. Shares Outstanding	28,558,586	29,443,000	31,500,000	33,500,000	35,500,000	32,485,750	41,500,000
Sources: SDOT/GRIL, SEC, GSCR							

**Table II. Sadot Group, Inc.**  
*ADJUSTED* Pro Forma Projected Income Statement

	<b>FY22A</b>	<b>1Q23A</b>	<b>2Q23E</b>	<b>3Q23E</b>	<b>4Q23E</b>	<b>FY23E</b>	<b>FY24E</b>
<b>Revenue:</b>							
Commodity sales	\$150,585,644	\$210,366,000	\$157,000,000	\$167,990,000	\$193,188,500	\$728,544,500	\$837,826,175
Comp rest sales, net of disc	\$10,300,394	\$2,301,000	\$2,485,080	\$2,696,312	\$2,912,017	\$10,394,409	\$11,537,793
Franchise royalties & fees	\$726,854	\$284,000	\$298,200	\$319,074	\$341,409	\$1,242,683	\$1,379,378
Franchise adv fund contr	\$80,536	\$16,000	\$16,640	\$17,472	\$18,346	\$68,458	\$75,988
Other revenue	\$4,989	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL REVENUE</b>	<b>\$161,698,417</b>	<b>\$212,967,000</b>	<b>\$159,799,920</b>	<b>\$171,022,858</b>	<b>\$196,460,272</b>	<b>\$740,250,049</b>	<b>\$850,819,335</b>
<b>Total Operating Expenses</b>							
Commodity Oper Exp:							
Commodity cost	\$145,671,454	\$205,055,000	\$152,290,000	\$162,950,300	\$187,392,845	\$707,688,145	\$808,502,259
Labor	\$346,750	\$620,000	\$638,600	\$670,530	\$704,057	\$2,633,187	\$3,028,164
Other commodity exp	\$19,000	\$154,000	\$158,620	\$163,379	\$168,280	\$644,279	\$721,592
Total commodity exp	\$146,037,204	\$205,829,000	\$153,087,220	\$163,784,209	\$188,265,181	\$710,965,610	\$812,252,015
Restaurant Oper Exp:							
Food and bev costs	\$3,940,321	\$839,000	\$872,560	\$898,737	\$934,686	\$3,544,983	\$3,970,381
Labor	\$3,844,140	\$880,000	\$906,400	\$933,592	\$961,600	\$3,681,592	\$4,123,383
Rent	\$1,190,903	\$274,000	\$282,220	\$290,687	\$299,407	\$1,146,314	\$1,283,871
Other rest exp	\$2,294,688	\$472,000	\$486,160	\$500,745	\$515,767	\$1,974,672	\$2,211,633
Total restaurant exp	\$11,270,052	\$2,465,000	\$2,547,340	\$2,623,760	\$2,711,460	\$10,347,561	\$11,589,268
<b>Total commodity and rest exp</b>	<b>\$157,307,256</b>	<b>\$208,294,000</b>	<b>\$155,634,560</b>	<b>\$166,407,969</b>	<b>\$190,976,642</b>	<b>\$721,313,171</b>	<b>\$823,841,283</b>
Impairment intangible asset	\$347,110	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation & Amortization	\$2,015,048	\$633,000	\$651,990	\$671,550	\$691,696	\$2,648,236	\$2,833,612
Franchise adv fund exp	\$80,536	\$16,000	\$16,640	\$17,472	\$18,346	\$68,458	\$73,250
Preopening exp	\$116,728	\$36,000	\$37,440	\$38,938	\$40,495	\$152,873	\$168,160
Post-closing exp	\$197,101	\$94,000	\$96,820	\$99,725	\$102,716	\$393,261	\$424,722
Stock-based consult exp	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SG&A	\$6,149,801	\$2,142,000	\$2,270,520	\$2,418,104	\$2,575,281	\$9,405,904	\$10,252,436
Total Operating Expenses	\$166,213,580	\$211,215,000	\$158,707,970	\$169,653,757	\$194,405,176	\$733,981,902	\$837,593,463
<b>Operating Income (Loss)</b>	<b>(\$4,515,163)</b>	<b>\$1,752,000</b>	<b>\$1,091,950</b>	<b>\$1,369,101</b>	<b>\$2,055,096</b>	<b>\$6,268,147</b>	<b>\$13,225,872</b>
<i>Operating Margin</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>1.6%</i>
Other income (Expense)	\$44,944	\$0	\$0	\$0	\$0	\$0	\$100
Interest expense, net	(\$6,730)	\$3,000	\$2,000	\$2,000	\$0	\$7,000	\$0
Chg in FV accrued comp		\$541,000	\$0	\$0	\$0	\$0	\$0
Gain on debt extinguishment	\$141,279	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income (Expense), net	\$179,493	\$544,000	\$2,000	\$2,000	\$0	\$548,000	\$100
Gain (Loss) before Income Tax	(\$4,335,670)	\$2,296,000	\$1,093,950	\$1,371,101	\$2,055,096	\$6,816,147	\$13,225,972
Income tax	\$24,771	\$3,000	\$3,000	\$2,000	\$3,000	\$11,000	\$1,983,896
<b>Net Income (Loss)</b>	<b>(\$4,360,441)</b>	<b>\$2,293,000</b>	<b>\$1,090,950</b>	<b>\$1,369,101</b>	<b>\$2,052,096</b>	<b>\$6,805,147</b>	<b>\$11,242,076</b>
<b>Net Loss Per Share</b>	<b>(\$0.15)</b>	<b>\$0.08</b>	<b>\$0.03</b>	<b>\$0.04</b>	<b>\$0.06</b>	<b>\$0.21</b>	<b>\$0.30</b>
Wtd. Shares Outstanding	28,558,586	29,443,000	31,500,000	33,500,000	35,500,000	32,485,750	38,000,000
Sources: SDOT/GRIL, SEC, GSCR							



**Table III. Sadot Group, Inc.**

Balance Sheet: 3/31/23

**Current Assets**

Cash	\$6,386,000
Accts rec, net allow doubtful acct	\$4,961,000
Inventory	\$35,145,000
Prepaid exp and current assets	\$206,000
<b>Total Current Assets</b>	<b>\$46,698,000</b>

**Non-Current Assets**

Right to use assets	\$2,189,000
Prop and equip, net	\$1,680,000
Goodwill	\$2,626,000
Intangible assets, net	\$4,301,000
Deposit on farmland	\$5,002,000
Security deposits, other assets	\$1,020,000
<b>Total Non Current Assets</b>	<b>\$16,818,000</b>

**TOTAL ASSETS \$62,598,000**

**Current Liabilities**

Accounts payable, acc exp	\$35,863,000
Acc stock-based consult exp	\$3,400,000
Notes payable, current	\$225,000
Operating lease liab, current	\$505,000
Deferred rev, current	\$90,000
Other current liab	\$195,000
<b>Total Current Liabilities</b>	<b>\$40,278,000</b>

**Non-Current Liab**

Notes payable, non-current	\$722,000
Operating lease liab, non-curr	\$1,800,000
Deferred revenue, non-curr	\$1,228,000

**TOTAL NON-CURRENT LIABILITIES \$3,750,000**

**TOTAL LIABILITIES \$44,028,000**

**SHAREHOLDER'S EQUITY**

Common stock	3
Add'l paid-in capital	98,988
Accumulated deficit	(\$80,241)
<b>TOTAL EQUITY</b>	<b>\$18,570,000</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$62,598,000</b>

Sources: SDOT and Goldman Small Cap Research

## RECENT TRADING HISTORY FOR SDOT

(Source: [www.StockCharts.com](http://www.StockCharts.com))



## SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 25 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

## ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

## DISCLAIMER

This *Opportunity Research* report was prepared for informational purposes only.

*Goldman Small Cap Research*, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research* and *Goldman Opportunity Research*. The *Select* format reflects the Firm's internally generated stock ideas along with economic and stock market outlooks. *Opportunity Research* reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-sponsored micro-cap research ideas that typically carry greater risks than those stocks covered in the *Select Research* category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Research reports on profiled stocks in the *Opportunity Research* format typically have a higher risk profile and may offer greater upside. *Goldman Small Cap Research* (GSCR) was compensated \$2500 by a third party (TraDigital Marketing Group, Inc.) for the production and distribution of this report. Earlier in 2023, GSCR was compensated by the Company in the amount of \$4000 for an initiation of coverage research report production and a press release. All information contained in this report was provided by the Company via filings, press releases or its website, or through our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations.

Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

Separate from the factual content of our articles about the Company, we may from time to time include our own opinions about the Company, its business, markets and opportunities. Any opinions we may offer about the Company are solely our own and are made in reliance upon our rights under the First Amendment to the U.S. Constitution, and are provided solely for the general opinionated discussion of our readers. Our opinions should not be considered to be complete, precise, accurate, or current investment advice. Such information and the opinions expressed are subject to change without notice.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings,

press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report or note is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed. This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with FINRA, the U.S. Securities and Exchange Commission or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.

For more information, visit our Disclaimer: [www.goldmanresearch.com](http://www.goldmanresearch.com)