

DIGITAL MOBILITY SOLUTIONS LANKA LTD



RESEARCH REPORT

2nd July 2024

Prepared by



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We, Capital Alliance Partners Limited ("CAL") and CT CLSA Capital (Private) Limited, hereby jointly declare that we possess the requisite expertise to perform reports of this nature involving a quoted company categorised under the GICS Sector Classification: Software and Services.

We further jointly declare that the Research Report has been prepared in conformity with the disclosures stated in the 'Guidance Note' pertaining to the preparation of a Valuation/Research report.

The Board of Directors,
Digital Mobility Solutions Lanka Ltd
No. 309, High Level Road,
Colombo 06,
Sri Lanka

Dear Sir/Madam,

Valuation Report to the Board of Directors and Shareholders of Digital Mobility Solutions Lanka Ltd on the proposed Initial Public Offering

We, Capital Alliance Partners Limited ("CAL") and CT CLSA Capital (Private) Limited ("CT CLSA"), in the capacity of Joint Managers and Financial Advisors to the Initial Public Offering (IPO) of Digital Mobility Solutions Lanka Ltd (hereinafter referred to as "Managers to the Issue"), wish to submit the enclosed Research Report in accordance with Section 3.1.4 (c) of the Listing Rules of the Colombo Stock Exchange. CAL and CT CLSA have prepared the Research Report as a part of its scope agreed between Digital Mobility Solutions Lanka Ltd and the Managers to the Issue, in terms of the engagement letter executed between the parties.

Please find enclosed herewith the detailed Research Report for your reference.

Thank you,

Yours faithfully,

CAPITAL ALLIANCE PARTNERS LIMITED

CT CLSA CAPITAL (PRIVATE) LIMITED

Sgd

Nishok Goonasekera
Chief Executive Officer

Sgd

Zakir Mohamedally
Group Chief Operating Officer |
Head of Investment Banking

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GLOSSARY OF TERMS AND ABBREVIATIONS

PickMe	Digital Mobility Solutions Lanka Ltd
C.	Circa (Approximately)
CAL	Capital Alliance Partners Limited
CBSL	Central Bank of Sri Lanka
CSE	Colombo Stock Exchange
DCF	Discounted Cash Flow
EPS	Earnings Per Share
EV	Enterprise Value = Market Capitalization + Interest Bearing Debt – Cash and Cash Equivalents
FY	Financial Year
Mn	Million
NAV	Net Asset Value
P/E	Price to Earnings Ratio
Peers	Comparable Peer Companies to PickMe
PER	Price to Earnings Ratio
Rs/LKR	Sri Lankan Rupee
USD	United States Dollars
USD Mn	United States Dollars (in Millions)
TTM	Trailing Twelve Months
Valuation Date	24th April 2024
YoY	Year on Year
WACC	Weighted Average Cost of Capital

1.0 INTRODUCTION

1.1 EXECUTIVE SUMMARY

CAL and CT CLSA valued Digital Mobility Solutions Lanka Limited ("PickMe"/ "Company") by utilizing the Discounted Cash Flow method, which we believe is the most suitable valuation methodology given the nature and growth trajectory of the company. Additionally, we have looked at the P/E (CSE Market) Relative and Enterprise Value/Revenue (Foreign Peers) Relative, to help investors compare the company's valuation to that of the CSE Market P/E, and comparable foreign peers. We have concluded that PickMe's value per share is LKR 43.49 (in the range of LKR 42.84 to LKR 44.16 with varied WACC/Terminal Growth Rate Assumptions) based on above mentioned valuation metrics.

We would also like to point out that the IPO offer price of LKR 36.00 per share has been priced at a 17.22% discount to our valuation price of LKR 43.49 per share. This IPO discount is provided to investors to provide a potential upside on the investment.

Table 1-1 Valuation Methodology

Valuation Methodology	Price per Share (LKR)* - Average	Discount compared to the issue price
DCF	43.49	17.22%

* The price per shares are subject to the viability of the said forecasts/assumptions made in Section 4 and 5 of this Research Report.

We considered three methods to provide an intrinsic value for PickMe's ordinary voting shares and concluded that the Discounted Cash Flow valuation method was the most appropriate, to which we have assigned 100% weightage. The other valuation methodologies have been shared below to give investors additional context regarding the company's valuation when compared to the listed companies on the CSE and other key foreign peers who have listed on other exchanges.

- a. DCF: Given that PickMe is an extremely fast-growing business, which we forecast will steadily increase in profitability over the next few years, we feel that a DCF valuation is the most appropriate route at arriving at a fair value for the business, which takes into consideration the trajectory the business is currently on.
- b. PER: There are no direct competitors for PickMe listed on the CSE with readily available market values, Consequently, we have chosen to apply the CSE Market PER, as indicated on the CSE website, to the company. Although this methodology does not value the business based on comparable peers, we have used this methodology for investors to have a comparison of PickMe's valuation in relation to the entities listed on the CSE.
- c. EV/Revenue (foreign peers): The EV/Revenue method is the final method that we considered. This metric reflects the value derived based on the Company's revenue. This method is commonly used to arrive at valuation of companies operating in similar industries globally. Hence, we deemed it to be appropriate as a method by which PickMe can be compared to foreign peers.

Considering the above, although we computed the relative valuation to give investors context to the market, we based our final valuation solely on the DCF valuation methodology when arriving at the fair value of Ordinary Voting Shares of PickMe. We have not used the Net Asset Value (NAV) based valuation since this is used for companies without going concern or businesses which are asset heavy.

1.2 OBJECTIVE OF THE REPORT

In accordance with the 'Guidance Note,' CAL and CT CLSA have prepared this research report to provide the basis behind the reference price for the listing of the ordinary voting shares of the Company.

PickMe is a technology company providing digital mobility solutions, specializing in a diverse range of mobility solutions. The Board of Directors of this company hope to publicly list its shares by way of an IPO through an offer for sale.

Thus, the Board of Directors of PickMe has appointed CAL and CT CLSA, to conduct a valuation of PickMe shares as independent valuers, and there is no conflict of interest between CAL, CT CLSA and PickMe.

1.3 VALUATION SUMMARY AND RECOMMENDED REFERENCE PRICE

The table below sets out the findings from the valuation methodologies mentioned above.

Table 1-2 DCF Valuation Summary

	Average	
Method	Intrinsic Value of Equity (LKR)	Value Per Share (LKR)*
DCF	14,495,947,092	43.49
Value Per Share		43.49
Discount		17.22%
Reference Price		36.00

* Based on the number of ordinary voting shares in issue of the company.

Based on the above, CAL and CT CLSA conclude that PickMe's shares would have an Average price per share of c. LKR 43.49 and hence recommends LKR 36.00 per share as the reference price.

1.4 OTHER VALUATION METHODOLOGIES USED

Table 1-3 Summary of Other Valuation Methodologies

	Average	
Method	Intrinsic Value of Equity (LKR)	Value Per Share (LKR)*
P/E (CSE) Relative	13,657,570,952	40.97
EV/Revenue Relative (Foreign Peers)	19,859,674,566	59.58
Average Value Per Share		50.28

* Based on the number of ordinary voting shares in issue of the company.

2.0 COMPANY PROFILE - DIGITAL MOBILITY SOLUTIONS LANKA LIMITED

Incorporated in 2015, Digital Mobility Solutions Lanka Limited is a software company which connects Independent Third-Party Drivers with Consumers across a wide range of services, including Ride Hailing, Food Delivery, Marketplace, Trucking and Parcel delivery. The Group has set numerous records in Sri Lanka since inception, amassing more than LKR 1.4 billion in external funding and earning close to LKR 4 billion in revenue in the last financial year.

Our Core Purpose

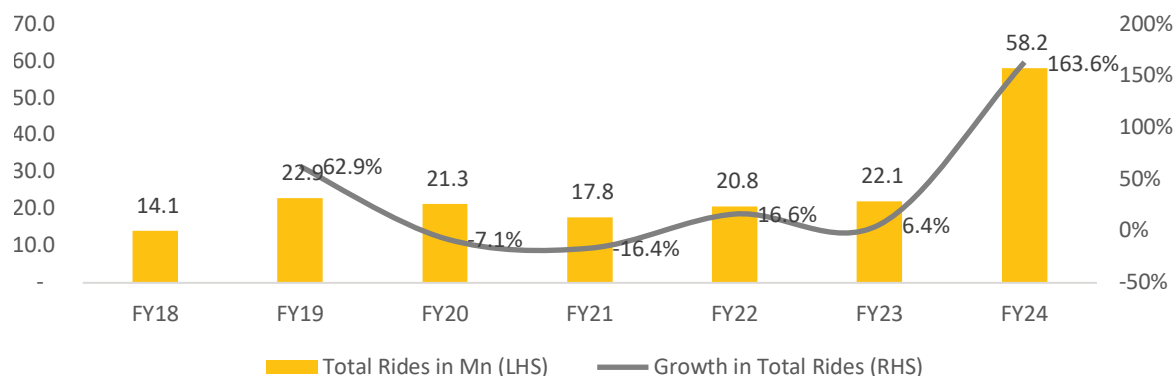
"Joyful mobility, for a better life."

Values

- We imagine, we innovate, and we never give up
- We are hungry to be better
- Trust is given, respect it
- We do the right thing, always
- We give a hand up, take it on

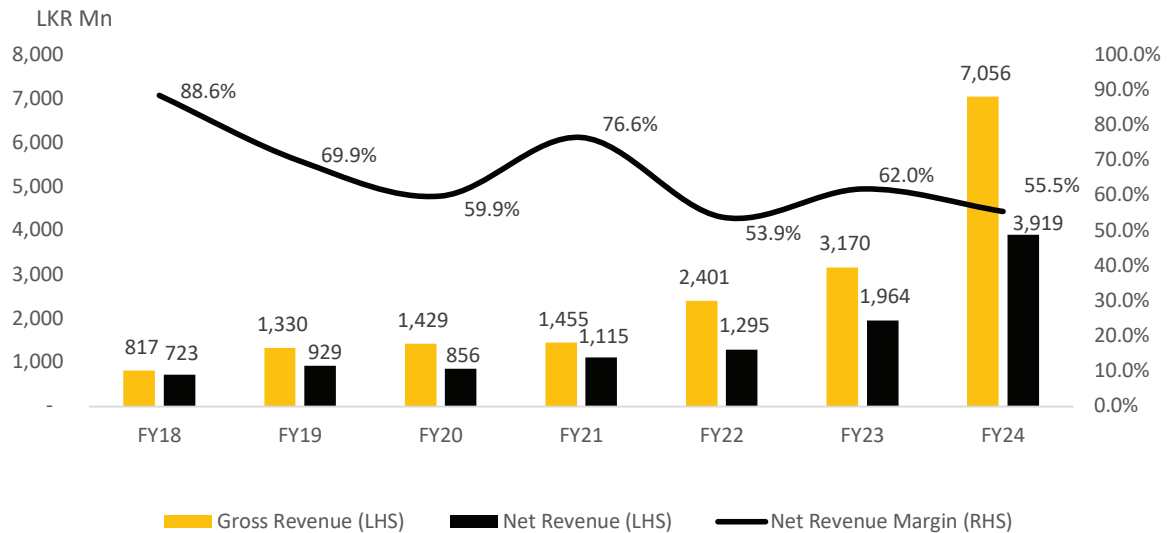
2.1 ANALYSIS OF PICKME'S PERFORMANCE

2.1.1 Total Rides Completed



From FY18 to FY24, the company's total rides facilitated via the platform were impacted by social and economic challenges in the country. FY19 saw strong performance but was affected by the Easter Sunday attacks and the COVID-19 pandemic, leading to a decrease in rides from FY20 to FY21. As economic activities recovered, rides grew by 16.6% in FY22. However, the economic crisis in Sri Lanka in 2022 led to slow growth of 6.4% in FY23 amid fuel rationing. In 2023, as the economy stabilized, total rides facilitated via the platform increased by 163.6% to 58.2 million in FY24, demonstrating a strong recovery.

Gross and Net Revenue



The net revenue is derived after deducting the driver incentives and consumer discount programs the Company offers to increase the engagement of independent third-party drivers and consumers on the platform, which would in turn impact the volume of rides facilitated via the platform.

Between FY20 and FY23, the company strategically managed driver incentives and consumer discounts to boost engagement and support both drivers and consumers amid economic challenges and incentives remained high from FY20 to FY22. In FY23, the company rebounded with increased gross and net revenues and reduced incentives, reflecting improved economic conditions and increased profitability. The domestic economic recovery in late 2023 further boosted revenues. In FY24, the company achieved record growth, with gross revenue increasing by 122.6% to LKR 7 billion and net revenue doubling to LKR 3.9 billion.

3.0 INDUSTRY OVERVIEW AND ANALYSIS

3.1 GLOBAL RIDE HAILING INDUSTRY

The global ride hailing industry is expected to grow to 1.9 billion users by 2028

The ride hailing market encompasses on-demand transportation services facilitated exclusively through mobile applications and online platforms. Initially pioneered by companies like Uber and Lyft, the industry has undergone an incredible transformation in the last decade, evolving into a complex ecosystem featuring a multitude of regional and country specific players.

The industry has amassed over 1.6 billion users as of 2022, and, driven by increased smart phone penetration and a growing middle class, especially in the Asia-pacific region, is expected to reach 1.97 billion users by 2028¹.

As per data compiled by Statista, revenue generated by ride hailing players around the world climbed to USD 166 billion in 2024, and is expected to reach USD 216 billion by 2028 as the industry continues to maintain its staggering growth momentum, despite the economic setbacks brought about by the covid induced disruptions of 2020-2021².

3.2 SRI LANKA'S RIDE HAILING INDUSTRY

Being less than a decade old, and tightly controlled by two large players, Sri Lanka's ride hailing industry has seen tremendous growth since inception, with total user numbers estimated to reach 4.3 million, and user penetration estimated to reach 19.5% by 2027³.

Monthly unique consumer numbers on PickMe alone reached above 880,000 in FY24, a growth of more than 180% in the last 5 years, while monthly unique independent third-party driver numbers on the platform too showed rapid growth in FY24, reaching over 75,000 which constitutes a 185%+ increase from 5 years prior³. As of today, majority of the industry is still powered by the Hailing vertical, which is estimated to contribute 75% of total revenue.

Despite the challenges of the last 3 years, the industry has not only remained resilient, but has rebounded from the country's economic crisis faster than expected, with FY24 being the highest year on record for both independent third-party drivers and consumers.

Although displaying strong future growth potential, the industry continues to be dominated by two large players, with the duopoly of Uber and PickMe maintaining a stranglehold on market share. High barriers to entry predominantly to do with the cost of user acquisition and requirement for high capital investment has ensured this duopoly has remained in place, despite several smaller players attempting and failing to gain significant market share in the previous years.

3.2.1 Key trends driving the growth of the local ride-hailing industry

Several factors have continued to fuel both demand and supply side growth in Sri Lanka's infant ride hailing industry, which, although set back by the economic uncertainties of the last

1 (Accessed via <https://www.statista.com/outlook/mmo/shared-mobility/ride-hailing/worldwide#:~:text=According%20to%20projections%2C%20the%20revenue,%24215.70bn%20by%202028%20worldwide> on May 7th 2024).

2 (Accessed via <https://www.statista.com/outlook/mmo/shared-mobility/ride-hailing/worldwide#:~:text=According%20to%20projections%2C%20the%20revenue,%24215.70bn%20by%202028%20worldwide> on May 7th 2024).

3 PickMe internal research

3 years, has rebounded to post crisis levels faster than expected, showing both the resilience and growth potential of what is still a vastly untapped industry.

The demand side growth drivers include a severe lack of adequate public transportation infrastructure, and increased internet penetration and online payment adaption rates, both of which combined have made Sri Lanka a great incubator for ride-hailing companies to grow and profit in. In addition, with the removal of fuel subsidies, ride-hailing can become a more cost-effective option for consumers compared to using their personal vehicles. This is because ride-hailing leverages the shared economy, where passengers share the cost of a ride with others.

On the supply side, the high number of motor vehicle imports of the immediate pre-crisis period, coupled with the percentage of the population in informal employment and the recent increase in unemployment has led to an ample supply of independent third-party drivers on the platform. Additionally, the current economic crisis has led the working population to engage in part-time hailing as it provides an additional source of income. These have enabled PickMe to cater to the surge in demand for their platform from consumers across all the service verticals.

3.2.2 Demand Side Drivers

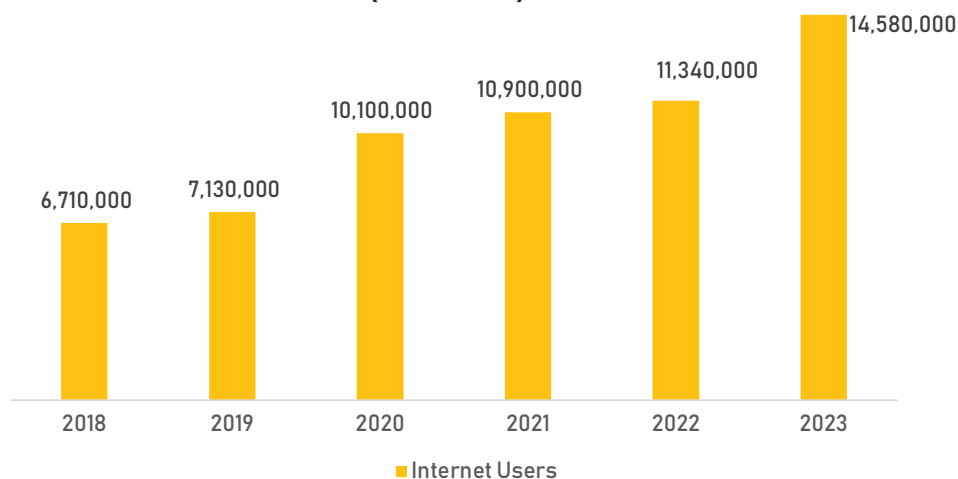
Internet Penetration and Online Payment Adaption

Sri Lanka's internet penetration, which stood at 30% in 2017, during the early days of PickMe's emergence, has grown exponentially to reach 66.7% in the 5 years since⁴. This equates to over 7 million additional people now accessing the online space in Sri Lanka, and thus bringing them into the fold in terms of potential clients for entirely digital-based businesses such as PickMe.

In addition, the adaption towards online financial transactions has seen over 8 million Sri Lankan's making an online payment in the last 12 months, up from 4 million only 5 years ago⁵.

This surge in both the access and the willingness to transact online has been the backbone of PickMe's exponential consumer base increase since inception.

Internet users in Sri Lanka (2018-2023)



Source: Statista

4 (Accessed via <https://datareportal.com/reports/digital-2023-sri-lanka> on May 28th 2024)

5 (Accessed via <https://www.statista.com/outlook/dmo/fintech/digital-payments/sri-lanka#users> on June 3rd 2024)

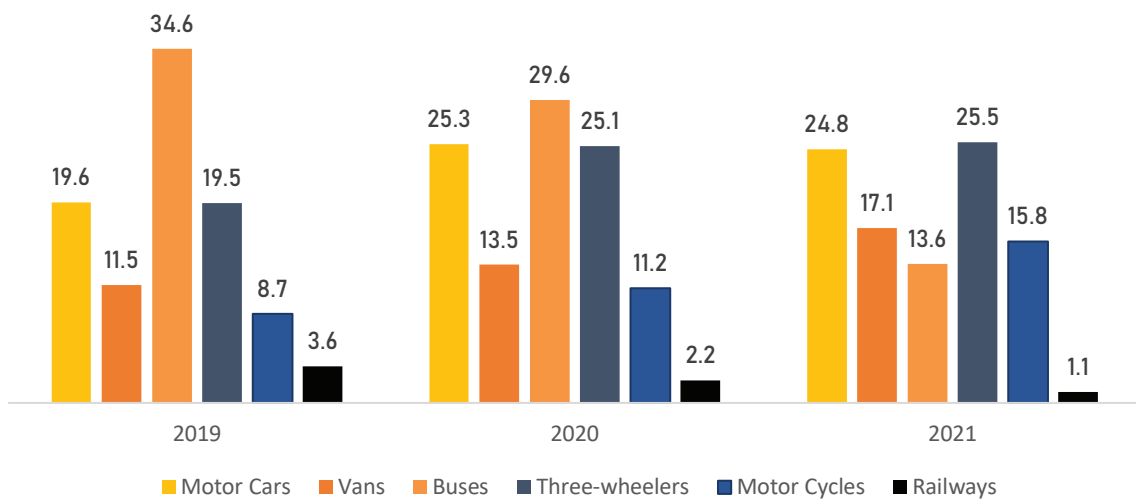
Inadequate Public Transport Infrastructure, and a Shift from Public to Private Transport methods.

Although the country has seen steady population growth, Sri Lanka’s public transport infrastructure remains much the same today as it did half a century ago. The bus fleet, which carries more daily passengers than any other form of public transport in the country, has reduced in the last 5 years from a fleet of 6,127 in 2017 to 5,517 in 2022, with daily passenger numbers reducing from 2.7 million in 2017 to 2.5 million in 2022⁶. Sri Lanka’s railway service has also seen a similar decline in users, and this shift from public to private transport can be best seen in the uptick of other forms of transport.

Three wheelers, a segment which had a 19.5% share of the passenger transport total in 2019, has increased their share significantly with 25% of all passenger transport in the country happening via this method as of 2022⁷. The same market share trend can be seen across motor cars, vans, and motor bikes as well, which have all grown market share, while buses and rail have declined from 34.6% and 3.6% in 2019, to just 13.6% and 1.1% respectively in 2021⁸.

Not surprisingly, the vehicle classes that have seen growth in the preceding years are those which have now become readily accessible and affordable on Sri Lanka’s two dominant ride hailing platforms fulfilled by independent third-party drivers.

Passenger Transport Model Share Trend (%) – 2019 to 2021



Source: Ministry of Transport⁹

3.2.3 Supply Side Drivers

Motor Vehicle Imports

In parallel to the factors that have led to an exponential increase in demand for services on ride hailing aggregators, there has also been several factors that have led to the increase in supply of independent third-party drivers to cater to this burgeoning demand.

6 (Accessed via https://www.transport.gov.lk/web/index.php?option=com_content&view=article&id=25&Itemid=145&lang=en#basic-information on June 3rd 2024)

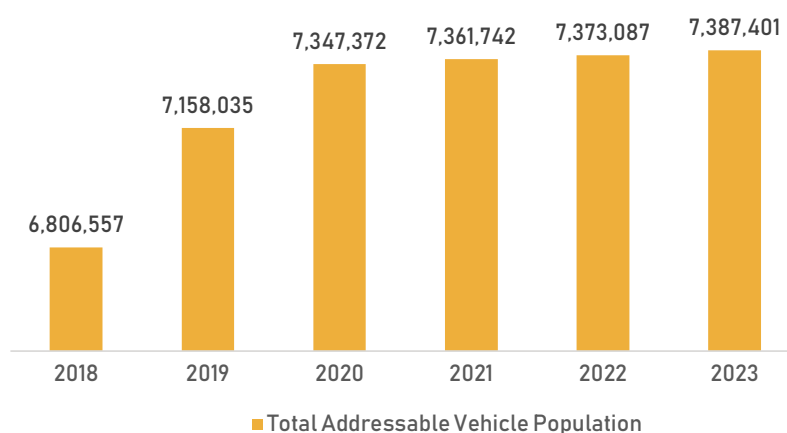
7 (Accessed via https://www.transport.gov.lk/web/index.php?option=com_content&view=article&id=27&Itemid=147&lang=en#passenger-transportation-model-share-furnished-by-clean-air-sri-lanka on June 3rd 2024)

8 (Accessed via https://www.transport.gov.lk/web/index.php?option=com_content&view=article&id=27&Itemid=147&lang=en#passenger-transportation-model-share-furnished-by-clean-air-sri-lanka on June 3rd 2024)

9 (Accessed via https://www.transport.gov.lk/web/index.php?option=com_content&view=article&id=26&Itemid=146&lang=en#vehicle-population on 11th June 2024)

Prime among which is the number of Motor Vehicles in the country. In the years before Sri Lanka's hastily implemented motor vehicle import ban which came into effect in 2020, the country saw an influx of new motor vehicle registrations, predominantly in the Three-Wheeler and Motor Cycle categories. By 2022 the country had 4.8 million registered Motor Cycles and 1.1 million registered Three-Wheelers, which helped make up a total vehicle pool of 8.3 million, a 15% increase from just 5 years prior . A significantly high number for a country of just 21.7 million people, and one which has not only facilitated a shift from public to private transport as mentioned above, but has also made the recent and sudden influx of independent third-party drivers on ride hailing platforms like PickMe possible.

Increase in vehicle population (Motor Vehicles, Motor Bikes, and Three-wheelers) (2018 to 2023)



Source: Ministry of Transport

Unemployment and Labor migration

Another factor that has resulted in a strong increase in supply of independent third-party drivers on the aggregator platforms has been the forced labour migration out of an economy reeling from the country's worst ever economic crisis. As Sri Lanka's unemployment rate, which stood at a 4% in 2017 spiked to 6.7% along with the economic contraction of 2022 , the number of new independent third-party drivers on aggregator platforms increased in turn, with many opting to switch to working fulltime on the aggregator platforms, which promised greater earnings, better flexibility, and more security than their previous places of employment.

4.0 FORECASTED FINANCIAL STATEMENTS

4.1 INCOME STATEMENT

Digital Mobility Solutions Lanka Ltd

(LKR Mn)

Statement of Profit or Loss for the Year Ended 31 March*	2022A	2023A	2024A	2025F	2026F	2027F
Application Usage Income	2,401	3,170	7,056	10,722	14,558	18,560
Driver Incentive	-906	-794	-1,656	-2,058	-2,631	-3,137
Customer Discount	-200	-419	-1,281	-1,499	-1,957	-2,199
Vat Payment	0	0	-201	-1,035	-1,425	-1,888
Other Revenue / Costs	0	8	1	0	0	0
Net Revenue	1,295	1,964	3,919	6,130	8,545	11,337
Other income and gains	27	23	127	00	00	00
Direct expenses (Operating Expenses)	-702	-900	-1,371	-1,944	-2,317	-2,816
Administrative expenses – (Direct Costs)	-657	-883	-1,428	-1,994	-2,601	-3,703
Selling and distribution costs	-125	-189	-322	-381	-671	-833
Total Expenses	-1,484	-1,972	-3,121	-4,318	-5,589	-7,352
Operating Profit	-162	15	925	1,811	2,956	3,985
Finance cost	-18	-49	-42	00	00	00
Finance income	36	107	121	72	57	57
Net Finance Income/Cost	18	58	79	72	57	57
Share of loss from Associate Company	-0.6	-3.6	-11	00	00	00
Profit/Loss before Tax	-144	69	993	1,883	3,013	4,043
Income Tax Expense/Reversal	-13	61	-314	-565	-904	-1,213
Profit/Loss for the period	-157	130	679	1,318	2,109	2,830

* Given the robust and dynamic nature of assumptions involved we believe the explicit forecast period of 3 years is more reliable than a longer explicit forecast period

4.2 STATEMENT OF FINANCIAL POSITION

Digital Mobility Solutions Lanka Ltd

Statement of Financial Position for the Year Ended 31 March	2022A	2023A	2024A	2025F	2026F	2027F
Assets						
Non-Current Assets						
Property, Plant and Equipment	24	23	132	199	278	386
Intangible Asset	543	706	959	1,189	1,462	1,979
Right of Use Asset	24	10	159	159	159	159
Investment in Subsidiary	14	11				
Deferred Tax Asset		91				
Current Assets						
Inventories	3	10	6	6	6	6
Trade and Other Receivables	118	211	401	365	431	507
Other Investments	587	644	718	718	718	718
Cash and Bank Balances	20	47	445	1,732	3,667	6,133
Total Assets	1,334	1,752	2,821	4,368	6,721	9,888
Equity and Liabilities						
Equity						
Stated Capital	1,495	1,526	1,555	1,555	1,555	1,555
Retained Earnings/Losses	-630	-499	177	1,494	3,604	6,433
Employee Share Option Plan	36	24	17	17	17	17
Total equity	901	1,051	1,749	3,066	5,175	8,005
Non-Current Liabilities						
Defined Benefit Obligations	34	39	58	58	58	58
Deferred Tax Liability	-	-	2	2	2	2
Lease Liabilities	10	1	142	142	142	142
Total Non-Current Liabilities	43	40	201	201	201	201
Current Liabilities						
Interest Bearing Loans and Borrowings	153	260	5	-	-	-
Trade and Other Payables	216	368	593	828	1,072	1,410
Tax Payable	-	23	238	238	238	238
Lease Liabilities	21	11	35	35	35	35
	389	661	871	1,101	1,344	1,682
Total Equity and Liabilities	1,334	1,752	2,821	4,368	6,721	9,888

5.0 DISCOUNTED CASHFLOW VALUATION

5.1 VALUATION SUMMARY

The DCF has been carried out until 2027 (which has been considered as the terminal year) to ensure the value addition from PickMe's growth is fully captured in to its current value.

Table 5-1 DCF Valuation Summary

LKR Mn	Total
Enterprise Value	13,513,548,252
Plus: Cash & Fixed Deposits (As at 31 st March 2024)	1,163,823,629
Less: Debt* (As at 31 st March 2024)	181,424,789
Equity Value	14,495,947,092
No. of Shares	333,323,673
Value Per Share	43.49

* Interest bearing borrowings + Lease Liabilities (Both Non-Current and Current)

The DCF value per share setout herein, is subject to the viability of the said forecasts/ assumption's made in section 5.9 of this research report.

5.2 KEY VALUATION ASSUMPTIONS

Table 5-2 Key Valuation Assumptions

WACC Computation	
Risk Free Rate	12.30%
Premium from Risk Free Rate	10.00%
Cost of Equity (Ke)	22.30%
Cost of Debt (Kd)	13.00%
Debt %	30.00%
Equity %	70.00%
WACC	18.34%
Terminal Growth Rate	3.00%

5.3 COST OF EQUITY

- Risk Free Rate: The 5-Year Treasury Bond as of 26th April 2024 (Central Bank of Sri Lanka).
- Equity risk premium of 10.00% has been assumed by us, taking into account the business model of the Company.

5.4 COST OF DEBT

- Even though the company does not have a large portion of outstanding debt, their short-term borrowing rates have been in the range of 13% and been utilized for working capital requirements.

5.5 WEIGHTED AVERAGE COST OF CAPITAL

- A weightage of 70/30 has been assumed as the capital structure of the company, with 30% being debt.
- Based on this methodology, we have arrived at 18.34% WACC for the forecast period.

5.6 TERMINAL GROWTH RATE

- Considering this is a technology company based in Sri Lanka, a developing country with significant growth potential for tech companies, we believe a terminal growth rate of 3% is appropriate which is also in line with GDP growth forecasts.

5.7 DETAILED FORECAST

LKR Mn	Entry	2025	2026	2027	Exit
Date	25 April 2024	31 March 2025	31 March 2026	31 March 2027	
Time Periods		1	2	3	
Year Fraction		0.93	1.00	1.00	
EBIT		1,810	2,956	3,985	
Less: Cash Taxes		564	904	1,213	
NOPAT		1,245	2,052	2,772	
Plus: Depreciation and Ammortization		594	817	1,158	
EBITDA		2,404	3,773	5,143	
Less: Capex		891	1,169	1,784	
Less: Changes in Net Working Capital		271	178	262	
Unlevered FCFF		1,220	1,877	2,408	16,171
Transaction FCFF		1,138	1,877	2,408	16,171
Discount Factor		0.85	0.71	0.60	0.60
Present Value		962	1,341	1,453	9,758

The Enterprise Value (Sum of the Present Value of FCFF) is equal to **LKR 13,514 Mn**.

5.8 SENSITIVITY ANALYSIS

Share Price Sensitivity

Table 5-3 Sensitivity Analysis

		WACC				
		17.34%	17.84%	18.34%	18.84%	19.34%
Terminal Growth Rate	2.00%	44.16	42.75	41.43	40.19	39.02
	2.50%	45.31	43.82	42.43	41.12	39.89
	3.00%	46.54	44.96	43.49	42.11	40.81
	3.50%	47.87	46.19	44.62	43.16	41.79
	4.00%	49.29	47.50	45.83	44.28	42.84

5.9 KEY FORECAST ASSUMPTIONS

5.9.1 Revenue

PickMe develops a technology platform that facilitates mobility solutions, with its core revenue being generated through two main functionalities. The 'Hailing' service drives the majority of the company's revenue.

LKR Mn	2022A	2023A	2024A	2025F	2026F	2027F
'Hailing'	1,094	1,634	3,433	5,046	6,762	8,930
Growth (%)		49%	110%	47%	34%	32%
'Delivery'	231	304	518	1,081	1,783	2,408
Growth (%)		32%	71%	109%	65%	35%

As the economy has begun to stabilize, PickMe has seen a strong revenue growth across each vertical. 'Hailing' services, which accounts for more than 70% of total revenue in FY 2023, grew by 110% in FY2024, demonstrating the high potential of this vertical. As mentioned in our Industry Analysis, the country is seeing a reduction in daily passenger numbers in public transport and have also seen an increase in the three-wheeler segment of passenger transport.. Going forward, PickMe has taken a conservative approach to the projected growth rates in the 'Hailing' services by assuming 47% in 2025 and 34% for 2026 and 2027.

The delivery segment consists of the "Food" and "Market Place" options, with "Food" in 2019 and "Marketplace" introduced in 2021. Since they are relatively newer segments which have significant runway to grow, PickMe has forecasted higher growth rates in the delivery segment. The higher growth rate is partially due to a low base effect, given that this is a newer segment. Further, the projected growth is in line with the month-month historical growth rates.

In FY2024, the delivery volume had increased by 58% and it also been projected that delivery volume will increase further by 35% year-over-year in FY2025. With this growth in volume, the necessity to incentivize drivers and customers is expected to decrease, which would increase the net revenue as less incentives are paid out. Consequently, PickMe anticipates that the incentives, which accounted for 68% of gross revenue in FY24, will be reduced to 53% in FY25 which would in turn increase the Net Revenue to the delivery segment. We have elaborated on "Gross" and "Net" revenue in section 2.1.

5.9.2 Operating, Administrative, And Selling and Distribution Expenses

LKR Mn	2022A	2023A	2024A	2025F	2026F	2027F
Operating Expenses	702	900	1,371	1,944	2,317	2,816
<i>Growth %</i>		28%	52%	42%	19%	21%
Administrative Expenses	657	883	1,428	1,994	2,601	3,703
<i>Growth %</i>		34%	62%	40%	30%	42%
Selling and Distribution Expenses	125	189	322	381	671	833
<i>Growth %</i>		51%	70%	18%	76%	24%

Overall, the total expenses have seen a sharp increase in FY 2024 by c. 58% from c. 33% in FY 2023.

This was owing to the inflationary environment in the country which had a notable increase in overall expenses and also due to the significant increase in ride numbers as a result of the dynamic growth that the company has seen. With the stabilized inflationary pressure in the country, the company would see a decline in the growth in expenses, but the increase in ride numbers and revenue would slightly counter that, giving a forecasted growth in expenses of c. 38% in FY2025.

The Operating Expenses include expenses such as Activation Costs, Device Costs, Hosting and Services, Software License and other costs directly related to the operations of PickMe, and each expense has been forecasted individually. As the number of rides and associated revenue continue to grow, the credit card charges owed to banks have increased due to a higher volume of card transactions. PickMe has projected an increase of over 40% to account for these rising expenses. Additionally, hosting and server charges constitute a significant portion of the company's operating expenses, along with Software License. With the rising costs and the depreciation of the Rupee, these expenses are expected to escalate to c. 23% and c. 46% respectively.

Administrative Expenses include outsourced costs, staff related costs, depreciation, amortization and other costs which have also been forecasted individually. As PickMe continues to grow, PickMe plans to hire additional staff, which will result in an increase in staff-related costs, a significant component of their administrative expenses. These costs are projected to grow by approximately 63% in 2025, substantially contributing to the overall growth in administrative expenses within this category.

Selling and Distribution Expenses which are directly linked to the revenue growth, include Advertising, Promotion expenses, and Impairment allowance for Doubtful Debts which have also been forecasted individually. To expand its audience and effectively promote its app to outpace competitors, PickMe plans to increase its marketing expenditures. Currently, these marketing costs comprise nearly 70% of the total selling and distribution expenses.

5.9.3 Income Tax Expense

PickMe pays corporate income tax at the current rate of 30%, and we have forecasted the rate to be the same during the periods in the model.

5.9.4 Property Plant and Equipment

LKR Mn	2022A	2023A	2024A	2025F	2026F	2027F
Property Plant and Equipment	24	23	132	199	278	386
Depreciation	29	17	32	40	56	76
CAPEX	10	16	141	106	135	185

During the Financial Year 2024, PickMe expanded their offices by taking 2 floors at the MAGA ONE tower in Narahenpita. With that, PickMe had also spent a large amount on Office Equipment for the staff which included new laptops, laptops and replacing the old ones. We forecast the rate of Capex to be lesser in the other years, with majority of it being maintenance capex.

Property, Plant, and Equipment (PPE) encompasses various items, including furniture and fittings, computers, and network services, among others. Capital expenditure forecasts for each category have been derived from company projections and consultations with management. The majority of CAPEX expenses are anticipated to stem from computer equipment purchases and other related assets due to the expanding staff base and necessary upgrades to the existing infrastructure. Additionally, the depreciation for each item has been individually assessed.

5.9.5 Intangible Assets

LKR Mn	2022A	2023A	2024A	2025F	2026F	2027F
Intangible Assets	543	706	959	1,189	1,462	1,979
Amortization	175	266	352	554	761	1,081

PickMe has experienced a growth in intangible assets, increasing from 30% in FY 2023 to 36% in FY 2024. Given PickMe's primary focus is on developing innovative software solutions for the mobility industry, they project a further 24% growth in intangible assets for FY 2025. This anticipated increase is attributed to their strategic initiatives aimed at enhancing their software infrastructure by developing their platform with new features, which are constantly under Research and Development, or enhancement to their existing features.

5.9.6 Working Capital

LKR Mn	2022A	2023A	2024A	2025F	2026F	2027F
Inventories	3.48	10.04	5.70	5.70	5.70	5.70
Receivables	118.27	211.16	400.75	364.59	430.81	507.30
Days	24	14	20	10	10	10
Payables	215.50	367.50	593.18	828.17	1,071.94	1,409.95
Days	53	68	72	70	70	70

PickMe's revenue is predominantly derived from cash transactions rather than credit transactions. The company has adopted enhanced driver collection process, stricter payment enforcements, and introduced technology solutions to recover the amounts due faster, as such expects the receivable days to come down in FY25 and to remain at similar levels. For the purpose of the forecasts, basic assumptions have been taken, which can be seen above, the receivable days and payable days have been reduced in the first forecast year, and thereafter kept constant.

6.0 PER RELATIVE VALUATION

6.1 Valuation Summary

The PER Relative Valuation has been carried out by benchmarking the company's forecasted FY25 earnings against the latest average market price earnings ratio of the CSE given that PickMe has no comparable local peers.

CAL and CT CLSA used the forecast FY25 earnings of PickMe combined with the Average P/E ratio of the Colombo Stock Exchange (See Table 6-2). Based on TTM Earnings as at 24th April 2024 and the market capitalization on the same day, the Market average multiple is 10.37.

Since the CSE the Valuation guidance note requires the research report to indicate 3 valuation methodologies to be used, we have undertaken this Valuation methodology, but we do not recommend this approach given PickMe is a fast-growing company without comparable peers listed on the Colombo Stock Exchange.

Table 6-1 P/E Relative Comparable (CSE)

Market	Market Capitalization*	P/E
Colombo Stock Exchange	4,764,211,059,857	10.37

* Market Capitalization as at the 24th of April 2024 (CSE)

Applying this ratio (comparable market P/E) to PickMe's FY25 expected profit of LKR 1,317,027,093 generates a share price of **LKR 40.97** based on Market Multiple.

6.1.1 P/E Relative – Actual PAT for 2024

Table 6-2 P/E Relative- Actual PAT for 2024

PickMe's Actual PAT 2024	LKR 679,456,820
Number of shares	333,323,673
Market Average P/E	10.37
Equity Value Per Share based on Market Average Multiple	LKR 21.14

Source: Based on Audited Financial Statements of FY24

6.1.2 P/E Relative-Forecasted PAT for 2025

Table 6-3 P/E Relative- Forecasted PAT for 2025

PickMe's forecasted PAT for FY25	LKR 1,317,027,093
Number of shares	333,323,673
Market Average P/E	10.37
Equity Value Per Share based on Market Average Multiple	LKR 40.97

Source: Based on Forecasted earnings of FY25.

Table 6-4 P/E Relative Sensitivity Analysis

Peer Average P/E	Value per share
PER + 20%	49.17
PER + 15%	47.12
PER + 10%	45.07
Base Case	40.97
PER - 10%	36.88
PER - 15%	34.83
PER - 20%	32.78

6.2 Key Valuation Assumptions

There are no comparable local peers for PickMe. Hence, the PER relative valuation has been carried out by benchmarking the company's forecasted FY25 earnings against the latest average market earnings of the CSE when arriving at the valuation.

7.0 EV/REVENUE RELATIVE (FOREIGN PEERS)

7.1 Valuation Summary

CAL and CT CLSA compared the forecasted FY25 EV/Revenue figure of PickMe to a discounted average EV/REVENUE of selected foreign peers at the time of their respective IPOs (See Table 7-3).

Since the CSE listing framework requires the research report to indicate 3 valuation methodologies to be used, we have undertaken this Valuation methodology, but we do not recommend this approach given PickMe is a fast-growing company without comparable peers listed on the Colombo Stock Exchange, and we have used foreign peers in multiple markets where the market dynamics are different for the purpose of this valuation which may not give an accurate indication of the value.

Table 7-1 EV/Revenue Relative Foreign Peers

Comparable Peer	EV/Revenue Multiple
Uber	5.49 ¹
Lyft	6.82 ²
Didi	3.09 ³
Average	5.13

¹ As at IPO (9th May 2019 - Bloomberg)

² As at IPO (March 29th 2019) - Bloomberg)

³ As at IPO (June 30th 2021 - Bloomberg)

Considering that the peers used in our analysis operate in significantly larger and more developed markets, we have applied a 40% discount to the average EV/Revenue multiple calculated above for PickMe's forecasted FY25 EV/Revenue. This results in a price of LKR 59.58. We believe this discount is appropriate for valuing PickMe, which currently operates exclusively in Sri Lanka.

Table 7-2 EV/Revenue Relative

PickMe's FY24 Actual Revenue	LKR	3,918,558,734
FY 24 Debt	LKR	181,424,789
FY 24 Cash	LKR	1,163,823,629
Discounted Peer Average EV/Revenue		3.08
Enterprise Value*	LKR	12,071,198,551
Equity Value**	LKR	13,053,597,391
Equity Value Per Share based on Peer Average	LKR	39.16 per share

* (Peer Average EV/Revenue) * PickMe's FY 24 Actual Revenue

** (Peer Average EV/Revenue) * PickMe's FY 24 Actual Revenue) - PickMe's Net Debt

Table 7-3 EV/Revenue Relative- Forecasted Revenue for FY25

PickMe's forecasted FY25 Revenue	LKR	6,127,951,036
FY 24 Debt	LKR	181,424,789
FY 24 Cash	LKR	1,163,823,629
Discounted Peer Average EV/Revenue		3.08
Enterprise Value*	LKR	18,877,275,726
Equity Value**	LKR	19,859,674,566
Equity Value Per Share based on Peer Average	LKR	59.58 per share

* (Peer Average EV/Revenue) * PickMe's FY 25 Forecasted Revenue

** (Peer Average EV/Revenue) * PickMe's FY 25 Forecasted Revenue) - PickMe's Net Debt

Table 7-4 EV/Revenue Relative Sensitivity Analysis

Discounted Peer Average EV/Revenue	Value per share
EV/Revenue + 20%	70.91
EV/Revenue + 15%	68.08
EV/Revenue + 10%	65.24
Base Case	59.58
EV/Revenue - 10%	53.92
EV/Revenue - 15%	51.09
EV/Revenue - 20%	48.25

7.2 Key Valuation Assumptions

The peers selected are ride hailing aggregators and some involved in non-mobility verticals, which we felt was the most comparable on a global scale, given no local comparable peers exist.

Also, to make the comparison more accurate, we have taken financial metrics for foreign peers at the time of their respective IPOs, which negates the effects of any post listing volatility in global equity markets.

8 VALUATION METHODOLOGY

CAL and CT CLSA considered the following valuation methodologies are in order to arrive at a fair value for PickMe's shares based on the relevance and appropriateness of the respective valuation methodology for a digital mobility business.

- Discounted Cash Flow Valuation
- PER Relative Valuation
- EV/Revenue Relative Valuation

8.1 Discounted Cash Flow Valuation

A discounted cash flow (DCF) analysis is used to arrive at an intrinsic value for PickMe. A DCF analysis can be used to measure a company's ability to generate future cash flows. A DCF method can capture a company's growth potential and provide a more reflective result of the entire value of a business. Free cash flow to equity (FCFE) was calculated using the following formula:

Earnings Before Interest and Tax x (1-tax rate)
+ Depreciation and Amortization
- Capital Expenditure
+ Working Capital Investment
- Interest Payments
+ Net Borrowings
= FCFE

In deriving an intrinsic value for PickMe, the present value of FCFEs was calculated using the following:

$$V_0 = \left[\sum_{t=1}^n \frac{FCFE_t}{(1 + Ke)^t} \right] + TVn$$

Where:

V_0 = Intrinsic Value in year 0
 $FCFE_t$ = Free Cash flow to Equity in year t
 Ke = Cost of Equity
 TVn = Present value of terminal value at year n

Further, the Gordon Growth Model (GGM) was used to derive TVn with the following formula:

$$TVn = \frac{FCFEn (1 + g)}{(Ke - g) \times (1 + Ke)^n}$$

Where:

g = Growth rate of FCFE
 Ke = Cost of Equity

The discount rate used in the DCF CAL and CT CLSA calculation is the Cost of Equity (Ke) which captures the effect of equity capital when CAL and CT CLSA calculating the required rate of return. The following formula is used to CAL and CT CLSA calculate the Ke :

$$Ke = Rf + (ERP \times \beta)$$

Where:

Rf = Risk Free Rate
 ERP = Equity Risk Premium
 β = Beta

In arriving at the intrinsic value per share for 43.49, the following formula was used:

$$\text{Intrinsic Value of PickMe} = \frac{\text{Present Value of FCFEs} + \text{Cash \& Cash Equivalents}}{\text{Number of Shares in Issue (Post-IPO)}}$$

8.2 PER Relative Valuation

The price-to-earnings ratio (P/E ratio) measures a company's current share price relative to its Earnings Per Share (EPS). The price-to-earnings ratio or P/E is one of the most widely used stock analysis tools by investors and analysts for determining a share's valuation.

In the case of PickMe, as the company has no comparable local peers, we have benchmarked the company's forecasted FY25 earnings against the latest average market earnings of the CSE when arriving at our valuation.

The relative value for PickMe's shares using a PER would be calculated as follows:

$$\text{Implicit Value of PickMe} = (\text{Earnings of PickMe} * \frac{P}{E} \text{ Multiple})$$

Where:

P/E Multiple: Average of the CSE Market PE multiple

Earnings = FY25 Forecasted Profit Attributable to Equity Holders of PickMe

8.3 EV/Revenue relative

EV/Revenue is a valuation metric commonly used to value companies in the ride hailing industry. It reflects the value derived from the total sales achieved by the company.

Given the lack of comparable local peers, we have selected from foreign peers, assigned a discount to reflect the difference in sizes and valuations of the different markets, and valued the company against an EV/Revenue multiple of these peers.

The relative value for PickMe's shares using an EV/Revenue ratio would be calculated as follows:

$$\text{Implicit Value of PickMe} = (\text{Total Revenue of PickMe} * \frac{EV}{\text{Revenue}} \text{ Multiple}) - (\text{Net Debt})$$

Where:

EV/Revenue Multiple = Discounted Average of the Peer Group EV/Revenue Multiple

Net Debt = Interest Bearing Debt - Cash and Cash Equivalents

Enterprise Value (EV) is defined as the sum of "market capitalization of listed shares, plus market value of debt less market value of cash and securities. EV is a measure of the productive capacity of an entire firm irrespective of its indebtedness or cash holdings. Companies having similar market capitalizations or shareholder values ("SV") may have very different enterprise values.

9. VALUATION RECOMMENDATION

We summarise the rationale for our recommendation as follows:

- The Discounted Cash Flow valuation indicates a price of LKR 43.49
- The PER Relative valuation indicates a price of LKR 40.97 (Forward)
- Enterprise Value/Revenue relative valuation indicates a price of LKR 59.58 (Forward)

We conclude our valuation recommendation of LKR 43.49 for a share of PickMe has been priced at a 17.22% discount solely to the Discounted Cash Flow valuation, PER and EV/Revenue relative valuations have been stated here to give investors a basis by which to compare PickMe's valuation both to the local market as well as to foreign peers who have carried out recent IPOs.

10. RISKS

The future performance of PickMe is subject to number of risks that may or may not be within the control of the Company. Should any of the risks highlighted here materialize, it could have an adverse effect on the performance of the Company and its ordinary share price. This section highlights the main sources (but not necessarily all) of the risks that could be faced by the Company.

Aggressive Marketing Strategies of Competition

Competitors, such as the other Major player in the market could leverage their substantial financial resources on aggressive marketing efforts such as attractive discounts, promotional deals and loyalty programs which will diminish PickMe's competitive advantage and hamper demand, causing loss of market share.

Depreciation of the LKR

Given that the company relies heavily on cloud services, which make up a sizeable component of its overhead cost, is billed in US dollars, any weakening of the LKR exchange rate will have a negative impact on the businesses' margins and drive down profit expectations.

Political and Social Instability

Following the economic crisis of 2022, any further waves of political and social instability remain key threats to PickMe's performance. As experienced historically, the threat of violence and instability has immediate impacts on user behaviour, leading to less demand from consumers and often a shortage in independent third-party drivers, as they opt against working in risky conditions.

11. CAL TEAM

Nishok Goonasekera, BEng – CEO - Capital Alliance Limited Partners

Having spent over 15 years in London, Singapore and Hong Kong at J.P. Morgan and Morgan Stanley in Global Fixed Income Markets, Nishok is CEO of CAL Partners, where he is focused on building the corporate finance business both locally and internationally. Most recently he was an Executive Director at Morgan Stanley's Hong Kong office, running a team advising on Asian foreign exchange, interest rates, and credit markets. His institutional clientele were multi-strategy hedge funds and asset managers who invest globally across emerging markets. He has a Bachelor's Degree in Computer Engineering from Imperial College, London.

Ashvanth Vijayaram, BBA, ACCA Affiliate – Vice President – Investment Banking

Ashvanth joined CAL in early 2017 and has been involved in a number of M&A transactions since. He is an Affiliate of the Association of Chartered Certified Accountants (UK) and he holds a Bachelor's degree in Business Administration (Finance) from the University of Colombo. Prior to joining CAL Ashvanth lectured at the Mercury Institute of Management.

Zahid Sameer, BSc – Assistant Manager – Investment Banking

Zahid has been in the Financial Markets industry since 2013 and has experience in Fixed Income Trading, Debt Structuring, M&A Transactions, and other Debt and Equity Capital Market Transactions, and has also had a stint at the Ministry of Finance coordinating PPP Projects. He has a BSc in Business Management from the University of Wales (UK) and is a passed finalist of the Chartered Institute of Management Accountants (CIMA), UK.

12. CT CLSA TEAM

Zakir Mohamedally – Group Chief Operating Officer | Head of Investment Banking

Zakir has over 19+ years of experience in Sri Lanka's capital market and he joined CT CLSA Group in 2007. He has participated in several landmark transactions in Sri Lanka capital market worth over LKR 450 Billion covering both equity and debt in various industries. Prior to joining the CT CLSA Group, he was working with PricewaterhouseCoopers Sri Lanka. Zakir is a Fellow Member of the Association of Chartered Certified Accountants (ACCA) UK and is an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK. He is also a member of the Institute of Certified Management Accountants of Sri Lanka and holds a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing (CIM) UK.

Ishan Eliyapura – Chief Operating Officer

Ishan has over 9 years of experience in the fields of Investment Banking, Internal Audit, and Assurance. Since joining CT CLSA Capital in 2017, he has actively participated in transactions worth over LKR 68 Billion covering equity and debt instruments in various industries. Prior to joining CT CLSA Capital, he was associated with Ernst and Young Sri Lanka, a leading global firm of Chartered Accountants. He holds a B.Sc (Hons) in Business Management from the University College Dublin, Ireland, and is a passed finalist of the Chartered Institute of Management Accountants (CIMA) UK.

Venkadesh Ramraj – Assistant Vice President

Venkadesh has over 8 years of work experience in Investment Banking, Deal Advisory and Financial Reporting. Prior to CT CLSA Capital, he held the position of Consultant in Transaction Services, in KPMG, Sri Lanka. During his tenor in KPMG, he also participated in a three-month secondment program in the Advisory division of KPMG, Maldives. Venkadesh is a Member of the Association of Chartered Certified Accountants (ACCA), UK and holds a MSc in Applied Finance from the University of Sri Jayewardenepura.

Raaidha Hamza – Senior Associate

Raaidha has over 5 years of experience in Equity and Investment Research. Prior to joining CT CLSA, she was attached to Lanka Securities as an Equity Research Analyst covering the counters under the Manufacturing sector. She also had a stint at Acuity Knowledge Partners where she was a part of the Fixed Income team and supported a European client who covered Emerging Markets in the Middle East and Africa. Raaidha is CIMA qualified and has a degree in International Business and Finance from the University of the West of Scotland.

13. DISCLAIMER

CAL and CT CLSA's analysis is based on information obtained from the audited financials supplied by Digital Mobility Solutions Lanka Limited. We relied primarily on the information provided by Digital Mobility Solutions Lanka Limited and acted with due care, due diligence, and consideration in preparing the report. CAL and CT CLSA assume no responsibility for errors or omissions in information furnished by Digital Mobility Solutions Lanka Ltd.

The assumptions incorporated into the financial model, which determined the Company's valuation and consequently the offer price, were developed in consultation with the Company's management, utilizing their budgets and forecasts, and further refined based on the independent assessment.

This report is for the purpose set out in Section 1.2 of this report and should not be used for any other purpose.

Neither all nor part of the contents of this report shall be disseminated to the public, through advertising, public relation, news, sales, or any other public media without prior approval of Capital Alliance Partners Limited and CT CLSA Capital (Private) Limited.

In carrying out this Assignment, analysis deemed appropriate and assessments that were possible and practical within the time available have been carried out. Financial information and market data from the CSE and Bloomberg have also been used for this Assignment.

The value recommendations given in this report are as at 2nd July 2024 and the validity of the Valuation report/Research report will be for a minimum period of 3 months from the date of issuance of the final Prospectus and/or where material changes have taken place in the Company's operating environment. A factor to be considered for this report is that the valuations carried out are done based on financial data provided by Digital Mobility Solutions Lanka Limited. Where the data provided were incomplete, we have used reasonable judgment, and we take responsibility for the same.

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

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Fax: +94 11 2673355

E-mail: info@nlequities.com

LOLC Securities Ltd.

No. 481, T.B. Jayah Mawatha, Colombo 10.

Tel : +94 11 588 9889

Fax: +94 11 266 2883

E-Mail: info@lolcsecurities.com

Capital Alliance Securities (Pvt) Ltd.

Level 5, "Millennium House",
46/58 Navam Mawatha,
Colombo 2.

Tel : +94 11 2 317 777

Fax: +94 11 2 3177 88

E-mail: info@cal.lk

SMB Securities (Pvt) Ltd.

No. 02, Gower Street, Colombo 5.

Tel : +94 11 4 388 138

Fax: +94 11 2670294

E-mail: info@smbsecurities.lk

First Guardian Equities (Pvt) Ltd.

32nd Floor, East Tower,
World Trade Centre, Colombo 1.

Tel : +94 11 5 884 400 (Hunting)

Fax: +94 11 5 884 401

E-mail: info@fge.lk

Taprobane Securities (Pvt) Ltd.

2nd Floor, No. 10, Gothami Road, Colombo 08.

Tel : +94 11 5 328 200, +94 11 5 328 100

Fax: +94 11 5 328 177

E-mail: info@taprobane.lk

Candor Equities Ltd.

Level 8, South Wing, Millennium House,
46/58, Nawam Mawatha, Colombo 02.

Tel : +94 11 2 359 100

Fax: +94 11 2 305 522

E-mail: info.cel@candorh.com

Softlogic Stockbrokers (Pvt) Ltd.

Level 16, One Galle Face Tower, Colombo 02.

Tel : +94 11 7 277 000

Fax: +94 11 7 277 099

Email: ssb.inquiry@softlogic.lk

Enterprise Ceylon Capital (Private) Ltd.

No.73/1, Dharmapala Mawatha, Colombo 7.

Tel : +94 11 244 5644, 11 230 1861/2

E-mail: info@ecc.lk

TKS Securities (Pvt) Ltd.

(Inactivated Operations)

4th Floor, No. 245, Dharmapala Mawatha,
Colombo 7.

Tel : +94 11 7 857 799

Fax: +94 11 7 857 857

E-mail: info@tkslk

Richard Pieris Securities (Pvt) Ltd.

No.310, High Level Road,
Nawinna, Maharagama.

Tel : +94 11 431 0500

Fax: +94 11 280 2385

Email: communication@rpsecurities.com

Navara Securities (Pvt) Ltd.

No. 12B Gregory's Road, Colombo 7.

Tel : +94 11 2 358 700 / 20

Fax: +94 11 5 005 551

Email: info@navarasecurities.lk

NDB BANK PLC - BRANCH NETWORK

Branch Name	Telephone No.	Address
Akkaraipattu	067 7448000/1	No. 487, Main Street, Akkaraipattu
Akuressa	041 7448000/1	No. 21, Main Street, Akuressa
Aluthgama	0347448010/1	No. 267, Galle Road, Aluthgama
Ambalangoda	0917448000/1	No. 333, Galle Road, Ambalangoda
Ambalantota	047 7448000/1	No. 127, Main Street, Ambalantota
Ampara	063 7448000/1	No 75, D S Sennanayake Street, Ampara
Anuradhapura	025 7448000/1	522/C, Maithreepala Senanayake Mawatha, New Town, Anuradhapura
Athurugiriya	011 7448060/1	70/15A, Borella Road, Athurugiriya
Avissawella	036 7448000/1	No. 93, Ratnapura Road, Avissawella
Badulla	055 7448000/1	242, Lower Street, Badulla
Balangoda	0457448000/1	No 24 A, Barns Ratwatte Mawatha, Balangoda
Bandarawela	057 7448000/1	No. 317, Main Street, Bandarawela
Battaramulla	011 7448090/1	No 245, Main Street, Battaramulla.
Batticaloa	065 7448000/1	No 16, Liyods Avenue, Batticaloa.
Boralesgamuwa	0117448063/4	No 39, Kesbawa Road, Boralesgamuwa
Borella	0117 448078/9	No: 31/5, Dr. N M Perera Mawatha, Borella
Chavakachcheri	0217448013/4	No. 1,3,5, Kandy Road, Chavakachcheri
Chenkalady	065 7448003/4	Trincomalee Road, Chenkalady.
Chilaw	032 7448000/1	50-52, Skyline Building, Colombo Road, Chilaw
Chunnakam	021 7448018/9	No: 30, K.K.S. road, Chunnakam
Colombo 7	011 7448004/5	103A, Dharmapala Mawatha, Colombo 7
Dambulla	066 7448000/1	No: 42, Kurunegala road, Dambulla
Digana	081 7448003/4	No 59/6, Gonawala Road, Digana.
Eheliyagoda	036 7448003/4	No: 302, Main Street, Ehaliyagoda.
Elpitiya	091 7448003/4	No. 23, Ambalangoda Road, Elpitiya
Embilipitiya	047 7448003/4	No. 67, Pallegama, Embilipitiya
Fort	011 7448111/2	No. 39, Canal Row, Colombo 01.
Galle	091 7448006/7	1/A, Abeysekara Building, Wakwella Road, Galle
Gampaha	033 7448000/1	03, Yakkala Road, Gampaha
Gampola	081 7448000/1	No 11 B & 11 C, Nawalapitiya Road, Gampola
Giriulla	037 7558010/1	No 86, Negombo Road, Giriulla.
Hambanthota	047 7448006/7	No 34, Wilmot Street, Hambantota
Hanwella	036 7448006/7	No 130/C, Pahala Hanwella, Hanwella.
Havelock Town	0117 448006/7	117, Havelock Road, Colombo 05
Hendala	011 7448094/3	46A Hendala Road, Hendala
Hikkaduwa	091 7448009/10	245, Galle Road, Hikkaduwa.
Hingurakgoda	027 7558010/1	10, Airport Road, Hingurakgoda

Branch Name	Telephone No.	Address
Homagama	011 7448045/6	64A, High Level Road, Homagama
Horana	034 7448013/5	85, Sri Somananda Mawatha, Horana
Ja - Ela	011 7448075/6	121, Colombo Road, Ja-Ela
Jaffna	021 7448011/24	62/6, Stanley Road, Jaffna
Kadawatha	011 7448036/7	147, Kandy Road, Kadawatha
Kaduruwela	027 7558003/4	25, Batticaloa Road, Polonnaruwa
Kaduwela	011 7448081/2	501/2, Awissawella Road, Kaduwela
Kahawatte	045 7448003/4	149, Main Street, Kahawatte
Kalmunai	067 7448003/4	165, Batticaloa Road, Kalmunai
Kalutara	034 7448016/7	290, Galle Road, Kalutara South
Kandana	011 7448039/40	677, Negombo Road, Kandana
Kandy	081 7448015/6	133, Kotugodella Veediya, Kandy
Kandy City Centre	081 7448006/7	L 1 - 3, Level 1, Kandy City Center, No. 05, Dalada weediya, Kandy
Katana	031 7448000/1	05, Koongashandiya, Katana
Katugastota	081 7448009/10	111, Kurunegala Road, Katugastota
Katunayake	011 7448096/7	745, Baseline Road, Aweriwatta, Katunayaka
Kegalle	035 7448003/4	261/1, Kandy Road, Kegalle
Kekirawa	0257448003/4	61, Opposite Government Hospital, Main Street, Kekirawa
Kiribathgoda	011 7448033/4	540, New Hunupitiya Road, Dalugama, Kelaniya
Kochchikade	031 7448003/4	96, Chilaw Road, Kochchikade.
Kohuwela	0117 448051/2	143, S De S Jayasinghe Mawatha, Nugegoda.
Kollupitiya	011 7448018/9	321, Galle Road, Colombo 3
Kotahena	0117 448030/1	295, George R De Silva Mawatha, Co -13
Kottawa	011 7448099/100	365/1 A, High Level Road, Kottawa
Kuliypitiya	037 7558003/4	133, Main Street, Kuliypitiya
Kurunegala	037 7558006/7	6, Rajapihilla Mawatha, Kurunegala
Maharagama	011 7448015/6	108 A, Highlevel Road, Maharagama
Mahawewa	032 7448003/4	Chilaw Road, Mahawewa.
Mahiyanganaya	055 7448003/4	02, New Town, Mahiyanganaya
Malabe	0117448049/8	760, New Kandy Road, Malabe
Manipay	021 7448021/2	260, Manipay Road, Manipay
Marine Drive	011 7448102/3	42, Sagara Road, Marine Drive, Colombo 4
Matale	066 7448003/4	144, Main Street , Matale
Matara	041 7448003/4	60, Uyanwatte Rd, Matara
Mathugama	034 7448022/3	98, Agalawatta Road, Mathugama
Minuwangoda	011 7448084/5	49, Negombo Road, Minuwangoda
Monaragala	055 7448006/7	29, Pothuwil Road, Monaragala
Moratuwa	011 7448021/2	255, Galle Road, Idama, Moratuwa

Branch Name	Telephone No.	Address
Mount Lavinia	011 7448024/5	431/433, Galle Road, Mount Lavinia
Narahenpita	011 7448105/6	92, Kirula Road, Narahenpita, Colombo 5.
Narammala	037 7558013/4	144, Kurunegala Road, Narammala
Nattandiya	032 7448006/7	82, Marawila Road, Nattandiya.
Nawalapitiya	054 7448000/1	70B, Gampola Road, Nawalapitiya
Nawam Mawatha	011 7448000/1	40, Nawam Mw, Colombo 02
Negombo	031 7448006/7	121, St.Joseph Street, Negombo
Nelliady	021 7448012/27	109, Jaffna Road, Nelliady
Nikaweratiya	037 7558016/7	65, Puttalam Road, Nikaweratiya
Nittambuwa	033 7448003/4	496, Kandy Road, Nittambuwa
Nugegoda	011 7448009/10	152, Nawala Rd, Nugegoda
Nuwara Eliya	052 7448000/1	50/1, New Bazaar Street, Nuwara Eliya
Old Moor Street	011 7448108/9	311, Old Moor Street, Colombo 12
Panadura	038 7448000/1	319, Galle Road, Panadura
Pelawatte	011 7448027/8	301, Pannipitiya Road, Battaramulla
Pettah	011 7448072/3	137,133/1, Main Street, Colombo 11
Pilimathalawa	081 7448012/3	240, Colombo Road. Pilimathalawa
Piliyandala	011 7448057/8	120, Horana Road, Piliyandala.
Pitakotte	011 7448114/5	322B, Kotte Road, Pitakotte
Private Wealth Centre	011 7448087/8	135, Rainbow Business Centre, Baudhaloka Mawatha, Colombo 04
Puttalam	032 7448009/10	104, Kurunegala Road, Puttalam
Rajagiriya	011 7448012/3	505, Sri Jayawardenapura Ethul Kotte, Kotte
Ratmalana	011 7448066/7	151, Galle Road, Ratmalana
Ratnapura	045 7448006/7	211, Main Street, Rathnapura
Shangri-la	011 7448117/8	One Galle Face Mall, Premises No L 1 - 77, No 1 A, Colombo 02.
Tangalle	047 7448009/10	90A, Matara Road, Tangalle.
Thambuttegama	025 7448006/7	255A, Main Street, Thambuttegama
Thirunelveli	021 7448016/17	M102, Palaly Road, Jaffna
Tissamaharama	047 7448012/3	133 E, New Town, Tissamaharama
Trincomalee	026 7448000/1	N91 & 93, North Coast Road, Trincomalee
Uragasmanhandiya	091 7448012/3	131, Main Street, Uragasmanhandiya
Vavuniya	024 7448000/1	188, 190, 192 & 190/1, Kandy Road, Vavuniya.
Warakapola	035 7448000/1	96 & 98, Main Street, Warakapola
Wariyapola	037 7558019/20	Navinna Building, Puttlam Road, Wariyapola
Wattala	011 7448042/3	378A, Negombo Road, Wattala
Wellawatte	011 7448120/1	302, Galle Road, Colombo 6
Wennappuwa	031 7448009/10	204, Chilaw Road, Wennappuwa
Yakkala	033 7448006/7	65/5 B, Kandy Road, Yakkala

ANNEXURE C – CUSTODIAN BANKS

Bank of Ceylon

Head Office
11th Floor, 04, Bank of Ceylon Mawatha,
Colombo 01.
Tel: +94 112 204064

The Hongkong and Shanghai Banking Corporation Limited

24, Sir Baron Jayathilake Mawatha, Colombo 01.
Tel: +94 11 2 325 435, +94 11 2 446 591,
+94 11 2 446 303

Citi Bank, N A

65 C, Dharmapala Mawatha,
P. O. Box 888, Colombo 07.
Tel: +94 114 794728

People's Bank

Head Office - Treasury, 5th Floor,
Sir Chittampalam A. Gardiner Mawatha,
Colombo 02.
Tel: +94 11 2 206782

Commercial Bank of Ceylon PLC

Commercial House
21, Bristol Street, P.O. Box 853, Colombo 01.
Tel: +94 11 2 445 010-15

Public Bank Berhad

340, R A De Mel Mawatha, Colombo 03.
Tel: +94 11 2 576 289, +94 11 7 290 200-7

Deutsche Bank AG

P.O. Box 314, 86, Galle Road, Colombo 03.
Tel: +94 11 2 447 062 / 011 2 438 057

Standard Chartered Bank

37, York Street, P. O. Box 112, Colombo 01.
Tel: +94 112 480450

Hatton National Bank PLC

HNB Towers, 479, T. B. Jayah Mawatha,
Colombo 10.
Tel: +94 112 661 762

Sampath Bank PLC

110, Sir James Peiris Mawatha, Colombo 02.
Tel: +94 115 331458, +94 114 730662

Union Bank of Colombo PLC

64, Galle Road, Colombo 03.
Tel: +94 112 374205

State Bank of India

16, Sir Baron Jayathilake Mawatha, Colombo 01.
Tel: +94 114 622350

Nations Trust Bank PLC

256, Sri Ramanathan Mawatha, Colombo 15
Tel: +94 114 313131

Seylan Bank PLC

Level 8, Ceylinco Seylan Towers,
90, Galle Road, Colombo 03.
Tel: +94 11 4 701 812, 011 4 701 819

Pan Asia Banking Corporation PLC

Head Office
450, Galle Road, Colombo 03.
Tel: +94 11 2 565
565

ANNEXURE D – ACCOUNTANTS' REPORT AND FIVE-YEAR SUMMARY



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

CAY/RA

Board of Directors
Digital Mobility Solutions Lanka Limited
No. 309
High Level Road
Nugegoda.

27 June 2024

Dear Sirs,

LETTER OF CONSENT FOR THE PROSPECTUS ISSUED IN CONNECTION WITH THE INITIAL PUBLIC OFFERING OF DIGITAL MOBILITY SOLUTIONS LANKA LIMITED

We, Ernst & Young, hereby consent to the inclusion of our name as “Auditors and Reporting Accountants” in the Prospectus to be issued in connection with Initial Public Offering of Digital Mobility Solutions Lanka Limited.

Further, we hereby declare that we will not withdraw our consent referred to above, prior to the delivery of a copy of the Prospectus for registration with the Registrar of Companies and submission of a copy of the Prospectus to the Colombo Stock Exchange by Digital Mobility Solutions Lanka Limited.

We hereby also declare that we will comply with all applicable regulations in acting as Auditors and Reporting Accountants to the issue and that there is no conflict of interest between us and Digital Mobility Solutions Lanka Ltd.

Yours faithfully,

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman ACA ACMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeevani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva BSc (Hons) - MIS MSc - IT, V Silekhalvel B.Com (3U)

A member firm of Ernst & Young Global Limited

CAY/RA

27 June 2024

Board of Directors
Digital Mobility Solutions Lanka Limited
No. 309
High Level Road
Nugegoda.

Accountants' report for inclusion in the prospectus of Digital Mobility Solutions Lanka Limited

Dear Sirs/Madams,

Introduction

This report has been prepared for the inclusion in the prospectus issued in connection with the proposed transfer of forty-three million four hundred and seventy-four thousand one hundred and seventy-nine (43,474,179) ordinary voting shares at rupees thirty-six (LKR 36.00) to raise rupees one billion five hundred and sixty-five million seventy thousand four hundred and forty-four (LKR 1,565,070,444) by way of an offer for sale.

We have examined the financial statements of Digital Mobility Solutions Lanka Limited (the "Company") and the consolidated financial statements of the Company and its subsidiaries ("Group") for the years ended 31 March 2020 to 31 March 2024 ("period"), and report as follows.

1. Incorporation

Digital Mobility Solutions Lanka Limited is a limited liability company incorporated and domiciled in Sri Lanka in 2015. The registered office of the company and the principal place of business are situated at No. 309, High Level Road, Nugegoda.

Digital Mobility Solutions Lanka Limited is a technological company that specializes in developing mobility related software. The PickMe software facilitates a real time connection between various stakeholders requiring mobility solutions including passengers, driver partners, riders, merchants, logistic providers, and customers.

2. Financial Information

2.1 Five Year Summary of Audited Financial Statements

A summary of statements of financial position, statements of profit or loss, statements of changes in equity and statements of cash flows of the company and the group for the financial years ended 31 March 2020 to 31 March 2024, based on the audited financial statements are set out on **Appendix 01** to the Accountants' Report.

(Contd... 2/)

2.2 Audited Financial Statements for the year ended 31 March 2024

Our audit report on the Financial Statements for the year ended 31 March 2024 together with such financial statements comprising the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies thereon is available on the Annexure of the Prospectus.

2.3 Audit Reports

We have audited the financial statements of the company and the consolidated financial statements of the group for the years ended 31 March 2020 to 31 March 2024. Unqualified audit opinions have been issued for the said financial years by our reports dated 16 June 2020, 17 June 2021, 21 June 2022, 20 June 2023, and 27 June 2024 respectively.

2.4 Accounting Policies

The financial statements of the company and the group for the years ended 31 March 2020 to 31 March 2024 comply with Sri Lanka Accounting Standards.

The accounting policies and changes in the accounting policies of the company and group are stated in detail in the audited financial statements of the company and group for the years ended 31 March 2020 to 31 March 2024.

2.5 Dividends

The company has not declared any dividends during the years ended 31 March 2020 to 31 March 2024.

2.6 Events after Reporting Date

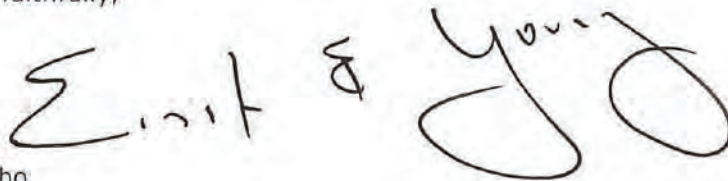
There were no material events which occurred after the reporting date.

(Contd... 3/)

3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of Digital Mobility Solutions Lanka Limited for the inclusion in the prospectus issued in connection with the proposed issue of ordinary shares of Rupees one billion five hundred and sixty-five million seventy thousand four hundred and forty-four (LKR 1,565,070,444) for the forty-three million four hundred and seventy-four thousand one hundred and seventy-nine (43,474,179) ordinary voting shares offered for sale. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work, for the report, or for the opinion we have formed. This report should not be used, circulated, quoted, or otherwise referred to any other purpose.

Yours faithfully,

A handwritten signature in black ink, appearing to read "E. J. Y. Y." with a stylized flourish at the end.

Colombo
27 June 2024

Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF FINANCIAL POSITION

Five Year Summary as at 31 March

	Group					Company				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
ASSETS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Non-Current Assets										
Property, Plant and Equipment	131,951,155	22,634,678	24,277,724	53,798,213	76,675,956	127,479,885	16,598,888	24,277,724	53,798,213	76,675,956
Intangible Asset	959,303,566	706,276,896	542,538,051	392,419,882	277,984,253	959,303,566	706,276,896	542,538,051	392,419,882	277,984,253
Right of Use Assets	158,979,929	9,583,885	24,173,230	105,569,674	136,723,404	158,979,929	9,583,885	24,173,230	105,569,674	136,723,404
Investment in Subsidiaries & Associates	-	10,831,062	14,392,460	-	-	-	14,003,887	14,392,460	-	33,458,775
Deferred Tax Asset	-	90,883,043	-	-	71,796,540	-	90,883,043	-	-	68,730,754
	1,250,234,651	840,209,565	605,381,464	551,787,768	563,180,153	1,245,763,381	837,346,600	605,381,464	551,787,768	578,573,142
Current Assets										
Inventories	5,701,697	10,041,585	3,483,117	2,869,031	1,568,593	5,701,697	7,458,605	3,483,117	2,869,031	1,568,593
Trade and Other Receivables	400,745,283	211,164,836	118,267,851	139,107,282	287,631,483	418,501,940	351,249,650	118,267,851	151,357,745	290,618,385
Other Investments	718,382,527	643,943,064	586,578,398	609,198,034	329,869,653	718,382,527	643,943,064	586,578,398	609,198,034	329,869,653
Tax Recoverable	-	-	-	-	-	-	-	-	-	-
Cash and Bank Balances	445,441,102	46,711,096	19,932,697	263,425,355	51,502,428	445,349,577	46,716,846	19,932,697	263,425,355	51,010,678
Assets Classified as Held for Sale	-	-	-	11,223,986	-	-	-	-	-	-
	1,570,270,608	911,860,582	728,262,063	1,025,823,688	670,572,157	1,587,935,741	1,049,368,165	728,262,063	1,026,850,166	673,067,309
Total Assets	2,820,505,259	1,752,070,147	1,333,643,528	1,577,611,456	1,233,752,310	2,833,699,122	1,886,714,765	1,333,643,528	1,578,637,934	1,251,640,451
EQUITY AND LIABILITIES										
Stated Capital	1,554,653,689	1,526,091,942	1,495,440,774	1,465,440,774	994,212,974	1,554,653,689	1,526,091,942	1,495,440,774	1,465,440,774	994,212,974
Retained Losses	177,334,404	(499,186,244)	(630,348,297)	(448,154,508)	(413,214,770)	190,618,266	(489,070,939)	(630,348,297)	(473,600,317)	(394,382,095)
Employee Share Option Plan	16,565,714	23,840,227	35,689,091	48,056,071	27,959,874	16,565,714	23,840,227	35,689,091	48,056,071	27,959,874
Amounts Relating to Assets Held for Sale	-	-	-	(27,696,272)	-	-	-	-	-	-
Total Equity	1,748,553,807	1,050,745,925	900,781,568	1,037,646,065	608,958,078	1,761,837,669	1,060,861,230	900,781,568	1,039,896,528	627,790,753
Non-Current Liabilities										
Deferred Revenue	-	-	-	-	-	-	-	-	-	-
Defined Benefit Obligations	57,640,088	39,371,356	33,601,832	27,428,883	15,317,599	57,640,088	39,371,356	33,601,832	27,428,883	14,910,933
Deferred Tax Liability	2,053,580	-	-	-	-	2,053,580	-	-	-	-
Lease Liabilities	141,529,105	1,062,225	9,841,827	82,317,749	112,700,543	141,529,106	1,062,226	9,841,827	82,317,749	112,700,543
	201,222,773	40,433,580	43,443,659	109,746,632	128,018,142	201,222,774	40,433,581	43,443,659	109,746,632	127,611,476
Current Liabilities										
Interest Bearing Loans and Borrowings	5,015,211	259,993,060	152,897,868	170,767,200	306,884,490	5,015,211	259,993,060	152,897,868	170,767,200	306,884,490
Trade and Other Payables	593,176,457	367,501,417	215,501,574	212,355,048	161,358,106	593,086,457	492,030,731	215,501,574	212,355,048	160,820,238
Lease Liabilities	34,880,473	10,625,236	21,018,859	45,872,526	28,533,494	34,880,473	10,625,235	21,018,859	45,872,526	28,533,494
Income Tax Payable	237,656,538	22,770,928	-	-	-	237,656,538	22,770,928	-	-	-
Liabilities directly associated with assets classified as held for sale	-	-	-	1,223,985	-	-	-	-	-	-
	870,728,679	660,890,642	389,418,301	430,218,759	496,776,090	870,638,679	785,419,954	389,418,301	428,994,774	496,238,222
Total Equity and Liabilities	2,820,505,259	1,752,070,148	1,333,643,528	1,577,611,456	1,233,752,310	2,833,699,122	1,886,714,765	1,333,643,528	1,578,637,934	1,251,640,451

These details were extracted from the Audited Financial Statements of the respective year ends which are in compliance with the requirements of the Companies Act No. 7 of 2007.


Chief Financial Officer


Chief Executive Officer


Director


Director

The Board of Directors is responsible for the Audited Financial Statements from which these details of the Five Year Summary for the Group and Company were extracted by the management. Signed for and behalf of the Board by:



Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF COMPREHENSIVE INCOME

Five Year Summary for the year ended 31 March

	Group					Company				
	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
Revenue	3,918,558,734	1,963,648,688	1,295,193,754	1,114,674,851	856,401,569	3,917,833,644	1,956,075,002	1,295,193,754	1,112,310,312	855,181,977
Other Income and Gains	127,351,203	23,140,770	26,975,197	20,839,006	145,668,233	127,351,203	23,140,770	26,975,197	20,839,006	145,668,233
Operating Expenses	(1,371,091,314)	(900,374,492)	(702,010,975)	(440,511,124)	(447,592,423)	(1,371,091,314)	(900,374,492)	(702,010,975)	(440,340,690)	(446,968,682)
Administrative Expenses	(1,428,090,140)	(882,948,523)	(656,998,780)	(560,467,085)	(593,542,233)	(1,421,131,393)	(865,520,998)	(656,998,780)	(578,202,014)	(571,169,645)
Selling and Distribution Expenses	(321,747,785)	(188,903,951)	(125,076,898)	(107,638,611)	(208,189,626)	(321,747,785)	(188,642,486)	(125,076,898)	(107,169,190)	(208,153,917)
Operating Profit/(Loss)	924,980,697	14,562,492	(161,917,702)	26,897,037	(247,254,480)	931,214,355	24,677,796	(161,917,702)	7,437,424	(225,442,034)
Finance Cost	(42,427,136)	(49,140,289)	(17,608,502)	(35,528,711)	(42,702,277)	(42,409,386)	(49,140,289)	(17,608,502)	(35,528,711)	(42,702,277)
Finance Income	121,338,976	107,189,199	35,921,327	35,950,706	48,879,217	121,338,951	107,189,199	35,921,327	35,950,706	48,879,217
Net Finance Income	78,911,840	58,048,910	18,312,825	421,995	6,176,940	78,929,565	58,048,910	18,312,825	421,995	6,176,940
Share of Loss from Associate Company	(10,831,062)	(3,561,398)	(607,540)	-	-	(14,003,887)	(3,561,398)	(607,540)	-	-
Profit/(Loss) before Tax	993,061,475	69,050,004	(144,212,417)	27,319,032	(241,077,540)	996,140,032	79,165,308	(144,212,417)	7,859,419	(219,265,094)
Income Tax (Expenses)/Reversal	(313,604,656)	61,408,833	(13,004,389)	(83,357,462)	32,214,963	(313,604,656)	61,408,833	(13,004,389)	(80,291,677)	29,161,220
Profit for the Year	679,456,818	130,458,837	(157,216,806)	(56,038,430)	(208,862,577)	682,535,376	140,574,142	(157,216,806)	(72,432,258)	(190,103,874)
Other Comprehensive Income										
Actuarial Gain/(Loss) on retirement benefit obligation	(4,065,958)	1,004,596	468,827	(6,597,580)	8,145,078	(4,065,958)	1,004,596	468,827	(6,785,964)	8,231,092
Tax Effect on Actuarial Gain/(Loss)	1,219,787	(301,379)	0	-	(1,140,311)	1,219,787	(301,379)	-	-	(1,152,353)
Other Comprehensive Income/(Expense) for the Year, Net of Tax	(2,846,171)	703,217	468,827	(6,597,580)	7,004,767	(2,846,171)	703,217	468,827	(6,785,964)	7,078,739
Total Comprehensive Income/(Expense)	676,610,648	131,162,054	(156,747,979)	(62,636,010)	(201,857,810)	679,689,206	141,277,359	(156,747,979)	(79,218,222)	(183,025,135)
Earnings Per Share	2.50	0.49	-	-	-	2.51	0.52	-	-	-
Diluted Earnings Per Share	2.50	0.48	-	-	-	2.51	0.52	-	-	-



Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

Group			Employee Share	Amounts	Total Equity
	Stated Capital	Retained Losses	Option Plan	relating to assets	
	Rs.	Rs.	Rs.	held for sale	Rs.
				Rs.	
As at 31 March 2019	994,212,974	(211,356,960)	-	-	782,856,014
Employee share option plan	-	-	6,875,000	-	6,875,000
Net Loss for the year	-	(201,857,810)	-	-	(201,857,810)
Equity Settled Charge for the year	-	-	21,084,874	-	21,084,874
As at 31 March 2020	994,212,974	(413,214,770)	27,959,874	-	608,958,078
Net Loss for the year	-	(62,636,010)	-	-	(62,636,010)
Issue of Preference Shares	471,227,800	-	-	-	471,227,800
Equity Settled Charge for the year	-	-	20,096,197	-	20,096,197
**Amounts transferred relating to assets held for sale	-	27,696,272	-	(27,696,272)	-
As at 31 March 2021	1,465,440,774	(448,154,508)	48,056,071	(27,696,272)	1,037,646,065
Impact of selling assets held for sale	-	(25,445,811)	-	27,696,272	2,250,461
Net Loss for the year	-	(156,747,979)	-	-	(156,747,979)
Issue of Non Voting Shares	30,000,000	-	-	-	30,000,000
Equity Settled Charge for the year	-	-	(12,366,981)	-	(12,366,981)
As at 31 March 2022	1,495,440,774	(630,348,298)	35,689,091	-	900,781,567
Net Profit for the year	-	131,072,054	-	-	131,162,054
Issue of Non Voting Shares	30,651,168	-	(30,651,168)	-	-
Equity Charge for the year	-	-	18,802,304	-	18,802,304
As at 31 March 2023	1,526,091,942	(499,186,244)	23,840,227	-	1,050,745,925
Net Profit for the year	-	676,610,648	-	-	676,610,648
Issue of Non Voting Shares	28,561,747	-	(28,561,747)	-	-
Equity Charge for the year	-	-	21,287,234	-	21,287,234
As at 31 March 2024	1,554,653,689	177,334,404	16,565,714	-	1,748,553,807



Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF CHANGES IN EQUITY

Five Year Summary for the year ended 31 March

Company	Stated Capital Rs.	Retained Losses Rs.	Employee Share Option Plan Rs.	Total Equity Rs.
As at 31 March 2019	994,212,974	(211,356,960)	6,875,000	789,731,014
Net Loss for the year	-	(183,025,135)	-	(183,025,135)
Equity Settled Charge for the year	-	-	21,084,874	21,084,874
As at 31 March 2020	994,212,974	(394,382,095)	27,959,874	627,790,753
Net Loss for the year	-	(79,218,222)	-	(79,218,222)
Issue of Preference Shares	471,227,800	-	-	471,227,800
Equity Settled Charge for the year	-	-	20,096,197	20,096,197
As at 31 March 2021	1,465,440,774	(473,600,318)	48,056,071	1,039,896,527
Net Loss for the year	-	(156,747,979)	-	(156,747,979)
Issue of Non Voting Shares	30,000,000	-	-	30,000,000
Equity Settled Charge for the year	-	-	(12,366,981)	(12,366,981)
As at 31 March 2022	1,495,440,774	(630,348,298)	35,689,091	900,781,567
Net Profit for the year	-	141,277,359	-	141,277,359
Issue of Non Voting Shares	30,651,168	-	(30,651,168)	-
Equity Settled Charge for the year	-	-	18,802,304	18,802,304
As at 31 March 2023	1,526,091,942	(489,070,939)	23,840,227	1,060,861,229
Net Profit for the year	-	679,689,205	-	679,689,205
Issue of Non Voting Shares	28,561,747	-	(28,561,747)	-
Equity Charge for the year	-	-	21,287,234	21,287,234
As at 31 March 2024	1,554,653,689	190,618,266	16,565,714	1,761,837,669



STATEMENT OF CASH FLOWS

Five Year Summary for the year ended 31 March

	Group					Company				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cash Flows From/(Used in) Operating Activities										
Net Profit/(Loss) Before Income Tax	993,061,475	69,050,004	(144,212,417)	27,319,032	(241,077,540)	996,140,032	79,165,308	(144,212,417)	7,859,419	(219,265,094)
Adjustments for :										
Depreciation	32,160,448	17,099,933	28,595,633	36,301,334	32,259,600	30,595,927	16,466,966	28,595,633	36,301,334	32,259,600
Amortization of Intangible Assets	351,551,742	266,119,071	175,178,983	115,789,096	63,180,805	351,551,742	266,119,071	175,178,983	115,789,096	63,180,805
Amortization of Right of Use Assets	45,223,547	18,314,817	18,866,727	38,597,594	35,034,263	45,223,547	18,314,817	18,866,727	38,597,594	35,034,263
Interest on Leasehold asset	26,230,406	2,946,914	5,198,837	-	-	26,230,406	2,946,914	5,198,837	-	-
Income tax	(121,338,976)	(107,189,199)	(35,921,327)	(35,950,706)	(48,879,217)	(121,338,976)	(107,189,199)	(35,921,327)	(35,950,706)	(48,879,217)
Finance Income	16,196,730	46,193,375	12,409,665	35,528,711	42,702,277	16,196,730	46,193,375	12,409,665	35,528,711	42,702,277
Finance Costs	80,449,513	57,570,219	27,901,613	47,952,537	92,479,858	80,449,513	57,570,219	27,901,613	47,952,537	92,479,858
Allowance for Doubtful Debts	-	-	1,054,850	-	-	-	-	1,054,850	-	-
Receivable Written off	-	-	(607,540)	-	-	-	-	(607,540)	-	-
Share of loss from Subsidiary and Associate	10,831,062	3,561,398	-	7,587,853	9,397,071	14,003,887	6,734,223	-	7,587,853	9,397,071
Provision for Employee Benefit Obligation	18,470,304	13,585,533	10,056,401	13,585,533	10,056,401	18,470,304	13,585,533	10,056,401	13,585,533	10,056,401
Provision for Leasehold Asset Disposal	21,287,234	18,802,304	17,633,019	21,084,874	21,287,234	21,287,234	18,802,304	17,633,019	21,084,874	21,287,234
Provision for Inventory	-	995,606	-	-	-	-	995,606	-	-	-
Miscellaneous	(90,000)	-	-	-	-	-	-	-	-	-
Profit/Loss on Disposal of Property Plant and Equipment	(545,251)	(1,046,173)	7,157,392	(123,339)	(545,251)	(545,251)	(1,046,173)	7,157,392	(123,339)	(545,251)
Loss on Disposal of Intangible Assets	-	-	-	-	7,586,077	-	-	-	-	7,586,077
Stock Gain or Loss	-	-	-	-	-	-	-	-	-	-
Loyalty Points expense	-	-	-	-	-	-	-	-	-	-
Impairment allowances on financials assets	-	-	-	-	-	-	-	-	-	-
Impairment allowances on asset held for sale	-	-	-	4,892,898	-	-	-	-	-	53,984
Impairment allowances on investment subsidiary	-	-	-	-	-	-	-	-	-	-
Leasehold Asset Disposal Gain	(198,403)	-	4,600,134	-	(198,403)	(198,403)	-	4,600,134	-	(198,403)
Exchange Loss on conversion of Foreign Currency balances	-	-	-	-	4,811,669	-	-	-	-	4,811,669
Non Cash Adjustments (Lease)	-	(1,597,063)	-	-	-	-	(1,807,063)	-	-	-
Operating Profit before Working Capital Changes	1,473,289,830	404,406,757	116,845,763	297,991,208	19,135,441	1,478,048,968	431,828,336	116,845,763	306,852,354	40,627,235
(Increase)/Decrease in Inventories	4,339,889	(6,538,468)	(614,086)	(1,300,438)	18,525,431	1,756,909	(3,975,488)	(614,086)	(1,300,438)	19,655,023
(Increase)/Decrease in Trade and Other Receivables	(262,280,344)	(138,473,683)	14,364,000	80,211,797	(149,882,338)	(139,952,213)	(293,534,932)	14,364,000	79,747,179	(149,882,338)
Increase/(Decrease) in Trade and Other Payables	225,657,288	151,004,236	(15,784,889)	59,891,495	(64,723,327)	101,055,726	275,533,530	(15,784,889)	51,534,809	(69,387,689)
Cash Generated From/(Used in) Operations	1,441,006,663	410,378,841	114,811,195	436,794,063	(176,954,793)	1,440,909,289	409,851,464	114,811,195	436,833,904	(158,987,770)
Income Tax/ESC Paid	(4,562,636)	(7,004,659)	(2,904,511)	-	(4,562,636)	(4,562,636)	(7,004,659)	(2,904,511)	-	-
Gratuity Paid	(4,267,530)	(6,811,413)	(3,414,625)	(1,610,750)	(4,267,530)	(4,267,530)	(6,811,413)	(3,414,625)	(1,610,750)	-
Finance Cost Paid	(16,178,979)	(46,193,374)	(12,409,664)	(24,477,974)	(16,178,979)	(16,178,979)	(46,193,374)	(12,409,664)	(18,010,861)	(24,477,974)
Net Cash From/(Used in) Operating Activities	1,413,997,519	350,369,395	96,082,396	417,172,452	(201,432,767)	1,413,900,244	349,842,018	96,082,396	417,212,293	(183,465,744)
Cash Flows From/(Used in) Investing Activities										
Acquisition of Property, Plant and Equipment	(141,476,941)	(15,561,028)	(10,106,270)	(13,895,939)	(35,467,256)	(141,476,941)	(8,892,250)	(10,106,270)	(13,895,939)	(35,467,256)
Investment in Subsidiaries & Associates	(74,439,462)	(57,364,666)	22,619,636	(275,532,193)	297,023,570	(74,439,462)	(57,364,666)	22,619,636	(275,532,193)	297,023,570
Investment in Other Investments	545,268	1,150,294	3,873,736	595,689	185,901	545,268	1,150,294	3,873,736	595,689	185,901
Proceed on Disposals of Property, Plant and Equipment	(604,578,412)	(429,857,916)	(325,297,152)	(245,224,725)	(228,302,831)	(604,578,412)	(429,857,916)	(325,297,152)	(245,224,725)	(213,302,831)
Acquisition of Intangible Assets	113,589,360	95,195,676	25,690,749	32,154,517	42,685,900	113,589,360	95,195,676	25,690,749	32,154,517	42,685,900
Interest Received	(706,360,188)	(406,437,640)	(297,004,223)	(501,902,651)	(76,125,284)	(706,360,188)	(406,437,640)	(297,004,223)	(501,902,651)	(76,125,284)
Net Cash Flows From/(Used in) Investing Activities	(141,476,941)	(15,561,028)	(10,106,270)	(13,895,939)	(35,467,256)	(141,476,941)	(8,892,250)	(10,106,270)	(13,895,939)	(35,467,256)
Cash Flows From/(Used in) Financing Activities										
Proceeds from Interest Bearing Loans and Borrowings	-	-	-	25,000,000	-	-	-	-	25,000,000	-
Issue of Preference Shares	-	-	-	471,227,800	-	-	-	-	471,227,800	-
Principal Payment to Lease Creditors	-	-	-	-	(16,492,000)	-	(4,331,957)	-	(8,081,959)	(16,492,000)
Repayment of Interest Bearing Loans and Borrowings	-	-	-	-	-	-	-	-	-	-
Lease extension Payment	-	-	-	-	-	-	-	-	-	-
Interest Paid on Lease Liability	(26,230,406)	(2,946,914)	(5,198,837)	(17,517,849)	(18,224,303)	(26,230,406)	(2,946,914)	(5,198,837)	(17,517,849)	(18,224,303)
Repayment of Principal Portion of Lease Liability	(29,699,070)	(21,091,636)	(19,502,663)	(20,387,626)	(23,856,962)	(29,699,070)	(21,091,636)	(19,502,663)	(20,387,626)	(23,856,962)
Net Cash Flows From/(Used in) Financing Activities	(55,929,476)	(28,580,507)	(37,287,584)	450,140,366	(58,573,265)	(55,929,476)	(28,580,507)	(37,287,584)	450,140,366	(58,573,265)
Net Increase/(Decrease) in Cash and Cash Equivalents	653,707,853	(84,648,733)	(238,209,411)	365,410,167	(183,880,748)	653,610,579	(84,648,733)	(238,209,411)	365,450,008	(184,372,498)
Cash and Cash Equivalents at the beginning of the Year	(213,281,964)	(128,633,214)	109,576,196	(255,382,062)	(71,501,314)	(213,276,214)	(128,633,214)	109,576,196	(255,873,812)	(71,501,314)
Cash and Cash Equivalents at the end of the Year	440,425,892	(213,281,964)	(128,633,214)	110,028,105	(255,382,062)	440,334,366	(213,276,214)	(128,633,214)	109,576,196	(255,873,812)



**DIGITAL MOBILITY SOLUTIONS LANKA (PRIVATE) LIMITED
FINANCIAL STATEMENTS
31 MARCH 2024**



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CAY/RA/PE

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DIGITAL MOBILITY SOLUTIONS LANKA (PRIVATE) LIMITED**

Report on the audit of Financial Statements

Opinion

We have audited the financial statements of Digital Mobility Solutions Lanka (Private) Limited, which comprise the statement of financial position as at 31 March 2024, and the statement of Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(Contd...2/-)

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.



27 June 2024
Colombo

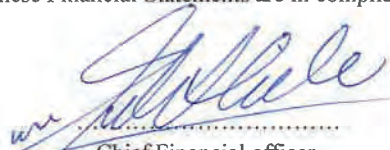
Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

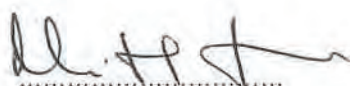
	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	8	131,951,155	22,634,678	127,479,885	16,598,888
Intangible Asset	9	959,303,566	706,276,896	959,303,566	706,276,896
Right of Use Assets	10	158,979,929	9,583,885	158,979,930	9,583,886
Investment in Subsidiaries & Associates	11	-	10,831,062	-	14,003,887
Deferred Tax Asset	19	-	90,883,043	-	90,883,043
		<u>1,250,234,651</u>	<u>840,209,565</u>	<u>1,245,763,381</u>	<u>837,346,600</u>
Current Assets					
Inventories	12	5,701,697	10,041,585	5,701,697	7,458,605
Trade and Other Receivables	13	400,745,283	211,164,836	418,501,940	351,249,650
Other Investments	14.1	718,382,527	643,943,064	718,382,527	643,943,064
Cash and Bank Balances	14	445,441,102	46,711,096	445,349,577	46,716,846
		<u>1,570,270,608</u>	<u>911,860,582</u>	<u>1,587,935,741</u>	<u>1,049,368,165</u>
Total Assets		<u>2,820,505,260</u>	<u>1,752,070,148</u>	<u>2,833,699,122</u>	<u>1,886,714,766</u>
EQUITY AND LIABILITIES					
Stated Capital	15	1,554,653,689	1,526,091,942	1,554,653,689	1,526,091,942
Retained Earnings/Losses		177,334,405	(499,186,244)	190,618,266	(489,070,939)
Employee Share Option Plan	21	16,565,714	23,840,227	16,565,714	23,840,227
Total Equity		<u>1,748,553,808</u>	<u>1,050,745,925</u>	<u>1,761,837,669</u>	<u>1,060,861,230</u>
Non-Current Liabilities					
Defined Benefit Obligations	18	57,640,088	39,371,356	57,640,088	39,371,356
Deferred Tax Liability	19	2,053,580	-	2,053,580	-
Lease Liabilities	10	141,529,105	1,062,225	141,529,106	1,062,226
		<u>201,222,773</u>	<u>40,433,580</u>	<u>201,222,774</u>	<u>40,433,581</u>
Current Liabilities					
Interest Bearing Loans and Borrowings	17	5,015,211	259,993,060	5,015,211	259,993,060
Trade and Other Payables	20	593,176,457	367,501,417	593,086,458	492,030,731
Income Tax Payable		237,656,538	22,770,928	237,656,538	22,770,928
Lease Liabilities	10	34,880,473	10,625,236	34,880,473	10,625,236
		<u>870,728,679</u>	<u>660,890,642</u>	<u>870,638,680</u>	<u>785,419,955</u>
Total Equity and Liabilities		<u>2,820,505,260</u>	<u>1,752,070,148</u>	<u>2,833,699,122</u>	<u>1,886,714,766</u>

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.


Chief Financial officer

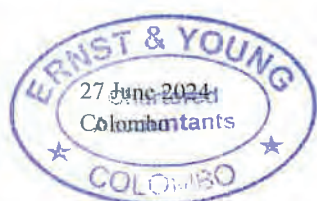

Chief Executive Officer

The Board of Directors is responsible for these Financial Statements. Signed for and behalf of the Board by;


Director


Director

The accounting policies and notes on page 07 to 31 form an integral part of the Financial Statements.



Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2024

	Note	Group 2024 Rs.	Group 2023 Rs.	Company 2024 Rs.	Company 2023 Rs.
Revenue	3	3,918,558,734	1,963,648,688	3,917,833,644	1,956,075,002
Other Income and Gains	4	127,351,203	23,140,770	127,351,203	23,140,770
Operating Expenses		(1,371,091,314)	(900,374,492)	(1,371,091,314)	(900,374,492)
Administrative Expenses		(1,428,090,140)	(882,948,523)	(1,421,131,393)	(865,520,998)
Selling and Distribution Expenses		(321,747,785)	(188,903,951)	(321,747,785)	(188,642,486)
Operating Profit/(Loss)		<u>924,980,697</u>	<u>14,562,492</u>	<u>931,214,355</u>	<u>24,677,796</u>
Finance Cost	5.1	(42,427,136)	(49,140,289)	(42,409,386)	(49,140,289)
Finance Income	5.2	121,338,976	107,189,199	121,338,951	107,189,199
Net Finance Income		<u>78,911,840</u>	<u>58,048,910</u>	<u>78,929,565</u>	<u>58,048,910</u>
Share of Loss from Associate Company	11	(10,831,062)	(3,561,398)	(14,003,887)	(3,561,398)
Profit/(Loss) before Tax	6	<u>993,061,475</u>	<u>69,050,004</u>	<u>996,140,032</u>	<u>79,165,308</u>
Income Tax (Expenses)/Reversal	7	(313,604,656)	61,408,833	(313,604,656)	61,408,833
Profit for the Year		<u>679,456,818</u>	<u>130,458,837</u>	<u>682,535,376</u>	<u>140,574,142</u>
Other Comprehensive Income					
Actuarial Gain/(Loss) on retirement benefit obligation	18	(4,065,958)	1,004,596	(4,065,958)	1,004,596
Tax Effect on Actuarial Gain/(Loss)	19	1,219,787	(301,379)	1,219,787	(301,379)
Other Comprehensive Income/(Expense) for the Year, Net of Tax		<u>(2,846,171)</u>	<u>703,217</u>	<u>(2,846,171)</u>	<u>703,217</u>
Total Comprehensive Income/(Expense)		<u>676,610,648</u>	<u>131,162,054</u>	<u>679,689,205</u>	<u>141,277,359</u>
Earning Per Share (EPS)		2.50	0.49	2.51	0.49
Diluted Earning Per Share		2.50	0.48	2.51	0.48

The accounting policies and notes on page 07 to 31 form an integral part of the Financial Statements.



STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2024

Group	Note	Stated Capital Rs.	Retained Losses Rs.	Employee Share Option Plan Rs.	Total Equity Rs.
As at 31 March 2022		1,495,440,774	(630,438,297)	35,689,091	900,781,567
Net Profit for the year		-	131,162,054	-	131,162,054
Issue of Non Voting Shares		30,651,168	-	(30,651,168)	-
Equity Charge for the year	21	-	-	18,802,304	18,802,304
As at 31 March 2023		1,526,091,942	(499,276,243)	23,840,227	1,050,745,925
Net Profit for the year		-	676,610,648	-	676,610,648
Issue of Non Voting Shares		28,561,747	-	(28,561,747)	-
Equity Charge for the year	21	-	-	21,287,234	21,287,234
As at 31 March 2024		1,554,653,689	177,334,405	16,565,714	1,748,643,807

Company	Note	Stated Capital Rs.	Retained Losses Rs.	Employee Share Option Plan Rs.	Total Equity Rs.
As at 31 March 2022		1,495,440,774	(630,348,298)	35,689,091	900,781,567
Net Profit for the year		-	141,277,359	-	141,277,359
Issue of Non Voting Shares		30,651,168	-	(30,651,168)	-
Equity Charge for the year	21	-	-	18,802,304	18,802,304
As at 31 March 2023		1,526,091,942	(489,070,939)	23,840,227	1,060,861,230
Net Profit for the year		-	679,689,205	-	679,689,205
Issue of Non Voting Shares		28,561,747	-	(28,561,747)	-
Equity Charge for the year	21	-	-	21,287,234	21,287,234
As at 31 March 2024		1,554,653,689	190,618,266	16,565,714	1,761,837,669

The accounting policies and notes on page 07 to 31 form an integral part of the Financial Statements.



Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF CASH FLOWS

Year ended 31 March 2024

	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash Flows From/(Used in) Operating Activities					
Net Profit/(Loss) Before Income Tax		993,061,475	69,050,004	996,140,032	79,165,308
Adjustments for :					
Depreciation	8	32,160,448	17,099,953	30,595,927	16,466,966
Amortization of Intangible Assets	9	351,551,742	266,119,071	351,551,742	266,119,071
Amortization of Right of Use Assets	10	45,223,547	18,314,817	45,223,547	18,314,817
Interest on Leasehold asset		26,230,406	2,946,914	26,230,406	2,946,914
Income tax					
Finance Income	5.2	(121,338,976)	(107,189,199)	(121,338,951)	(107,189,199)
Finance Costs	5.1	16,196,730	46,193,375	16,178,980	46,193,375
Allowance for Doubtful Debts	13	80,449,513	57,570,219	80,449,513	57,570,219
Share of loss from Subsidiary and Associate	11.1	10,831,062	3,561,398	14,003,887	6,734,223
Provision for Employee Benefit Obligation	18	18,470,304	13,585,533	18,470,304	13,585,533
Provision for Employee Share Option Plan	21	21,287,234	18,802,304	21,287,234	18,802,304
Provision for Inventory		-	995,606	-	995,606
Miscellaneous		(90,000)			
Profit/Loss on Disposal of Property Plant and Equipment		(545,251)	(1,046,173)	(545,251)	(1,046,173)
Impairment allowances on investment subsidiary			-		14,976,436
Leasehold Asset Disposal Gain		(198,403)	-	(198,403)	-
Non Cash Adjustments (Lease)			(1,597,063)	-	(1,807,063)
Operating Profit before Working Capital Changes		1,473,289,830	404,406,757	1,478,048,968	431,828,336
(Increase)/Decrease in Inventories		4,339,889	(6,558,468)	1,756,909	(3,975,488)
(Increase)/Decrease in Trade and Other Receivables		(262,280,344)	(138,473,683)	(139,952,213)	(293,534,932)
Increase/ (Decrease) in Trade and Other Payables		225,657,288	151,004,236	101,055,726	275,533,550
Cash Generated From/(Used in) Operations		1,441,006,662	410,378,841	1,440,909,388	409,851,464
Income Tax/ESC Paid		(4,562,636)	(7,004,659)	(4,562,636)	(7,004,659)
Gratuity Paid		(4,267,530)	(6,811,413)	(4,267,530)	(6,811,413)
Finance Cost Paid		(16,178,979)	(46,193,374)	(16,178,979)	(46,193,374)
Net Cash From/(Used in) Operating Activities		1,415,997,517	350,369,395	1,415,900,244	349,842,018
Cash Flows From/(Used in) Investing Activities					
Acquisition of Property, Plant and Equipment	8	(141,476,941)	(15,561,028)	(141,476,941)	(8,892,250)
Investment in Subsidiaries & Associates	11	-	-	-	(6,345,650)
Investment in Other Investments		(74,439,462)	(57,364,666)	(74,439,462)	(57,364,666)
Proceed on Disposals of Property, Plant and Equipment		545,268	1,150,294	545,268	1,150,294
Acquisition of Intangible Assets	9	(604,578,412)	(429,857,916)	(604,578,412)	(429,857,916)
Interest Received		113,589,360	95,195,676	113,589,360	95,195,676
Net Cash Flows From/(Used in) Investing Activities		(706,360,188)	(406,437,640)	(706,360,188)	(406,114,512)
Cash Flows From/(Used in) Financing Activities					
Repayment of Interest Bearing Loans and Borrowings	17	-	(4,331,957)	-	(4,331,957)
Lease extension Payment		-	(210,000)		
Interest Paid on Lease Liability	10	(26,230,406)	(2,946,914)	(26,230,406)	(2,946,914)
Repayment of Principal Portion of Lease Liability	10	(29,699,070)	(21,091,636)	(29,699,070)	(21,091,636)
Net Cash Flows From/(Used in) Financing Activities		(55,929,476)	(28,580,507)	(55,929,476)	(28,370,507)
Net Increase/(Decrease) in Cash and Cash Equivalents		653,707,853	(84,648,753)	653,610,579	(84,643,001)
Cash and Cash Equivalents at the beginning of the Year	14	(213,281,964)	(128,633,214)	(213,276,214)	(128,633,214)
Cash and Cash Equivalents at the end of the Year	14	440,425,892	(213,281,964)	440,334,366	(213,276,214)

The accounting policies and notes on page 07 to 31 form an integral part of the Financial Statements.



1. CORPORATE INFORMATION

1.1 General

Digital Mobility Solutions Lanka (Private) Limited is a private limited liability Company incorporated on 23 January 2015 and domiciled in Sri Lanka. The registered office and the principal place of business are located at No. 309, High Level Road, Colombo 6.

1.2 Principal Activities and Nature of Operations

Digital Mobility Solutions Lanka (Private) Limited is a technological company that specializes in developing mobility-related software. The PickMe software facilitates a real-time connection between various stakeholders requiring mobility solutions including Independent third-party drivers, merchants, and consumers.

1.3 Consolidated financial statements

The financial statements for the year ended 31 March 2024, comprise ‘‘the company’’ referring to Digital Mobility Solutions Lanka (Private) Limited as the holding company and ‘‘ the Group’’ referring to the company that has been consolidated therein.

1.4 Date of Authorization for Issue

The Financial Statements for the year ended 31 March 2024 were authorized for issue in accordance with a resolution by the board of directors on 27 June 2024

1.5 Group Information

Subsidiaries

The companies within the Group and its business activities are as follows;

Subsidiary	Nature of the Business	Ownership Percentage
Digital Mobility Service Lanka (Pvt) Ltd	Consumer point to distribute fuel for the Independent third-party drivers registered on the platform	100%

There were no significant changes in the nature of the principal activities of the Group and the Company during the financial year under review.

1.6 Discontinued operations

Digital Mobility Service Lanka (Pvt) Ltd (Subsidiary) discontinued its operations in the month of May in the year 2023.



2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements which comprise the statement of financial position, the statement of income, statement of comprehensive income, statement of changes in equity and cash flow statement, together with the accounting policies and notes (the “financial statements”) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

2.2 Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for defined benefit obligation which is measured at present value of the obligation.

2.3 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lanka Rupees, which is the Company and the Group use as functional and presentation currency.

2.4.1 Changes in Accounting Policies

The Group applied all the existing accounting standards up to 31 March 2024 in preparing these financial statements, which are effective for annual periods beginning on or after 1 April 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.5 Going Concern

The Directors have made an assessment on the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease the operation

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of current economic conditions of the country on the Company & the Group and the appropriateness of the use of the going concern basis.

Board of Directors are of the view that the Company & the Group have adequate resources to continue the operation for a foreseeable future and justify the adoption of the going concern basis in preparing these financial statements.

2.6 Comparative Information

Accounting policies have been applied consistently for all periods presented in the financial statements by the Company.

2.7 Significant Accounting Judgments, Estimates and Assumptions

Judgments

In the process of applying the Company's accounting policies, management has made following judgements.



Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate..

Deferred Tax Asset

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in Note 19 to the financial statements.

Estimates and Assumptions

The cost of defined benefit plans – Gratuity is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increment rates and retirement age. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

Impairment allowance of Trade Debtors and other Financial Assets

The company has estimate the expected credit loss for trade debtors and other financial assets using simplified approach method as per the guidance given in SLFRS 9 – Financial Instruments. Refer the Note 2.8.7 for details.

Defined Benefit Plans

The present value of the retirement benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the retirement benefit obligations are given in Note 18. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

Impairment of non-financial assets

Based on management assessment, the carrying amounts of the above assets are reviewed at each reporting date to determine whether there are any indications of impairment.

2.8 Summary of material accounting policy information

The following are the material accounting policy information applied by the Group in preparing its Financial Statements:

2.8.1 Foreign Currencies

The Financial Statements are presented in Sri Lanka Rupees, which is also the Company's functional currency.



Transactions and Balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.8.2 Taxation

(a) Current Income Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income

Current income tax relating to items recognized directly in equity is recognized in equity and for items recognized in other comprehensive income shall be recognized in other comprehensive income and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Management has used its judgment on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism

The Group has complied with the arm's length principles relating to transfer pricing as prescribed in the Inland Revenue Act, and has complied with the related Gazette notification issued by Ministry of Finance.

The Group is liable to pay income tax at 30% from 2023 onwards in compliance with the new regulations of the Government of Sri Lanka

(b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and unused tax credits and tax losses carried forward, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax credits and tax losses carried forward can be utilized except:

- Where the deferred income tax assets relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and



- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset realizes or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

2.8.3 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formulae:

Phones	-	At purchase cost on First in First Out Basis
Accessories	-	At purchase cost on First in First Out Basis
Fuel Stock	-	At purchase cost on First in First Out Basis

2.8.4 Cash and Cash Equivalents

Cash at Bank and in Hand in the Statement of Financial Position comprise cash at bank and in hand.

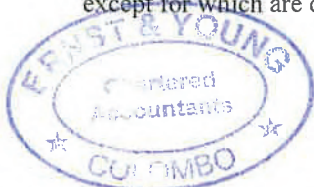
For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposit with a maturity of three months or less, net of outstanding bank overdrafts.

2.8.5 Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognized in the carrying amount of the Property, Plant and Equipment as a component if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the profit or loss as incurred.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit or loss, when the asset is derecognized.

The Group provides depreciation from the date the assets are available for use up to the date of disposal, on a straight line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Group of the different types of assets, except for which are disclosed separately.



Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.

2.8.6 Intangible Assets

An Intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalised, and expenditure is charged to statement of comprehensive income in the year in which the expenditure is incurred.

Useful economic lives, amortisation and impairment The useful lives of intangible assets are assessed as either finite or indefinite lives. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year-end and treated as accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of comprehensive income.

Research and development costs Research costs are expensed as incurred. An intangible asset arising from development expenditure on an individual project is recognised as an intangible asset, when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete and its ability to use or sell the assets,
- How the assets will generate future economic benefits,
- The availability of resources to complete the assets,
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure of an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit from the use or expected future sales from the related project. During the period of development, the asset is tested for impairment annually.

Impairment test on internally developed software is performed as follows annually for assets not yet in use and more frequently when indicators of impairment arise. Assets in use, when indicators of impairment arise. The amortization method is reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

2.8.7 Financial Instruments-initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Initial Recognition and Subsequent Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The Group does not have financial assets which are measured at fair value through OCI and fair value through profit or loss.

Financial Assets at Amortised Cost

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes cash and short-term deposits, trade and other receivables and other financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Groups's statement of financial position) when:

- The rights to receive cash flows from the asset have expired;
- Or



- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs.

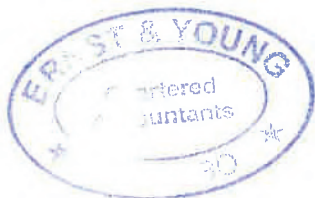
Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Accordingly, the Group has recognised a loss allowance for expected credit losses for the below mentioned financial assets.

- i) Cash and cash equivalents (except cash in hand)
- ii) Trade receivables (driver receivable and corporate customer receivable)

Trade receivables including contract assets arisen under SLFRS 15 were impaired using simplified approach method measuring the loss allowance at an amount equal to lifetime ECL. The Group considers that default has occurred when there is more than 30 days past due in driver receivable account and 120 days past due in corporate customer receivable account.

Placement with bank and favorable balances at bank which are included in the cash and cash equivalents were impaired using rating based approach measuring the loss allowance at an amount equal to 12 months ECL.



Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.8.8 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of profit or loss net of any reimbursement.

2.8.9 Post-Employment Benefit Liability

a) Defined Benefit Plan – Gratuity

The Group measures the present value of the promised retirement benefits of gratuity, which is a defined benefit plan with the advice of an independent professional actuary each year using the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income.

This item is stated under Post Employee Benefit Liability in the Statement of Financial Position. The gratuity liability is not externally funded.



b) Defined Contribution Plans– Employees’ Provident Fund & Employees’ Trust Fund

Employees are eligible for Employees’ Provident Fund Contributions and Employees’ Trust Fund Contributions in line with the respective statutes and regulations. The Group contributes 12% and 3% of gross emoluments of employees to Employees’ Provident Fund and Employees’ Trust Fund respectively.

2.8.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per SLFRS 16 and recognise right of use assets and lease liabilities.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 10 and are subject to impairment in line with the Group’s policy for Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.



Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

2.8.11 Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8.12 Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries. The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill, if any, relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate. Any change in Other Comprehensive Income of those investees is presented as part of the Group's Other Comprehensive Income.



In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Statement of Profit or Loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate, if any.

The Financial Statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit or loss of equity accounted investees' in the Statement of Profit or Loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the Statement of Profit or Loss.

2.8.13 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of Consumer discounts, independent third-party driver partners incentives and value added taxes.

The following specific criteria are used for recognition of revenue:

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Goods transferred at a point in time

Under SLFRS 15, revenue is recognised upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods.

Rendering of Services

Under SLFRS 15, the Group determines, at contract inception, whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation

Interest income

Interest income is recorded as it accrues using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.



Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other noncurrent assets, including investments, are accounted for in profit/loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Other income

Other income is recognized on an accrual basis.

2.8.14 Expenditure Recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income. For the purpose of presentation of the statement of comprehensive income, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Group's performance.

2.8.15 Finance Cost

Finance costs comprise interest expense on borrowings that is recognized in the statement of comprehensive income.

2.8.16 Share Based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and making assumptions about them. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in Note 21 to the Financial Statements.

2.9 Effect of Sri Lanka Accounting Standards Issued but not yet Effective:

The new and amended standards and interpretations that are issued up to the date of issuance of the Group's financial statements but are not effective for the current annual reporting period, are disclosed below.

- **Classification of Liabilities as Current or Non-current - Amendment to LKAS 1**

Amendments to LKAS 1 relate to classification of liabilities with covenants as current or non-current. The amendments clarify that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. The requirements apply only to liabilities arising from loan arrangements.



- **Disclosures: Supplier Finance Arrangements - Amendments to LKAS 7 and SLFRS 7**

The amendments clarify the characteristics of supplier finance arrangements and require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements.

- **Lease Liability in a Sale and Leaseback - Amendment to SLFRS 16**

The amendments to SLFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A seller-lessee applies the amendment retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application

- **SLFRS 17 Insurance Contracts**

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

1. A specific adaptation for contracts with direct participation features (the variable fee approach)
2. A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

- **International Tax Reform—Pillar Two Model Rule - Amendments to LKAS 12**

The amendments to LKAS 12 introduce a mandatory exception in LKAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments are effective for annual periods beginning on or after 1 January 2024.

The Group is currently assessing the impact of the amendments.



3. REVENUE - Revenue from contracts with customers

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Application Usage Income	7,056,183,150	3,169,593,046	7,056,183,150	3,169,593,046
Less: Driver Incentives	(1,656,252,338)	(794,292,081)	(1,656,252,338)	(794,292,081)
Less: Passenger Discounts	(1,281,154,489)	(419,225,963)	(1,281,154,489)	(419,225,963)
Less: VAT Payments	(200,942,679)	-	(200,942,679)	-
Revenue from contracts with customers	3,917,833,644	1,956,075,002	3,917,833,644	1,956,075,002
Network Fee Income	1,162,180	8,932,350	-	-
Less: Cost of Fuel	(437,090)	(296,423)	-	-
Less: Loss of Fuel		(926,791)	-	-
Less: Fuel Transport Cost		(135,450)	-	-
	725,090	7,573,686	-	-
Revenue from contracts with customers	3,918,558,734	1,963,648,688	3,917,833,644	1,956,075,002

4. OTHER INCOME AND GAINS

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Miscellaneous Income	13,810,842	3,068,680	13,810,842	3,068,680
Donation/Gift	20,687,182		20,687,182	-
Software Development Income	63,360,980		63,360,980	-
Mobile & Accessories Sale Income	28,943,947	20,072,090	28,943,947	20,072,090
Profit From Disposal of PPE			548,251	-
	126,802,951	23,140,770	127,351,203	23,140,770

5. FINANCE COST AND INCOME

5.1 Finance Cost

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Short Term Loan Interest Expense	-	36,377	-	36,377
Overdraft Interest Expense	16,196,730	46,156,997	16,178,979	46,156,997
Lease Liability Interest Expenses	26,230,406	2,946,914	26,230,406	2,946,914
	42,427,136	49,140,289	42,409,386	49,140,289

5.2 Finance Income

Interest Income	121,338,976	107,189,199	121,338,951	107,189,199
	121,338,976	107,189,199	121,338,951	107,189,199

6. PROFIT/(LOSS) FROM CONTINUING OPERATIONS

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
<i>Included in Operational Expenses</i>				
Cost of devices	732,155	8,569,885	732,155	8,569,885
Server Charges	604,833,321	391,772,860	604,833,321	391,772,860
IT Subscriptions	174,284,193	123,091,813	174,284,193	123,091,813
Google Maps Charges	128,739,675	81,611,682	128,739,675	81,611,682
<i>Included in Administrative Expenses</i>				
Employee benefits including the following.				
- Salary	203,497,123	177,939,003	203,497,123	175,588,642
- Defined Benefit Plan Cost - Gratuity	18,470,304	13,585,533	18,470,304	13,585,533
- Employees Provident Fund - 12%	24,419,655	21,070,637	24,419,655	21,070,637
- Employees Trust Fund - 3%	6,104,914	5,267,659	6,104,914	5,267,659
Other Administrative Expenses including following.				
- Rent Expense	-	10,500,000	-	-
- Depreciation	30,595,927	17,099,953	30,595,927	16,466,966
- Amortization Charges	396,775,289	284,433,887	396,775,289	284,433,887
- Lawyer Charges	2,337,655	2,384,951	2,337,655	1,959,951
- Charity & Donations	229,000	67,602	229,000	67,602
- Audit Fee	1,867,487	1,536,283	1,867,487	1,446,283
- Bank Charges	4,217,071	10,085,639	4,217,071	10,085,639
- Exchange Gain/Loss	(31,493,930)	(20,707,997)	(31,493,930)	(20,707,997)
<i>Included in Selling and Distribution Expenses</i>				
Advertising and Promotion	115,019,058	63,100,040	115,019,058	62,838,575
Impairment Allowance for Doubtful Debts	80,449,513	57,570,219	80,449,513	57,570,219

7. INCOME TAX EXPENSES	2024 Rs.	2023 Rs.
Current Income Tax		
Current Income Tax Charge (7.1)	245,105,025	29,775,589
Under Provision of Current Taxes in respect of prior years	(24,436,992)	-
Deferred Income Tax		
Deferred Taxation Charge/(Reversal) (19)	92,936,623	(91,184,422)
Income tax expense/(reversal) reported in the Income Statement	<u>313,604,656</u>	<u>(61,408,833)</u>
7.1 Reconciliation between income tax expenses and Accounting Profit/(Loss)	2024 Rs.	2023 Rs.
Accounting Profit/(Loss) Before Tax	996,140,032	79,165,308
Aggregate Disallowed Items	693,152,240	427,492,102
Aggregate Allowed Expenses	(533,832,702)	(257,398,261)
Investment Income	(121,338,951)	(107,189,199)
Non Taxable Items	(3,197,786)	-
Business Loss/Income	<u>1,030,922,833</u>	<u>142,069,950</u>
Exempt Profit on information technology and enabled services		(142,069,950)
Investment Income	57,977,971	107,189,199
Less : Carried Forward Tax Loss utilized	(271,884,054)	-
Total Taxable Income	<u>817,016,750</u>	<u>107,189,199</u>
Tax on Taxable Income	<u>245,105,025</u>	<u>29,775,589</u>

7.2 Applicable Tax Rates

As per the Inland Revenue Act No.24 of 2017 and amendments thereto, Company profits earned or derived from providing information technology and enabled services are exempted from Income tax w.e.f. 01 January 2020. Further, as per the new amendment company is liable to pay 30% income tax w.e.f. 01 April 2023.

8. PROPERTY PLANT AND EQUIPMENT (GROUP)

Description	Balance as at 01.04.2023 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31.03.2024 Rs.
Cost				
Improvements for leasehold building	20,122,591	2,911,166	-	23,033,757
Furniture & Fittings	22,015,746	22,414,533	-	44,430,279
Computer	59,613,871	60,053,650	(1,943,934)	117,723,587
Computer Equipment	10,283,210	24,618,833	-	34,902,043
Office Equipment	13,603,968	31,478,758	(254,319)	44,828,407
Network Servers	2,662,654	-	-	2,662,654
Machinery	4,200,000	-	-	4,200,000
	<u>132,502,039</u>	<u>141,476,941</u>	<u>(2,198,253)</u>	<u>271,780,727</u>
Accumulated Depreciation				
Improvements for leasehold building	14,882,084	2,834,465	-	17,716,549
Furniture & Fittings	20,078,735	3,580,339	-	23,659,074
Computer	49,257,010	15,140,919	(1,943,920)	62,454,008
Computer Equipment	9,883,842	4,860,476	-	14,744,318
Office Equipment	12,798,875	4,694,249	(254,316)	17,238,808
Network Servers	2,662,648	-	-	2,662,648
Machinery	304,167	1,050,000	-	1,354,167
	<u>109,867,360</u>	<u>32,160,447</u>	<u>(2,198,236)</u>	<u>139,829,572</u>
	<u>22,634,678</u>			<u>131,951,155</u>



8. PROPERTY PLANT AND EQUIPMENTV (COMPANY)

Description	Balance as at 01.04.2023	Additions	Disposals	Balance as at 31.03.2024
	Rs.			Rs.
Cost				
Improvements for leasehold building	18,069,111	2,911,166	-	20,980,277
Furniture & Fittings	22,015,746	22,414,533	-	44,430,279
Computer	59,613,871	60,053,650	(1,943,934)	117,723,587
Computer Equipment	10,283,210	24,618,833	-	34,902,043
Office Equipment	13,188,670	31,478,758	(254,319)	44,413,109
Network Servers	2,662,654	-	-	2,662,654
	<u>125,833,261</u>	<u>141,476,941</u>	<u>(2,198,253)</u>	<u>265,111,949</u>
Accumulated Depreciation				
Improvements for leasehold building	14,612,063	2,423,769	-	17,035,833
Furniture & Fittings	20,078,735	3,580,339	-	23,659,074
Computer	49,257,010	15,140,919	(1,943,920)	62,454,008
Computer Equipment	9,883,842	4,860,476	-	14,744,318
Office Equipment	12,740,075	4,590,424	(254,316)	17,076,183
Network Servers	2,662,648	-	-	2,662,648
	<u>109,234,374</u>	<u>30,595,926</u>	<u>(2,198,235)</u>	<u>137,632,065</u>
Net Carrying Value	<u>16,598,888</u>			<u>127,479,885</u>

8.1 During the period, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. Rs. 141,476,941/- (2023- Rs.8,892,250/-). Cash payments amounting to Rs. 141,476,941/- (2023- Rs.8,892,250/-) were made during the period for purchase of Property, Plant and Equipment.

8.2 There are fully depreciated assets amounting to Rs. 94,944,196/- (2023- Rs. 89,094,317/-)

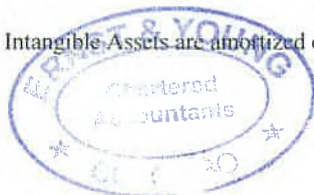
8.3 The useful lives of the assets are estimated as follows;

	2024	2023
Improvements for leasehold buildings	5 years	5 years
Furniture & fittings, Office equipment's	4 Years	4 Years
Computer, Computer equipment & Network Servers	3 Years	3 Years

9. INTANGIBLE ASSETS (COMPANY/GROUP)

Description	Balance as at 01.04.2022	Additions	Disposals	Balance as at 31.03.2023
	Rs.			Rs.
Cost				
Software	1,382,652,274	604,578,412	-	1,987,230,687
	<u>1,382,652,274</u>	<u>604,578,412</u>	<u>-</u>	<u>1,987,230,687</u>
Amortization				
Software	676,375,378	351,551,742	-	1,027,927,120
	<u>676,375,378</u>	<u>351,551,742</u>	<u>-</u>	<u>1,027,927,120</u>
Net Book Value	<u>706,276,896</u>			<u>959,303,566</u>

9.1 Intangible Assets are amortized over 4 years (2023- 4 Years).



10. RIGHT OF USE ASSETS

Assets held under lease have been recognized as Right-of-Use Assets under SLFRS 16

Description	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Assets as at 1st April	9,583,886	24,173,230	9,583,886	24,173,230
Adjustments	-	(2,214,906)	-	(2,214,906)
Additions	196,290,867	5,940,379	196,290,867	5,940,379
Amortization charge for the year	(45,223,547)	(18,314,817)	(45,223,547)	(18,314,817)
Disposal of lease asset	(1,671,276)	-	(1,671,276)	-
Assets as at 31st March	<u>158,979,929</u>	<u>9,583,885</u>	<u>158,979,929</u>	<u>9,583,886</u>

	Group		2024 Rs.	2022 Rs.
	2024 Rs.	2023 Rs.		
Lease liabilities as at 1st April	11,687,459	30,860,685	11,687,459	30,860,685
Adjustments	-	(4,021,969)	-	(4,021,969)
Additions	196,290,867	5,940,379	196,290,867	5,940,379
Accretion of interest	26,230,406	2,946,914	26,230,406	2,946,914
Rentals paid during the year	(55,929,476)	(24,038,550)	(55,929,476)	(24,038,550)
Disposal of lease liability	(1,869,679)	-	(1,869,679)	-
Lease liabilities as at 31st March	<u>176,409,577</u>	<u>11,687,459</u>	<u>176,409,577</u>	<u>11,687,459</u>

Amount repayable within 1 year	34,880,473	10,625,236	34,880,473	10,625,236
Amount repayable after 1 year	141,529,105	1,062,225	141,529,105	1,062,225
	<u>176,409,578</u>	<u>11,687,459</u>	<u>176,409,577</u>	<u>11,687,459</u>

11. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES (COMPANY)

11.1 Investment in Associates

	Holding	No of Shares	2024 Rs.	2023 Rs.
FinTech Hive (Pvt) Ltd	26%	3,500,000	10,831,062	14,392,460
Share of Profit / (Loss) from Associate			-	(3,561,398)
Impairment on Investment			(10,831,062)	-
Balance as at 31 March			<u>-</u>	<u>10,831,062</u>

11.2 Investment in Subsidiaries

	Holding	No of Shares	2024 Rs.	2023 Rs.
Digital Mobility Services Lanka (Pvt) Ltd	100%	10,000	3,172,825	6,345,650
Provision for Impairment			(3,172,825)	(3,172,825)
			<u>-</u>	<u>3,172,825</u>



Digital Mobility Solutions Lanka (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2024

12. INVENTORIES

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Mobile Phones	2,969,371	1,485,000	2,969,371	1,485,000
Accessories	3,727,932	5,973,605	3,727,932	5,973,605
Fuel Stock	-	2,582,980	-	-
Less: Provision for Inventory	(995,606)	(995,606)	(995,606)	(995,606)
	<u>5,701,697</u>	<u>9,045,979</u>	<u>5,701,697</u>	<u>6,462,999</u>

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Trade Receivables - Related Party (13.1)	-	-	-	-
- Others	285,889,868	155,463,707	285,889,868	155,463,707
Less: Allowance for Impairment	(72,681,090)	(82,509,064)	(72,681,090)	(82,509,064)
	<u>213,208,778</u>	<u>72,954,643</u>	<u>213,208,778</u>	<u>72,954,643</u>
Other Receivables - Related Party (13.2)	-	-	-	144,710,652
Less: Allowance for Impairment	(17,771,658)	(14,976,436)	-	(14,976,436)
- Others	45,574,143	7,575,168	45,574,143	7,575,168
Less: Allowance for Impairment	(2,761,693)	(2,761,693)	(2,761,693)	(2,761,693)
Refundable Deposits	82,429,465	64,183,969	82,414,465	59,668,969
Advance and Prepayments	<u>80,066,246</u>	<u>84,189,185</u>	<u>80,066,246</u>	<u>84,078,346</u>
	<u>400,745,283</u>	<u>211,164,836</u>	<u>418,501,940</u>	<u>351,249,650</u>

13.1 Trade Receivables - Related Party

	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Digital Mobility Services Lanka Pvt Ltd	Subsidiary	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13.2 Other Receivables - Related Party

	Relationship	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Digital Mobility Services Lanka Pvt Ltd	Subsidiary	-	-	-	144,710,652
		<u>-</u>	<u>-</u>	<u>-</u>	<u>144,710,652</u>
		<u>75,442,783</u>	<u>85,270,757</u>	<u>75,442,783</u>	<u>85,270,757</u>

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Favorable Cash and Cash Equivalent balances				
Cash at bank	445,304,370	46,217,908	445,212,845	46,223,658
Less: Allowance for impairment	-	(32,108)	-	(32,108)
	<u>445,304,370</u>	<u>46,185,800</u>	<u>445,212,845</u>	<u>46,191,550</u>
Cash in hand	136,731	525,295	136,731	525,295
	<u>445,441,102</u>	<u>46,711,096</u>	<u>445,349,577</u>	<u>46,716,846</u>
Unfavorable cash and cash Equivalent balances				
Bank Overdraft (17)	(5,015,211)	(259,993,060)	(5,015,211)	(259,993,060)
Total Cash and Cash Equivalents	<u>440,425,891</u>	<u>(213,281,964)</u>	<u>440,334,366</u>	<u>(213,276,214)</u>

Expected Credit Losses has been computed for the cash and cash equivalents as at the year end in line with SLFRS 9 - Financial Instruments.



14. CASH AND CASH EQUIVALENTS (Contd...)

14.1 Other Investments	Group		Company	
	2024 Rs.	2023 Rs.	2023 Rs.	2023 Rs.
Investment In Fixed Deposits	718,382,527	643,943,064	718,382,527	643,943,064
	<u>718,382,527</u>	<u>643,943,064</u>	<u>718,382,527</u>	<u>643,943,064</u>

15. STATED CAPITAL

15.1 Ordinary Shares	2024	2024	2023	2023
	Number	Rs.	Number	Rs.
Issued Number of Ordinary Shares	244,760,000	313,897,392	244,760,000	313,897,392
	<u>244,760,000</u>	<u>313,897,392</u>	<u>244,760,000</u>	<u>313,897,392</u>
15.2 Preference Shares				
Issued Number of Preference Shares	83,180,484	1,181,543,382	48,251,036	1,181,543,382
	<u>83,180,484</u>	<u>1,181,543,382</u>	<u>48,251,036</u>	<u>1,181,543,382</u>

On 17 November 2023, the outstanding Series A preference shares of the company of 14,423,356 was sub-divided on the basis of 3.4217 shares for each share. The sub-division was carried out as per the Series A Subscription Deed signed on 1 June 2018, and the Article of Association of the Company. The sub-division was carried out since the Series B Preference Shares were issued at a price lower than the Series A preference Share (Full Ratchet Anti-Dilution Clause).

16. EMPLOYEE SHARE OPTION - NON VOTING SHARES

	2024 Number	2024 Rs.	2023 Number	2023 Rs.
Issued Number of Shares	4,070,390	59,212,915	2,145,740	30,651,168
Total Stated Capital	<u>332,010,874</u>	<u>1,554,653,689</u>	<u>293,011,036</u>	<u>1,465,440,774</u>

17. INTEREST BEARING LOANS AND BORROWINGS

17.1 Short Term Loans	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Nations Trust Bank PLC				
Balance as at 01st April	-	4,331,957	-	4,331,957
New loans obtained during the year	-	-	-	-
Repayments	-	(4,331,957)	-	(4,331,957)
Balance as at 31st March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount repayable within 1 year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



18. DEFINED BENEFIT OBLIGATIONS	Group		Company	
	2024	2023	2024	2023
Retirement Benefits Obligation-Gratuity	Rs.	Rs.	Rs.	Rs.
Opening balance as at 1st April	39,371,356	33,601,832	39,371,356	33,601,832
Charged for the year	18,470,304	13,585,533	18,470,304	13,585,533
Actuarial (Gain)/Loss for the year recognized in OCI	4,065,958	(1,004,596)	4,065,958	(1,004,596)
Payment made during the year	(4,267,530)	(6,811,413)	(4,267,530)	(6,811,413)
Balance as at 31st March	57,640,088	39,371,356	57,640,088	39,371,356

18.1 Post Employee Benefit Expense for Year Ended 31 March	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Current Service Cost	9,808,606	8,777,111	9,808,606	8,777,111
Interest Cost	8,661,698	4,808,422	8,661,698	4,808,422
Past Service Cost	-	-	-	-
	18,470,304	13,585,533	18,470,304	13,585,533

18.2 Messrs. K A Pandit Consultants & Actuaries, carried out an actuarial valuation of the Company as at 31 March 2024. Appropriate and compatible assumptions were used in determining the cost of Retirement Benefits Obligation. The principal assumptions used are as follows:

Principal Actuarial Assumptions	Group		Company	
	2024	2023	2024	2023
The principal financial assumptions underlying the valuation are as foll	Rs.	Rs.	Rs.	Rs.
Discount Rate	12%	22%	12%	22.0%
Salary Increment Rate	15%	20%	15%	20%
Staff Turnover	23%	20%	23%	20%
Expected Average Future Working Life of Employees	3 Years	4 Years	3 Years	4 Years

18.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement, in respect of the year 2024

The sensitivity of the statement of comprehensive income and statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit liability for the year.

	2024		2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs.	Rs.	Rs.	Rs.
Discount Rate	(2,132,983)	2,318,997	(1,323,073)	1,426,591
Salary Increment Rate	2,235,691	(2,097,064)	1,438,853	(1,355,184)
Staff Turnover Rate	(881,919)	881,919	(207,622)	200,868



19. DEFERRED TAX ASSET (COMPANY)

Deferred Tax Assets, Liabilities and Income Tax relate to the followings ;

	Statement of Financial Position		Statement of Comprehensive Income		Statement of Other Comprehensive Income	
	2024	2023	2024	2023	2024	2023
Deferred Tax Liabilities	LKR	LKR	LKR	LKR	LKR	LKR
Deferred Tax on accelerated depreciation of Intangible assets	51,853,154	47,978,611	3,874,543	(47,978,611)	-	-
Unrealized Gain	(132,946)	-	(132,946)	-	-	-
	<u>51,720,208</u>	<u>47,978,611</u>	<u>3,741,597</u>	<u>(47,978,611)</u>	<u>-</u>	<u>-</u>
Deferred Tax Assets						
Retirement Benefit Obligation	17,292,026	11,811,407	4,260,832	12,112,786	1,219,787	(301,379)
Depreciation of Fixed assets	(755,524)	1,864,225	(2,619,749)	1,864,225	-	-
Carry Forward of Unused Tax Losses	-	99,833,135	(99,833,135)	99,833,135	-	-
Inventory Provision	298,682	298,682	-	298,682	-	-
Impairment for Doubtful Debts	22,632,835	17,271,066	5,361,769	17,271,066	-	-
Employee Share Option Plan	4,969,714	7,152,068	(2,182,354)	7,152,068	-	-
Lease Liabilities	5,228,894	631,072	4,597,822	631,072	-	-
	<u>49,666,627</u>	<u>138,861,654</u>	<u>(90,414,814)</u>	<u>139,163,033</u>	<u>1,219,787</u>	<u>(301,379)</u>
Deferred Income Tax Income			<u>92,936,623</u>	<u>91,184,422</u>	<u>1,219,787</u>	<u>(301,379)</u>
Net Deferred Tax Assets	<u>(2,053,580)</u>	<u>90,883,043</u>				

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Trade Payables	194,809,173	139,339,115	194,809,173	139,339,115
Related Party Payable	-	-	-	125,234,216
Sundry Creditors including Accrued Expenses	398,367,284	228,162,303	398,277,284	227,457,399
	<u>593,176,457</u>	<u>367,501,417</u>	<u>593,086,457</u>	<u>492,030,730</u>

21. SHARE BASED PAYMENT TRANSACTIONS-EMPLOYMEE SHARE OPTION PLAN

The company granted equity based compensation as part of the total compensation for the top management employees who joined the Engineering Division. Under the agreed terms employees would be granted zero cost share options at a specified value, which has one year to three years vesting period.

Terms and Condition

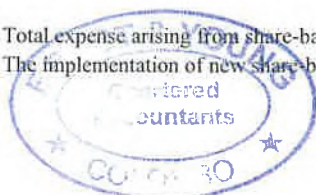
The right(s) of the Employee to exercise the Option shall be predicated and / or preconditioned on the following:

- 1) The expiration of a minimum vesting period, i.e. a specified mandatory period of employment with the Company
- 2) The satisfaction of Key Performance Indicators (KPI) determined on the basis of the relevant employee's role, responsibilities and representations

Inputs and assumptions used to determine the fair value of share option plan are given below;

	2024	2023
	Rs.	Rs.
Fair value at measurement date	16,565,714	23,840,227
Share price (Rs.)	14.04	14.04
Exercise price (Rs.)	-	-
Expected volatility	40%-50%	40%-50%
Option life (expected weighted average life)	1 - 3 Years	1 - 3 Years

Total expense arising from share-based payment transactions are recorded in note 21.1 to the financial statements. The implementation of new share-based payment plans has been terminated from year 2022/23



21. SHARE BASED PAYMENT TRANSACTIONS-EMPLOYEE SHARE OPTION PLAN (Contd...)

21.1 Movement during the year	2024 Rs.	2023 Rs.
Opening balance as at 1st April	23,840,227	35,689,091
Issue of Non Voting Shares	(28,561,747)	(30,651,168)
Equity Charge for the year	21,287,234	18,802,304
Balance as at 31st March	<u>16,565,714</u>	<u>23,840,227</u>

22. COMMITMENTS AND CONTINGENCIES

Assessments have been received from the Inland Revenue Department as indicated in the table below. The Assessments on VAT have been referred to the Tax Appeal Commission and the Management has decided to appeal, depositing 10% of the assessed tax liability (Approximately LKR 55.8 Mn). Further, there are 12 Assessments received for VAT for the periods starting from the 2nd quarter of 2019 to the 1st quarter of 2022 where the IRD had mischaracterized the revenue of the Company and Management has filed the appeal with CGIR for those assessments, for which hearings are yet to be scheduled. Having discussed these matters with Tax and Legal experts, and after reviewing the information available, the directors are of the view that no provisions are necessary as at the reporting date.

Nature of the Assessment	Type of Liability	Assessed Amount (Rs.)
Additional Income Tax payable	Income Tax	19,224,944
Additional VAT Liability	Value Added Tax	2,376,306,076

23. ASSETS PLEDGED

There are have assets pledged as securities for liabilities.

Nature of Assets	Nature of Liability	Carrying Amount Pledged		Included under
		2024 Rs.	2023 Rs.	
Fixed Deposits	Primary Mortgage for Loans and Borrowings	255,555,556	255,555,556	Cash and Cash Equivalents and Other Investments

24. RELATED PARTY DISCLOSURES

The following table provides the information pertaining to significant transactions that have been entered into with related parties for the relevant financial year as disclosed in Note 13 and 20 to the financial statements.

Transactions with the related Companies	Subsidiary Company	
	2024 Rs.	2023 Rs.
Balance as at the Beginning of the year	19,476,436	-
Sales of Services	17,254,817	-
Services Received	(18,959,580)	(125,234,216)
Funds transferred from the company	-	144,710,652
Disposal of subsidiary	-	-
Balance as at the End of the year	<u>17,771,673</u>	<u>19,476,436</u>



24. RELATED PARTY DISCLOSURES (Contd...)**24.1 Transactions with key management personnel of the company**

The Key Management Personnel of the Company are the Members of its Board of Directors and C-Level executives.

Company	2024 Rs.	2023 Rs.
Short-Term Employee Benefits	69,991,522	62,888,252
Share-based Payment	9,025,097	6,412,800
Post Employment Benefits	7,328,280	6,857,474
Total compensation paid to key management personnel	86,344,899	76,158,526

25. EVENTS OCCURRING AFTER THE REPORTING DATE

As of 12 June 2024, Digital Mobility Solutions Lanka (Pvt) Ltd has formally submitted applications for an Initial Public Offering (IPO) on the Colombo Stock Exchange (CSE) in Sri Lanka.

Conversion of Preference Share and Non-Voting Ordinary Shares to Ordinary Voting Shares

The Company is preparing for a listing on the Main Board of the Colombo Stock Exchange. As at end March 2024 there were series A preference Shares and Series B preference shares of 49,352,804 and 33,827,680 respectively. It is a condition of the Shareholders Agreement dated 31 August 2020 and the Articles of Association of the Company that the Series A Preference Shares and Series B Preference Shares be converted to ordinary shares immediately prior to an initial public offering (IPO). As such the Total outstanding Convertible Preference Shares of 83,180,484 as at end 31 December 2024, were converted into Ordinary Voting Shares at the rate of 1:1 on 17 April 2024.

As at end 31 March 2024, the Company had ordinary non-voting shares issued to certain identified employees of the Company, under its Employee Stock Option Plan of 4,070,390 shares. In terms of the said Employee Share Option Plan and the Share Grant Letters issued to such employees, it is a condition that such non-voting ordinary shares be converted to voting ordinary shares of the Company, prior to an IPO. As such the total outstanding ordinary non-voting shares were converted to ordinary voting shares at the rate of 1:1 on 17 April 2024.

Issue of Non-Voting Ordinary Shares and the subsequent conversion of such shares to Ordinary Voting Shares

On 5 th June 2024, the Board decided to accelerate the vesting of 1,312,799 share grants to 6 June 2024. These share grants were issued to employees on 1 July 2024, and was to vest subject to certain performance conditions as at 30 June 2024. On 7 June 2024, the company issued these non-voting Ordinary Shares to the respective employees. On 10 June 2024, these non-voting ordinary shares were converted into ordinary voting shares at the rate of 1:1.

26. RISK MANAGEMENT OBJECTIVES AND POLICIES**Financial Risk Management**

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Company's exposure to each of the above risks, and the Company's policies and procedures for measuring and managing risks are detailed below:

a. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments. The maximum exposure will be equal to the carrying amount of these instruments.

The maximum exposure to credit risk at the reporting date was as follows:

	Carrying Value (Group)		Carrying Value (Company)	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Cash at Bank and in Hand (Note 14)	445,441,102	46,711,096	445,349,577	46,716,846
Trade Receivables (Note 13)	285,889,868	155,463,707	285,889,868	155,463,707
Other Receivables (Note 13)	45,574,143	7,575,168	45,574,143	152,285,820
Other Investments (Note 14.1)	718,382,527	643,943,064	718,382,527	643,943,064

26. RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

a. Credit risk (Contd...)

The aging of trade receivable (driver receivables and corporate customer receivables) at the end of the reporting period is as follows:

	2024			2023		
	Gross Carrying amount Rs.	Impairment allowance Rs.	Net Carrying amount Rs.	Gross Carrying amount Rs.	Impairment allowance Rs.	Net Carrying amount Rs.
0 - 30 days	44,506,136	-	44,506,136	44,506,136	-	44,506,136
> 60 days	241,383,732	(72,681,090)	168,702,642	110,957,571	(82,509,064)	28,448,507
	<u>285,889,868</u>	<u>(72,681,090)</u>	<u>213,208,778</u>	<u>155,463,707</u>	<u>(82,509,064)</u>	<u>72,954,643</u>

b. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following are the undiscounted contractual cash flows of financial liabilities as at year end.

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Short term loan (Note 17)	5,015,211	259,993,060	5,015,211	259,993,060
Trade & Other Payables (Note 20)	593,176,457	367,501,417	593,086,457	492,030,730
	<u>598,191,668</u>	<u>627,494,478</u>	<u>598,101,668</u>	<u>752,023,790</u>

c. Market Risk (GROUP/COMPANY)

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has exposure to foreign currency risk where it has foreign currency transactions which are affected by foreign exchange movements.

Foreign Currency payables are as follows as at the 31.03.2024

	In LKR	In NZD	In USD
Foreign currency payables as at 2024	<u>77,727,657</u>	<u>11,749</u>	<u>236,671</u>
Foreign currency payables as at 2023	<u>90,783,334</u>	<u>15,322</u>	<u>259,066</u>

The company's foreign currency payments relate to the following services

- IT security Audits
- For Licenses such as google map, g mail, application locks
- Purchasing of IT Tools and Consultancy Services

d. Capital Management

The Board's intention is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's objective for managing its capital is to ensure that Company will be able to continue as a going concern while maximizing the return to shareholders, as well as sustaining the future development of its business. In order to maintain or adjust the capital structure, the Company may alter the total amount of dividends paid to shareholders, issue new shares, and draw down additional debt.

DIGITAL MOBILITY SOLUTIONS LANKA (PRIVATE) LIMITED

**DETAILED INCOME STATEMENT
YEAR ENDED 31 MARCH 2024**

Digital Mobility Solutions Lanka (Private) Limited

DETAILED INCOME STATEMENT

Year ended 31 March 2024

Statement	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Revenue	3,918,558,734	1,963,648,688	3,917,833,644	1,956,075,002
Other Income and Gains	127,351,203	23,140,770	127,351,203	23,140,770
Operating Expenses	I (1,371,091,314)	(900,374,492)	(1,371,091,314)	(900,374,492)
Administrative Expenses	II (1,428,090,140)	(882,948,523)	(1,421,131,393)	(865,520,998)
Selling and Distribution Expenses	III (321,747,785)	(188,903,951)	(321,747,785)	(188,642,486)
Operating Profit/(Loss)	924,980,697	14,562,492	931,214,355	24,677,796



Digital Mobility Solutions Lanka (Private) Limited

DETAILED INCOME STATEMENT

Year ended 31 March 2024

STATEMENT I

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Operating Expenses				
Device cost	732,155	8,569,885	732,155	8,569,885
Device Accessories Cost	25,064,371	18,112,161	25,064,371	18,112,161
Device Repair Cost	6,700	156,500	6,700	156,500
Driver & Rider SMS charges	23,515,244	15,424,342	23,515,244	15,424,342
Driver Retention Expense	8,845,533	5,118,689	8,845,533	5,118,689
App License Charges	-	453,250	-	453,250
IT Subscriptions	174,284,193	123,091,813	174,284,193	123,091,813
Google Maps Charges	128,739,675	81,611,682	128,739,675	81,611,682
Server Charges	604,833,321	391,772,860	604,833,321	391,772,860
App Security Charges	4,185,608	3,340,000	4,185,608	3,340,000
IT professional Charges	24,063,400	34,176,418	24,063,400	34,176,418
Cloud DB charges	-	16,397,728	-	16,397,728
Internet & Broadband Charges	25,445,294	12,678,161	25,445,294	12,678,161
Agent Commissions	286,359,412	137,530,683	286,359,412	137,530,683
Training & setup Charges	111,838	115,412	111,838	115,412
Passenger Insurance	514,575	1,819,909	514,575	1,819,909
Merchant Retention Expense	14,516,483	16,339,441	14,516,483	16,339,441
Driver Activation	9,254,363	18,755,480	9,254,363	18,755,480
Service Outsourced - Registration	9,335,085	4,169,742	9,335,085	4,169,742
Driver Referral - Driver	7,182,000	7,221,000	7,182,000	7,221,000
Merchant Refund Expenses	409,948	45,305	409,948	45,305
Merchant Device FOC	23,724,224	3,474,029	23,724,224	3,474,029
	<u>1,371,091,314</u>	<u>900,374,492</u>	<u>1,371,091,314</u>	<u>900,374,492</u>

STATEMENT II

ADMINISTRATIVE EXPENSES

	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Salaries	204,056,606	177,939,003	203,497,123	175,588,642
Employees Provident Fund - 12%	24,419,655	21,070,637	24,419,655	21,070,637
Employees Trust Fund - 3%	6,104,914	5,267,659	6,104,914	5,267,659
Gratuity	18,470,304	13,585,533	18,470,304	13,585,533
Employee Share Option Plan Expense	21,287,234	18,802,304	21,287,234	18,802,304
Staff Recognition Expense	-	103,024	-	103,024
Rent Expense and other facilities	3,750,000	10,500,000	-	-
Telephone Charges	7,584,520	5,256,190	7,584,520	5,256,190
Depreciation	32,160,448	17,099,953	30,595,927	16,466,966
Consultation Charges	41,024,242	39,539,758	41,024,242	39,467,943
Staff Travel - Local	67,497,147	21,457,972	67,497,147	21,457,972
Stationery & Printing	790,017	1,113,827	790,017	1,113,827
Utilities	20,605,296	7,372,200	20,518,150	7,151,036
Staff Welfare	58,474,672	25,745,093	58,474,672	25,745,093
Administration Expense	103,585	135,182	103,585	135,182
Office Supplies	2,888,417	1,223,642	2,888,417	1,223,642
Small Equipment purchase	283,275	158,820	283,275	97,880
Office Maintenance	11,365,948	9,934,087	11,260,173	6,646,743
Insurance Expense	12,514,811	8,461,217	12,437,922	8,353,573
Web Site & Software Development	473,363	533,600	473,363	533,600
Recruitment Expense	1,456,455	2,752,422	1,456,455	2,752,422
Staff Training	7,618,763	2,536,794	7,618,763	2,536,794
Staff Allowance	54,589,736	33,589,489	54,589,736	33,589,489
Staff Broadband Charges	7,283,703	5,693,856	7,283,703	5,693,856
Staff Mobile Bill	3,194,015	3,007,033	3,194,015	3,007,033
Lease Extension Fee	-	210,000	-	210,000



Digital Mobility Solutions Lanka (Private) Limited

DETAILED INCOME STATEMENT

Year ended 31 March 2024

ADMINISTRATIVE EXPENSES (Contd...)	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
B/F	607,997,124	433,089,297	601,853,311	415,857,043
Labor Charges	136,006	38,300	136,006	38,300
Janitorial Service	6,171,671	3,890,985	6,057,029	3,481,639
Security Charges	6,069,688	6,846,682	5,369,381	4,402,111
Amortization Charges	351,551,742	266,119,071	351,551,742	266,119,071
Charity & Donations	229,000	67,602	229,000	67,602
Payroll Expenses	3,275	-	3,275	-
Miscellaneous Expense	-	812	-	812
Call center External	89,093,326	53,041,910	89,093,326	53,041,910
Restaurant Activation Cost	14,652,926	6,025,817	14,652,926	6,025,817
Staff incentive	11,077,350	5,118,287	11,077,350	5,118,287
License & Agreement Charges	35,000	241,730	35,000	158,300
Lawyer Charges	2,337,655	2,384,951	2,337,655	1,959,951
Transport Charges	268,515	120,222	268,515	120,222
Testing Expense	3,322,570	1,487,588	3,322,570	1,487,588
Testing Ride cost	2,185,083	1,937,039	2,185,083	1,937,039
Audit Fee	1,867,487	1,446,283	1,867,487	1,446,283
Professional Charges	31,440,417	2,499,284	31,440,417	2,499,284
Network & IT Charges	3,436,237	1,842,663	3,436,237	1,842,663
Intern Allowance	7,420,574	4,872,960	7,420,574	4,872,960
PickMe Points Commission	440,399	254,861	440,399	254,861
Penalty & Surcharge	15,070	44,500	15,085	44,500
Bank Charges	4,217,071	10,091,389	4,217,071	10,085,639
Exchange Gain	(31,493,930)	(20,707,997)	(31,493,930)	(20,707,997)
Staff Bonus	96,588,500	14,449,160	96,588,500	14,449,160
Membership & Subscription Fees	1,582,215	906,688	1,582,215	906,688
Branches Expense	553,336	317,712	553,336	317,712
Loss on Disposal of PPE	-	(1,090,814)	-	(1,090,814)
Accessories Loss	17,389	41,578	17,389	41,578
HR System Maintenance	2,886,000	3,076,046	2,886,000	3,076,046
Depreciation On Leasehold Asset	45,223,547	18,314,817	45,223,547	18,314,817
Miscellaneous Insurance Expense	4,713,289	2,502,940	4,713,289	2,502,940
Credit Card Charge Back Account	263,360	3,505,423	263,360	3,505,423
Impairment of Investment in Subsidiary & Investments	10,831,062	3,561,398	14,003,887	6,734,223
Staff Referral	-	100,000	-	100,000
Vehicle Rent - Official Use	17,995,545	2,569,800	17,995,545	2,569,800
Fuel Expenses - Official Use	34,686,307	6,440,000	34,686,307	6,440,000
SSCL Provision	97,786,478	30,518,794	97,786,478	30,518,794
Employer Branding	3,311,905	3,271,250	3,311,905	3,271,250
Staff Compensation	5,042,600	2,118,372	5,042,600	2,118,372
Miscellaneous Rent Expense	3,085,977	(1,807,063)	3,085,977	(1,807,063)
Impairment on Inventory	-	995,606	-	995,606
Accrued Expenses	(987,544)	987,544	(987,544)	987,544
Impairment of Intercompany Receivable	2,795,222	14,976,436	2,795,222	14,976,436
	<u>1,428,090,140</u>	<u>882,948,523</u>	<u>1,421,131,393</u>	<u>865,520,998</u>

STATEMENT III

SELLING AND DISTRIBUTION EXPENSE

	Group		Company	
	2024	2023	2024	2023
	Rs.	Rs.	Rs.	Rs.
Advertising and Promotion	115,019,058	62,838,575	115,019,058	62,838,575
Promotion Expense	126,279,216	68,495,158	126,279,216	68,233,693
Impairment Allowance for Doubtful Debts	80,449,513	57,570,219	80,449,513	57,570,219
	<u>321,747,785</u>	<u>188,903,951</u>	<u>321,747,785</u>	<u>188,642,486</u>



ANNEXURE F - INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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DIGITAL MOBILITY SOLUTIONS LANKA LIMITED
Interim Financial Statements
for the period ended 30th June 2024

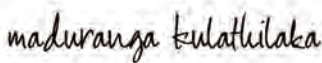
Digital Mobility Solutions Lanka Limited

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group		Company	
		30-06-24 Unaudited Rs.	31-03-24 Audited Rs.	30-06-24 Unaudited Rs.	31-03-24 Audited Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment		138,906,377	131,951,155	134,435,107	127,479,885
Intangible Asset		1,001,051,621	959,303,566	1,001,051,621	959,303,566
Right of Use Assets		148,090,509	158,979,929	148,090,509	158,979,930
Investment in Subsidiaries & Associates		-	-	-	-
Deferred Tax Asset		5,218,615	-	5,218,615	-
		<u>1,293,267,122</u>	<u>1,250,234,651</u>	<u>1,288,795,852</u>	<u>1,245,763,381</u>
Current Assets					
Inventories		6,365,297	5,701,697	6,365,297	5,701,697
Trade and Other Receivables		375,030,249	400,745,283	392,786,864	418,501,940
Other Investments		734,552,194	718,382,527	734,552,194	718,382,527
Cash and Bank Balances		611,711,310	445,441,102	611,619,785	445,349,577
		<u>1,727,659,050</u>	<u>1,570,270,608</u>	<u>1,745,324,140</u>	<u>1,587,935,741</u>
Total Assets		<u><u>3,020,926,172</u></u>	<u><u>2,820,505,260</u></u>	<u><u>3,034,119,992</u></u>	<u><u>2,833,699,122</u></u>
EQUITY AND LIABILITIES					
Stated Capital		1,573,085,377	1,554,653,689	1,573,085,377	1,554,653,689
Retained Earnings/Losses		399,926,272	177,334,405	413,210,092	190,618,266
Employee Share Option Plan		0	16,565,714	(0)	16,565,714
Total Equity		<u>1,973,011,650</u>	<u>1,748,553,807</u>	<u>1,986,295,469</u>	<u>1,761,837,669</u>
Non-Current Liabilities					
Defined Benefit Obligations		61,723,201	57,640,088	61,723,201	57,640,088
Deferred Tax Liability		-	2,053,580	-	2,053,580
Lease Liabilities		141,529,039	141,529,105	141,529,040	141,529,106
		<u>203,252,241</u>	<u>201,222,773</u>	<u>203,252,242</u>	<u>201,222,774</u>
Current Liabilities					
Interest Bearing Loans and Borrowings		27,727,235	5,015,211	27,727,235	5,015,211
Trade and Other Payables		537,621,062	593,176,457	537,531,063	593,086,458
Income Tax Payable		253,153,566	237,656,538	253,153,566	237,656,538
Lease Liabilities		26,160,420	34,880,473	26,160,420	34,880,473
		<u>844,662,282</u>	<u>870,728,679</u>	<u>844,572,283</u>	<u>870,638,680</u>
Total Equity and Liabilities		<u><u>3,020,926,172</u></u>	<u><u>2,820,505,260</u></u>	<u><u>3,034,119,992</u></u>	<u><u>2,833,699,122</u></u>

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

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 Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and behalf of the Board by;

.....

 Chief Executive Officer / Director

09 August 2024
 Colombo

Digital Mobility Solutions Lanka Limited

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Three months ended 30 June 2024

	Note	Group		Company	
		FY25 Q1 Unaudited Rs.	FY24 Q1 Unaudited Rs.	FY25 Q1 Unaudited Rs.	FY24 Q1 Unaudited Rs.
Revenue		1,194,030,411	767,986,994	1,194,030,411	767,986,994
Other Income and Gains		14,155,608	6,853,861	14,155,608	6,853,861
Operating Expenses		(370,718,500)	(286,723,723)	(370,718,500)	(286,723,723)
Administrative Expenses		(470,951,522)	(267,396,469)	(470,951,537)	(267,396,484)
Selling and Distribution Expenses		(74,609,375)	(60,234,962)	(74,609,375)	(60,234,962)
Operating Profit/(Loss)		<u>291,906,623</u>	<u>160,485,701</u>	<u>291,906,608</u>	<u>160,485,686</u>
Finance Cost	4.1	(7,203,695)	(10,310,454)	(7,203,696)	(10,310,455)
Finance Income	4.2	27,869,541	34,313,432	27,869,516	34,313,407
Net Finance Income		<u>20,665,846</u>	<u>24,002,978</u>	<u>20,665,820</u>	<u>24,002,952</u>
Share of Loss from Associate Company				-	-
Profit/(Loss) before Tax		<u>312,572,469</u>	<u>184,488,679</u>	<u>312,572,428</u>	<u>184,488,638</u>
Income Tax (Expenses)/Reversal		(89,980,602)	(58,806,691)	(89,980,602)	(58,806,691)
Profit for the Year		<u><u>222,591,867</u></u>	<u><u>125,681,988</u></u>	<u><u>222,591,826</u></u>	<u><u>125,681,947</u></u>
Other Comprehensive Income					
Actuarial Gain/(Loss) on retirement benefit obligation		-	-	-	-
Tax Effect on Actuarial Gain/(Loss)		-	-	-	-
Other Comprehensive Income/(Expense) for the Year, Net of Tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income/(Expense)		<u><u>222,591,867</u></u>	<u><u>125,681,988</u></u>	<u><u>222,591,826</u></u>	<u><u>125,681,947</u></u>
Earning Per Share (EPS)		0.67		0.67	
Diluted Earning Per Share		0.67		0.67	

Digital Mobility Solutions Lanka (Private) Limited

INTERIM STATEMENT OF CHANGES IN EQUITY

Three months ended 30 June 2024

Group	Note	Stated Capital Rs.	Retained Losses Rs.	Employee Share Option Plan Rs.	Total Equity Rs.
As at 31 March 2023		1,526,091,942	(499,186,244)	23,840,227	1,050,745,925
Net Profit for the period		-	125,681,988	-	125,681,988
Issue of Non Voting Shares		-	-	-	-
Equity Charge for the period		-	-	338,159	338,159
As at 30 June 2023		<u>1,526,091,942</u>	<u>(373,504,256)</u>	<u>24,178,386</u>	<u>1,176,766,072</u>
As at 31 March 2024		1,554,653,689	177,334,405	16,565,714	1,748,553,807
Net Profit for the period		-	222,591,867	-	222,591,867
Issue of Non Voting Shares		18,431,688	-	(18,431,688)	-
Equity Charge for the period		-	-	1,865,975	1,865,975
As at 30 June 2024		<u>1,573,085,377</u>	<u>399,926,272</u>	<u>0</u>	<u>1,973,011,650</u>

Company	Note	Stated Capital Rs.	Retained Losses Rs.	Employee Share Option Plan Rs.	Total Equity Rs.
As at 31 March 2023		1,526,091,942	(489,070,939)	23,840,227	1,060,861,230
Net Profit for the period		-	125,681,947	-	125,681,947
Issue of Non Voting Shares		-	-	-	-
Equity Charge for the period		-	-	338,158	338,158
As at 30 June 2023		<u>1,526,091,942</u>	<u>(363,388,992)</u>	<u>24,178,385</u>	<u>1,186,881,335</u>
As at 31 March 2024		1,554,653,689	190,618,266	16,565,714	1,761,837,669
Net Profit for the period		-	222,591,826	-	222,591,826
Issue of Non Voting Shares		18,431,688	-	(18,431,688)	-
Equity Charge for the period		-	-	1,865,974	1,865,974
As at 30 June 2024		<u>1,573,085,377</u>	<u>413,210,092</u>	<u>(0)</u>	<u>1,986,295,469</u>

Digital Mobility Solutions Lanka Limited

INTERIM STATEMENT OF CASH FLOWS

As at 30 June 2024

Note	Group		Company	
	30-06-24 Unaudited Rs.	30-06-23 Unaudited Rs.	30-06-24 Unaudited Rs.	30-06-23 Unaudited Rs.
Cash Flows From/(Used in) Operating Activities				
Net Profit/(Loss) Before Income Tax	312,572,469	184,488,679	312,572,428	184,488,638
Adjustments for :				
Depreciation	16,125,284	2,811,855	16,125,284	2,811,855
Amortization of Intangible Assets	105,337,650	79,298,665	105,337,650	79,298,665
Amortization of Right of Use Assets	10,889,421	2,075,333	10,889,421	2,075,333
Interest on Leasehold asset	7,016,024	228,571	7,016,024	228,571
Finance Income	(27,869,541)	(34,313,432)	(27,869,516)	(34,313,407)
Finance Costs	187,671	10,081,883	187,672	10,081,884
Allowance for Doubtful Debts	15,188,403	17,005,663	15,188,403	17,005,663
Share of loss from Subsidiary and Associate	-	-	-	-
Provision for Employee Benefit Obligation	5,232,190	2,716,920	5,232,190	2,716,920
Provision for Employee Share Option Plan	1,865,974	338,158	1,865,974	338,158
Provision for Inventory	-	-	-	-
Miscellaneous				
Profit/Loss on Disposal of Property Plant and Equipment	(19,999)	(59,998)	(19,999)	(59,998)
Impairment allowances on investment subsidiary				
Leasehold Asset Disposal Gain	-	-	-	-
Non Cash Adjustments (Lease)				
Operating Profit before Working Capital Changes	446,525,544	264,672,297	446,525,530	264,672,283
(Increase)/Decrease in Inventories	(663,600)	3,457,637	(663,600)	3,278,287
(Increase)/Decrease in Trade and Other Receivables	28,350,833	24,463,056	28,350,851	4,970,650
Increase/ (Decrease) in Trade and Other Payables	(55,555,395)	14,129,427	(55,555,396)	33,703,924
Cash Generated From/(Used in) Operations	418,657,381	306,722,415	418,657,384	306,625,144
Income Tax/ESC Paid	(81,755,769)	(2,694,099)	(81,755,769)	(2,694,099)
Gratuity Paid	(1,149,077)	(359,375)	(1,149,077)	(359,375)
Finance Cost Paid	(187,671)	(10,081,883)	(187,671)	(10,081,883)
Net Cash From/(Used in) Operating Activities	335,564,864	293,587,057	335,564,867	293,489,786
Cash Flows From/(Used in) Investing Activities				
Acquisition of Property, Plant and Equipment	(23,080,506)	(3,764,302)	(23,080,506)	(3,764,302)
Investment in Subsidiaries & Associates	-	-	-	-
Investment in Other Investments	(16,169,667)	(33,145,192)	(16,169,667)	(33,145,192)
Proceed on Disposals of Property, Plant and Equipment	20,000	60,000	20,000	60,000
Acquisition of Intangible Assets	(147,085,705)	(116,632,708)	(147,085,705)	(116,632,708)
Interest Received/(Receivable)	10,045,338	(1,266,303)	10,045,338	(1,266,303)
Net Cash Flows From/(Used in) Investing Activities	(176,270,541)	(154,748,505)	(176,270,541)	(154,748,505)
Cash Flows From/(Used in) Financing Activities				
Repayment of Interest Bearing Loans and Borrowings	-	-	-	-
Lease extension Payment	-	-	-	-
Interest Paid on Lease Liability	(7,016,024)	(228,571)	(7,016,024)	(228,571)
Repayment of Principal Portion of Lease Liability	(8,720,118)	(2,512,958)	(8,720,118)	(2,512,958)
Net Cash Flows From/(Used in) Financing Activities	(15,736,142)	(2,741,528)	(15,736,142)	(2,741,528)
Net Increase/(Decrease) in Cash and Cash Equivalents	143,558,180	136,097,023	143,558,183	135,999,752
Cash and Cash Equivalents at the beginning of the Year	440,425,892	(213,281,964)	440,334,366	(213,276,214)
Cash and Cash Equivalents at the end of the Year	583,984,075	(77,184,938)	583,892,550	(77,276,462)

Digital Mobility Solutions Lanka Limited

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Three months ended 30 June 2024

1 CORPORATE INFORMATION**1.1 General**

Digital Mobility Solutions Lanka (Private) Limited is a private limited liability Company incorporated on 23 January 2015 and domiciled in Sri Lanka. The registered office and the principal place of business are located at No. 309, High Level Road, Colombo 6.

1.2 Principal Activities and Nature of Operations

Digital Mobility Solutions Lanka (Private) Limited is a technological company that specializes in developing mobility-related software. The PickMe software facilitates a real-time connection between various stakeholders requiring mobility solutions including Independent third-party drivers, merchants, and consumers.

1.3 Consolidated financial statements

The financial statements for the three months ended 30 June 2024, comprise "the company" referring to Digital Mobility Solutions Lanka Limited as the holding company, and "the Group" referring to the company that has been consolidated therein

2 BASIS OF PREPARATION

The consolidated interim financial statements have been prepared in accordance with the accounting policies set out in the Audited Accounts for the year ended 31 March 2024 and are in compliance with Sri Lanka Accounting Standards - LKAS 34 - Interim Financial Reporting.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

4 FINANCE COST AND INCOME

	Group		Company	
	FY25 Q1 Rs.	FY24 Q1 Rs.	FY25 Q1 Rs.	FY24 Q1 Rs.
4.1 Finance Cost				
Short Term Loan Interest Expense	-	32,799	-	32,799
Overdraft Interest Expense	187,671	10,081,883	187,671	10,081,883
Lease Liability Interest Expenses	7,016,024	228,571	7,016,024	228,571
	<u>7,203,695</u>	<u>10,343,253</u>	<u>7,203,695</u>	<u>10,343,253</u>
4.2 Finance Income				
Interest Income	27,869,541	34,313,407	27,869,516	34,313,407
	<u>27,869,541</u>	<u>34,313,407</u>	<u>27,869,516</u>	<u>34,313,407</u>

7 INCOME TAX AND DEFERRED TAX**(a) Income Tax**

In reference to the Inland Revenue (Amendment) Act, No.45 of 2022, the Company has computed and accounted its income tax expense stemming from Business Income & Investment Income applying the standard rate of 30% in these condensed interim financial statements for the period ended 31st March 2024. During the comparative period the Company computed and accounted its income tax expense stemming from Business Income & Investment Income applying the standard rate of 30%.

(b) Deferred Tax

Deferred tax is calculated on all temporary differences under the liability method using an effective tax rate of 30.00%. During the comparative period, the Company used a Tax Rate of 30%.

8 EVENTS OCCURRING AFTER THE REPORTING DATE

No events have occurred since the statement of financial position date which would require adjustments to, or disclosure in, the financial statements.

9 CONTINGENT LIABILITIES

There has not been a significant change to the disclosure made on contingent liabilities in the Financial Statements for the year ended 31st December 2023.

10 SHAREHOLDERS' DETAILS

(a) Ordinary Voting Shares as at 30th June 2024

Name	No. of Shares	Shareholding (%)
Jiffry Zulfer Hassen	119,300,000	35.79%
International Finance Corporation	47,300,390	14.19%
Ajit Damon Gunewardene	31,465,717	9.44%
LOLC Technologies Limited	31,110,782	9.33%
Interblocks Holdings Pte Limited	24,222,672	7.27%
H Capital (Private) Limited	11,415,051	3.42%
Balendra Krishan Niraj Jayasekara	9,619,323	2.89%
Ruchi Hubert Gunewardene	8,528,351	2.56%
Invenco Capital Private Limited	8,333,092	2.50%
Shifaz Riyaz	6,600,000	1.98%
Other Shareholders	35,428,295	10.63%
Total	333,323,673	100%

(b) Directors' and Chief Executive Officer's Shareholding as at 30th June 2024

Name	No. of Shares	Shareholding (%)
Jiffry Zulfer Hassen	119,300,000	35.79%
Ajit Damon Gunewardene	31,465,717	9.44%
Ruchi Hubert Gunewardene	8,528,351	2.56%
Tasnim Khairul Salie	4,800,000	1.44%
Roger Keith Modder	2,777,778	0.83%

Digital Mobility Solutions Lanka Limited

CORPORATE INFORMATION

NAME OF COMPANY	Digital Mobility Solutions Lanka Limited
LEGAL FORM	A Limited Liability Company incorporated on 23 rd January 2015, under the Companies Act No. 7 of 2007 (as amended) and domiciled in Sri Lanka).
BOARD OF DIRECTORS	Mr. Ajit Gunewardene Mr. Jiffry Zulfer Mr. Ruchi Gunewardene Mr. Conrad Dias Mrs. Tasnim Salie Mr. Travis Roche Mr. Mano Rajakariar Professor Amal Kumarage Mr. Keith Modder
SECRETARIES	S.S.P. Corporate Services (Private) Limited No: 101, Inner Flower Road, Colombo 03. Tel. +94 11 2573894
AUDITORS	Messrs Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10
REGISTERED OFFICE	No. 309, High Level Road, Colombo 6 Tel: +94 11 7 433 433

ANNEXURE G – INDEPENDENT CONFIRMATION REPORT KPMG



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
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Tel +94 - 11 542 6426
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Internet www.kpmg.com/lk

Private & Confidential

23rd July 2024

The Board of Directors,
Digital Mobility Solutions Lanka Ltd.,
No. 309, High Level Road,
Colombo 05.

Dear Sir/ Madam,

Independent confirmation of the impact on IPO investors in relation to the shares issued to shareholders of Digital Mobility Solutions Lanka Limited during the last twelve (12) months prior to the listing application date

We have been requested to provide our opinion on whether the price of the shares allotted/ issued/ transferred/ subdivided/ subscribed/ vested and granted to the shareholders of Digital Mobility Solutions Lanka Limited (“PickMe” or the “Target” or the “Company”) during the last twelve (12) months (prior to the listing application date on 12th June 2024), is either equal or higher than the Initial Public Offering (“IPO”) price, and whether such values will not lead to an undue gain to the existing shareholders at the expense of investing public.

We have reviewed the following documentation in arriving at our conclusion:

- Articles of Association with relevant amendments
- Certified extract of the Board resolution dated 30th May 2024 stating the terms of the IPO
- Extracts of Form 6 detailing the share issuances that took place during past 2 years
- Audited financial statements for FY20 to FY24
- Prospectus prepared by Capital Alliance Partners Limited and CT CLSA Capital (Private) Limited
- Research report prepared by Capital Alliance Partners Limited and CT CLSA Capital (Private) Limited

Based on our analysis, we note the following:

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C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA



Subdivision of Series A preference shares on 17th November 2023

- Outstanding Series A preference shares of the Company amounting to 14,423,356 (issued on 14th June 2018) was sub-divided on the basis of 3.4217 shares for each preference share held by the shareholders (Refer Appendix C).
- This resulted in a total of 49,352,804 shares post sub-division without any change to the stated capital of the Company.
- As per the anti-dilution rights reserved by both Series A and Series B preference shareholders (with reference to Articles of Association), in the event that converting preference shares into ordinary voting shares prior to a qualified IPO is not on a 1:1 basis, anti-dilution adjustments will be carried out in the form of sub-division of shares to arrive at the equivalent number of ordinary voting shares the shareholder is entitled to receive based on such conversion ratio.
- Therefore, on 17th November 2023, the Company has subdivided its Series A preference shares to arrive at the equivalent number of ordinary voting shares that Series A shareholders are entitled to receive. The share split ratio has been determined based on the Series B issue price of LKR 14.04 per share and the Series A issue price of LKR 48.05 per share resulting in 1:3.4217 ratio.
- The subdivision of Series A shares was carried out as a result of the relatively lower valuation derived for Series B fundraising by the Company (on 25th June 2020) compared to that of the Series A valuation.
- The implied issue price for subdivision of Series A preference shares which is LKR 14.04 per share is at a 61.0% discount to the IPO price of LKR 36.00 per share.
- Series A shares converted to ordinary voting shares would account for 14.8% of the total outstanding shares post-IPO with no change in the number of shares in issue. (Refer Appendix B).

Non-voting ordinary shares issued under Employee Stock Ownership Plan (“ESOP”)

- As a part of the ESOP, the Company has issued 2,802,978 non-voting ordinary shares to identified eligible employees over the 12-month period under consideration (Refer Appendix D).
- This issuance of non-voting ordinary shares under ESOP is for the services rendered by the employees and is granted after a vesting period of 3 years for a non-cash consideration. Although the shares issued were in lieu of employee services, for the purpose of section 58 of Companies No 7 of 2007, the implied Cash value of shares issued has been considered as LKR 14.04 per share (value derived for Series-B fundraising).
- As per the provisions of the ESOP, the plan immediately terminates and ceases to be in effect on the date on which the Company’s shares are listed on a publicly traded stock exchange.
- As per the Articles of Association of the Company, ordinary non-voting shares should be converted to ordinary voting shares prior to a qualified IPO on a 1:1 basis, along with a modification of rights to equally rank them to ordinary voting shares of the Company.
- Post IPO, non-voting ordinary shares allotted under ESOP during the period of 12 months and converted to ordinary voting shares would account for 0.8% of the total shares outstanding (Refer Appendix B).

- The implied Cash value of the non-voting ordinary shares which is LKR 14.04 per share is at a 61.0% discount to the IPO price of LKR 36.00 per share.

Transfer of existing ordinary voting shares by a major shareholder

- There were 2 share transfers amounting to 11,110,870 shares in total that have occurred within the 12-month period under consideration by the major shareholder, International Finance Corporation (Refer Appendix E).
- Those shares transferred constitute only 3.3% of the shares available at the point of transfer.
- The share price at which the share transfer has taken place on 20th May 2024 was LKR 36.00 in line with the proposed IPO share transfer price.

Additional facts to be considered:

- Based on the research report, the share transfer price/ IPO price of LKR 36.00 per share is at a 17.2% discount to the reference point Valuation, based on the Discounted Cash Flow valuation of LKR 43.49 per share.
- The Company has not raised any additional funds after Series B fundraising which occurred on 25th June 2020. Further, the Company has carried out Series B fundraising during the COVID-19 pandemic as an emergency funding round which was entirely subscribed by existing shareholders of the Company including International Finance Corporation (“IFC”) (91.62% of funds raised). Pandemic related uncertainties which prevailed at the time of deriving the valuation for the purpose of fundraising resulted in a relatively lower issue price per share.
- The Company has been incurring losses over FY19 - FY22 and recorded a profit over FY23 and FY24 due to notable growth in total rides.
- With reference to the CSE listing rules, shares issued or transferred by non-public or public shareholders during the period of twelve (12) months prior to the date of the initial listing application shall be locked in for a minimum period of six (6) months from the date of listing the shares of the entity or twelve (12) months from the date of acquisition of such shares, whichever is longer. This is expected to limit any immediate impact on trading volumes and share prices.

Taking the above information into consideration, and the points noted below.

Subdivision of Series A preference shares

- During this share subdivision, there were no changes to the company’s stated capital, and no new shares were issued.
- The Company was still in its startup stage when it undertook Series B fundraising. During this period, from FY19 to FY22, the Company incurred losses, compounded by disruptions due to the COVID-19 pandemic. Despite these challenges, Series B investors took the risk to invest, resulting in an implied share value of LKR 14.04, which was approximately 3 times the Price to Sales ratio.



- As of FY24, sentiment and the operating environment have improved significantly, as evidenced by the Company's latest financial results turning profitable. According to the current prospectus, the Company's IPO share transfer price is fixed at LKR 36.0 per share, resulting in a Price to Sales ratio of approximately 3 times.
- In addition, the subdivision and conversion of Series B preference shares have been conducted in accordance with the pre-approved rules set forth in the Company's Articles of Association, ensuring they rank equally with ordinary voting shares. Therefore, we believe this transaction does not result in any undue gain for existing shareholders at the expense of IPO shareholders.

Non-voting ordinary shares issued under ESOP

- Ordinary voting shares allotted under the ESOP during the past 12 months accounted for 0.8% of the total shares issued. These shares were granted to employees as a reward for their commitment, at Cash value per share of LKR 14.04 per share, which is 61.0% lower than the IPO price of LKR 36.0. This discount aligns with the Company's long-term growth prospects and incentivizes the current staff through sweat equity.
- Since the option was granted three years ago and recorded in the books over the subsequent three years, and considering the relatively small percentage of shares allotted, there is no identifiable disadvantage to IPO investors.

Transfer of existing ordinary voting shares

- The transfer of shares by the major shareholder, International Finance Corporation, to Invenco Capital Private Limited and Roger Keith Modder took place at the IPO share transfer price, thus not resulting in any price deviation.

Conclusion

We are therefore of the view that there is no undue gain to the existing shareholders vis a vis and at the expense of the investing public.

Yours faithfully.

Shiluka Goonewardene
Principal
Head of Deal Advisory
KPMG



Appendix

A)

Details of the Offer for Sale	
Number of existing ordinary voting shares	43,474,179
Percentage on offer	13.0%
Issue size	LKR 1,565,070,444
Price per share	LKR 36.00

B)

Summary of transactions - covering a period of twelve (12) months (12 June 2023 - 12 June 2024)					
Description	As at date	No. of shares allotted/ transferred pre-IPO	As a % of total shares outstanding post-IPO	Implied price per share in LKR	Premium/ discount to IPO price
Subdivision of Series A preference shares	17-Nov-23	14,423,356	14.81%	14.04	-61.0%
Non-voting ordinary shares issued under ESOP	15-Nov-23, 20-Mar-24 & 7-June-24	2,802,978	0.84%	14.04	-61.0%
Transfer of existing ordinary voting shares by a major shareholder	20-May-24	11,110,870	3.33%	36.00	0.0%

C)

Subdivision of Series A preference shares on 17 November 2023				
Share class	Year issued	Number of shares	Price per share when issued	Conversion ratio
Series A preference shares	14-Jun-18	14,423,356	48.05	1:3.4217
Series B preference shares	25-Jun-20	33,827,680	14.04	1:1

D)

Non-voting ordinary shares issued under Employee Stock Ownership Plan (ESOP)			
Share class	Issue date	Number of shares	Consideration
Non-voting ordinary shares	15-Nov-24	472,675	The cash value allocated to the non-voting ordinary shares (LKR 14.04) were set off against the services provided by the eligible employee to the Company, as set out in the letter of grant issued to such employee
	21-Mar-24	1,017,504	
	7-Jun-24	1,312,799	
Total		2,802,978	

E)

Transfer of existing ordinary voting shares by a major shareholder				
As at date	Seller	Buyer	No. of shares transferred	Transfer price per share in LKR
20-May-24	International Finance Corporation	Invenco Capital Private Limited	8,333,092	36.00
20-May-24	International Finance Corporation	Roger Keith Modder	2,777,778	36.00
Total			11,110,870	