

Digital Mobility Solutions Lanka Ltd
PB 00306192



**OFFER FOR SALE OF 43,474,179 EXISTING
ORDINARY VOTING SHARES OF**
Digital Mobility Solutions Lanka Ltd
AT LKR 36.00 PER SHARE

TO BE LISTED ON THE MAIN BOARD OF THE COLOMBO STOCK EXCHANGE

ISSUE OPENS ON 13TH SEPTEMBER 2024

JOINT FINANCIAL ADVISORS AND MANAGERS TO THE ISSUE



Commitment. Trust. Continuity

CT CLSA Capital (Private) Limited

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The Prospectus is dated 03rd September 2024

The delivery of this Prospectus shall not under any circumstances constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If any such material change occurs, the same will be notified by the Company via a market announcement to the Colombo Stock Exchange (CSE).

If you are in any doubt regarding the contents of this Prospectus or if you require any advice in this regard, you should consult a lawyer, or any other professional advisor.

The CSE has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed, or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Shares which is decided solely by the Company. In the unlikely instance of any inconsistencies between content herein and the relevant provisions in the CSE Listing Rules the CSE Listing Rules shall prevail.

This Prospectus has been prepared from the information provided by Digital Mobility Solutions Lanka Ltd ("PickMe", or "the Company") and its directors and/or from publicly available sources. The Company and its directors, having made all reasonable inquiries and having seen and approved this Prospectus, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of PickMe have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that, in their best judgement, are considered to be reasonable at the present point in time.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of information, prospective investors are advised to carefully read this Prospectus and rely on their own examination and assessment of the Company including the risks involved prior to making any investment decision.

No person is authorised to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorised by the Company.

All Applicants (both resident and foreign) should indicate their respective National Identity Card (NIC) Number or Company Registration Number or Passport Number, as the case may be, in the Application Form. Individual resident Applicants should indicate their Passport Number in the Application Form only if they do not have an NIC Number.

As per the Directive of the Securities and Exchange Commission (SEC) made under Circular No. 08/2010 dated 22 November 2010 and Circular No. 13/2010 issued by the Central Depository Systems (Private) Limited (CDS) dated 30 November 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the transfer of Shares under this Issue, the transferred Shares will be credited to the Applicant's CDS account so indicated. Please note that **SHARE CERTIFICATES SHALL NOT BE ISSUED**. Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the Issue Closing Date, or which indicates an inaccurate/incorrect CDS account number shall be rejected and no transfer will be made.

You can open a CDS account through any Trading Participants of the CSE as set out in Annexure B or through any Custodian Bank as set out in Annexure C of this Prospectus. You can also open a CDS account through the 'CSE Mobile App'. The CSE Mobile Application can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

Registration of the Prospectus

A copy of this Prospectus has been delivered to the Registrar General of Companies in Sri Lanka for registration. The following documents were also attached to the copy of the Prospectus delivered to the Registrar General of Companies.

- **The Written Consent of the Joint Financial Advisors and Managers to the Issue**

The Joint Financial Advisors and Managers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their names as Joint Financial Advisors and Managers to the Issue.

CT CLSA Capital (Pvt) Limited and Capital Alliance Partners Limited as Joint Financial Advisors and Managers to the Issue has given and has not before the delivery of a copy of the Prospectus for registration withdrawn the written consent for the inclusion of the Research Report in the form in which it is included in the Prospectus.

- **The Written Consent of the Registrars to the Issue**

The Registrars to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of the name as Registrars to the Issue in the Prospectus.

- **The Written Consent of the Auditors and Reporting Accountants to the Company and to the Issue**

The Auditors and Reporting Accountants to the Company and to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Auditors and Reporting Accountants to the Company and to the Issue and for the inclusion of the Accountants' Report in connection to the Issue in the Prospectus.

- **The Written Consent of the Lawyers to the Issue**

The Lawyers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Lawyers to the Issue in the Prospectus.

- **The Written Consent of the Bankers to the Issue**

The Bankers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Bankers to the Issue in the Prospectus.

- **The Written Consent of the Company Secretary**

The Company Secretary has given and has not before the delivery of a copy of the Prospectus for registration withdrawn the written consent for the inclusion of their name as Company Secretary in the Prospectus.

- **The Declaration by the Directors**

A declaration has been made by each of the Directors of the Company confirming that each of them has read the provisions of the Companies Act No. 7 of 2007 (as amended) relating to the issue of the Prospectus and that those provisions have been complied with.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Foreign investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible for compliance with the laws relevant to their country of residence and the laws of Sri Lanka, when making their investment.

Representation

No person is authorized to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

Forward Looking Statements

Any statements included in this Prospectus that are not statements of historical fact constitute 'Forward Looking Statements.' These can be identified by the use of forward-looking terms such as 'expect,' 'anticipate,' 'intend,' 'may,' 'plan to,' 'believe,' 'could' and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward-Looking Statements.

Such forward looking statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may result in the Company's actual future results, performance or achievements to materially differ from what are expected, expressed or implied by Forward-Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see 'Investment Considerations and Associated Risk Factors' in Section 11 of this Prospectus.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to 'LKR', 'Rupees', and 'Rs.' are references to the lawful currency of Sri Lanka. Reference to 'USD' is with reference to United States Dollars, the lawful currency of the United States of America. Certain numerical figures in the Prospectus have been subject to rounding adjustments; accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Presentation of Macroeconomic and Industry Data

Economic and industry data used throughout this Prospectus are derived from various industry data sources, which the Company believes to be reliable, but the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, while believed to be reliable, have not been independently verified and neither the Company nor the Joint Financial Advisors and Managers to the Issue make any representation as to the accuracy of that information.

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ISSUE AT A GLANCE

Company Name	Digital Mobility Solutions Lanka Ltd.
Number of Shares to be Transferred	43,474,179 Existing Ordinary Voting Shares via an Offer for Sale.
Share Offer Price	LKR 36.00 per Share.
Amount to be Raised via the Offer	LKR 1,565,070,444.
Minimum Investment per Application	<p>Minimum investment per Application is 100 Shares (LKR 3,600/-). Applications exceeding the minimum investment should be in multiples of 100 Shares.</p> <p>Minimum subscription of 100 Shares will be transferred to each successful Applicant.</p>
Opening of the Subscription List (Issue Opening Date)	13 th September 2024.
Closure of the Subscription List (Issue Closing Date)	<p>04th October 2024 or the day on which the Issue becomes oversubscribed, whichever is earlier.</p> <p>Please refer Section 5.8 for further information.</p>
Earliest Issue Closing Date	13 th September 2024 (issue opening date).
Basis of Transfer of Shares	The basis of transfer of Shares is detailed in Section 6.5 of this Prospectus.
CSE Listing	To be listed on the Main Board of the CSE subject to compliance with the CSE Listing Rules, SEC Act and Companies act (as applicable).

1. CORPORATE INFORMATION

Company Name	Digital Mobility Solutions Lanka Ltd	
Legal Form of the Company	A Private Limited Company incorporated on 23 rd January 2015, under the Companies Act No. 7 of 2007 (as amended) and domiciled in Sri Lanka). On 1 st August 2024, the legal form of the company was changed from Private Limited to a Limited Company under provisions of Section 8 of the Companies Act No. 07 of 2007 (as amended), subsequent to receiving the shareholder approval for same on 7 th May 2024.	
Company Registration Number	PB 00306192	
Registered Office	No. 309, High Level Road, Colombo 6, Nugegoda Tel: +94 11 7 433 433 Web: https://www.pickme.lk	
Board of Directors	Ajit Gunewardene	Chairman, Non-Independent Non-Executive Director
	Jiffry Zulfer	Chief Executive Officer, Executive Director
	Ruchi Gunewardene	Non-Independent Non-Executive Director
	Conrad Dias	Non-Independent Non-Executive Director
	Tasnim Salie	Executive Director
	Travis Roche	Independent Non-Executive Director
	Mano Rajakariar	Independent Non-Executive Director
	Professor Amal Kumarage	Independent Non-Executive Director
	Keith Modder	Independent Non-Executive Director

Company Secretary	S.S.P. Corporate Services (Private) Limited No: 101, Inner Flower Road, Colombo 03. Tel. +94 11 2573894
Auditors to the Company	Ernst & Young (Chartered Accountants) Rotunda Towers, No. 19, Galle Road, Colombo 03. Tel: +94 11 2 463 500 Fax: +94 11 2 679 369
Bankers to the Company	<p>Standard Chartered Bank No. 37, York Street, Colombo 01. Tel: +94 11 2 480 000</p> <p>Hatton National Bank PLC No. 479, T.B. Jayah Mawatha, Colombo 10. Tel: +94 11 2 462 462</p> <p>Commercial Bank of Ceylon PLC No. 21, Sir Razik Fareed Mawatha, Colombo 01. Tel: +94 11 2 486 000 Fax: +94 11 2 449 889</p> <p>Nations Trust Bank PLC No. 242, Union Place, Colombo 02. Tel: +94 11 4 313 131 Fax: +94 11 4 313 131</p>

2. RELEVANT PARTIES TO THE ISSUE

Joint Financial Advisors and Managers to the Issue	CT CLSA Capital (Private) Limited No. 4-15, Majestic City, 10, Station Road, Colombo 4, Sri Lanka. Tel: +94 11 2 584 843 Fax: +94 11 2 580 181 Capital Alliance Partners Limited Level 5, Millennium House, 46/58, Nawam Mawatha, Colombo 02, Sri Lanka. Tel : +94 11 231 7777 Fax: +94 11 760 2525
Lawyers to the Issue	Heritage Partners No 4, Heritage House, Malalasekara Pedesa, Colombo 07. Tel: +94 11 7 550 096
Auditors and Reporting Accountants to the Issue	Ernst & Young (Chartered Accountants) Rotunda Towers, No. 19, Galle Road, Colombo 03. Tel: +94 11 2 463 500 Fax: +94 11 2 679 369
Registrars to the Issue	S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03 Tel: +94 11 2 573 894
Bankers to the Issue	National Development Bank PLC No. 40, Navam Mawatha, Colombo 02. Tel: +94 11 2 448 448 Fax: +94 11 2 441 106

3. ABBREVIATIONS

AC	Audit Committee
ACCA	Association of Chartered Certified Accountants
AI	Artificial Intelligence
AVP	Assistant Vice President
AWPLR	Average Weighted Prime Lending Rate
Bn	Billion
BSc	Bachelor of Science
C.	Approximately
CA	Institute of Chartered Accountants of Sri Lanka
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems
CEO	Chief Executive Officer
CEFT	Common Electronic Fund Transfer
CFA	Chartered Financial Analyst
CFO	Chief Financial Officer
CGIR	Commissioner General for Inland Revenue
CIM	Chartered Institute of Marketing
CIMA	Chartered Institute of Management Accountants
CIO	Chief Investment Officer
CSE	Colombo Stock Exchange
COO	Chief Operating Officer
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
EU	European Union
FY	Financial Year
GDP	Gross Domestic Product
GDPR	General Data Protection Regulations
GPS	Global Positioning System
HNB	Hatton National Bank
HR	Human Resources
HRRC	Human Resources and Remuneration Committee
I.e.	That is
IFC	International Finance Corporation
IIA	Inward Investment Account
IPO	Initial Public Offering
IRD	Inland Revenue Department
IT	Information Technology

JKH	John Keells Holdings
LSEG	London Stock Exchange Group
LHS	Left-Hand Side
LKR / Rs.	Sri Lanka Rupees
LOLC	Lanka ORIX Leasing Company
LTD	Limited
MBA	Master of Business Administration
M	Million
MSc	Master of Science
MSSP	Managed Security Services Provider
NAV	Net Asset Value
NGC	Nominations and Governance Committee
NIST	National Institute of Standards and Technology
NM	Not Meaningful
NTB	Nations Trust Bank
P/BV	Price to Book Value
P/E	Price to Earnings Ratio
PDPA	Personal Data Protection Act
PII	Personally Identifiable Information
PLC	Public Limited Company
POA	Powers of Attorney
PVT	Private
R & D	Research and Development
RHS	Right-Hand Side
ROE	Return on Equity
RPT	Related Party Transactions
RPTRC	Related Party Transaction Review Committee
RTGS	Real-Time Gross Settlement
SEC	Securities and Exchange Commission
SIA	Securities Investment Account
SME	Small and Medium Enterprises
SQFT	Square Feet
TAC	Tax Appeals Commission
UK	United Kingdom
USA	United States of America
VAPT	Vulnerability Assessment and Penetration Tests
VAT	Value Added Tax

4. GLOSSARY

TERMS RELATED TO THE ISSUE

Applicant/s	An investor who submits an Application Form in terms of this Prospectus.
Application Form/ Application	The application form that constitutes part of this Prospectus through which the investors may apply for the Offer Shares.
Articles of Association	Articles of Association of Digital Mobility Solutions Lanka Ltd.
Anchor Investors	Investors who are invited to subscribe to the shares of a company before its initial public offering opens to the public. They typically invest a significant amount of money, providing a level of assurance and stability to the IPO.
Board/Board of Directors/Directors	The Board of Directors of Digital Mobility Solutions Lanka Ltd.
Companies Act	Companies Act No. 07 of 2007 (as amended).
CSE Listing Rules/ Listing Rules	Listing Rules of the Colombo Stock Exchange as amended from time to time.
Foreign Investor	Investors who are: <ul style="list-style-type: none"> a) Citizens of Sri Lanka who are resident outside Sri Lanka and above 18 years of age; b) Corporate bodies incorporated or established outside Sri Lanka; c) Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or d) Regional and country funds approved by the SEC; Please refer Section 6.2.7 for further information.
GoSL/Government	Government of the Democratic Socialist Republic of Sri Lanka.
Institutional Investor	Institutional investors are large entities like pension funds, insurance companies, and mutual funds that pool and invest substantial amounts of money in financial assets.
Issue Opening Date, Earliest Issue Closing Date or Issue Closing Date	The dates of the opening and closing of the subscription list as set out in Section 5.8 of this Prospectus.
The Issue	The Offer for Sale under the provisions of this Prospectus dated 3 rd September 2024.

Joint Application Forms	Application Forms submitted by natural persons not exceeding three.
PickMe or the Company	Digital Mobility Solutions Lanka Ltd.
Lawyers to the Issue	Heritage Partners.
Local Time	Sri Lanka Time.
Joint Financial Advisors and Managers to the Issue	CT CLSA Capital (Private) Limited and Capital Alliance Partners Limited.
Market Day	Any day on which CSE is open for trading.
Non-Retail Investor Category	Investors who do not fall under the Retail Individual Investor Category and Unit Trust Investor Category.
Ordinary Voting Shares	<p>Ordinary voting shares of the Company, which confer on the holders thereof, with regard to each share:</p> <ul style="list-style-type: none"> (a) the right to one vote on a poll at a meeting of the Company on any resolution; (b) the right to an equal share in dividends paid by the Company; and (c) the right to an equal share in the distribution of the surplus assets of the Company on liquidation.
Offer for Sale	An invitation to the public by the Company to subscribe for 43,474,179 existing Ordinary Voting Shares.
Prospectus	This Prospectus dated 03 rd September 2024 issued by the Company in connection with the Share Offer.
Public Shareholders	'Public Shareholders' shall mean any party who hold shares of the applicant Entity other than the parties identified as Non-Public Shareholders as set out in the CSE Listing Rules 2.1.1.(f)(v), in line with the public holding requirements to list under main board as set out in the CSE Listing Rules 2.1.2 (A) (i) (C).
Registrars to the Issue	S S P Corporate Services (Private) Limited.
Retail Individual Investor Category	Individual investors who subscribe for Shares up to a value of LKR 100,000 or 2,700 Ordinary Shares.
Ride Hailing	A functionality on a mobile App that connects users that require a ride with independent third-party drivers with vehicles willing to provide a ride.
SEC Act	Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021.

Series A Investment	Series A fundraising refers to the fourth round of capital financing for the Company, in which preference shares were issued.
Series B Investment	Series B fundraising refers to the fifth round of capital financing for the Company, in which preference shares were issued.
Share Offer Price	The price at which the existing Ordinary Voting Shares will be transferred to the public as detailed in this Prospectus, i.e. LKR 36.00 per Ordinary Voting Share.
Stated Capital	The stated capital of PickMe.
Unit Holder	An individual who has made an investment in units not exceeding the value of LKR 10,000,000/- in a particular Unit Trust Fund that subscribes for existing Shares, as per SEC Directive dated 6 June 2011 (Ref: SEC/LEG/11/06/01).
Unit Trust Investor Category	Growth and balanced Unit Trusts operated by managing companies licensed under the SEC to operate such Unit Trusts, where such Unit Trusts comprise not less than 500 Unit Holders resident in Sri Lanka who together hold at least 50% of that Unit Trust, as per SEC Directive dated 6 June 2011 (Ref: SEC/Leg/11/06/01).
Users	Users include all stakeholders that engage with the platform, namely independent third party drivers, merchants and consumers.
Unique Consumers	People who take a ride on the platform, order food, groceries, or other products available on the platform, who hail a truck or use the parcel delivery service, that have completed at least one transaction during the period.
Unique Drivers	Independent third-party drivers and riders (i.e. bike drivers) that have registered on the PickMe platform as mobility service provider and have completed at least one transaction on the platform during the period.
Unique Merchants	Independent third-party restaurants and vendors that have registered on the PickMe platform to offer food and goods to consumers of the PickMe platform that have completed at least one transaction on the platform during the period.
UPI Payments	UPI (Unified Payments Interface) is a real-time payment system that facilitates instant fund transfers between bank accounts in India. It allows users to link multiple bank accounts to a single mobile application, providing a seamless and secure platform for making payments. UPI is regulated by the National Payments Corporation of India (NPCI).

5. DETAILS OF THE ISSUE

5.1. INVITATION TO SUBSCRIBE

Applications are invited from the public to subscribe for forty-three million four hundred and seventy-four thousand one hundred and seventy-nine (43,474,179) existing Ordinary Voting Shares at an Offer price of Sri Lankan Rupees Thirty-Six (LKR 36.00) per share payable in full on application on the terms and conditions set out in this Prospectus. The Issue will constitute an Offer for Sale, as detailed below:

Table 5-1 Details of the Offer for Sale

Number of Shares	43,474,179
Percentage on Offer	13.04%
Issue Size	LKR 1,565,070,444
Price per Share	LKR 36.00

The minimum subscription shall be 100 Ordinary Voting Shares at LKR 36.00 per Share and Applications in excess of the minimum subscription should be in multiples of 100 Shares.

5.2. SELLING SHAREHOLDERS

The shareholders listed below are offering for sale Forty-Three Million Four Hundred and Seventy-Four Thousand One Hundred and Seventy-Nine (43,474,179) Ordinary Voting Shares, which constitute 13.04% of the Company's ordinary voting shares, to facilitate the listing of these shares on the CSE. In the event of an undersubscription of the Offering, shares will be allocated based on percentage of shares each shareholder offered in the IPO. The unsold shares will remain with the selling shareholders.

Table 5-2 Selling Shareholders

Selling Shareholder	Number of Ordinary Voting Shares Offered	Number of Ordinary Voting Shares Currently Held	Initial Date of Acquisition of Shares	Shares offered as a percentage of IPO shares
International Finance Corporation	22,301,115	47,300,390	4th June 2018 and 25th June 2020	51.3%
Interblocks Holdings Pte Limited	15,744,737	24,222,672	6th March 2018	36.2%
H Capital (Private) Ltd	2,853,763	11,415,051	14th Dec 2015	6.6%
Lalantha Wilfred Anomal de Soysa	1,400,000	4,367,778	2nd August 2016	3.2%
Amrith Joseph de Soysa	392,782	742,782	2nd August 2016	0.9%
Shihani Tamara de Sylva	392,782	742,782	2nd August 2016	0.9%
Anne Menik de Soysa	280,000	503,175	2nd August 2016	0.6%
Cecil Haresh de Soysa	109,000	358,744	2nd August 2016	0.3%
Total Shares	43,474,179	89,653,374		

5.3. OBJECTIVES OF THE IPO

Objective of the Offer is to seek a listing on the Colombo Stock Exchange. The Company will not raise any funds from the Offer. All proceeds from the Offer will be credited to the account of the selling shareholders.

Benefits to the Company of listing its shares on the Colombo Stock Exchange include, creating liquidity for its shares, introducing a competitive Employee Share Ownership Scheme to attract and retain talent, improving its brand name and image with its user base while also broad basing the ownership of the Company.

The improved corporate identity is also expected to support the Company in its future strategies, which includes the expansion of its technology solutions into new regional markets and introducing new technology backed solutions in related fields.

5.4. NATURE OF THE EXISTING SHARES OFFERED

The existing Ordinary Voting Shares will rank equal and pari passu with the other existing Ordinary Voting Shares of the Company with full voting rights and right to participate in any dividend declared to Ordinary Shareholders by the Company of the offered shares and the right to an equal share in the distribution of the surplus assets of the Company on liquidation.

5.5. CONSIDERATION

The Offer price of LKR 36.00 was determined by the board of directors of the Company in consultation with the Financial Advisors and Managers to the Offer in accordance with the Research Report compiled by the Financial Advisors and Managers to the Offer in line with Rule 3.1.4 of the CSE Listing Rules (as disclosed in Annexure A).

A summary of the valuation methods used to determine the share offer Price is as follows:

Table 5-3 Summary of valuation

Valuation Method	Value per Share (LKR)	Discount to the Share Offer Price (%)
Discounted Cash Flow Valuation	43.49	17.22
PER Relative Valuation	40.97	12.13
EV/Revenue Relative Valuation	59.58	39.58
Average Value Per Share	43.28	

Source: Research Report (Annexure A)

The share offer price of LKR 36.00 per share is at a 17.22% discount to the reference point Valuation, based on the Discounted Cash Flow Valuation of LKR 43.49 per share. This IPO discount is provided to investors in order to provide a potential upside on the investment. A copy of the Research Report that includes the forecasted financials and the valuation methodologies is enclosed in Annexure A of this Prospectus.

The investors should read the quantitative and qualitative factors given in Section 5.6, the risk factors included under Section 11 of this Prospectus and the details of the Company and its financial statements included in this Prospectus.

5.6. QUANTITATIVE AND QUALITATIVE FACTORS PERTAINING TO THE ISSUE

5.6.1. Quantitative Factors

Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings Ratio (P/E)

Historical Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings Ratio (P/E) are given below.

Table 5-4 EPS, ROE & P/E

Year Ended	Basic EPS (LKR)	Diluted EPS (LKR)*	ROE (%)**	P/E Ratio (x)***
31 March 2022	(0.48)	(0.47)	nm	nm
31 March 2023	0.40	0.39	13.4	91.7
31 March 2024	2.05	2.05	48.5	17.6
3-Year Average	0.66	0.66	31.0	54.9
Three Months Ended 30th June 2024 (as per Unaudited Interim Financials, Not Annualised)	0.67	0.67	nm	nm
Three Months Ended 30th June 2024 (as per Unaudited Interim Financials, Annualised)****	2.68	2.68	47.9	13.4

Source: PickMe Audited Financial Statements

$$* \text{ Earnings per share (LKR)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Diluted Earnings per share (LKR)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year} + \text{Dilutive shares}}$$

** Prior to the share capital reorganization undertaken by PickMe on 11th April 2024, the Company had four (04) different classes of shares (refer section 9.1.1). A proforma adjustment was made to calculate the EPS for the financial year ended 31st March 2022, 31st March 2023, 31st March 2024 and 3 months ended 30th June 2024 based on the same share conversion rates used in the capital reorganization. This proforma adjustment was done to ensure the figures presented are comparative over time

The EPS calculated above in accordance with the formula mentioned above, varies from the EPS disclosed in the FY24 Audited Financial Statements under Annexure E as the Auditors of the Company have used the following basis:

- I. In the numerator, the net profit attributable to the equity shareholders has been calculated after deducting an amount equivalent to 8% of the preference share capital. This adjustment factors in the preference shareholders' entitlement to an 8% preference dividend, in the event that the company declares a dividend
- II. In the denominator, the number of shares includes only the ordinary shares and the employee non-voting ordinary shares

$$*** \text{ ROE} = \frac{\text{Net profit attributable to equity shareholders}}{\text{Average Equity Attributable to Shareholders}}$$

**** P/E ratio is calculated based on the Share Offer Price of LKR 36.00

***** nm = not meaningful

P/E Ratio

- Based on the Basic and Diluted EPS of LKR 2.68 (annualised) for the three months ended 30th June 2024 (unaudited), the P/E is 13.4 times (annualised Earnings).
- Based the Diluted EPS of LKR 2.05 for the year ended 31st March 2024, the P/E is 17.6 times.
- Based on the three-year adjusted average (FY22 – FY24) Diluted EPS of LKR 0.66, the P/E is 54.8 times
- There are no peer companies listed in the CSE that resemble the business model of PickMe.

Net Asset Value (NAV) per Share

The Net Asset Value (NAV) per Share of the Company is as follows:

Table 5-5 NAV per Share

As at	Net Assets Value (LKR Mn)	NAV per Share (LKR)
31st March 2023	1,051	3.18
31st March 2024	1,749	5.27
Three Months Ended 30th June 2024 (as per Unaudited Interim Financials)	1,973	5.92

$$\text{NAV per Share} = \frac{\text{(Net Asset Value as at specified date)}}{\text{(Number of Shares outstanding as at specified date)}}$$

5.6.2. Qualitative Factors

In order to arrive at the share offer price, the following qualitative factors were considered:

- **Access to a large growth market**

PickMe is commended as one of the pioneers in Sri Lanka's digital mobility sector. The company was a key driver of technological advancement in the country's passenger transportation sector. The launch of PickMe introduced the country to the innovative concept of an aggregator platform, and the demand and supply for on-demand ride hailing expanded, which was previously nonexistent. While the ride-hailing sector is experiencing rapid growth, technology adoption in Sri Lanka's transportation landscape remains limited. Value of the transportation services facilitated by the PickMe App only accounted for 0.5% of Sri Lanka's transportation sector GDP of LKR 2,572Bn¹ as at FY23. The PickMe App is accessible island wide. However the company currently actively promotes its App in 13 districts outside Colombo where the required eco system has been developed. Furthermore, PickMe aims to actively extend its reach across all service verticals in the App Island wide within the next two years. Further, the current transport landscape in Sri Lanka is still highly reliant on an inefficient public transportation and has a large untapped potential to introduce technology driven solutions, which PickMe aspires to penetrate.

- **A homegrown digital platform transforming Sri Lanka's mobility landscape.**

PickMe's locally developed software powers a unified platform for consumers, independent third-party drivers, and independent merchants in Sri Lanka. The ease and accessibility of the app's interface has enabled consumers, independent third-party drivers, and independent merchants to seamlessly request/provide the relevant service at a click of a button. PickMe has localized its solutions by providing its App in the local language (i.e. Sinhala and Tamil), has integrated into the local eco-system enabling features such as real time fund transfers, and has over the years closely collaborated with Government authorities, local industry associations and local educational institutes. PickMe has grown to be one of the leading ride hailing apps in the country with a monthly unique consumer base of over 900k, monthly unique driver base of over 75k, and a monthly unique merchant base of over 3k.²

- **PickMe engineering team consistently delivers innovative solutions using advanced technologies.**

PickMe's success is driven by its commitment to technological innovation and a talented engineering team. Over 70% of the company's employees comprises of skilled software

¹ Source: National Transport Statistics 2023, Published by the National Transport Commission

² In future, Monthly figures may vary depending on the Company performance

engineers, data scientist and IT professionals dedicated to developing user-friendly and relevant solutions, and ensuring a pleasant user experience on the App. PickMe actively attracts and retains top talent by fostering a culture of innovation and technical excellence. The Company's engineers leverage advancements in cloud computing and machine learning to continuously improve the platform. PickMe invests in research and development to stay current with industry trends and integrate new technologies, such as artificial intelligence, into their offerings.

- **Committed to social responsibility across all stakeholders**

PickMe recognizes the importance of social responsibility and strives to create positive outcomes for its stakeholders. The technology-driven solutions aim to improve the lives of consumers, independent third-party drivers and independent third-party merchants. Many independent third-party drivers transitioning from traditional taxis and adopting to the new technology have seen increased earnings and productivity on the PickMe platform. Further the platform empowers some independent third-party drivers to operate as micro-entrepreneurs, owning and managing multiple vehicles. PickMe connects independent third-party merchants with a wider customer base and a large base of third-party independent drivers, facilitating their business growth. Consumers benefit from safe, reliable rides facilitated via features enabled on the platform, enhancing everyday activities. Further, PickMe's technology driven logistics platform empowers small and medium businesses to scale their operations by connecting them to a large base on third-party independent drivers. The flexibility and earnings potential through the app has also attracted independent third-party lady drivers onto the platform, with the active lady drivers using the platform increasing by 1.2x YoY in FY24.

5.7. LISTING AND COMPLIANCE WITH THE SEC ACT AND LISTING RULES

The Offer contemplated herein constitutes forty-three million four hundred and seventy-four thousand one hundred and seventy-nine (43,474,179) Ordinary Voting Shares at the Share Offer Price of LKR thirty-six (LKR 36.00) per share and amount to 13.04% of the Ordinary Voting Shares of the Company.

An application has been made and approved in principle by the CSE for a listing of Three hundred thirty-three million, three hundred twenty-three thousand, six hundred seventy-three (333,323,673) Ordinary Voting Shares being the entirety of the issued shares of the Company subsequent to the IPO.

However, the CSE has reserved the right to withdraw such approval, in the circumstances set out in Rule 2.3(b) of the Listing Rules of the CSE.

Furthermore, PickMe has obtained the requisite approval from CSE for the public offer of the existing shares. The Company has also lodged a copy of the Prospectus with the SEC in terms of section 82 of the SEC Act.

The Company has already complied with Rule 2.1.2 (A) (i) (a), (b) and (d) of the CSE Listing Rules for a Main Board listing.

It is expected that the Company will meet the minimum number of public shareholders requirement set out in Rule 2.1.2 (A) (i) (c) via the offer pursuant to which the listing of the entire ordinary shares of the Company will take place on the Main Board of the CSE.

However, in the event that PickMe is unable to meet the requirements of Rule 2.1.2 (A) (i) (c) of the CSE Listing Rules as mentioned above, the Company will return all monies received from the Applicants for subscription of Ordinary Voting Shares within Eight (08) Market Days from the Issue Closing Date and in such event the Ordinary Voting Shares of the Company will not be listed on the CSE.

It should be noted that the aforesaid public holding requirements would be calculated by considering all shares that are freely tradable on the date of listing. The details of shares subject to lock-in are mentioned in Section 9.7 of the Prospectus.

5.8. OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list for the Shares will open at 9.00 a.m. on 13th September 2024 and shall, subject to the occurrence of the events in the following paragraph, remain open for fourteen (14) Market Days (including the date of opening) until closure at 4.30 p.m. 4th October 2024.

However, in the event of an oversubscription, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE. Accordingly, the Earliest Issue Closing Date shall be the Issue Opening Date (i.e. 13th September 2024).

The Board of PickMe reserves the right to close the subscription list on any Market Day within the period of fourteen (14) Market Days, irrespective of whether the Issue is oversubscribed or not, by providing one (01) Market Day's prior notice to the CSE.

Applications may be made forthwith in the manner set out in Section 6 of this Prospectus.

5.9. COST OF THE ISSUE

The total costs associated with the IPO are estimated to be approximately LKR 94 Mn translating to c.6.0% of the Issue value. These include all direct costs and expenses associated with the Issue, inclusive of but not limited to the initial listing fees to the CSE, management/advisory fees payable to the Joint Managers to the Issue, brokerage commission, fees for the registrar function, fees for bankers, legal, consultancy and accountancy fees, advertising and promotional costs and printing costs. Such costs will be recovered from internally generated funds of the Company.

5.10. BROKERAGE

Brokerage at the rate of zero decimal five per centum (0.5%) of the value of new shares will be paid by the Company in respect of the number of new shares allotted on Applications delivered physically bearing the original seal of Bankers to the Issue, or any Trading Participants of the CSE or Managers to the Issue involved in the marketing of the Issue.

5.11. MINIMUM SUBSCRIPTION AND UNDERWRITING

No underwriting arrangement has been made by the Company for this Share Issue.

However, in the event the Company is unable to meet the public holding requirement stipulated in Rule 2.1.2 (A) (i) (c) the Company shall return the monies received from the Applicants and in such event the Ordinary Voting Shares of the Company will not be listed on the CSE.

5.12. INSPECTION OF DOCUMENTS

Articles of Association, Auditors' Report and Audited Financial Statements for the last five (5) financial years ended 31 March, Accountants Report and Summary Financial Statements for the five (5) financial years immediately preceding the date of this Prospectus, material contracts and Management Agreements (if any), and the Research Report prepared by the Joint Financial Advisors and Managers to the Offer would be made available for inspection by the public during normal working hours at the registered office of the Company, at No. 309, High Level Road, Colombo 06 from the date hereof, until the subscription list is closed or up to 14 market days, whichever is later as per Rule 3.1.19 (a) of the CSE Listing Rules.

The Prospectus, Application Form and Articles of Association of the Company will be available on the website of the CSE, www.cse.lk, on the website of the Company and, on the website of the Managers to the Issue www.cal.lk and www.ctclsa.lk, from the date hereof for a period of not less than fourteen (14) Market Days as stipulated in Rule 3.1.19 (b) of the CSE Listing Rules.

The research report justifying the Share Offer Price will be available on the website of the CSE, www.cse.lk, on the Company website, www.pickme.lk, and on the website of the Joint Managers to the Issue www.cal.lk and www.ctclsa.lk, from the date hereof, for a period of not less than two (2) months as stipulated in Rule 3.1.19 (c) of the CSE Listing Rules.

6. PROCEDURE FOR APPLICATION

Applications are invited from the following categories of investors, **having a valid CDS account in the CDS:**

- i. Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- ii. Citizens of Sri Lanka who are resident outside Sri Lanka and above 18 years of age; or
- iii. Companies, corporations or institutions incorporated or established within Sri Lanka; or
- iv. Corporate bodies incorporated or established outside Sri Lanka; or
- v. Approved unit trusts licensed by the SEC; or
- vi. Approved provident funds and contributory pension schemes registered/incorporated/ established in Sri Lanka (in this case, Applications should be in the name of the Trustee/ Board of Management); or
- vii. Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- viii. Global, regional and country funds approved by the SEC.

Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.**

Applications submitted by investors mentioned in (ii), (iv), (vii) and (viii) should be in accordance with the provisions of Foreign Exchange Act, No. 12 of 2017 and any regulations and/or directions issued thereunder.

Applications submitted under the Unit Trust Investor Category should conform to the criteria defined by the SEC Directive dated 6 June 2011 (Ref: SEC/LEG/11/06/01).

Eligible Applicants may fall into one of the following categories.

- i. Retail Individual Investor Category
- ii. Unit Trust Investor Category
- iii. Non-Retail Investor Category

Please refer to "Glossary of Terms Related to the Issue" for the definitions of the aforementioned categories.

6.1. THE PROCEDURE FOR APPLICATION

6.1.1. How to Apply

Availability of Prospectus and Application Form

Applicants applying for Shares should submit their Applications in the manner set out below as applicable to you.

i. Via Physical Delivery

The Prospectus and Application Form will be made available free of charge from the collection points listed in Annexure B. The Prospectus and the Application Form can also be downloaded from www.cse.lk, <https://www.pickme.lk>, on the websites of the Managers to the Issue www.ctcls.lk and www.cal.lk. **Please refer Section 6.1.8 for submission of Application Forms.** Investors must download the Application Form, print and submit same together with relevant supporting documents via physical delivery.

Applicants must apply for the Shares through the Application Form, which constitutes part of this Prospectus. The Application Form should be legibly completed and be received by the Registrars to the Issue.

ii. Via CSE Mobile App

Applicants who register with the CSE Mobile App should follow the instructions set out in the said Mobile App and submit their Application as per the instructions. Submission of digital Application Forms through such CSE Mobile App is limited to both citizens of Sri Lanka who are resident in or outside Sri Lanka and are above 18 years of age and, foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas) only.

The Mobile App, currently, does not facilitate Applications made through Powers of Attorney (POA), Margin Trading, Joint Applicants and the categories referred to in Section 6.1 sub-sections iii, iv, v, vi and viii to apply. Therefore, such Applicants may send their Applications physically as disclosed above.

iii. CDS Web Portal

The Applicant can use the online Application Web Portal accessible via <https://ipo.cse.lk/> or www.cds.lk or <https://www.linkedin.com/company/cds-srilanka>. Only resident and non-resident individual Applicants who have a valid CDS account at the time of application can apply via the CDS Web Portal.

This option is not permitted for Applicants applying via POA, Margin Trading, Joint Applicants, corporate bodies and Unit Trusts.

The Applicant must comply with the instructions stated on the Web Portal when submitting the online Application.

Any Application submitted without a valid CDS account will be rejected.

Users must first register for the Web Portal and read the instructions given on the Web Portal carefully and click on "Apply Now" option. Users will be directed to a page to self-register and create a login by validating their mobile number and email address. Once the user logs-in to the Web Portal the Application can be completed and submitted via the CDS Web Portal.

iv. CDS eConnect

Institutional users (CDS Account types of Local Customer & Foreign Customer) who are registered to the CDS eConnect facility are allowed to apply for the IPO through their registered CDS eConnect.

Registered eConnect Institutional users (Applicant categories iii, iv, v, vi, viii mentioned in Section 6.1. Eligible Applicants), have an option for "eIPOs" within their eConnect facility, through which they are enabled to select the relevant IPO and apply.

APPLICANTS SHOULD APPLY ONLY THROUGH ONE INVESTOR CATEGORY (INCLUDING JOINT APPLICANTS) AND WOULD BE PERMITTED TO SUBMIT ONLY ONE APPLICATION FORM. TWO OR MORE APPLICATIONS SUBMITTED BY THE SAME APPLICANT EITHER UNDER THE SAME CATEGORY OR UNDER DIFFERENT CATEGORIES WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.

Retail Individual and Non-Retail Investor Category

Applicants falling under the **Retail Individual and Non-Retail Investor Categories** should apply for the Shares through the **WHITE coloured** Application Form printed for this purpose, which constitutes part of this Prospectus (please refer Section 6.1.1 above for methods of obtaining the Prospectus and Application Form).

Exact size copies of the Application Form will also be permissible under the Retail Individual and Non-Retail Investor Categories. The completed Application Forms should be submitted to the Registrars to the Issue in accordance with Section 6.1.8 of the Prospectus.

Local and Foreign individual Investor/s who apply for a maximum of 2,700 shares value of not more than Rupees Hundred Thousand (LKR 100,000) will be categorized as Retail Individual Investors for share transfer purposes.

All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration Number (as applicable) is stated in the relevant cages of the Application Form.

Unit Trust Investor Category

Applicants applying under the **Unit Trust Investor Category** must apply for the Shares using the separate **YELLOW coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available through the Joint Managers and Financial Advisors to the Offer, CT CLSA Capital (Private) Limited, No. 4-15, Majestic City, 10 Station Road, Colombo 04 and Capital Alliance Partners Limited, Level 5, Millennium House, 46/58, Nawam Mawatha, Colombo 02.

The completed Application Forms should be submitted to **the Joint Managers and Financial Advisors to the Offer** who will forward the same to the Registrars to the Offer in accordance with Section 6.1.8.

Only one Application should be made by an Applicant under the **Unit Trust Category**.

Applications submitted under the Unit Trust Investor Category should submit a confirmation by the trustee that such Unit Trust is in conformity with the criteria defined by the SEC Directive dated 06 June 2011 (Ref: SEC/LEG/11/06/01).

Joint Applications

An Applicant of a Joint Application, applying through another Application Form, is deemed to have made multiple Applications and will be rejected.

An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

Subject to the above, the Company/Managers/Registrars to the Issue reserve the right to reject multiple Applications and suspected multiple Applications which are not allowed or to accept only one Application Form at their discretion.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation or reason.

Please note that Applicant information such as full name, address, NIC number/Passport Number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information shall take precedence over the information provided in the Application Form.

The CDS account number stated on the application you submit should be registered under your name. Kindly contact your stockbroker if you are in doubt about the CDS account number. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.

Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

All Applicants (both resident and foreign) should indicate their respective NIC number or Company Registration Number or Passport Number as the case may be in the Application Form. Individual resident Applicants should indicate their Passport Number in the Application Form only if they do not have an NIC Number.

As per the Directive of the SEC made under Circular No. 08/2010 dated 22 November 2010 and Circular No. 13/2010 issued by the CDS dated 30 November 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the transfer of existing Shares under this Issue, the transferred Shares will be credited to the Applicant's CDS account so indicated. Please note that **SHARE CERTIFICATES SHALL NOT BE ISSUED.**

Any Application which does not carry a valid CDS account number or indicates a CDS account number which is not opened at the time of Issue Closing Date or which indicates an inaccurate / incorrect CDS account number, shall be rejected and no transfer will be made.

You can open a CDS account through any Trading Participants of the CSE as set out in Annexure B or through any Custodian Bank as set out in Annexure C of this Prospectus. You can also open a CDS account through the CSE Mobile App. The CSE mobile application can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

PLEASE NOTE THAT TRANSFER OF SHARES WILL ONLY BE MADE IF YOU HAVE A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Applicants have the option of having their shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the shares need to be deposited to his/her 'locked' balance in the CDS account, the said shares would be deposited to Applicant's 'trading' balance in the CDS account.

Operation of a 'locked' balance in the CDS

In order to preserve the confidentiality of shareholder information and to ensure that securities are not made available for trading for those shareholders who do not want to trade the securities, the CDS provides a mechanism where securities can be 'locked' in the CDS account.

The CDS maintains two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant, and all dealings and trading would be permitted on the said trading balance, as done normally.

As opposed to the trading balance, the locked balance will not be visible to the CDS participant and all dealings on such locked balance would be suspended thereby maintaining the confidentiality of the information and also safeguarding the account holder from any unauthorized sale by a broker.

At the request of an account holder, the CDS would transfer a named quantity of securities from the locked balance to the trading balance of a CDS account and/or from the trading balance to the locked balance.

6.1.2. Number of Shares Applied

Application should be made for a minimum of One Hundred (100) Shares for a value of Sri Lanka Rupees Three Thousand Six Hundred (LKR 3,600/-) and in multiples of One Hundred (100) Shares thereafter. The maximum number of Shares that can be applied through one Application under the IPO would be limited to Forty-Three Million Four Hundred and Seventy-Four Thousand One Hundred and Seventy-Nine (43,474,179) Shares, i.e. the total number of Shares issued under the IPO. Any Applications for over and above Forty-Three Million Four Hundred and Seventy-Four Thousand One Hundred and Seventy-Nine (43,474,179) Shares would be either capped at the maximum of Forty-Three Million Four Hundred and Seventy-Four Thousand One Hundred and Seventy-Nine (43,474,179) Shares or rejected at the outset at the discretion of the Board of Directors.

Applications made for less than One Hundred (100) Shares or for a number which is not in multiples of One Hundred (100) Shares thereafter, will be rejected and the accompanying cheques, bank drafts or bank guarantees will not be sent for clearing but will be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, the first named Applicant. **The cheque or bank draft or bank guarantee or RTGS / CEFT / SLIPS transfer or payment via the payment gateway provided through the CDS Web Portal / CSE Mobile App should be issued / carried out to the exact the number of Shares applied for multiplied by the Share Offer Price.** Any Application not conforming to the above requirement will be rejected and the Application monies will be returned as aforementioned.

Please refer Section 6.2 for details with respect to the Mode of Remittance.

6.1.3. Identification Information

All Applicants should disclose their identification / registration information by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.

The NIC, Passport, or Company Registration Number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

Resident Applicants may use the Passport for purposes of identification only if they do not have a NIC Number.

Tabulated below is the relevant identification information that a prospective investor should provide depending on the legal status:

Table 6-1 Investor Identification Required

Citizenship/ Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lanka Citizens	X			
Sri Lanka Citizens with no NIC Number*		X		
Foreign Citizens**		X		
Corporate Entities***			X	X

* In the case of Sri Lankan citizens, the Passport Number will be accepted only when the NIC Number is not available. The CDS account must be of the same Passport Number.

** Foreign citizens must state their Passport Number in the space provided in the Application Form.

*** In the case of a corporate entity, the Company Registration Number must be provided. The common seal or rubber stamp should be affixed, and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

A valid CDS account number must be stated in the Application Form. All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration Number is stated in the relevant cages of the Application Form. All information about the Applicant (i.e., name, address, nationality and NIC or Passport Number) will be downloaded from the database of the CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application Form, the information in the CDS shall take precedence.

If the CDS account number is not indicated in the Application Form, or the number indicated in the Application Form is found to be inaccurate/incorrect, or the account number indicated is not opened at the Issue Closing Date, such Application will be rejected, and no transfer of Shares will be made.

6.1.4. Key Responsibility of a Foreign Investor

Foreign Investors may be affected by the laws of the jurisdiction of their residence. If Foreign Investors wish to apply for the Shares, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

6.1.5. Margin Trading

Applicants who wish to apply through their margin trading account should submit the Applications in the name of the 'margin provider / Applicant's name' signed by the margin provider.

The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form. The Shares shall be uploaded to the CDS account indicated in the Application Form.

The NIC, Passport, or Company Registration Number of the Applicant as the case may be, must be stated in the Application Form.

Resident Applicants may use the Passport for purposes of identification, only if they do not have a NIC Number.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Details regarding multiple Applications are available under Section 6.11.

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by Applicants through a margin trading facility.

6.1.6. Applications Made Under Power of Attorney

In the case of Applications made under POA, a copy of the said POA, **certified by a notary public** to be a true copy of the original, should be submitted to the Registrars to the Issue along with the Application Form. **The original POA should not be attached.**

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by a POA.

6.1.7. Joint Applications

If the ownership is desired in the name of one applicant, such applicant should make the application for an **individual CDS account**. In the case of Joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.

Joint Application Forms are permitted only for natural persons not exceeding three (3) Applicants. Joint Applicants should note that there should not be a combination of residents

of Sri Lanka and non-residents. An Applicant of a Joint Application shall not apply through a separate Application Form either individually or jointly.

Please note that the CSE Mobile App, CDS Web Portal and CDS eConnect do not facilitate an Application by Joint Applicants.

6.1.8. Submission of Applications

a) Applicants Applying via CSE Mobile App or CDS Web Portal

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance/proof of remittance as applicable (Payment Gateway or CEFT or SLIPS or RTGS) for the full amount payable on Application Form shall be forwarded online as referred to Section 6.1.1.

b) Applicants Applying via Physical Delivery

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance / proof of remittance as applicable (cheque or bank draft or bank guarantee or RTGS transfers (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-), for the full amount payable on Application Form may be forwarded by way of delivery (by hand or post) enclosed in a sealed envelope marked '**Digital Mobility Solutions Lanka Ltd - IPO**' on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

S S P Corporate Services (Private) Limited

101, Inner Flower Road,
Colombo 03

Applications may also be handed over to the Bank and designated branches of the Bank, Managers to the Issue, Bankers to the Issue and its designated branches and, trading participants of the CSE, as set out in Annexure B **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

In the case of Applications dispatched by post, such Applications should reach the Registrars to the Issue **not later than 4.30 p.m. Local Time on the Market Day immediately following the Issue Closing Date.**

Any Applications received after the above deadlines shall be rejected even if the courier or post mark is dated prior to the Issue Closing Date.

6.2. PAYMENT OF APPLICATION MONIES

6.2.1. Cheques or Bank Drafts – Resident Sri Lankan Investors

Cheque or Bank Drafts payments as a mode of payment are only applicable for Applicants Applying **via Physical Delivery.**

Cheques or bank drafts should be drawn on any Licensed Commercial Bank in Sri Lanka and crossed '**Account Payee Only**' and made payable to '**Digital Mobility Solutions Lanka Ltd - Physical**'.

Cheques or bank drafts accompanying Application Forms made for less than Hundred (100) Shares, i.e. for a value less than Sri Lanka Rupees Three Thousand Six Hundred (LKR 3,600/-) and in multiples of One Hundred (100) Shares thereafter (as mentioned in Section 6.1.2) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant or, in the case of joint Applicants, to the first named Applicant.

In the event that cheques are not realized within Two (2) Market Days from the date of presenting the same to the bank for clearing, the Directors reserve the right to reject the Applications and return the Application cheques. No transfer of Shares will be made to such Applicants.

Cheques must be honoured on the first presentation to the bank for the Application to be valid. Applications supported by cheques which are not honoured on first presentation will be rejected.

6.2.2. Bank Guarantees – Resident Sri Lankan Investors

Applications made by resident Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 6.2.6 will be accepted.

Bank guarantees will be presented to the respective banks only after the Shares have been transferred.

Bank Guarantees as a mode of payment are only applicable for Applicants Applying **via Physical Delivery**.

Bank guarantees should be issued by any Licensed Commercial Bank in Sri Lanka and in favour of **'Digital Mobility Solutions Lanka Ltd - Physical'** in a manner acceptable to the Company and payable on demand.

Please note that the original bank guarantee should be lodged with the Registrars to the Issue together along with the Application Form prior to 4.30 p.m. local time on the Issue Closing Date, in order to claim funds in respect of such Applications made via bank guarantees.

Bank guarantees should be valid for a minimum of One (1) month from the Issue Opening Date i.e. 13th September 2024.

Applicants are advised to ensure that sufficient funds/facilities are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue.

It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

6.2.3. CEFT/SLIPS Transfers - Resident Sri Lankan Investors

In case of CEFT/SLIPS transfers (only for Application made via the CSE Mobile App and CDS Web portal) such transfers should be made to the credit of **Digital Mobility Solutions Lanka Ltd – Online** bearing the account number **111000171324** at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900), on the Issue Opening Date (i.e., the funds to be made available to the above account).

Applicants are required to indicate their CDS account number or NIC Number as payment reference for CEFT/SLIPS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of Shares applied for to the credit of **Digital Mobility Solutions Lanka Ltd – Online'** and the fund transfer confirmation should be submitted with the Application Form.

IMPORTANT – When CEFT and SLIPS transfers are made, ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration / Beneficiary Remark / Reference / Remark / Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.

6.2.4. RTGS Transfers -Resident Sri Lankan Investors

In case of RTGS transfers such transfers should be made to the credit of the following accounts for applications submitted via;

1. Physical applications [only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-)] the account number bearing **Digital Mobility Solutions Lanka Ltd - Physical** bearing the account number 111000171348 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900)
2. CSE Mobile App or CDS Web Portal [only for Application valued above and inclusive of Sri Lanka Rupees Five million (LKR 5,000,000/-)] the account number bearing **Digital Mobility Solutions Lanka Ltd - Online** bearing the account number 111000171324 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900)

on the Issue Opening Date (i.e., the funds to be made available to the above account).

Applicants are required to indicate their CDS account number or NIC Number as payment reference for RTGS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit of "**Digital Mobility Solutions Lanka Ltd - Physical**" for physical application and "**Digital Mobility Solutions Lanka Ltd - Online**" for application submitted via the CSE Mobile App or CDS Web Portal. The fund transfer confirmation should be submitted with the Application Form.

IMPORTANT - When RTGS transfers are made, ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration / Beneficiary Remark / Reference / Remark / Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.

6.2.5. Payment Options for CSE Mobile App or CDS Web Portal Applicants

CSE Mobile App and CDS Web Portal are now integrated with the HelaPay Payment App.

Only the LOCAL INDIVIDUAL applicants, with applied share values less or equal to LKR 49,900 will be able to use the HelaPay app after completing the applications on the said eIPO platform. If the applicant has already made a payment to the IPO account prior to starting the application process, such applicants should not select the 'HelaPay' option.

Customer charges of LKR 100.00 charged by 'HelaPay' will apply for such payment and to be borne by the applicants.

Please note that the applicants who wish to use the integrated HelaPay Payment App platform through the CSE Mobile App or CDS Web portal should have the 'Helakuru' Mobile App installed in their mobile devices.

Alternatively, Individual applicants who wish to use the payment modes of SLIPS, CEFTS, RTGS transfers must ensure to initiate such transfers prior to making the application using the CSE Mobile App, in order to attach the proof of payment which is a mandatory requirement in submitting their applications via CSE Mobile App.

6.2.6. Amount Payable and Other Payment Conditions

The amount payable should be calculated by multiplying the number of Shares applied for under a particular category by the Share Offer Price of Sri Lanka Rupees Thirty-Six (LKR 36.00/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or amount deposited to IPO account via RTGS / CEFT / SLIPS transfer such Applications will be rejected.

CEFT/SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (5,000,000/-) imposed by the CBSL.

Payments for Applications via the payment gateway available on CSE Mobile App and CDS Web Portal is subject to a maximum value limit of Sri Lanka Rupees Fifty Thousand (LKR 50,000/-). i.e. Maximum Application value of LKR 49,900/- and convenience fee of LKR 100/-.

In the case of cheques, bank drafts, RTGS/CEFT/SLIPS transfer and bank guarantees, Application Forms should be accompanied by only one cheque or bank draft or RTGS / CEFT / SLIPS transfer (single transfer) or bank guarantee and should be issued for the full amount indicated in the Application Form. Any Application for Shares accompanied by two or more cheques or bank drafts, or RTGS / CEFT / SLIPS transfers or bank guarantees will be rejected at the outset.

Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred million (LKR 100,000,000/-) will be permitted to submit multiple Bank guarantees issued by Licensed Commercial Banks in Sri Lanka, multiple bank drafts/cheques drawn upon any Licensed Commercial Bank operating in Sri Lanka, or a single RTGS transfer directed through any licensed commercial bank operating in Sri Lanka, each of which should be for values on the date of opening of the Offer.

Cash will not be accepted. Anyone wishing to pay cash should obtain a bank draft from a Licensed Commercial Bank in Sri Lanka.

6.2.7. Foreign Currency Remittances

This section is applicable to:

- Citizens of Sri Lanka who are above 18 years of age and resident overseas.
- Corporate bodies incorporated or established outside Sri Lanka.
- Regional or country funds approved by the SEC.
- Foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.

A foreign investor may invest through an IIA (previously known as a Securities Investment Account/SIA) maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through an IIA are presented below:

- A Foreign Investor may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market.
- The intermediary may open an IIA, on the investor's behalf.
- In conjunction with the IIA, an account with the CDS must be opened in case the investor does not already possess a valid CDS account.
- In respect of regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC.
- **Applicants Applying via CSE Mobile App, CDS Web Portal or CDS eConnect**
 - o Payment for Shares should be made through a RTGS/CEFT/SLIPS transfer against the funds arranged through the IIA and made payable to bearing **Digital Mobility Solutions Lanka Ltd – Online** bearing the account number 111000171324 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900) prior to 4.30 p.m. local time on the Issue Closing Date. Kindly note that the foreign individual Applicants are **NOT** eligible to use the payment gateway option. Therefore, they must ensure to initiate the transfers prior to making the Application using an accepted mode of payment.

IMPORTANT - When CEFT, RTGS or SLIPS transfers are made, please ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/Reference/Remark/Comment' field to identify the payments. If the payment cannot be identified Application may get rejected.

- **Applicants Applying via Physical Delivery**

- o Payment for Shares should be made through a cheque or bank draft, or bank guarantee issued by a Licensed Commercial Bank in Sri Lanka or through a RTGS (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-) against the funds arranged through the IIA and made payable to **Digital Mobility Solutions Lanka Ltd - Physical** bearing the account number 111000171348 at National Development Bank PLC, Head Office (Bank code 7214, Branch code 900) to 4.30 p.m. local time on the Issue Closing Date.

Cheques or bank drafts or bank guarantees or RTGS [only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-)] transfers should be endorsed by the issuing custodian bank to the effect that arrangements have been made to facilitate such payment to be made against funds available in the individual's IIA. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.

Any refund payments to Foreign Investors are made in terms of Section 6.6 of this Prospectus.

Applications supported by foreign currency remittances should be made in conformity with requisite declarations accompanied by the documentation stipulated by the Head of the Department of Foreign Exchange of the CBSL.

6.2.8. Restrictions Applicable to Foreign Citizens Resident in Sri Lanka

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee Accounts, only if they possess dual citizenship where one such citizenship is Sri Lankan. **Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form. In case of an online Application, the certified copy of the citizenship certificate should be uploaded under the relevant field.**

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts, or bank guarantees or RTGS/CEFT/SLIPS transfers drawn upon Sri Lanka Rupee accounts maintained with any Licensed Commercial Bank in Sri Lanka or payment gateway in the CDS Web Portal but may do so via an IIA account as detailed in Section 6.2.7 above. **Applications made by foreign citizens not in accordance with the foregoing shall be rejected.**

6.3. REJECTION OF APPLICATIONS

- i. Application Forms which are incomplete in any way and / or are not in accordance with the terms and conditions set out in this Prospectus will be rejected at the absolute discretion of the Company.
- ii. Any Application Form which does not provide the NIC, Passport (where NIC is not available) or Company Registration Number as the case may be, will be rejected.
- iii. Any Application Forms accompanying fund transfers confirmations without the requisite payment references will be rejected.
- iv. Applications delivered by hand or by courier after 4.30 p.m. Local Time on the Issue Closing Date will be rejected. Applications received by post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Issue Closing Date will also be rejected even if they carry a postmark date earlier than the Issue Closing Date.

- v. Applications made for less than Hundred (100) Shares or for a number which is not in multiples of One Hundred (100) Shares thereafter, will be rejected.
- vi. An Application which does not carry a CDS account number or indicates a number of a CDS account which is not opened at the time of Issue Closing Date, or which indicates an inaccurate/incorrect CDS account number shall be rejected and no transfer of Shares will be made.
- vii. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.
- viii. Applicants should apply only through one investor category and would be permitted to submit only one Application Form. Two or more Applications submitted by the same Applicant either under the same category or under different categories will be construed as multiple Applications and will be rejected.
- ix. The Company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 6.1.1.
- x. Payment for Applications of Shares accompanying two or more cheques and bank drafts or bank guarantees or RTGS/CEFT/SLIPS transfers as mentioned in Section 6.2.6 will be rejected at the outset in the event the value of such Application is below Sri Lankan Rupees One Hundred million (100,000,000/-)
- xi. Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.
- xii. Physical applications accompanying payments made via RTGS in the event the value of such Application is below Sri Lankan Rupees One Hundred million (100,000,000/-) or by way of CEFT or SLIPS will be rejected.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation and reason.

6.4. BANKING OF PAYMENTS

All cheques and bank drafts received in respect of Applications will not be banked until the Market Day following the Issue Closing Date in terms of the CSE Listing Rules.

6.5. BASIS OF TRANSFER

The basis of transfer of shares be as per the manner prescribed in the CSE Listing Rule 2.11 (g) (I) (ii), since the size of the offering is less than LKR 3 billion. The basis of transfer will be as follows:

Table 6-2 Basis of Transfer of Shares to Various Categories of Applicants

Investor Category	Percentage of Issue (%)
Unit Trusts Investors*	10.00%
Retail Individual Investors	40.00%
Non-Retail Investors	25.00%
Anchor Investor	19.17%
Institutional Investors	5.83%
Total	100.00%

* Unit Trust Investors should be growth or balanced unit trusts operated by managing companies licensed by the SEC, where such unit trusts comprise of not less than 500-unit holders' resident in Sri Lanka who together hold at least 50% of that fund as per the SEC Directive dated March 10, 2011 (Ref: SEC/LEG/11/06/01).

Applications submitted under the Unit Trust Investor Category should be accompanied by a confirmation by the trustee that such unit trust is in conformity with the criteria defined by the SEC Directive dated 06 June 2011 (Ref: SEC/LEG/11/06/01) and CSE Listing Rules, 2.1.1(g) (I) (ii) (b).

Local and Foreign Investor/s who apply for shares of value not more than LKR 100,000/- will be deemed as Retail Individual Investors for this IPO.

Investors who do not fall under the Retail Individual Investor Category and Unit Trusts Investor Category stated above will be deemed as non-retail investors for this IPO.

In determining the basis of transfer within the Retail Individual Investor Category, investors who subscribe for a smaller number of shares shall be given priority.

The investor categories have been selected to ensure the broadest possible spread of shareholders while treating all Applicants in a fair manner as may be decided by the Board at its discretion.

In the event of an undersubscription in the Unit Trust Investor Category, the Retail Individual Investor Category shall be given first priority in transfer of the undersubscribed Shares.

In the event of an undersubscription in the Retail Individual Investor Category, the Unit Trust Investor Category shall be given first priority in transfer of the undersubscribed Shares.

In the event of an undersubscription in the Non-Retail Investor Category, Retail Individual Investor Category will be given first priority followed by Unit Trust Investor Category in the transfer of the undersubscribed Shares.

The Board of Directors has decided to transfer 19.17% of the shares available from the offer to a selected anchor investor. Therefore, the Board has allocated 19.17% of the IPO shares to Invenco Capital Private Limited ("Invenco"). Post IPO, Invenco would hold a 5% stake in the Company. Invenco is a wholly owned subsidiary of Phoenix Ventures Private Limited ("Phoenix Ventures"). Phoenix Ventures, in turn, is the sole owner of Brandix Apparel Limited, a leading apparel manufacturer in Sri Lanka. The remaining 5.83% will be allocated to institutional investors.

In the event of an oversubscription in any one or more of the categories mentioned above, the basis of transfer will be decided by the Board of Directors in a fair and equitable manner in compliance with CSE Listing Rule 2.1.1 (g).

The Board of Directors will decide and announce to the CSE the basis of transfer as soon as practicable so as to ensure compliance with the Listing Rules. Upon the transfer being decided, an announcement will be made to the CSE.

The successful Applicants will be informed of their transfer within 10 Market Days from the Issue Closing Date.

6.6. REFUNDING/RETURNING OF FUNDS ON PARTIALLY ACCEPTED/ REJECTED APPLICATIONS

Where an application is accepted only in part or rejected in its entirety, the balance/entirety of the monies received on an Application as the case may be, will be refunded. Such refunds will be made on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules. As required by Rule 2.4 (I) of the CSE Listing Rules, Applicants would be entitled to receive interest at the rate of last quoted AWPLR published during the immediately preceding week by the CBSL or any other authority (in the event the CBSL ceases to publish the AWPLR) plus five percent (5%) for the delayed period on any refunds not made by the expiry of the aforementioned period.

It is the responsibility of Foreign Investors to ensure that their IIA details are accurately provided under 'Refund Payment Instructions' on the Application Form to forward the refund to the IIA through which the Application was made.

With regard to applications which have been fully rejected due to any of the reasons specified in this Section 6, neither the Company nor the Registrars to the Issue nor CDS shall be liable for any delay on the refund of monies to the Applicant if the Applicant has paid the Application monies through RTGS/CEFT/SLIPS and has not indicated his NIC Number or the CDS account number as the payment reference.

In the event that the Offer for Sale is stayed by a court order, as disclosed under Section 10.4.2, refunds will be made on or before the expiry of Eight (8) Market Days to prospective investors, either via Sri Lanka Inter-bank Payment Systems or by cheque.

Refund via Sri Lanka Inter-bank Payment Systems (SLIPS)

The refund payment will be made to the bank account specified by the Applicant through the SLIPS on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of Applicant's bank account in the Application Form. However, SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (LKR 5,000,000/-) imposed by the CBSL with effect from 29 October 2010, as per Operating Instruction Circular No. 11/2010 dated 25 October 2010.

In the event of refunds over Rupees Five million (LKR 5,000,000/-), if the Applicant has provided accurate and complete details of his bank account in the Application, refunds will be made via RTGS.

In the event the refund payment is effected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the bank together with the Registrars to the Issue or CDS will send the refund cheques to such Applicants at the earliest possible time and the Applicant should not hold the bank or the Registrars to the Issue or CDS accountable for such delays.

Refunds Via Crossed Cheque

If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a Joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first on the Application Form.

6.7. SUCCESSFUL APPLICANTS AND CDS LODGMENT

The existing Shares transferred will be directly uploaded to the respective CDS accounts given in the Application Forms before the expiry of Twelve (12) Market Days from the Issue Closing Date as per the CSE Listing Rules.

Upon completion of crediting the respective CDS accounts, a written confirmation will be sent to the shareholder within Two (2) Market Days of crediting the CDS accounts by ordinary post to the address provided by each Applicant in their respective Applications.

Applicants have the option of having their shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose.

If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Refer Section 9.7 for the definition of 'locked'

Offered Shares shall not be transferable by the shareholders during the period between the date of transfer of the Offered Shares and up to the date of listing (excluding the date of listing) of the Ordinary Voting Shares on the CSE. Further, the Company shall not transfer any Shares or transfer existing Ordinary Voting Shares (other than the transfer of Offered Shares) during the interim period between the date of the Initial Listing Application and the date of listing of the Shares of the Company.

Upon the Ordinary Voting Shares being listed on the CSE, such Shares shall be freely transferable except for those Shares mentioned in Section 9.7 of this Prospectus, which will be locked-in to be in compliant with CSE Listing Rules 2.11(e).

6.8. DECLARATION TO THE CSE AND SECONDARY MARKET TRADING

The Company will submit to the CSE a declaration on the Market Day ("Declaration") immediately following the day on which the Applicants' CDS accounts are credited with the offered shares. Trading of the ordinary shares on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

7. BUSINESS OPERATIONS OF PICKME

7.1. TRANSFORMING SRI LANKA'S MOBILITY LANDSCAPE

In 2014, Jiffry Zulfer, the founder of PickMe, recognized a significant gap in Sri Lanka's transport sector: the absence of a mobile-based ride-hailing platform, i.e. the absence of technology in the facilitation of passenger transportation. Seizing this opportunity to revolutionize a sector highly reliant on traditional passenger mobility methods of transportation which often faced challenges in terms of reliability, safety, transparent pricing, and convenience, Zulfer with a few engineers developed a mobile based ride hailing application to address the inefficiencies in the transportation system. The initial investment and the support received from the seed investors played a pivotal role in the Company's success. This enabled PickMe to transform its prototype into a commercially viable product and establish itself as the first mover in the Sri Lankan ride-hailing market.³

PickMe, operating under Digital Mobility Solutions Lanka Ltd., has established itself as one of the leading technology platforms in Sri Lanka. Beyond its initial success in ride-hailing, PickMe's commitment to innovation and adaptability has fueled its rapid expansion into new verticals, including facilitation of food and grocery delivery, facilitation of logistics services, and facilitation of parcel delivery. This diversification leverages PickMe's existing platform, technological capabilities, and established user base to address evolving market needs in Sri Lanka.



75,000+
Unique Drivers



900,000+
Unique Consumers



3,000+
Unique Merchants

Positioning itself as a growth play, the Company was able to secure LKR1.2bn in its Series A and Series B investment round in FY18 and FY21 respectively. International Finance Corporation (IFC), a member of the World Bank Group, invested in PickMe and was the lead investor in both Series A (Preference Shares) and Series B (Preference Shares). IFC's investment in PickMe reflected the Company's potential for growth, positive social and economic impact of its operations, and strong corporate governance within which the company operates.

PickMe has maintained a strong position in the digital mobility sector despite challenges like the 2019 Easter Sunday attacks, the Covid-19 pandemic, and recent economic disruptions. This resilience stems from the company's strong leadership, adaptability, and focus on innovation. PickMe's ability to scale its operations and adjust its services to market conditions has been key to its success. The Company's competitive advantage comes from its well-developed technology platform, large user base, and deep understanding of the Sri Lankan market. PickMe's localization efforts, including using local languages on the platform, have increased accessibility for both consumers and independent third-party drivers, expanding its footprint within Sri Lanka's transportation ecosystem through technological innovation.

PickMe's journey towards becoming the Everyday Mobility Platform is fueled by a talented in-house engineering team and an innovative, entrepreneurial leadership team whose focus is on developing a comprehensive platform that tackles inefficiencies within traditional transportation models. This translates to user benefits such as convenience, reliability, efficiency, and cost-effectiveness. Additionally, PickMe's internationalization strategy (refer section 7.11.4.) aims to extend the reach of its platform to untapped niche markets overseas, further expanding its impact.

³ <https://restofworld.org/2024/sri-lanka-pickme/> (Accessed on 1st June 2024)

7.2. A HOMEGROWN APP TRANSFORMING DIGITAL MOBILITY IN SRI LANKA

PickMe engineering team is a key differentiator, enabling rapid deployment of strategic features crucial for success in this dynamic market. PickMe has transformed its software delivery strategy, prioritizing agility without sacrificing stability or quality. This shift allows the company to swiftly respond to market demands, sharpening its competitive edge while maintaining exceptional performance and reliability, while being cost efficient.

PickMe's unwavering commitment to user experience (UX) translates into a continuously enhanced platform. Recent improvements in navigation and product discoverability ensure a seamless and intuitive user journey, maximizing convenience for PickMe app users.

PickMe's sophisticated digital mobility orchestrates millions of real-time interactions daily. It has built a robust suite of proprietary technologies encompassing marketplaces, routing, payments, and AI/machine learning.



Matching Millions

Its marketplace engine uses advanced algorithms to seamlessly match third party independent drivers, independent merchant and consumers in real-time, ensuring efficient resource allocation across Ride Hailing, Food & Marketplace Delivery, and Trucking & Parcel Delivery services.



Predicting Demand

PickMe's proprietary demand prediction engine anticipates peak periods for rides and deliveries, allowing proactive supply management for a Dynamic Supply & Demand (DSD) advantage.



Smarter Matching & Dispatch

Its algorithms generate millions of potential matches per minute, optimizing connections and minimizing wait times.



Dynamic Pricing

PickMe's dynamic pricing algorithm optimizes resource allocation by adjusting rates in real-time to match demand fluctuations, ensuring third-party independent driver availability during peak hours while delivering value to consumers. This dynamic approach helps maintain a reliable ride-hailing experience and provide the optimum price for consumers and third party independent drivers.



Optimized Routing

PickMe utilizes cutting-edge routing algorithms to handle thousands of ETA (Estimated Time of Arrival) requests per second, guaranteeing efficient delivery across its network.



Seamless Payments

PickMe's robust payment infrastructure offers secure, flexible options for users and facilitates real-time driver self-settlement for maximum convenience.



Big Data Analytics

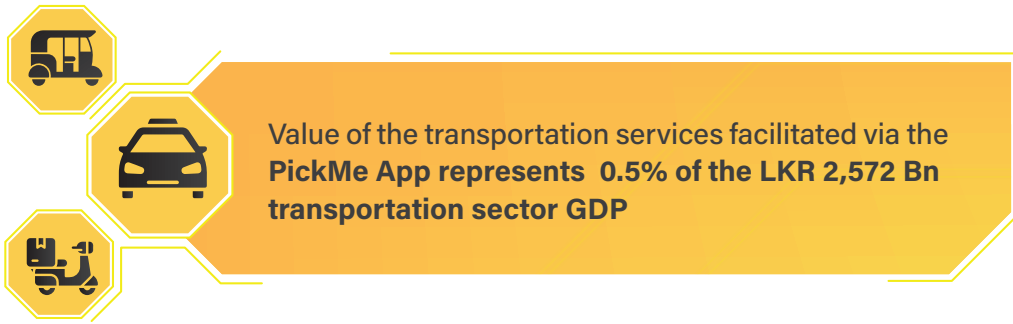
PickMe leverages big data analytics to transform massive amounts of data into actionable insights. This empowers them to continuously refine their business strategies. They can test hypotheses using real user data and leverage geospatial analytics to address specific needs across their product verticles.



AI Powering Innovation

PickMe fuels innovation with a powerful machine learning platform. This platform drives hundreds of data-driven services across all their offerings, from enhancing consumer service and safety features to proactively preventing revenue loss through fraud detection.

7.3. UNTAPPED POTENTIAL FOR SCALABILITY



The contribution from transportation sector to gross domestic product of Sri Lanka was LKR 2,572 Bn in 2022⁴ and based on the value of transportation services facilitated via the PickMe App reported for FY23, its contribution to the GDP stands at c. 0.5%. This suggests a significant opportunity for PickMe’s innovative platform to gain wider adoption in Sri Lanka, potentially transforming how people connect with on-demand mobility solutions. PickMe leverages its technology platform to offer a suite of solutions that optimize efficiency within the mobility sector.



Convenience and Accessibility

PickMe’s mobile app empowers users with unparalleled convenience. The platform allows instant ride booking from any location at any time, eliminating the need to wait at designated stops or hail vehicles on the roadside, a common challenge with traditional transportation methods.



Safety and Reliability

PickMe prioritizes safety and reliability through a suite of innovative platform features. This includes GPS tracking for real-time location awareness, an in-app SOS function for added security, and detailed consumer and independent third-party driver profiles for transparency. Transparent pricing models that determine the optimal pricing based on algorithms and AI further enhance user trust, eliminating concerns about overcharging commonly encountered with traditional transportation options like taxis and tuk-tuks. Consumers can also leverage the platform to share ride details with loved ones for additional peace of mind.



Enhanced Driver Earnings

PickMe’s platform empowers independent third-party drivers to maximize their earning potential. PickMe’s technology optimizes trip assignments, potentially reducing unproductive travel time. Additionally, the platform offers these drivers flexibility by allowing them to participate in various services facilitated by PickMe, catering to their preferences and potentially increasing earning opportunities.

⁴ Source: National Transport Statistics 2023, Published by the National Transport Commission



Quality of Service

PickMe fosters a culture of high service standards through its innovative platform features. This includes a robust in-app rating system that holds independent third-party drivers accountable for professionalism, cleanliness, and courtesy. PickMe's platform empowers consumers to provide direct feedback, creating an environment of continuous improvement and quality assurance.



Flexible Payment Solutions

PickMe streamlines the user experience by offering a seamless digital payment option within its mobile app. This eliminates the inconvenience and potential security risks associated with cash-based transactions, a common practice in traditional transportation methods. The platform also facilitates UPI payments from Indian travelers to Sri Lanka when they use the PickMe App.



Efficiency and Time Savings

PickMe's platform leverages technology to optimize user experience by efficiently connecting consumers with available independent third-party drivers. This intelligent matching system, particularly advantageous in urban areas with frequent traffic congestion, minimizes waiting times and streamlines the travel process.



Environmental Impact

PickMe's technology platform is designed to promote environmental sustainability by optimizing routes and minimizing idle vehicles through efficient trip allocation, potentially reducing emissions compared to traditional transportation methods.

7.4. A RELIABLE PLATFORM USED AS AN EVERYDAY MOBILITY APP

PickMe™

Core Purpose statement - Joyful Mobility for a Better Life

PickMe envisions the intelligent upgrade of mobility, consequently inspiring Sri Lanka towards matching global standards in effective problem solving via technology. PickMe is committed to innovate and build meaningful solutions that push boundaries in the digital mobility space using advanced technology, Big Data and Artificial Intelligence. Our mission is to upgrade the efficiency, reliability, and safety of the country's mobility services by introducing technology, standards, order, and convenience into the system, that results in a better Life for all our users and communities in which we operate.

7.5. PICKME GROUP STRUCTURE



* Digital Mobility Services Lanka (Pvt) Ltd was incorporated as a subsidiary to support third-party drivers who are using the PickMe application during the Fuel Crisis in FY 2022/2023. The operations of this company involved operating a temporary fuel point for the independent third-party drivers registered on the platform. Since this was not part of PickMe's Core business, a separate subsidiary was incorporated for this purpose and its operations ceased in July 2023. The Company Directors include, Jiffry Zulfer Hassen, Tasnim Salie and Maduranga Kulathilaka.

** Fintech Hive (Private) Limited is a limited liability company incorporated on 05th July 2019 and domiciled in Sri Lanka. The principal activities of the company were to carry on the business of developing and operating software platforms, to provide outsourcing software and services for other businesses, to providing training, consultancy, advisory and other related services in all areas of Information Technology, to carry on the business of research & development of consumer services, Data collections, Data analytics, and Data processing. Directors of the Company are Shayanthan Kanaganayagham, Mayoorathy Sachchithanathan, and Jiffry Zulfer Hassen.

7.6. THE JOURNEY OF PICKME

FY2015

- Jan : Company incorporation
- May : Seed round funding raising LKR 43.9 Mn
- Jun : Launched the App to independent third-party drivers and consumers seeking travel via Tuk, Mini, and Car Category
- Oct : Raised LKR100 Mn through 2nd round of seed funding

FY2016

- Feb : Enabled consumers to connect to independent third-party drivers offering Van rides
- Apr : The total trips facilitated via the App passed 1 million
- May : Raised LKR 170 Mn through the third round of seed funding
- Jul : Won the mBillionth award in New Delhi

FY2017

- Jan : Cumulative number of trips facilitated via the App surpassed 5 million.
- Jun : Actively registered independent third-party drivers operating in Kandy onto the platform
- Aug : Moved into our 15,000 sqft office premises.
- Dec : Facilitated Real time settlement to independent third-party driver bank accounts for credit hires, Signed MOU with University of Moratuwa for R&D

FY2018

- Mar : Actively registered independent third-party drivers operating in Gampaha onto the platform
- Apr : Integrated on-demand logistics functionalities into the growing technology platform through PickMe Trucks
- Jun : Concluded Series A funding with the IFC
- Jul : Actively registered independent third-party drivers operating in Galle and Kurunegala onto the platform and Won the Best Disruptor award at the SLASSCOM Innovation Summit and Awards 2018
- Aug : Moved servers to Google Cloud
- Sep : piloting a new on-demand food delivery functionality that connects independent merchants, independent-third party drivers and consumers under the name of "PickMe Food"

FY2019

- Mar : Rolled out 'Bring Your Own Device' to facilitate Driver App installation

FY2020

- Jul : Launched self-registration for independent third-party drivers
- Nov : Enabled the self-pickup functionality on the platform
- Dec : Launch of core values and purpose for the Company

FY2021

- Feb : Won the Gold Award for Retail and Distribution Category and the Overall Bronze Award at the NBQSA National ICT Awards 2020
- Launched the Marketplace, Flash and Last Mile product solutions
- May : Ranked 2nd in Brand Finance Sri Lanka's Top E-commerce Brands for 2020
- Aug : Concluded the series B funding round raising a total of LKR475m
- Mar : National Level Winner in the Best Technology or Framework Innovation Category and National Level Runner Up in the Best Product Innovation Category at the SLASSCOM National Ingenuity Awards 2021

FY2022

- May : PickMe was ranked as the Most Loved Brand under the "Ride-Hailing" Category in Sri Lanka by Brand Finance Annual Report 2021
- Sep : Nominated for the best Agile Transformation initiative

FY2023

- May : PickMe recognized as the No. 1 ride hailing⁵ App by Brand Finance
- Aug : Enabled the Tuk Sharing functionality on the platform
- Jan: Cumulative number of trips facilitated via the App surpassed 100 million.

FY2024

- May: PickMe was recognized as the No. 1 ride hailing⁶ App by Brand Finance for the fourth consecutive year
- June: PickMe was awarded the top title for the "Most Loved Brand" in the E-Commerce Ride Hailing Category (Brand Finance)
- July: Actively registered independent third-party drivers operating in Jaffna onto the platform
- Feb: facilitated 2 million passenger bike rides on the platform

⁵ <https://lmd.lk/most-loved-brands-by-category/> (Accessed on 8th July 2024)

⁶ <https://lmd.lk/most-loved-brands-by-category-2/>(Accessed on 8th July 2024)

7.7. DIVERSE DIGITAL MOBILITY SOLUTIONS IN ONE PLATFORM

PickMe's comprehensive platform offers a growing range of services through a user-friendly mobile app. This includes facilitation of ride-hailing, trucking, parcel delivery, and food and grocery delivery. PickMe's commitment to innovation is reflected in its ability to identify and address market needs by expanding its service offerings via technology. PickMe's platform thrives on the integration of multiple service functionalities on one App, yielding several strategic benefits. By catering to a wider range of needs through diverse service functionalities the platform attracts and retains a larger user base. Valuable user data collected across these service functionalities provides insights that inform strategic business decisions on the platform itself. This approach also facilitates operational efficiencies by potentially streamlining processes across different categories. Additionally, the platform unlocks cross-selling opportunities by allowing the promotion of related services within the app, enhancing user engagement.

PickMe's platform categorizes its service functionalities into two main categories: Hailing and Delivery. This user-centric design simplifies access to a variety of options. Hailing services, including ride-hailing, trucks, and Flash, connect consumers with independent third-party drivers to facilitate on-demand transportation. Delivery services, encompassing the facilitation of food delivery and marketplace deliveries, connect consumers with third-party merchants and independent third-party drivers to fulfill their needs.

7.7.1. Hailing



7.7.1.1. Ride Hailing

PickMe's innovative platform transformed Sri Lanka's mobility landscape by prioritizing a seamless user experience. Through the app, consumers can request rides from a diverse fleet of independent third-party owned two-wheelers, three-wheelers, small cars, sedans, small vans, and vans, PickMe empowers consumers with a suite of features within the app, including the ability to plan trips with multiple drops, book rides for others, compare vehicle options fulfilled by independent third-party drivers simultaneously, and choose between on-demand or pre-booked rides. Live location sharing further enhances safety and communication. PickMe's commitment to continuous improvement is evident in its ongoing exploration of new features and service offerings within the ride-hailing segment.

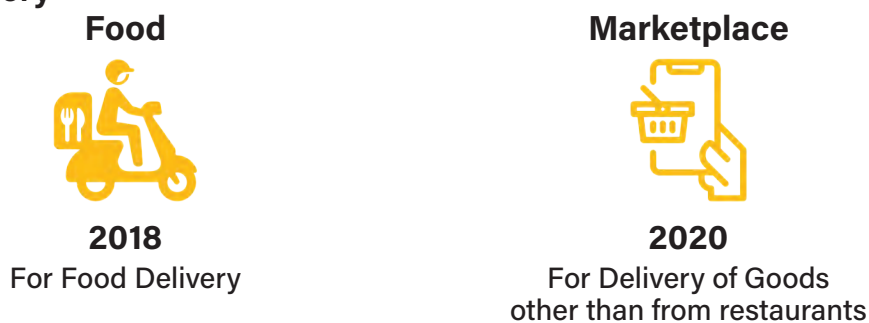
7.7.1.2. Trucks

PickMe's commitment to expanding its platform's reach and user value is evident in the 2018 launch of PickMe Trucks. The logistic functionality offers a convenient and cost-effective way for SMEs and households to manage the delivery of bulky items like building materials, furniture, and major appliances. PickMe Trucks revolutionized Sri Lanka's unorganized logistics landscape by leveraging technology to streamline the process. The platform empowers consumers with a variety of vehicle options fulfilled by independent third-party drivers, to perfectly match their delivery needs. Additionally, PickMe Trucks offers flexibility by facilitating both round-trip and one-way journeys based on consumer preference.

7.7.1.3. Flash

PickMe's FY21 launch of PickMe Flash integrated into the platform on-demand package and parcel delivery functionality. This user-friendly solution caters to a variety of needs, allowing consumers to send or receive parcels, documents, reports, food, electronics, and more, fulfilled by independent third-party drivers. PickMe Flash's platform empowers consumers to select the most appropriate option for their specific delivery needs, offering a variety of vehicle options fulfilled by independent third-party drivers. Furthermore, PickMe Flash prioritizes user experience by facilitating multiple payment options, tracking capability and convenience. By FY24, the platform facilitated over 3.5 million on-demand deliveries. PickMe's commitment to innovation identified inefficiencies within existing delivery services which could be addressed via technology, addressing a growing demand, particularly for small and medium businesses. Leveraging its robust technology platform, PickMe seamlessly integrated its existing independent third-party drivers into the delivery functionality.

7.7.2. Delivery



PickMe's platform successfully diversified its revenue streams, with the facilitation of delivery services contributing 13% to overall revenue in FY24. This segment thrives on PickMe's user-friendly platform, offering a seamless solution for consumers, independent third party merchants and independent third party drivers. PickMe platform that facilitates on-demand delivery services, currently accessible through the app in select regions, are undergoing strategic expansion to ensure island-wide availability within the next few years. The platform empowers over 3,000 unique merchants monthly,⁷ many of whom rely heavily on PickMe's technology to generate demand and fulfill orders (via independent third-party drivers) efficiently.

7.7.2.1. Food

PickMe Food, launched in 2018 through its user-friendly mobile platform, has become a leading force in Sri Lanka's online food delivery scene. Consumers can explore a wide variety of restaurants, cloud kitchens, popular food chains, and even home bakers, all at their fingertips within the app. PickMe Food prioritizes transparency with live point-to-point delivery tracking for both consumers and restaurants. This technology platform empowers consumers with features like multiple payment options, self-pickup choices, the ability to order for friends and family, driver tipping, and a restaurant rating system. Additionally, PickMe Food offers a valuable platform for emerging independent third-party restaurants seeking to expand their reach within Sri Lanka's competitive food market.

7.7.2.2. Marketplace

The Company leveraged the opportunity presented by the COVID-19 outbreak and launched the PickMe Marketplace in 2020 to facilitate the provision of essential goods to households. Replicating the technology and the mobility network of the PickMe food platform, the Company was able to quickly facilitate delivery of essentials in partnership with Sathosa and Litro Gas,

⁷ In future, Monthly figures may vary depending on the Company performance

thereafter, onboarding Glomark, Fonterra, Unilever, Hemas, CIC, Healthguard, Elephant House and many other prominent supermarket chains that provide the same instore prices on the app as well.

The Marketplace vertical has many prominent supermarkets and many local corner shops offering fruit and vegetables and other grocery products. Apart from groceries other product categories available on Marketplace include poultry, stationary, specialized baby products, electronics, pet food etc.

7.8. NURTURING ALL PLATFORM PARTICIPANTS

7.8.1. Consumers

7.8.1.1. Hailing

PickMe's platform prioritizes a consumer experience that is safe, reliable, affordable, and convenient across all its hailing services. Here's how the platform empowers consumers:



Safety

PickMe prioritizes consumer safety through its innovative platform. To ensure a secure experience from pickup to drop-off, PickMe offers several features that promote transparency and communication. Consumers can view the independent third party driver's name, license plate number, and rating before entering the vehicle. Additionally, real-time trip tracking keeps consumers informed of their progress and estimated arrival time. For added peace of mind, consumers can easily share their location and trip details with loved ones. PickMe takes safety a step further with an in-app SOS button that triggers a rapid response system in case of emergencies. Finally, a robust feedback mechanism allows consumers to rate these drivers after each trip, which helps PickMe maintain a safe and secure platform for everyone.



Reliability

PickMe prioritizes a reliable and readily available user experience. The platform achieves this by continuously monitoring key metrics indicative of user experience, such as fulfillment rates, average wait times, and the prevalence of surge pricing. To ensure a healthy supply of independent third-party drivers on the platform, PickMe utilizes various onboarding channels, from agents to self-registration. As a data-driven company, PickMe constantly invests in improving the quality and quantity of its data, which in turn fosters platform reliability. Additionally, PickMe's innovative "forward hires" feature matches consumers with independent third-party drivers finishing nearby trips, further enhancing user experience by reducing wait times.



Affordability

PickMe prioritizes affordability within the on-demand mobility landscape. This commitment extends beyond traditional car-hailing services, as evidenced by PickMe's continuous development of cost-effective solutions. Their product roadmap reflects a dedication to expanding consumer choice and value. PickMe's innovative platform leverages network effects to optimize pricing strategies based on algorithms and AI.



Convenience

PickMe prioritizes a convenient and frictionless user experience. Consumers can seamlessly pay with various flexible payment options stored securely on their mobile devices. PickMe's commitment extends beyond simply offering cashless payments. They continuously innovate to refine the hailing experience.



Access to Market

PickMe empowers small and medium-sized businesses to streamline their operations. The platform facilitates efficient and secure logistics by connecting businesses with a network of independent third-party drivers for both raw material acquisition and product distribution throughout the country.



Efficient mobility option for Corporates

PickMe offers a robust corporate mobility software platform designed to enhance business travel efficiency. This solution delivers cost-efficiency and reduces administrative burdens for companies in meeting their transportation needs via independent third-party drivers registered on the platform.

7.8.1.2. Delivery

PickMe's platform empowers consumers with a seamless delivery experience through its user-friendly and personalized app. The platform provides the following benefits consumers:



Choice

PickMe's platform empowers consumers to explore a diverse selection of restaurants and their menus with ease. Independent third-party merchants benefit from real-time menu updates, ensuring accuracy and customer satisfaction. PickMe prioritizes a streamlined onboarding process, leveraging technology to allow merchants to register quickly and efficiently.



Convenience

PickMe's platform prioritizes a smooth, personalized, and hassle-free delivery experience. By connecting consumers with a network of independent restaurants and independent third-party delivery drivers, PickMe empowers consumers to explore diverse food options and order with ease. The platform streamlines the process by storing past orders, preferences, and payment information for a seamless ordering experience. Consumers can conveniently track their order progress in real-time and even contact the third-party merchant or the independent third-party driver directly through the platform for any questions. PickMe also keeps consumers informed through status notifications and allows them to designate a secondary contact number for the independent third-party driver to contact in case the primary number is unavailable. This user-centric approach ensures that consumers get the food they want, when they want it, with minimal hassle.



Fast Delivery

PickMe prioritizes optimizing delivery times on its platform, recognizing their importance to consumer satisfaction. To achieve this, PickMe leverages the extensive independent third party driver network, streamlined operational processes within the platform, innovative technology for route optimization and driver matching, and its deep understanding of local traffic patterns and delivery challenges.

7.8.1.3. Independent third-party Drivers

PickMe’s platform empowers individuals to become independent third party drivers and access a flexible income opportunity. This model attracts those seeking to be their own boss and helps unlock underutilized workforce potential. The Company recognizes the vital role the independent third-party drivers play in the platform’s success and prioritizes fostering a positive driver experience. The platform actively gathers driver feedback from independent third-party drivers and implements improvements to enhance their experience.

PickMe’s platform connects consumers and independent third party merchants with a diverse network of independent third party drivers. As of the end of FY24, PickMe’s platform boasted a monthly unique driver base of over 75,000.⁸

PickMe provides the following benefits to the independent third-party drivers registered on its platform;



Flexible and compelling Income Generation

PickMe’s platform empowers registered independent third-party drivers to achieve sustainable earnings through a convenient and flexible work model, by connecting them with a steady stream of users seeking transportation and delivery services. The platform prioritizes driver success, and key metrics like driver earning potential on the platform are closely monitored to ensure optimal earning potential. PickMe equips these drivers with resources to manage their productivity and earnings effectively.



24/7 Call Center

PickMe prioritizes comprehensive driver support through multiple channels. This includes a dedicated 24/7 call center readily accessible for driver inquiries, especially pertaining to the functioning of the platform. The platform itself also plays a key role in providing support through features and functionalities within the app.

⁸ In future, Monthly figures may vary depending on the Company performance



Driver Safety

PickMe's platform emphasizes safety and satisfaction of independent third party drivers through a suite of innovative features. This includes functionalities designed to enhance driver well-being and security while on the platform. Additionally, the platform fosters a two-way feedback system, allowing independent third-party drivers to review users after each trip. These drivers can conveniently lodge complaints through the app or the dedicated call center. When a third-party independent driver reports a consumer who has violated PickMe's terms of service, the platform has the ability to restrict that consumer's future access.



Training & Development

PickMe prioritizes the preparedness of these independent third-party drivers through a comprehensive hybrid training program. Recognizing that these independent third-party drivers as brand ambassadors, PickMe equips them with the necessary skills to excel on the platform. This training program hones their professionalism and strengthens their mobile app literacy.



Community Support

PickMe Nena Pahana exemplifies the platform's commitment to social responsibility. This ongoing community support initiative empowers the independent third-party drivers registered on the platform by facilitating their children's educational needs.



Women Empowerment

PickMe's platform prioritizes promoting female driver participation, reflected in a 1.2x year-over-year increase in its independent third-party lady driver fleet in FY24. In order to encourage more independent third-party lady drivers on the platform, PickMe set up a dedicated lady driver unit, developed algorithms that prioritize connecting them with consumers, designed features to ensure sustainable income potential, and provided comprehensive training programs.

7.8.1.4. Independent third-party Merchants

PickMe Food and Marketplace tackles a major hurdle for entrepreneurs and small businesses – limited market access. By offering a cost-effective and convenient solution, the platform acts as a digital storefront with built-in delivery capabilities. This empowers merchants in several ways: it grants them an instant mobile presence, facilitates efficient deliveries via third-party drivers, potentially increases demand and profit margins, and equips them with valuable customer data for strategic planning.

7.9. ESG COMPLIANCE

PickMe prioritizes Environmental, Social and Governance (ESG) principles throughout its development and operations. Recognizing the importance of responsible technology solutions in facilitating an efficient mobility eco system, the company has implemented comprehensive policies to address key ESG areas. This commitment is reflected in PickMe's focus on sustainable practices, social responsibility and ethical conduct. To implement the ESG policies, the company has set up an ES Committee led by an ES Manager. The ultimate responsibility for ensuring that the ESG policies in place are effective lies with the Board.

7.9.1. Policies complied with set forth by the World Bank's International Finance Corporation

Environmental Policies

1. Corporate Environmental Policy

- o PickMe prioritizes sustainable technology practices, as outlined in its Corporate Environmental Policy. This policy emphasizes minimizing environmental impact through technology-driven solutions. The company focuses on reducing its carbon footprint across its server infrastructure, data centers, and cloud operations. Additionally, the policy promotes responsible electronic waste management and sustainable resource utilization throughout its operations. By integrating eco-friendly practices into its technological development and daily operations, PickMe strives to contribute positively to a greener future.

Social Policies

1. Occupational Health and Safety Policy

- o The company's comprehensive Safety Policy establishes rigorous standards and includes regular training programs. These initiatives aim to prevent incidents and ensure a safe working environment.

2. Community Grievance Mechanism

- o The company is committed to addressing community concerns promptly and effectively. Their Community Grievance Mechanism provides a structured process for stakeholders to raise issues, ensuring transparency, accountability, and timely resolution.

3. New Business Risk Assessment Policy

- o Prior to entering new markets or launching new services, the company conducts comprehensive risk assessments to identify potential environmental, social, and governance (ESG) impacts. This commitment to proactive ESG integration ensures these considerations are factored into strategic decision-making processes.

Governance Policies

1. Monitoring and Reporting Policy

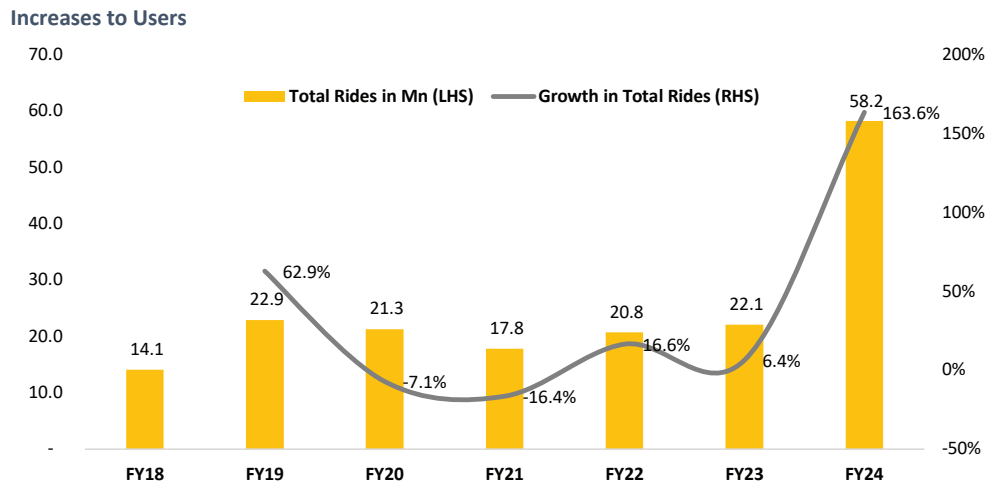
- o PickMe's Monitoring and Reporting Policy mandates regular assessments and reporting on its environmental, health, safety, and social (EHSS) systems. This comprehensive approach ensures ongoing compliance with ESG standards and continuous improvement in its practices.

7.9.2. Policies complied with set forth under Section 9 of the CSE Listing Rules

The Company is also in compliance with all the requirements and policies set forth under Section 9, including the policies under Rule 9.2.1 of the CSE Listing Rules.

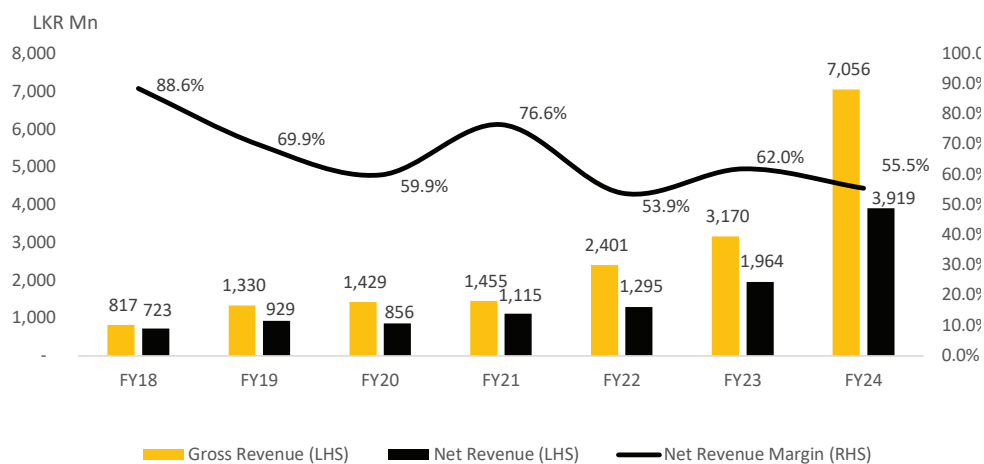
7.10. STRONG FINANCIAL PERFORMANCE DRIVEN BY PLATFORM USAGE

Figure 7-1 Rapid Growth in Rides as Platform Utility Increases to Users



From FY18 to FY24, the Company's total rides facilitated by its platform were impacted by social and economic challenges in the country. FY19 showcased a strong performance but was subsequently affected by the Easter Sunday attacks in 2019 and the COVID-19 pandemic in 2020, leading to a decrease in rides facilitated by the platform from FY20 to FY21. As economic activities bounced back from the pandemic, total rides facilitated by the platform grew by 16.6% in FY22. The year 2022 was particularly challenging due to the economic crisis in Sri Lanka, which caused a slow growth of 6.4% in rides facilitated by the platform for FY23 amid fuel rationing. However, as the economy stabilized in 2023, the Company's rides facilitated by its platform increased by 163.6% to 58.2 Mn in FY24, demonstrating a strong recovery supported by the economic rebound.

Figure 7-2 Strong Growth in Gross Revenue and Net Revenues Supported by Growth in Rides

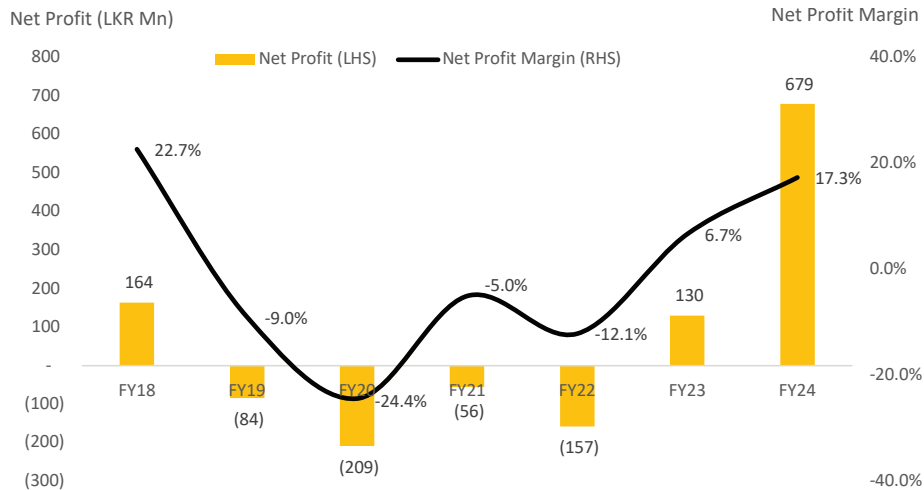


The net revenue is derived after deducting the driver incentives and consumer discount programs the Company offers to increase the engagement of independent third-party drivers and consumers on the platform, which would in turn impact the volume of rides facilitated via the platform. Hence, any increase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

During the period FY20-FY23, the Company strategically managed its driver incentives and consumer discounts to increase their engagement on the platform and to support both independent third-party drivers and consumers to mitigate the impact from economic challenges. Hence, driver incentives and consumer discounts remained elevated from fiscal year FY20 to FY22. FY23 marked a rebound with increased Gross revenue and Net Revenue, and reduced

incentives, reflecting the Company's adjustment to improved economic conditions and a focus on profitability. Improving domestic economic conditions in the second half of 2023 further supported growth in Gross revenue and Net Revenues. FY24 resulted in the Company recording a record growth of 122.6% in Gross revenue (LKR 7 Bn) and 100% in Net Revenues (LKR 3.9 Bn).

Figure 7-3 Growth in Revenues Positively Impacts the Profitability of the Company due to Operating Leverage



Profitability remained a key focus as the Company navigated through periods of adversity and recovery. In FY18, the Company achieved its first operating profit of LKR 148 Mn and a net profit of LKR 164 Mn, supported by increasing usage of its platform services. However, the Easter Attacks in 2019, the Covid-19 pandemic in 2020, and subsequent social and economic challenges made it difficult for the Company to scale its operations and achieve operating profitability. Nevertheless, FY23 signaled a strong financial recovery. A combination of rebounding ride growth facilitated via the platform and strategic management of incentives/discounts, as the economy improved, culminated in a return to profitability with a notable increase in net profit. As the economy continued to improve and demand for platform services remained robust, the Company achieved a record operating profit of LKR 925 Mn and a net profit of LKR 679 Mn in FY24, representing year-on-year growth of 6252% and 421% from LKR 15 Mn and 130 Mn in FY23 respectively.

Strong Balance Sheet Position of the Company to Support Future Growth

Table 7-1 Balance Sheet Items

	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Debt/Equity (times)	0.33	0.20	0.74	0.29	0.20	0.26	0.10
Debt (without leases)/ Equity (times)	0.33	0.20	0.50	0.16	0.17	0.25	0.00
Interest Cover (times)	20.6	(13.0)	(5.8)	0.8	(9.2)	0.30	21.8
Current ratio (times)	1.52	2.57	1.35	2.38	1.87	1.38	1.80
Cash and Cash Equivalents (LKR Mn)	44	650	381	873	607	691	1,164
Net Working Capital (LKR Mn)	87	582	174	596	339	251	700
Return on Average Equity	86.8%	-17.2%	-30.0%	-6.8%	-16.2%	13.4%	48.5%

The Company has demonstrated prudent financial management and operational stability in a challenging economic environment. Over the last two fiscal years, the company's Equity ratio has remained modest, with FY23 at 0.25 and FY24 at 0.003 (Please refer Note 17 under annexure E for more details on debt). The Current Ratio stood at 1.38 in FY23 and 1.80 in FY24, consistently maintaining a level above 1, which signals the Company's ability to meet short-term liabilities with liquid assets. The cash position, which included Short-Term Investments, has shown positive trends with LKR 691 Mn in FY23 and LKR 1,164 Mn in FY24, reflecting a solid balance of cash reserves essential for sustaining operations and pursuing growth initiatives.

7.11. FUTURE STRATEGIES

PickMe has established itself as a leading force in Sri Lanka's evolving mobility ecosystem by pioneering innovative solutions through its technology platform. The company's commitment to continuous development fuels its exploration of new opportunities, as detailed below.

1. Island wide expansion of all service verticals within the next two years.

PickMe's ride-hailing platform, currently operational in over 13 districts including Colombo, is a leading example of its technological solutions within Sri Lanka's transportation sector. The company has ambitious plans to expand its full range of services island-wide within the next two years. This expansion will not only benefit consumers by providing greater access and affordability but also contribute to the growth of rural economies and e-commerce in the country, all facilitated by PickMe's innovative technology platform.

2. Facilitating new low-cost transportation options via the platform

PickMe's innovative platform has transformed Sri Lanka's on-demand mobility landscape by introducing a suite of solutions, including ride-hailing and, most recently, bike-hailing. This latest addition has become the platform's fastest-growing segment. PickMe identifies an opportunity to revolutionize mobility through technology by offering affordable and accessible options that drive user engagement.

3. Facilitating third-party financial services and payment solutions via the App

PickMe's core competence is the power of its distribution network, given that its app is available on many people's smart phones. The Company plans to leverage this distribution network to facilitate third-party financial services and payment solutions for its user base. This initiative would be a natural extension to the current product offering and strengthen user loyalty and stickiness, giving the Company a competitive edge while facilitating the bringing of more people into the formal financial system, and reducing the cost of transacting in physical cash.

4. Internationalization Strategy

There is a significant opportunity within the ride hailing and mobility space in smaller niche markets that are overlooked by major players. The Company plans to leverage its technology platform and its domain expertise to provide solutions to such markets. For example, PickMe has provided its technology to launch ride hailing in Nepal under the brand name "Jum Jum", in collaboration with a dominant local player in the Fintech space in Nepal.

8. CORPORATE STRUCTURE

8.1. THE BOARD OF DIRECTORS OF PICKME

The Board of Directors of PickMe endeavors to provide leadership through effective formulation of strategies, policies, and procedures to realize the objectives of the Company. The Board assumes ultimate responsibility for corporate governance within the Company. As at the date of this Prospectus, the Board comprises nine (09) Directors of whom two (02) are Executive Directors and the remaining seven (07) are Non-Executive Directors, four (04) of whom are Independent. Board members are established professionals in their respective fields, collectively providing the diversity and balance of skills for effective stewardship.

Table 8-1 The Board of Directors of PickMe

Name	Designation
Ajit Damon Gunewardene	Chairman, Non-Independent Non-Executive Director
Jiffry Zulfer Hassen	CEO, Non-Independent, Executive Director
Ruchi Hubert Gunewardene	Non-Independent, Non-Executive Director
Francisco Kankanamalage Conrad Prasad Niroshan Dias	Non-Independent, Non-Executive Director
Tasnim Khairul Salie	Non-Independent, Executive Director
Joseph Gabriel Travis Roche	Independent Non-Executive Director
Mano Rajakariar	Independent Non-Executive Director
Professor Amal Kumarage	Independent Non-Executive Director
Roger Keith Modder	Independent Non-Executive Director

8.2. PROFILES OF THE BOARD OF DIRECTORS



Jiffry Zulfer Hassen

Jiffry Zulfer is the founder and Chief Executive Officer of PickMe. He is an entrepreneur counting 25 years of founding and successfully running several technology-based ventures. Zulfer is a favourite among the pioneers of the local ICT space. Zulfer received the Silver Award under the Extra-Large Category, at the FCCISL Entrepreneur of the Year Award 2018. Crediting his talent as a driving force in technopreneurship.

Zulfer was previously awarded the ICTA Young IT Professional Award (May 2006) and FCCISL Young Entrepreneur of the Year Award (April 2004).



Ajit Damon Gunewardene

Ajit Gunewardene is the Founder & CEO of Bluestone Capital Private Limited. He was the Deputy Chairman of John Keells Holdings PLC and was a member of the Board for over 24 years. In addition to this he was the Chairman of Union Assurance PLC, a leading life insurance provider in Sri Lanka, and Nations Trust Bank. He is currently the Chairman of Fintrex Finance Ltd and Ingame Entertainment Ltd which

is a pioneer in esports in Sri Lanka. He has also served as the Chairman of the Colombo Stock Exchange and a member of the Board of the BOI. Ajit has a degree in Economics and brings over 40 years of management experience.



Ruchi Hubert Gunewardene

Ruchi is a brand and marketing specialist with over 40 years of experience across diverse sectors and has worked on hundreds of projects involving brand strategy, positioning, architecture, return on marketing investment and performance tracking among other assignments. He was an Angel Investor of PickMe and is currently the Chairman of Brand Finance Lanka and Chief Executive of STING Consultants. Prior to setting up his consultancy business, Ruchi worked as Brand Manager at Reckitt Benkiser, Client Services Director at J Walter Thompson, Marketing Manager at GSK Consumer Products and Country Manager of The Coca-Cola Company. He graduated in Biological Sciences with a Microbiology specialisation from University of Bath, UK. Ruchi uses his extensive experience to bring clarity on how business value can be created through a company's key intangible asset - brands.



Conrad Dias

Conrad Dias - Director - LOLC Holdings PLC, Chairman - LOLC Finance PLC and Chairman of LOLC Technology Limited Counts over 3 decades of experience and possesses domain expertise in sectors such as Trading, Banking and Finance, Assets Management, and Manufacturing. In recognition of his contributions to the LOLC Group and the local IT Industry as a whole, He was awarded the CSSL CIO of the Year in 2016. He was also awarded the Professional Excellence Award 2017 at the event organized by the Institute of Certified Management of Accountants of Sri Lanka. His previous tenures include Group CIO of LOLC Holdings PLC and Hirdaramani Group of Companies, AVP of Vanik Incorporations Limited, and Systems Manager Eagle NDB Fund Management Company Limited. He holds a Master of Business Administration from the University of Leicester and is a Fellow of the Chartered Institute of Management Accountants, a Chartered Global Management Accountant and a Fellow of the British Computer Society, and a Fellow member of Certified Management Accountants of Sri Lanka. He has been also selected as one of the 11 inductees of the world for the CIO hall of fame and CIO 100 honoree for the year 2020 the only Sri Lankan to get this accolade and the CIMA top 50 ICONS in the year 2021.



Joseph Gabriel Travis Roche

Travis Roche is currently the Chief Financial Officer of the Hitachi Channel Solutions group, which has its headquarters in Sri Lanka and Subsidiaries in the Philippines. He accounts for 20 years' experience in the field of Finance and has industry experience in Manufacturing, finance sector and Software Development. Before joining Hitachi, he was the Accountant at Brandix Lanka Ltd, which is one of the largest garment exporters in Sri Lanka. He accounts for 5 years' experience in the Auditing sector where he was involved with Ernest and Young Chartered Accountants and has diverse experience in auditing various industry segments mainly manufacturing, insurance, finance & leasing, leisure sector & airlines. Travis is a Fellow member of the Institute of Chartered Accountants of Sri Lanka, an Associate Member of the Certified Management Accountants of Sri Lanka and holds an MBA in finance from the University of Southern Queensland, Australia.



Tasnim Khairul Salie

Tasnim Salie has over 17 years of experience in investment analysis, corporate finance and equity research. At PickMe she heads Corporate Finance. Prior to joining PickMe she was a Vice President – Investment Research at Moody's Analytics Knowledge Services. She was supporting an international equity specialist (a buy-side client) based in UK. Subsequent to taking up the role of team lead, she oversaw and managed multiple teams of offshore research associates, supporting international asset managers based in UK. She also worked as an investment Analyst – Corporate finance at Asia Capital Plc. Tasnim is a Chartered Financial Analyst (CFA) and holds a Master of Business Administration from the Postgraduate Institute of Management. She is also an Associate Member of the Chartered Institute of Management Accountants (UK) and Fellow Member of Association of Chartered Certified Accountants (UK).



Mano Rajakariar

Mano Rajakariar boasts a distinguished career spanning three decades and was the CFO at South Asia Gateway Terminals (SAGT), where he held pivotal roles within the executive committee and senior management. Prior to joining SAGT, he was an Executive Vice President and Group Financial Controller of John Keells Holdings PLC (JKH) and had a tenure at Coopers and Lybrand (PWC) where he garnered experience in audit and financial advisory services. Mano holds prestigious qualifications from The Institute of Chartered Accountants (CA), Sri Lanka and CIMA UK, and is a Fellow member of both institutions bringing a wealth of knowledge and expertise to the table. Additionally, his active involvement in professional and community initiatives, includes him serving on the Ethics Committee at CA Sri Lanka and holding non-executive independent board positions at Alumex PLC and Hayleys Fibre PLC.



Professor Amal Kumarage

Prof. Amal Kumarage, possesses over 30 years of experience in the transport sector having held leadership roles in academia and professional societies, including President of the Sri Lanka Society of Transport & Logistics and the Chairman of the Chartered Institute of Logistics and Transport. He has been the International Vice-President of EASTS and CLIT International. He is an Emeritus Professor at the University of Moratuwa and has extensive experience advising the Ministry of Transport and chairing the National Transport Commission multiple times and is renowned for his contributions to transportation planning, policy formulation, and infrastructure development. He has also engaged in consultancy for global entities like the World Bank and the Asian Development Bank. A holder of a B.Sc. in Engineering from the University of Moratuwa and a Ph.D. from the University of Calgary, Prof. Kumarage is a Chartered Engineer and Fellow of the Chartered Institute of Logistics & Transport.



Roger Keith Modder

Keith Modder is a distinguished global business leader with over three decades of experience in driving organizational excellence and fostering innovation. With a keen focus on empowering teams to achieve best in class performance, he has played instrumental roles in scaling businesses and navigating through complex global markets. As the former Chief Operating Officer of Virtusa Inc. USA from 2001 to 2022, Keith was a key member of the Team that took Virtusa public on the Nasdaq in 2017 and scaled it into a global IT consulting and Service Company with over 30,000 Team members. The company was subsequently acquired by Barings Capital for US\$ 2.1 billion.

8.3. THE BOARD OF DIRECTORS OF PICKME

Table 8-2 Other Directorships held by the Directors of PickMe

Name	Other Directorships Held
Ajit Damon Gunewardene	<ul style="list-style-type: none"> • Fintrex Finance Ltd – Chairman • Ingame Entertainment (Pvt) Ltd – Chairman • Teejay Lanka PLC – Chairman • Bluestone Capital (Pvt) Ltd – Chairman • Bluestone 1 (Pvt) Ltd – Chairman • Bluestone 2 (Pvt) Ltd – Chairman • Bluestone 3 (Pvt) Ltd – Chairman • Bluestone 4 (Pvt) Ltd – Chairman • Giga Foods (Pvt) Ltd – Chairman
Ruchi Hubert Gunewardene	<ul style="list-style-type: none"> • Brand Finance Lanka (Pvt) Ltd – Chairman • Strategic Initiatives Group (Pvt) Ltd – Chief Executive Officer
Francisco Kankanamalage Conrad Prasad Niroshan Dias	<ul style="list-style-type: none"> • LOLC Holdings PLC – Director • LOLC Finance PLC – Chairman • LOLC Technology Limited – Chairman • Fusion X Global FZC – Director • I Pay Ceylon (Pvt) Ltd – Director • I Pay Global FZC – Director • LOLC Asia Private Limited – Director • LOLC Cambodia PLC – Director • LOLC Finance Philippines Inc – Director • LOLC Myanmar Microfinance Company Limited – Director • oDoc (Pvt) Limited – Director • Pak Oman Micro Finance Bank – Director • PT LOLC Management Indonesia – Director • Serandib Micro – Insurance PLC – Director • Oxygen House (Pvt) Limited – Director • SANASA Development Bank PLC – Director
Joseph Gabriel Travis Roche	<ul style="list-style-type: none"> • Hitachi Digital Payment Solutions Ltd. (Sri Lanka) – CFO and Director • Hitachi Channel Solutions (Philippines) – Director • Megalink Solutions (Philippines) – Director
Mano Rajakariar	<ul style="list-style-type: none"> • Alumex PLC – Independent Non-Executive Director • Hayleys Fibre PLC – Independent Non-Executive Director
Professor Amal Kumarage	<ul style="list-style-type: none"> • Translog Consulting (Pvt) Ltd – Chairman • Integrated Enterprysis (Guarantee) Ltd – Director
Roger Keith Modder	<ul style="list-style-type: none"> • Sampath Bank PLC – Director • Keystone (Pvt) Ltd – Executive Board Member • Lariam (Pvt) Ltd – Director

8.4. DIRECTORS' INTEREST IN SHARES

The Directors direct shareholding in PickMe, as at the date of submission of this prospectus are tabulated below.

Table 8-3 Directors Shareholding in PickMe

Name	Number of Shares Held	Percentage of Shareholding
Jiffry Zulfer Hassen	119,300,000	35.79%
Ajit Damon Gunewardene	31,465,717	9.4%
Ruchi Hubert Gunewardene	8,528,351	2.6%
Tasnim Khairul Salie	4,800,000	1.4%
Roger Keith Modder	2,777,778	0.8%

8.5. SALE AND PURCHASE OF PICKME SHARES BY DIRECTORS

Within the immediately preceding financial year the following share based transactions were carried out by appointed directors of the Company.

Table 8-4 Sale and Purchase of Shares by Directors

Name of the Director	Date of the Transaction	Numbers of Shares Purchased	Purchase Price
Roger Keith Modder	20 th May 2024	2,777,778	36.00

8.6. DIRECTORS' INTERESTS IN ASSETS

None of the Directors of PickMe has any interest in any assets acquired, disposed or leased by the Company during the two years preceding the date of this Prospectus and will have no interest in any assets proposed to be acquired, disposed or leased at least in the two years succeeding the IPO.

8.7. DIRECTORS' INTERESTS IN CONTRACTS

Directors of PickMe do not have material interest in any contracts or arrangements relating to the business of the Company that are in force as at the date of this Prospectus.

8.8. STATEMENT - BOARD OF DIRECTORS

None of the Directors of the Company has been subject to:

- A petition under any bankruptcy laws filed against him / her or any partnership in which he/she was a partner or any corporation of which he/ she was an executive officer; or
- Conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification from serving as a director.

8.9. CORPORATE GOVERNANCE PRACTICES

The Board of Directors of PickMe holds the view that Corporate Governance is a cornerstone for long-term sustainability, enhancing the value of the Company for stakeholders through ethical business practices and high standards of conduct. The Board has primary responsibility for managing the affairs of PickMe in a fair and transparent manner and ensures that best practices in Corporate Governance are strictly complied with. The Board is aware of its responsibility to appropriately disclose timely and accurate information regarding the Company's financial performance.

The Board, being responsible for the Company's Corporate Governance, maintains oversight of management's commitment to the long-term interests of its stakeholders. PickMe believes that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance and achieves this through the careful selection and continuation of a well-balanced and diversified Board.

Taking into account best practices in Corporate Governance, the Board has delegated certain responsibilities to the following sub-committees of the Board. The Committees deal with relevant issues according to their Terms of References and make appropriate reports and recommendations to the Board.

- Audit Committee
- Related Party Transactions Review Committee
- Remuneration Committee
- Nominations and Governance Committee

8.9.1. Audit Committee

The Audit Committee (AC) is responsible for overseeing the preparation, presentation, and adequacy of disclosure in the financial statements of the Company in accordance with Sri Lanka Accounting Standards, the Companies Act, and relevant regulatory requirements. The AC also oversees the Internal Audit function and ensures that a strong internal control environment is maintained through an effective internal audit process. It is also responsible for risk management systems of the group and making recommendations to the Board pertaining to appointment, re-appointment and removal of external auditors, for recommending their remuneration and for assessing their independence and performance in the role they perform.

The AC comprises three (03) Independent, Non-Executive Directors and two (02) Non-Independent, Non-Executive Director. The Chairman of the Committee is a qualified senior finance professional who possesses a recognised accounting qualification and is a member of a recognised professional accounting body.

Table 8-5 Audit Committee

Name of Director	Designation
Mano Rajakariar	Chairperson Independent Non-Executive Director
Prof. Amal Kumarage	Independent Non-Executive Director
Joseph Gabriel Travis Roche	Independent Non-Executive Director
Ruchi Hubert Gunewardene	Non-Independent Non-Executive Director
Francisco Kankanamalage Conrad Prasad Niroshan Dias	Non-Independent Non-Executive Director

8.9.2. Related Party Transactions Review Committee

The Related Party Transaction Review Committee (RPTRC) is responsible for overseeing the process for identifying all related parties promptly, capturing and monitoring Related Party Transactions (RPTs) and ensuring RPTs are not undertaken on more favourable terms than are available to non-related parties under similar circumstances. The RPTRC reviews non- recurrent RPTs before they are undertaken and refers RPTs for Board consideration where it considers that they require Board approval. Where necessary the committee shall request shareholder approval for select transactions with related parties and ensure the appropriate disclosure of all such matters in the Annual Report and by way of market announcements (as applicable).

The RPTRC comprises two (2) Non-Executive Directors and one (01) Non-Independent Non-Executive Director.

Table 8-6 Related Party Transaction Review Committee

Name of Director	Designation
Mano Rajakariar	Chairperson Independent Non-Executive Director
Ruchi Hubert Gunewardene	Non-Independent Non-Executive Director
Joseph Gabriel Travis Roche	Independent Non-Executive Director

8.9.3. Remuneration Committee

The Remuneration Committee (RC) operates within the terms of reference approved by the Board of Directors and assists the Board to ensure that the remuneration policies of the Company align with its objectives. The Remuneration Committee is primarily involved in the recommendation of remuneration of the Chairman and Non-Executive Directors of the Board and remuneration policy relating to Executive Directors, Chief Executive Officer and key management personnel of the Company. Further, the Remuneration Committee / RC ensures that proper succession plans are in place and provides recommendations on key HR decisions relating to key management personnel/ corporate managers and HR policies governing other staff. The RC also approves the HR Annual Budget along with proposed training and development programmes, action plans and HR strategies.

Emoluments paid in the form of salaries, bonuses, fees, post-employment benefits, allowances and/or profit-sharing payments to the Executive Directors and Corporate management during FY24 amounted to LKR 76.5m.

The Remuneration Committee consists of two (02) Independent Non-Executive Directors and two (02) Non-Independent Non-Executive Directors.

Table 8-7 Remuneration Committee

Name of Director	Designation
Roger Keith Modder	Chairperson Independent Non-Executive Director
Ajit Damon Gunewardene	Non-Independent Non-Executive Director
Prof. Amal Kumarage	Independent Non-Executive Director
Francisco Kankanamalage Conrad Prasad Niroshan Dias	Non-Independent Non-Executive Director

8.9.4. Nominations and Governance Committee

The Nominations and Governance Committee (NGC) has an enlarged scope with Governance being included in its remit and replaces the Board Nomination Committee. The NGC is responsible for establishing and implementing procedures to identify and recommend to the Board the appointment of new Directors and new Key Management Personnel, and to consider and make recommendations to the Board for continuation in office of existing directors, setting criteria such as qualifications, experience and key attributes required. It will also evaluate and recommend to the Board, Corporate Governance practices that should apply and exercise general oversight with respect to the governance of the Company.

The NGC comprises of two (02) Independent Non-Executive Directors and two (02) Non-Independent Non-Executive Directors.

Table 8-8 Nominations and Governance Committee

Name of Director	Designation
Roger Keith Modder	Chairperson Independent Non-Executive Director
Mano Rajakariar	Independent Non-Executive Director
Francisco Kankanamalage Conrad Prasad Niroshan Dias	Non-Independent Non-Executive Director
Ajit Damon Gunewardene	Non-Independent Non-Executive Directors

8.10. EMPLOYEES AND CORPORATE MANAGEMENT TEAM OF PICKME

The Corporate Management team is vital in ensuring the Company's continued growth and success. The team consists of well-qualified individuals, whose experience and dedication supports achievement of what is required of them and delivers quality service to the users of the platform.



Gayath Ratnayake
Chief Technology Officer

B.Sc. in Engineering and Telecommunication and a
M.Sc. in Telecommunication from the University of Moratuwa.

Gayath is a Technology Leader with over 16 years of experience in the IT industry specializing in Software Engineering. At PickMe, Gayath is responsible for overseeing the technical strategy and direction of the organization driving innovation, managing technological resources, and ensuring the successful execution of the technical projects. Before PickMe, Gayath held the position of Director Engineering at ASAPP and has also held significant positions at LSEG Technology, an extension of London Stock Exchange Group (LSEG), where he started as an Associate Vice President - Software Engineering and went on to hold the positions of Head of Engineering Productivity and finally, as Head of Cloud Engineering and Productivity respectively.



Isira Perera
Chief Operating Officer

MSc in Information Technology, BSc in Business Studies, DipM ACIM, PMP, and CSM.

Isira possesses over two decades of business experience in product development, general management, marketing, project management, sales, and operations.

Prior to joining PickMe, Isira was heading mobile money and international remittances at Dialog Axiata PLC, Sri Lanka's premier connectivity provider. He has held several leadership positions at Dialog and was a key member of the team who launched eZ Cash, Dialog Axiata's flagship mobile money platform. He has also worked for IFS and Informatics as an ERP specialist.



Maduranga Kulathilaka
Chief Financial Officer

MSc in Financial Mathematics from the University of Colombo and holds a BSc in Engineering, Textile, and clothing Technology from the University of Moratuwa. Is an associate member of the Chartered Institute of Management Accountants (UK).

Maduranga joined PickMe in March 2022 and brings in over 15 years of experience in strategic and corporate finance gleaned by working in multiple diverse enterprises. He has held positions of leadership and responsibility in several leading conglomerates in the country.

Before joining PickMe, Maduranga was the Head of Finance and Strategy - Dialog Digital Services at Dialog Axiata PLC by overlooking corporate planning, business intelligence, performance management, and operational finance functionalities of all Digital Services businesses of the Group including multiple strategic business units and digital subsidiaries.



Mohan Gamage
Chief Marketing Officer

MBA, from the University of West London, a Professional Post Graduate Diploma in Marketing from the CIM - UK, as well as an Advanced Diploma in Teaching Training and Assessing Learning from City and Guilds - UK.

Mohan is a skilled and experienced marketing and business professional with a proven track record of 14 years of successful managerial experience in both large corporations and startups. He has held leadership positions at Upfield, Uber, GSK and Reckitt. He is an expert in Marketing and Brand Strategy, Lifecycle Marketing, Operations, Marketplace Management and Sales. Mohan heads Brand and Product Marketing, PR and Policy, Business Intelligence, PickMe Pass and Customer Lifecycle Management at PickMe.



Lydia Mascarenhas
Chief Human Resources Officer

Professional Qualification in Human Resource Management from the Chartered Institute of Personnel Management Sri Lanka, Post Graduate Diploma in Human Resource Management from the University of Colombo and a Masters' Degree in Business Management from Buckinghamshire New University, UK. She is a Member of the Institute of Chartered Professional Managers Sri Lanka and a Member of the Chartered Institute of Personnel Management Sri Lanka.

Lydia has over 15 years of corporate executive, Operational and Human Resource experience in various industries, including Engineering services, Education and Shared Services. Lydia's expertise includes talent management, organizational development, and leadership and management development.



Mohamed Fazly Pasha
Chief Information Security Officer

BSc. (Hons) in Computing (Information Systems) from University of Greenwich UK, PMI-ACP - PMI Agile Certified Practitioner and ACS Examination in Computing conducted by the Australian Computer Society.

Fazly has around three decades of experience in the IT Industry spanning IT Security, IT Operations, IT Infrastructure Management, Software Development, Process Management, and Projects Delivery. He has worked in leading tech companies both locally & internationally. He has over a decade of experience at Virtusa in IT Process Management, Project Management, and Program Management. He has played multiple leadership roles including Head of Process and Quality of Virtusa Sri Lanka, Director Delivery, Head of the Engineering Division (Acting CTO) / Delivery at PickMe, Head of Enterprise IT and Head of IT Security at PickMe and is currently driving initiatives around Security Culture, Security Governance, Cyber Risk Management, and Cyber Resilience.

8.11. CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of PickMe has not been involved in any of the following:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer; or
- A conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

9. CAPITAL STRUCTURE

9.1. STATED CAPITAL

The Stated Capital of the Company as at date of the prospectus is **LKR 1,573,085,377** which constitutes monies received by the Company from the issue of **Series A Preference Shares, Series B Preference Shares and Ordinary Voting Shares**. In addition, the Company has issued **Ordinary Non - Voting Shares** as part of its Employee Share Option Scheme (ESOP) and these shares were vested with employees upon them completing certain performance criteria. Through a reorganization of the share capital, the Company converted all classes of preference shares and Non-Voting Ordinary Shares to Ordinary Voting Shares, please refer 9.1.1 for more details on the share capital reorganization. The total number of issued ordinary voting shares of the Company is 333,323,673 (as at the date of the Prospectus).

Table 9-1 Pre and Post IPO Top 10 Shareholders

#	Top 10 Shareholders	No. of Shares Pre IPO	Share-holding (%)	No. of Shares Post IPO	Share-holding (%)
1	Jiffry Zulfer Hassen	119,300,000	35.79%	119,300,000	35.79%
2	International Finance Corporation	47,300,390	14.19%	24,999,275	7.50%
3	Ajit Damon Gunewardene	31,465,717	9.44%	31,465,717	9.44%
4	LOLC Technologies Limited	31,110,782	9.33%	31,110,782	9.33%
5	Interblocks Holdings Pte Limited	24,222,672	7.27%	8,477,935	2.54%
6	H Capital (Private) Limited	11,415,051	3.42%	8,561,288	2.57%
7	Krishan Niraj Jayasekara Balendra	9,619,323	2.89%	9,619,323	2.89%
8	Ruchi Hubert Gunewardene	8,528,351	2.56%	8,528,351	2.56%
9	Invenco Capital Private Limited	8,333,092	2.50%	8,333,092	2.50%
10	Shifaz Riyaz	6,600,000	1.98%	6,600,000	1.98%
	Other Shareholders	35,428,295	10.63%	76,327,910	22.9%
	Total	333,323,673	100%	333,323,673	100%

9.1.1. The Reorganization of the share Capital of the Company

The shareholding structure of the Company referred to in Section 9.1 above is a result of a reorganization of the share capital carried out by the Company in preparation of the listing of its shares on the Colombo Stock Exchange, as more fully described hereunder (the "Capital Reorganization"). Prior to the Capital Reorganization, the Company had four different classes of shares in issue, namely, Series A Preference Shares, Series B Preference Shares, Ordinary Non-Voting Shares and Ordinary Voting Shares. The details of such classes of shares are as follows:

Table 9-2 Classes of Shares prior to conversion

Share Class	Number of Shares
Series A Preference Shares	14,423,356 ⁹
Series B Preference Shares	33,827,680
Ordinary Voting Shares	244,760,000
Non - Voting Shares	5,383,189

Series A Preference Shares

The Company had 14,423,356 Series A Preference Shares in issue prior to the Capital Reorganization, each issued at a subscription price of Forty-Eight decimal Zero Five Sri Lankan Rupees (LKR 48.05). Series A Preference Shares were issued under and in terms of the Subscription Deed dated 24th May 2018.

Series B Preference Shares

The Company had 33,827,680 Series B Preference Shares in issue prior to the Capital Reorganization, each issued at a subscription price of Fourteen decimal Zero Four Sri Lankan Rupees (LKR 14.04). Series B Preference Shares were issued under and in terms of the Subscription Deed dated 30th June 2020.

Ordinary Non - Voting Shares

The Ordinary Non-Voting Shares arise from the previous ESOP of the Company. Under this plan, the Company had approval for the issuance of 6,605,495 Ordinary Non-Voting Shares to identified employees. Out of the total allocation, the Company has granted and issued 5,383,189 shares to employees. The consideration for the issuance of Ordinary Non-Voting Shares to the grantees upon the vesting of such shares is non-cash consideration (i.e. services rendered by them to the Company). The said plan has been terminated and the balance ESOP shares of 1,222,306 have been cancelled off as per the provisions of the scheme.

Relevant provisions of the previous ESOP:

- Shares do not confer any right to vote at a meeting of the Company on any resolution, whether on a poll or otherwise (Clause 2.3 (b) of the Plan).
- 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 (Clause 2.2 of the Plan).
- The Shares issued/transferred to an employee consequent to the exercise of an option shall automatically convert into ordinary shares of the Company upon the listing of the Company's ordinary shares on a publicly traded stock exchange (Clause 2.3 (e) of the Plan)
- Employees may freely dispose of their shares following a listing, subject to lock-ins imposed by CSE SEC and other legal and regulatory requirements applicable (Clause 6.4 of the Plan).
- In the event that the Company resolves to list its shares on a publicly traded stock exchange during such Exercise Period, the Company shall provide the relevant employee with notice thereof and he/she shall have a period of one (01) month within which to exercise the Option – failing which, the Option shall automatically be deemed to have been waived by the employee and cancelled as at the end of such period (Clause 5.3 of the Plan).

⁹ On 17th November 2023, the outstanding Series A Preference shares of the Company of 14,423,356, was subdivided on the basis of 3.4217 shares for each share. Post sub division the resultant number of shares were 49,352,804 (If Series A shares are multiplied by the subdivision ratio it will not add up to the post subdivision number of shares due to rounding off differences of the proportion considered).

In order to facilitate the share listing process, the Company proposed to reorganize its share capital prior to the listing so that the Company has only one class of shares, namely, Ordinary Voting Shares which would confer on the holder of each such ordinary voting share the following rights:

- right to one vote on a poll at a meeting of the Company on any resolution;
- the right to an equal share in dividends paid by the Company; and
- the right to an equal share in the distribution of the surplus assets of the Company on liquidation.

Accordingly, the Company carried out the capital reorganization by:

- i. subdividing Series A preference shares according to the rights attached as per the Company's previous Articles of Association, and thereafter
- ii. reclassifying the Series A and B preference shares and Non-Voting Preference shares as 'Ordinary Voting Shares' under Section 99 of the Companies Act.

Sub-division of Series A Preference Shares and modification of rights attached to the share

As per the previous Articles of Association of the Company, immediately prior to an IPO, series A shares are compulsorily convertible to Ordinary Voting Shares and if the conversion of Series A Shares into Ordinary Voting Shares is not on a 1:1 basis, such conversion shall be effected by way of a sub-division of the Series A Shares into such number of Series A Shares as is equivalent to the number of Ordinary Voting Shares that the Series A Holder is entitled to receive based on such conversion ratio and thereafter a modification of the rights attached to such Series A Shares to be consistent with and equivalent to the rights attached to Ordinary Voting Shares so that the shares held by the Series A Holder shall rank equal to and pari passu with the Ordinary Voting Shares of the Company.

In the Series B capital raised by the Company in August 2020, the valuation of the Company was lower than that of the Series A valuation, and as such, the Series A Shareholders are, as per the rights reserved to them under the Series A Subscription Deed and the previous Articles of Association of the Company, entitled to have their respective Series A Preference Shares converted to Ordinary Voting Shares at an adjusted Series A Conversion Price to reflect the said lower valuation of series B capital raise. The Series A Conversion Price, based on the Series B investment and issuance price, is stipulated as Rupees Fourteen and Four Cents (LKR 14.04). As such the conversion factor to Ordinary Voting Shares is 3.4217. Therefore, on 17th November 2023 the Company subdivided its series A preference shares in the following manner to arrive at the equivalent number of Ordinary Voting Shares the Series A holder is entitled to receive:

Table 9-3 Subdivision of Series A Shares

Number of Series A Preference Shares	Sub - Divided into	No. of Shares After the Sub-division
14,423,356	1 : 3.4217	49,352,804 ¹⁰

Subsequent to the subdivision of series A Preference shares, the Company modified rights attached to such Shares on 11th April 2024 to be consistent with and equivalent to the rights attached to Ordinary Voting Shares.

¹⁰ On 17th November 2023, the outstanding Series A Preference shares of the Company of 14,423,356, was subdivided on the basis of 3.4217 shares for each share. Post sub division the resultant number of shares were 49,352,804 (If Series A shares are multiplied by the subdivision ratio it will not add up to the post subdivision number of shares due to rounding off differences of the proportion considered).

Reclassification of Series B shares to Ordinary Voting Shares

As per the previous Articles of Association of the Company, immediately prior to an IPO, series B shares are compulsorily convertible to Ordinary Voting Shares and if the conversion of Series B Shares into Ordinary Voting Shares is on a 1:1 basis, such conversion shall be effected by way of a modification of rights attached to Series B Shares to be consistent with and equivalent to the rights attached to Common Shares so that the shares held by the Series B Holder shall rank equal to and pari passu with the Common Shares and shall henceforth be Ordinary Voting Shares. Therefore, on 17th April 2024 the Company modified the rights attached to its series B preference shares to rank them equal to Ordinary Voting Shares of the Company

Table 9-4 Reclassification of Series B Shares

Number of Series A Preference Shares	Sub - Divided into	No. of Shares After the Sub-division
33,827,680	1 : 1	33,827,680

Reclassification of Non-Voting Shares to Ordinary Voting Shares

As per the previous Articles of Association of the Company, immediately prior to an IPO, Ordinary Non-Voting shares are compulsorily convertible to Ordinary Voting Shares and if the conversion of Non-Voting Shares into Ordinary Voting Shares is on a 1:1 basis, such conversion shall be effected by way of a modification of rights attached to Ordinary Non-Voting Shares to be consistent with and equivalent to the rights attached to Common Shares so that the shares held by the Series B Holder shall rank equal to and pari passu with the Common Shares and shall henceforth be Ordinary Voting Shares. Therefore, on 17th April 2024 the Company modified the rights attached to its Ordinary Non-Voting Shares to rank them equal to Ordinary Voting Shares of the Company:

Table 9-5 Reclassification of Non-Voting Shares

Number of Series Non-Voting Shares	Sub - Divided into	No. of Shares After the Sub-division
5,383,189	1 : 1	5,383,189

9.2. DETAILS ON THE ISSUE OF SHARES AND DEBENTURES

The table below represents the shares issued during the period of two (2) years immediately preceding the date of this Prospectus.

Table 9-6 Shares Issued within the last 2 years of the Company

Share Class	Number of Shares	Issuance Date	Consideration
Non-Voting Shares	8,988	01 st July 2022	The Ordinary Non-Voting Shares arise from the previous ESOP of the Company. The consideration for the issuance of Ordinary Non-Voting Shares to the grantees upon the vesting of such shares is a non-cash consideration (i.e. services rendered by them to the Company).
Non-Voting Shares	1,068,376	01 st August 2022	
Non-Voting Shares	1,068,376	15 th December 2022	
Non-Voting Shares	472,675	15 th November 2023	
Non-Voting Shares	1,017,504	21 st March 2024	
Non-Voting Shares	1,312,799	07 th June 2024	

There were no Debentures issued within the two years preceding the date on which the Initial Listing Application was submitted to the CSE.

9.3. DETAILS OF TRANSFER OF SHARES

The shares which had been acquired by way of transfer during the period of twelve (12) months immediately preceding the date on which the Initial Listing Application, are as follows:

Table 9-7 Details of Transfer of Shares

Date of Transfer	Seller*	Buyer	Type of Share	Number of Shares transferred*	Transfer Price per share
20 th May 2024	International Finance Corporation	Invenco Capital Private Limited	Ordinary Voting Shares	8,333,092	36.00
20 th May 2024	International Finance Corporation	Roger Keith Modder	Ordinary Voting Shares	2,777,778	36.00

*Shares transferred out of Series A shares held by IFC post conversion to Ordinary Voting Shares

9.4. RE-PURCHASES OR REDEMPTIONS

The Company has not carried out any share re-purchase under sections 63, 64, 93 or 100 of the Companies Act, redemption of shares under sections 66 to 69 of the Companies Act or stated capital reduction exercises under section 59 of the Companies Act, in the two (2) years preceding the date of this Prospectus.

9.5. FREE TRANSFERABILITY OF SHARES

Offered Shares shall not be transferable by the shareholders during the period between the date of transfer of the Offered Shares and up to the date of listing (excluding the date of listing) of the Ordinary Shares on the CSE. Further, the Company shall not transfer or allot any Shares of the Company or transfer existing Ordinary Voting Shares (other than the transfer of Offered Shares) during the interim period between the date of the Initial Listing Application and the date of listing of the Shares of the Company.

9.6. DETAILS PERTAINING TO NON-PUBLIC SHAREHOLDERS

Below are details pertaining to non-public shareholders of the Company.

Table 9-8 The Non-Public Shareholders of PickMe

Shareholder Name	Category of Shareholders	Relationship with the Entity	Number of Shares Pre IPO	Share-holding % Post IPO	Number of Shares Post IPO	Share-holding % Post IPO
Jiffry Zulfer Hassen	Non-Public	CEO	119,300,000	35.79%	119,300,000	35.79%
Ajit Damon Gunewardene	Non-Public	Non-Independent Non-Executive Director	31,465,717	9.44%	31,465,717	9.44%
LOLC Technologies Limited	Non-Public	Mr. Conrad Dias is a Non-Executive Non Independent Director of PickMe and the Chairman of LOLC Technologies Limited	31,110,782	9.33%	31,110,782	9.33%
Interblocks Holdings Pte Limited	Non-Public	Mr. Travis Roche is an Independent Director of PickMe and the Head of Finance of Interblocks Ltd.	24,222,672	7.27%	8,477,935	2.54%

Shareholder Name	Category of Shareholders	Relationship with the Entity	Number of Shares Pre IPO	Share-holding % Post IPO	Number of Shares Post IPO	Share-holding % Post IPO
Ruchi Hubert Gunewardene	Non-Public	Non-Independent Non Executive Director	8,528,351	2.56%	8,528,351	2.56%
Shifaz Riyaz	Non-Public	Close family member of the CEO	6,600,000	1.98%	6,600,000	1.98%
Tasnim Salie	Non-Public	Non Independent Executive Director	4,800,000	1.44%	4,800,000	1.44%
Roger Keith Modder	Non-Public	Independent Non-Executive Director	2,777,778	0.83%	2,777,778	0.83%
Avin Udraka Gunewardene	Non-Public	Close Family member of Chairman of the Board	982,392	0.29%	982,392	0.29%
Revan Mahanaga Gunewardene	Non-Public	Close Family member of Chairman of the Board	820,000	0.25%	820,000	0.25%
Isira Perera	Non-Public	Key Management personnel	536,520	0.16%	536,520	0.16%
Mohamed Fazly Pasha	Non-Public	Key Management personnel	277,060	0.08%	277,060	0.08%

9.7. DETAILS PERTAINING TO THE LOCKED-IN SHARES

Details pertaining to the pre-IPO and post-IPO locked-in Shares constituting the public and non-public holding are given in the tables below.

Table 9-9 Pre-IPO Locked in Shares of the Company

Category of Shareholders	Locked-in Shares	Time Period after which the Shares will be Available for Trading	No. of Shares	Shareholding %
Non-Public Shareholders ¹¹	Locked in	06 months from date of listing	215,621,099	64.69%
Share allotments during the past 12 months – ESOP shares	Locked in	12 months from the date of allotment or 06 months from date of listing, whichever is longer	2,802,978	0.84%
Series A shares subdivided and subsequently converted to ordinary voting shares	Locked in	06 months from date of listing	38,241,934	11.47%
Shares Transfers within past 12 months (Shares transferred out of Series A shares held by IFC post conversion to Ordinary Voting Shares)	Locked in	12 months from the date of transfer or 06 months from date of listing, whichever is longer	11,110,870	3.33%
Public Shareholders	Not Locked in	Not Applicable	65,546,792	19.66%
Total Shares			333,323,673	

¹¹ Please refer section 10.4.2 for the lock-in periods applicable to Mr. Jiffry Zulfer Hassen who is a non-public shareholder of the Company.

Table 9-10 Post-IPO Locked in Shares of the Company

Category of Shareholders	Locked-in Shares	Time Period after which the Shares will be Available for Trading	No. of Shares	Shareholding %
Non-Public Shareholders ¹¹	Locked in	06 months from date of listing	199,876,362	59.96%
Share allotments during the past 12 months – ESOP shares	Locked in	12 months from the date of allotment or 06 months from date of listing, whichever is longer	2,802,978	0.84%
Series A shares subdivided and subsequently converted to ordinary voting shares	Locked in	06 months from date of listing	38,241,934	11.47%
Share transfers within the past 12 months (shares transferred out of Series A shares held by IFC post conversion to Ordinary Voting Shares)	Locked in	12 months from the date of transfer or 06 months from date of listing, whichever is longer	11,110,870	3.33%
Public Shareholders – Pre IPO	Not Locked in	Not Applicable	37,817,350	11.35%
IPO Shares (on the assumption that the parties who subscribe to the IPO shall be public shareholders)	Not Applicable	Not Applicable	43,474,179	13.04%
Total Shares			333,323,673	

Post IPO public holding (number of Post IPO shares held by the 'public' as a percentage of the total Post IPO number of shares), on the assumption that the parties who subscribe to the IPO shall be public shareholders (as per the 'public' definition provided in the CSE listing rules) is 24.39%.

¹¹ Please refer section 10.4.2 for the lock-in periods applicable to Mr. Jiffry Zulfer Hassen who is a non-public shareholder of the Company

9.7.1. SEC Approval for the Listing

SEC from their letter dated 15th August 2024, granted approval to list the Company on CSE in accordance with section 80 of the SEC act, subject to the following:

1. The Company annexing the independent report obtained from Messrs KPMG confirming that the applicable comparable values arising from; shares allotted/issued/transferred / subscribed/unsubscribed / vested and granted in terms of ESOP and sub divided during last twelve (12) months are either equal or higher than the IPO Price and such values will not lead to an undue gain to the existing shareholders at the expense of investing public. From their report dated 23rd July 2024, Messrs KPMG concluded there is no undue gain to the employee shareholders, shareholders who obtained shares through transfers, and the shareholders of series A preference shares that were subdivided, as mentioned earlier (refer Annexure G for the full report).
2. Except for 43,474,179 shares considered for offer for sale,
 - All shares issued & converted to Ordinary Voting Shares in terms of ESOP (2,802,978 shares) during the period of twelve (12) months immediately prior to the date of initial listing application, are subjected to a lock-in for a period of six (6) months from the date of listing the shares of the Company or twelve (12) months from the date of allotment / issue/transfer;
 - The additional shares arising due to sub-division of Series A Preference Shares which was converted to Ordinary Voting Shares during the period of twelve (12) months immediately prior to the date of initial listing application, are subjected to a lock-in for a period of six (6) months from the date of listing the shares of the Company; In the event any shares to be allotted/issued/transferred from the date of this application or during the above locked-in period arising from existing agreements /arrangements / schemes/share subscriptions and if the price is below the IPO price or below the market price whichever is lower then, such shares shall be locked-in for a period of twelve (12) months from the date of issue/allotment / transfer;

However, it is important to note that the shareholders who held Series A shares, which was later subdivided and converted to ordinary voting shares of the Company have agreed to lock in the entirety of the remaining Series A shares amounting to 38,241,934 shares for a period of 6 months from the date of listing.
3. The company complies with all other CSE Listing Rules in relation to listing via offer for sale and the SEC Circulars No. 02/2010, 03/2011 and 03/2011.

10. OTHER INFORMATION

10.1. DEGREE OF DEPENDENCE OF KEY CUSTOMERS AND SUPPLIERS

Since PickMe's customer and supplier base is distributed among all its service verticals, there is no material dependency on the said customers and suppliers in running the Company's overall business operations.

10.2. DIVIDEND POLICY

The actual amount and timing of dividend payments on the Ordinary Voting Shares of the Company will be recommended and approved by the Board of Directors of the Company and the Shareholders of the Company in terms of the Companies Act and the Articles of Association of the Company. The dividend policy of the Company will be based on a number of factors, including but not limited to the Company's earnings, cash flow position, future investments and funding needs, the maintenance of a sound and efficient capital structure, and any other factors which the Board of Directors of the Company may deem relevant.

The Company has not paid any dividends during the three financial years immediately preceding the issuance of this Prospectus.

10.3. WORKING CAPITAL

The Board is of the opinion that the working capital is sufficient for the purpose of carrying out day-to-day operations of PickMe.

10.4. LITIGATION, DISPUTES AND CONTINGENT LIABILITIES

There are no legal, arbitration or mediation proceedings against the Company which have or may have in the recent past affected the financial position or profitability of the Company in any material respects. However, the following legal proceedings are still outstanding.

10.4.1. Litigation regarding Corporate Income Taxes and Value Added Taxes

There are three (03) pending cases pertaining to Corporate Income Taxes and Value Added Taxes between the Company and the Department of Inland Revenue (IRD) which has been detailed below.

Table 10-1 Pending Cases Regarding CIT and VAT

Description	Current Status of the case	Applicable Fiscal Year
A concessionary corporate tax rate of 10% is applicable for locally developed software companies and PickMe has used this reduced rate to assess the tax liability for FY17/18. The IRD disputed the applicability of this concessionary tax rate on the grounds that PickMe has been registered under the category of "transport" under the Intellectual Property Act.	Post the receipt of the Commissioner General for Inland Revenue's (CGIR) Determination confirming the Notice of Assessment, an appeal was made to the Tax Appeals Commission (TAC). The appeal has been duly acknowledged by the TAC, for which hearings are currently on-going.	FY18
PickMe has been claiming the VAT exemption that is applicable to locally developed software companies and the IRD is currently challenging the applicability of such exemption on the grounds that PickMe has been registered under the category of "transport" under the Intellectual Property Act.	Post the receipt of the CGIR's determination confirming the Notice of Assessment, an appeal was made to the TAC in respect of the mentioned periods. The appeal has been duly acknowledged by the TAC, for which the hearings are currently ongoing.	FY16 – FY19

Description	Current Status of the case	Applicable Fiscal Year
The Company recognizes only the income attributable to services (i.e. for the usage of the app). However, the IRD has commented that the total fares charged by the drivers constitute the revenue of the Company on the basis that PickMe is engaged in a composite service of a transport provider.	Notices of Assessment have been received in respect of the mentioned periods. Appeals to the IRD have been duly filed on the mentioned dates and acknowledgements have been received in respect of same. IRD hearings have yet to be scheduled in this regard. Post the hearings, the CGIR is required to provide a decision. Where a decision is not received within 2 years, the matter is deemed to be decided in favour of the taxpayer.	FY19 – FY22

The likelihood of the above pending litigations materializing is unlikely (for further information refer note 22 of the FY24 Audited Financial Statements).

10.4.2. Other ongoing litigations

An action dated the 7th of August 2024 has been instituted in the High Court (Civil) of the Western Province Holden in Colombo, bearing case No. HC (Civil) 61/2024, by a former employee of the Company (the **"Plaintiff"**) against Mr. Jiffry Zulfer Hassen, the Founding Shareholder (the **"1st Defendant"**) and the Company (the **"2nd Defendant"**). In this case the Plaintiff has pleaded an alleged promise by the 1st Defendant to transfer 2% of the shares of the Company to the Plaintiff and has accordingly asserted a cause of action against the Defendants to effect such a transfer of shares.

As an alternative to the transfer of shares, the Plaintiff has also prayed for an order from court directing the Defendants to jointly and/or severally **pay a sum equivalent** to 2% of the value of the equity and / or shareholding of the company.

It is the firm position of the Company that it had not made any commitment to the Plaintiff to issue shares to him and strongly refutes the claim that the Plaintiff is entitled to the transfer of shares sought from the Company. Accordingly, the Company categorically denies the unsubstantiated and vexatious claim made by the Plaintiff and will seek the dismissal of the case against it.

The said Plaintiff in its case, has sought an enjoining order in the first instance, an interim injunction pending the determination of the action and a permanent injunction, preventing the Defendants from taking any steps to proceed with the proposed IPO, unless and until the Defendants transfer and / or cause to be transferred to the Plaintiff the equivalent of 2% of the shares described above.

It must be noted that no such order has been issued by Court to date and the Company will vigorously resist such claims to the fullest extent permitted by law.

However, purely in order to ensure that the pendency of this case will not be of negative consequence to the intended IPO and strictly without prejudice to his categorical denial of the Plaintiff's claim, Mr. Jiffry Zulfer Hassen has agreed that he will lock-in 2% of the shares of the Company owned by Mr. Jiffry Zulfer Hassen (calculated at the date of the alleged undertaking claimed by the Plaintiff) unless and until a court order takes precedence or permits the same.

This undertaking of Mr. Jiffry Zulfer Hassen is over and above and independent of the lock-in period which is in any event is applicable to Mr. Jiffry Zulfer Hassen in terms of section 9.7.

10.5. MANAGEMENT AGREEMENTS AND OTHER CONTRACTS

There are no management agreements presently in force or currently being considered by PickMe.

10.6. MATERIAL CONTRACTS

The are no material contracts entered into by the Company other than those contracts entered into in the ordinary course of business.

10.7. TAKEOVER OFFERS

There have been no takeover offers by third parties in respect of the Company's shares during the past two years. Further, the Company currently has not made any takeover offers in respect of shares of a third party.

10.8. DETAILS OF COMMISSIONS PAID

No commission has been paid in the two (2) years preceding the IPO or is payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares of the Company.

10.9. DETAILS OF BENEFITS PAID TO PROMOTERS

No benefit has been paid in the two (2) years preceding the IPO and there is no benefit intended to be paid or given to any promoter of the Company.

10.10. DETAILS OF EMPLOYEES AND LABOUR UNIONS

PickMe currently employees over 300 corporate employees across all its verticals. The Company does not have labour unions.

10.11. DETAILS OF TRANSACTIONS RELATING TO PROPERTY

There were no transactions relating to the property of the Company within the two (2) years preceding the IPO in which any of the following parties had any interest, direct or indirect:

- vendor of the property of the Company, or
- any person who is or was at the time of the transaction, a promoter or a director or proposed director of the Company.

10.12. RECENT AMENDMENTS MADE TO THE STATUTES/REGULATIONS APPLICABLE TO THE COMPANY

The Company does not have any statutes or regulations applicable to the business operations.

10.13. CORPORATE TAXATION

The Corporate Income Tax rates under the Inland Revenue Act, No. 24 of 2017 (as amended), Value Added Tax (VAT) rates in accordance with the provisions of the Value Added Tax Act, No. 14 of 2002 (as amended) and the Social Security Contribution Levy as per the Social Security Contribution Levy Act, No. 25 of 2022 applicable to PickMe as at 31st March 2024 are disclosed below:

Table 10-2 Tax Rates Applicable for the Company as at 31 March 2024

Corporate Income Tax Rate	30.0%
Value Added Tax Rate	18.0%
Social Security Contribution Levy Rate	2.5%

11. INVESTMENT CONSIDERATION AND ASSOCIATED RISKS

Prior to investing in Shares of the Company, prospective investors should particularly pay attention to the fact that the Company and to a large extent its business activities are subject to several risks which may be within or beyond the control of the Company.

It is recommended that potential investors review the entire Prospectus in detail and pay particular attention to the following risks relating to the investment. If any of the considerations and uncertainties given below develop into actual events, the Company's business operations and future financial performance could be materially and adversely affected, which can impact the value of Ordinary Shares of the Company.

11.1 RISKS RELATING TO MACRO ENVIRONMENTAL FACTORS

11.1.1. Government Policy and Regulations

The Government exerts substantial influence on many aspects of the economy through various policies and regulations which would significantly impact the business. The revised tax policies, notably the VAT increase from 15% to 18% that has come into effect from January 2024, would have to be passed down to the consumer through higher ride rates and price increases on the food and marketplace verticals. This could impact demand in turn impacting cash flow dynamics of the Company.

Sri Lanka was the first South Asian Country to enact a comprehensive data protection legislation under the Personal Data Protection Act, No 9 of 2022. This Act was modelled after the General Data Protection Regulations (GDPR) in the EU and imposes considerable responsibility to the controllers on the use of personal data. Changes to this Act and the imposition of further regulations on digital businesses regarding Personally Identifiable Information (PII) can alter the on demand-services provided through the app.

11.1.2. Macro-Economic Risks pertaining to the Economy

The nation faced numerous challenges during the economic crisis in 2022, with the fuel and gas shortage, prolonged periods of power outages, shortages in many essentials and an overall increase in prices of essentials. With the IMF stepping in, the economy is gradually recovering and showing signs of stability.

The increase in VAT and other taxes coupled with the reduction in policy rates would inevitably impact cost of living and could result in users opting for more affordable transportation, food and marketplace options. Further, unfavorable exchange rate movements would impact profitability and margins given that a sizeable component of its overheads are billed in USD.

11.2. RISKS ASSOCIATED TO BUSINESS OPERATIONS

11.2.1 Strategic Risk

Strategic risks are associated with the high-level decisions that the management makes in driving growth and operations of the Company. As PickMe operates in a rapidly evolving digital landscape, the failure to respond to these changes, making adverse business decisions and the improper execution of those decisions may leave the Company vulnerable to the risk of falling behind in terms of technological advancement and adoption.

Careful consideration should be taken when implementing new service verticals, new innovations and expanding internationally. PickMe has been able to successfully assess the market trends and introduce new functionalities, like bike hailing during the fuel crisis and PickMe Marketplace during the pandemic. As such, the Company ensures that the steps taken would eventually benefit all users of the platform, potentially making the app more accessible, user friendly and convenient.

11.2.2. Operational Risk

PickMe's business model and operations revolve around its aggregator platform that fully operates online. Hence, any disruption or downtime on the app may lead to a revenue crunch and consumers switching to competitor platforms. Therefore, the Company takes careful consideration to avoid disruptions to the interface and to ensure the app functions smoothly.

- **Technology Risk**

The technology that PickMe has built in-house is paramount to its business operations. For the business to grow, the adoption of new technological advancements is crucial. The Company has developed processes to ensure that it adopts new technology and to ensure that its technology does not become a deterrent to its growth. For business continuity, the Company has a disaster recovery plan in place where the system can go live in the event of a technical failure.

- **Cybersecurity Risk**

Cybersecurity risks refer to deliberate attempts by malicious actors to compromise networks or systems through cyber-attacks. The prevalent forms of cyber threats include malware, ransomware, and social engineering attacks that are executed to gain unauthorized access to sensitive information. PickMe has invested in creating a Security First Business Culture and has put in place a robust cybersecurity framework to mitigate cyber risks proactively. PickMe relies on numerous third-party service providers to facilitate cloud services and payment processing etc. If the payment processing infrastructure is compromised, or services provided by third-party hosts are interrupted, the seamless functioning of the app will be jeopardized. As such, the Company follows world class frameworks like NIST Cybersecurity Framework and implements security best practices and principles to ensure its technological infrastructure is not compromised.

- **Cloud Risk**

The Company has an extended MSSP - Managed Security Services Provider helping in identifying and mitigating the cloud security risks. The Company conducts comprehensive Cloud VAPT - Vulnerability Assessment and Penetration Tests on a regular basis, conducts gap analyses and drives continuous improvement initiatives to keep cloud security controls intact. Further the Company continues to educate about the need to avoid / mitigate the misconfigurations resulting in attacks and have put in place security controls to mitigate the risk of attacks.

- **Data Privacy Risk**

The Company recognizes the importance of protecting the personal data of its various stakeholders. A key initiative taken by the Company is to drive compliance with the PDPA – Personal Data Protection Act of Sri Lanka. The Company believes this would be a good benchmark for it to strengthen the existing controls. Currently the Company has controlled access to its data through Authentication and Authorization, and during regular internals it evaluates the access controls in place to make sure only the right people have the required levels of access.

- **Legal Risk**

The company has been advised that the risks stemming from the court case in section 10.4.2 could be that the Offer for Sale could be stayed and thereby delayed in the event that the Court grants an enjoining order or interim injunction prior to the completion of the IPO. Moreover, in the event of Court holding with the Plaintiff after trial that he was entitled to the shares or its value in such matter, the payment would need to be met. Mr. Jiffry Zulfer Hassen has undertaken to the Company that in the event of such an order, he would meet the obligations under such an order.

11.2.3. Competitor Risk

PickMe has been a pioneer in the ride-hailing industry in Sri Lanka. Following its inception, other international and local brands have entered the market, enhancing the competition. The Company, with its deep-rooted local knowledge, competes against well-established international entity creating a dynamic market environment. Along with its localized approach, the scale at which PickMe operates, the Company's extensive domain expertise and the significant capital investment required to operate such a business provides PickMe with a strong competitive edge while setting high entry barriers for newer and smaller competitors.

In the food delivery eco system, the competition intensifies with many restaurants offering direct delivery services. This creates a diverse landscape where consumers have multiple options for food delivery and may receive lower prices for direct orders.

The marketplace segment also witnesses stiff competition, primarily from large retail chains with extensive online platforms offering a wide range of products. While direct purchasing from these chains or individual vendors might offer cost benefits due to the absence of additional charges, PickMe attracts consumer by facilitating same day delivery, providing seamless payment solution, providing tracking capabilities and many other functionalities. This strategy has successfully drawn a considerable consumer base, despite the strong competition in the market.

11.2.4. Safety and Security Risk

PickMe provides measures to ensure safety to its consumers and drivers through the in-app SOS function, the ability to include emergency contacts on the app, location and route sharing option, in-app feedback/complaint system and 24x7 customer support to safeguard users from the risk of theft, criminal, violent or inappropriate behavior. Further, as consumers have the option of making card payments for rides and Food and Marketplace orders, payment security has been ensured.

11.3. RISKS RELATED TO THE INVESTMENT IN SHARES

11.3.1. Non-existence of a Prior Market for the Shares

Prior to the IPO, there was no public market for the shares and, for that reason, there can be no assurance that an active trading market for such Shares will develop or, if developed, will be sustained, or that the market price of the Shares shall not decline below the Offer Price. The Offer Price may therefore not be indicative of the market price for the Shares after completion of the IPO.

11.3.2. Price Volatility of shares on the secondary market

Once the Shares of the Company are listed, the secondary market prices of the Shares may be volatile due to a range of factors including temporary spikes in demand for or supply of such Shares, the Company's financial performance, investor sentiment, general economic and political conditions, or that it may follow general investor sentiment prevalent in the market at a given time. Due to these price volatilities, potential investors depending on their risk appetite may be required to hold the Shares on a long-term basis in order to optimize returns and not be able to trade them as short-term investments. Further, the market price of the Shares may not reflect the underlying value of the Company due to the said price volatilities.

12. STATUTORY DECLARATIONS

12.1. DECLARATION BY THE DIRECTORS

STATUTORY DECLARATION BY DIGITAL MOBILITY SOLUTIONS LANKA LIMITED

We, the undersigned, being Directors of Digital Mobility Solutions Lanka Limited, a company incorporated in the Democratic Socialist Republic of Sri Lanka bearing Company Registration No. PB 00306192 having its registered office at No. 309, High Level Road, Colombo 6, hereby declare and confirm that we have read the provisions of the Companies Act No.7 of 2007 relating to the issue of the Prospectus and provisions listed therein have been complied with.

This Prospectus has been seen and approved by us and we individually and collectively accept full responsibility for the accuracy of the information given and confirm that the provisions of the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 7 of 2007 and any subsequent amendments made have been complied with and after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts and omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered reasonable at the present point in time and according to our best judgments.

We further declare that the profit forecasts have been included in this Prospectus after due and careful enquiry of the information available to the Company and assumptions that are considered to be reasonable at the present point in time and according to our best judgments.

Name	Designation	Signature
Ajit Damon Gunewardene	Chairman, Non-Independent, Non-Executive Director	<i>Sgd</i>
Jiffry Zulfer Hassen	CEO, Non-Independent, Executive Director	<i>Sgd</i>
Ruchi Hubert Gunewardene	Non-Independent, Non-Executive Director	<i>Sgd</i>
Francisco Kankanamalage Conrad Prasad Niroschan Dias	Non-Independent, Non-Executive Director	<i>Sgd</i>
Tasnim Khairul Salie	Non-Independent, Executive Director	<i>Sgd</i>
Joseph Gabriel Travis Roche	Independent, Non-Executive Director	<i>Sgd</i>
Mano Rajakariar	Independent, Non-Executive Director	<i>Sgd</i>
Professor Amal Kumarage	Independent, Non-Executive Director	<i>Sgd</i>
Roger Keith Modder	Independent, Non-Executive Director	<i>Sgd</i>

12.2. DECLARATION BY THE COMPANY

We, Digital Mobility Solutions Lanka Limited, having our Registered Office at No. 309, High Level Road, Colombo 6, Nugegoda, hereby declare that to the best of our knowledge and belief that this Prospectus constitutes full and fair disclosure of all material facts about the Offer and the Company.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing for all the Ordinary Voting Shares of the Company and those Ordinary Voting Shares, which are the subject of this offer. Such permission will be granted when the Ordinary Voting Shares are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Company or of the shares offered.

Sgd
Director

Sgd
Director

12.3. DECLARATION BY THE JOINT FINANCIAL MANAGERS TO THE ISSUE

CT CLSA Capital (Pvt) Ltd

We, CT CLSA Capital (Pvt) Ltd of # 4-15, Majestic City, 10, Station Road, Colombo 04, hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and true disclosure of all material facts about the Offer and the Company and we have satisfied ourselves that the profit forecasts had been stated by the Directors *stated by the Directors of Digital Mobility Solutions Lanka Limited after due and careful inquiry.*

The Common seal of CT CLSA Capital (Pvt) Ltd is affixed on 3rd September 2024 at Colombo in the presence of two Directors.

Sgd
Director

Sgd
Director

Capital Alliance Partners Limited

We, Capital Alliance Partners Limited of Level 5, "Millennium House", 46/58, Navam Mawatha, Colombo 02, hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and true disclosure of all material facts about the Offer and the Company and we have satisfied ourselves that the profit forecasts had been stated by the Directors *stated by the Directors of Digital Mobility Solutions Lanka Limited after due and careful inquiry.*

The Common seal of Capital Alliance Partners Limited is affixed on 3rd September 2024 at Colombo in the presence of two Directors.

Sgd
Director

Sgd
Director

DIGITAL MOBILITY SOLUTIONS LANKA LTD



RESEARCH REPORT

2nd July 2024

Prepared by



CT CLSA Capital (Private) Limited

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Colombo 02.
Tel : +94 11 231 7777
Fax: +94 11 760 2525
www.cal.lk

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

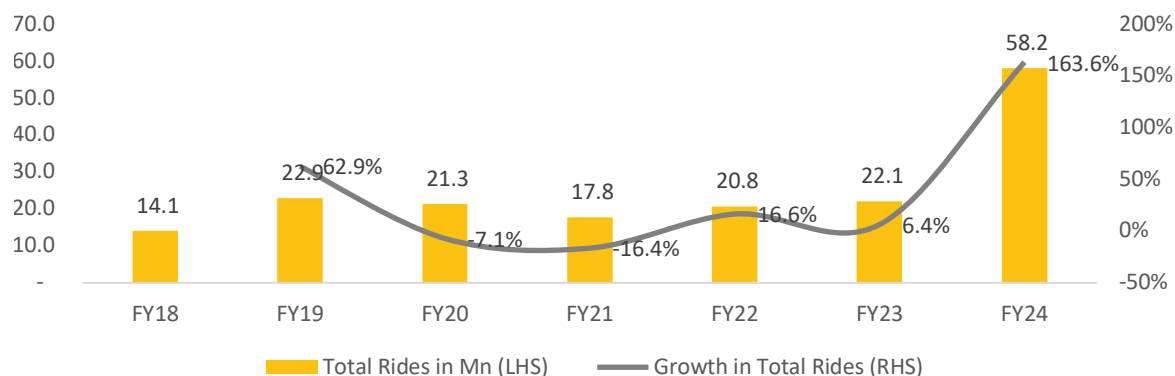
"Joyful mobility, for a better life."

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

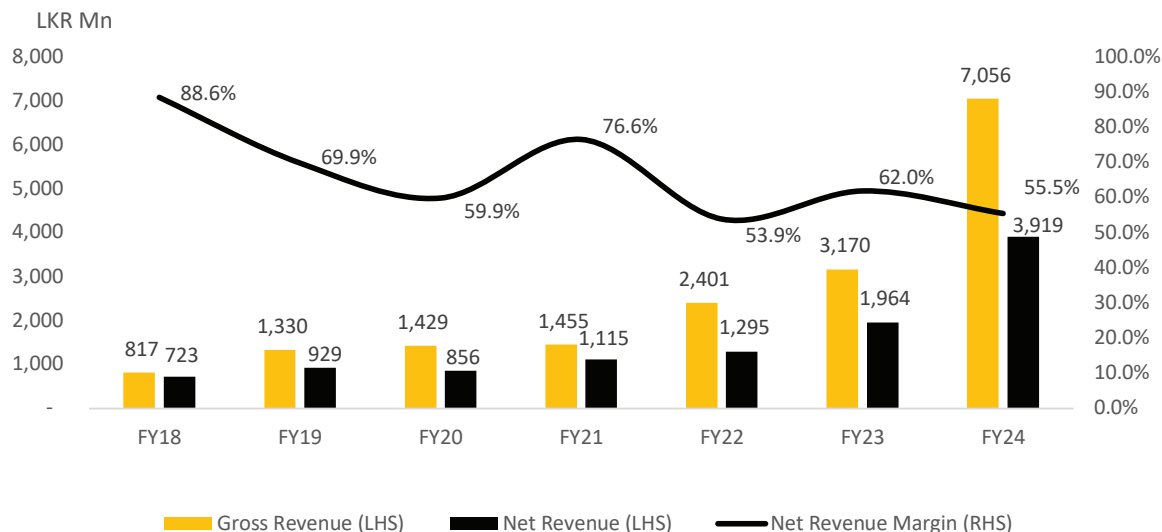
2.1 ANALYSIS OF PICKME'S PERFORMANCE

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

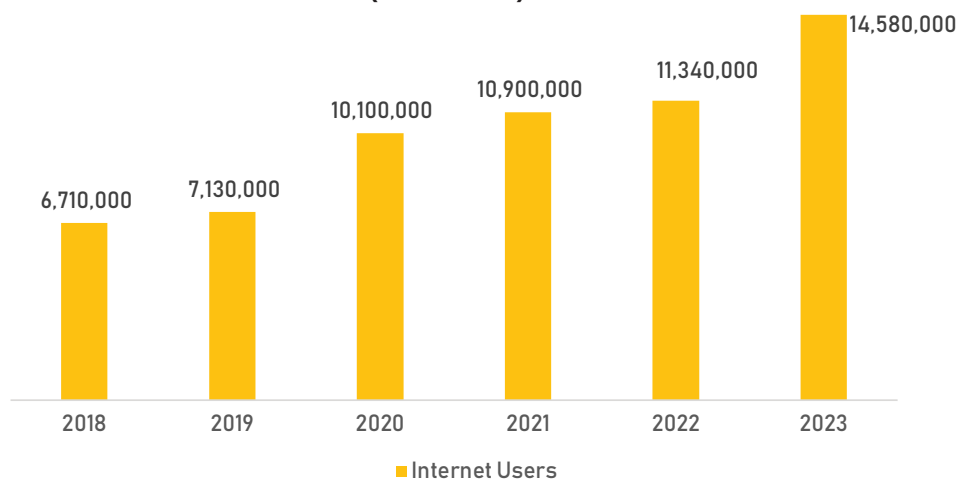
Internet Penetration and Online Payment Adaption

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)

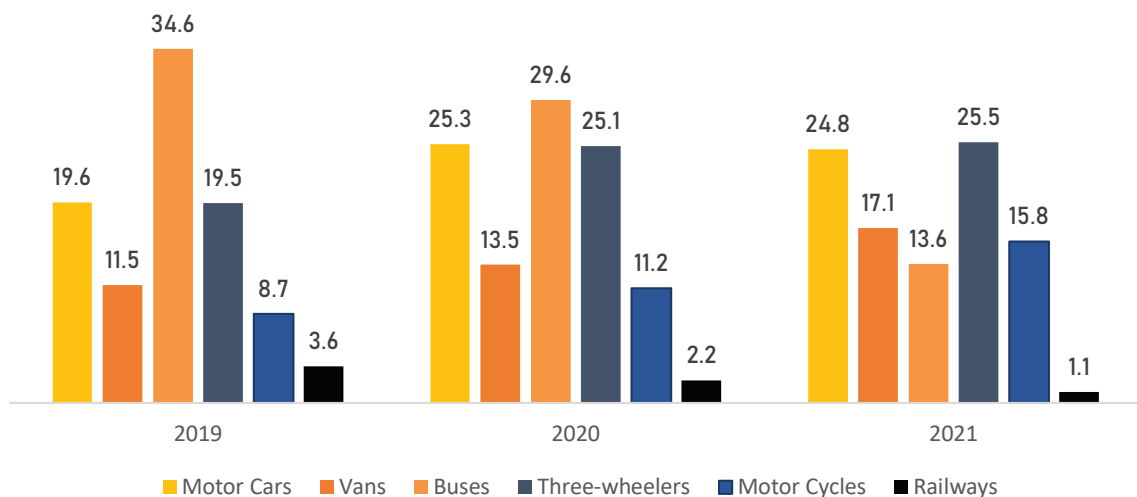
Inadequate Public Transport Infrastructure, and a Shift from Public to Private Transport methods.

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)

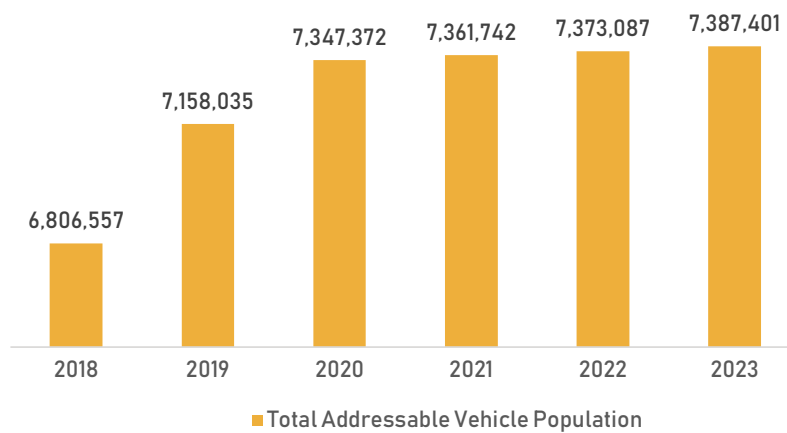
7 (Accessed via https://www.transport.gov.lk/web/index.php?option=com_content&view=article&id=27&Itemid=147&lang=en#passenger-transportation-model-share-furnished-by-clean-air-sri-lanka on June 3rd 2024)

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:

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

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:

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

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 Equivalentents

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.

JOINT FINANCIAL ADVISORS AND MANAGERS TO THE ISSUE

CT CLSA Capital (Pvt) Ltd

4-15, Majestic City,
10 Station Road,
Colombo 04

Tel : +94 11 258 4843
Fax: +94 11 258 0181
www.ctcls.lk

Capital Alliance Partners Ltd

Level 5, Millennium House,
46/58, Nawam Mawatha,
Colombo 02.

Tel : +94 11 231 7777
Fax: +94 11 760 2525
www.cal.lk

COMPANY

Digital Mobility Solutions Lanka Ltd

No. 309, High Level Road,
Colombo 6
Nugegoda

Tel : +94 11 7 433 433
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REGISTRARS TO THE ISSUE

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Tel : +94 11 2 573 894, 2 576 871
Fax: +94 11 2 573 609

TRADING PARTICIPANTS OF THE COLOMBO STOCK EXCHANGE

NDB Securities (Private) Ltd.

Level 2, NDB Capital Building,
No. 135, Bauddhaloka Mawatha, Colombo 4.

Tel : +94 11 2 131 000
Fax: +94 11 2 314 181
E-mail: mail@ndbs.lk

Somerville Stockbrokers (Pvt) Ltd.

No. 1A, Park Way, Park Road, Colombo 5.

Tel : +94 11 2 502 852 / +94 11 2 502 854 /
+94 11 2 502 858 / +94 11 2 502 862
Fax: +94 11 2 502 852
E-mail: contact@somerville.lk

Assetline Securities (Pvt) Ltd.

(Inactivated Operations)
No.120, 120A, Pannipitiya Road, Battaramulla.

Tel : 94 11 4 700 100
Fax: +94 11 4 700 101, +94 11 4 700 112
E-mail: info@assetline.lk

John Keells Stock Brokers (Pvt) Ltd.

No. 186, Vauxhall Street, Colombo 2.

Tel : +94 11 2 306 250
Fax: +94 11 2 342 068
E-mail: jkstock@keells.com

Asha Securities Ltd.

No.60, 5th Lane, Colombo 3.

Tel : +94 11 2 429 100
Fax: +94 11 2 429 199
E-mail: asl@ashasecurities.net

Acuity Stockbrokers (Pvt) Ltd.

No. 53, Dharmapala Mawatha, Colombo 3.

Tel : +94 11 2 206 206
Fax: +94 11 2 206 298 / 9
E-mail: sales@acuitystockbrokers.com

J B Securities (Pvt) Ltd.

No. 150, St. Joseph Street, Colombo 14.

Tel : +94 11 2 490 900
Fax: +94 11 2 430 070
E-mail: jbs@jb.lk

Lanka Securities (Pvt) Ltd.

No. 228/1, Galle Road, Colombo 4.

Tel : +94 11 4 706 757 / +94 11 2 554 942
Fax: +94 11 4 706 767
E-mail: info@lankasec.com

Asia Securities (Pvt) Ltd.

4th Floor, Lee Hedges Tower,
No. 349, Galle Road, Colombo 3

Tel : +94 11 7 722 000
Fax: +94 11 258 4864
E-mail: inquiries@asiasecurities.lk

Capital Trust Securities (Pvt) Ltd.

No, 42, Mohamed Macan Markar Mawatha,
Colombo 3.

Tel : +94 11 2 174 174 / +94 11 2 174 175
Fax: +94 11 2 174 173
E-mail: inquiries@capitaltrust.lk

S C Securities (Pvt) Ltd.

5th Floor, No. 26B, Alwis Place, Colombo 3.

Tel : +94 11 4 711 000 / +94 11 4 711 001
Fax: +94 11 2 394 405
E-mail: itdivision@sampathsecurities.lk

CT CLSA Securities (Pvt) Ltd.

4-14, Majestic City, 10, Station Road, Colombo 4.

Tel : +94 11 2 552 290 - 4
Fax: +94 11 2 552 289
E-mail: info@ctclsal.lk

First Capital Equities (Pvt) Ltd.

No. 2, Deal Place, Colombo 3.

Tel : +94 11 2 639 898
Fax: +94 11 5 736 264
E-Mail: equity@firstcapital.lk

Bartleet Religare Securities (Pvt) Ltd.

Level "G", "Bartleet House",
No. 65, Braybrooke Place, Colombo 2.

Tel : +94 11 5 220 200
Fax: +94 11 2 434 985
E-mail: info@bartleetstock.com

Nation Lanka Equities (Pvt) Ltd.

No.44, Guildford Crescent, Colombo 07.

Tel : +94 11 7898302

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,

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

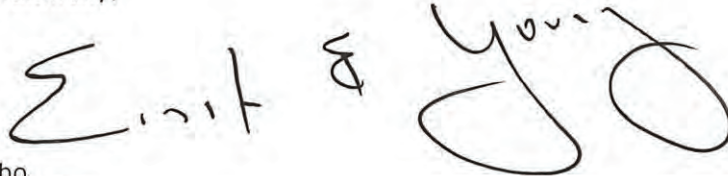
There were no material events which occurred after the reporting date.

(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,

Handwritten signature in black ink, appearing to read "E. J. Jayasinghe".

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
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS										
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	262,984,253
Right of Use Assets	158,979,929	9,583,885	24,173,230	105,569,674	136,723,404	158,979,930	9,583,886	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	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
Defined Benefit Obligations	2,053,580	-	-	-	-	2,053,580	-	-	-	-
Deferred Tax Liability	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
Lease Liabilities	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

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:


Director


Director



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	Stated Capital Rs.	Retained Losses Rs.	Employee Share Option Plan Rs.	Amounts relating to assets held for sale Rs.	Total Equity 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	17,099,953	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	18,866,727	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	-	-	-	14,003,887	6,734,223	-	-	-
Provision for Employee Benefit Obligation	18,470,304	13,585,533	10,056,401	7,587,853	9,397,071	18,470,304	13,585,533	10,056,401	7,587,853	9,397,071
Provision for Employee Share Option Plan	21,287,234	18,802,304	17,633,019	20,096,197	21,084,874	21,287,234	18,802,304	17,633,019	20,096,197	21,084,874
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)	501,720	(545,251)	(1,046,173)	7,157,392	(123,339)	501,720
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)	-	(11,066,207)	-	-	(198,403)	-	(11,066,207)	-	-
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)	(339,952,213)	(293,534,932)	14,364,000	79,747,179	(149,882,339)
Increase/(Decrease) in Trade and Other Payables	225,657,288	151,004,236	(15,784,489)	59,891,495	(64,733,327)	101,055,726	275,533,550	(15,784,489)	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)	1,440,909,389	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)	(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)	(18,010,861)	(24,477,974)	(16,178,979)	(46,193,374)	(12,409,664)	(18,010,861)	(24,477,974)
Net Cash From/(Used in) Operating Activities	1,415,997,519	350,369,395	96,082,396	417,172,452	(201,432,767)	1,415,900,244	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)	297,033,570	(74,439,462)	(57,364,666)	(22,619,636)	(275,532,193)	297,033,572
Investment in Other Investments	-	-	-	-	185,901	-	-	-	-	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)	57,666,512
Net Cash Flows From/(Used in) Investing Activities	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)	(1,415,997,519)
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	-	-	-	-	-	-	-	-	-	-
Repayment of Interest Bearing Loans and Borrowings	-	(4,331,957)	(12,586,084)	(8,081,959)	(16,492,000)	-	(4,331,957)	(12,586,084)	(8,081,959)	(16,492,000)
Lease extension Payment	-	(210,000)	-	-	-	-	-	-	-	-
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)	(20,487,626)	(23,856,962)	(29,699,070)	(21,091,636)	(19,502,663)	(20,487,626)	(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)	(37,287,584)	(37,287,584)	450,140,366	(58,573,265)
Net Increase/(Decrease) in Cash and Cash Equivalents	653,707,853	(84,648,753)	(238,209,411)	365,410,167	(183,880,748)	653,707,853	(84,648,753)	(238,209,411)	365,410,366	(183,880,748)
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)	(213,281,964)	(128,633,214)	109,576,196	(255,382,062)	(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)	440,425,892	(213,281,964)	(128,633,214)	109,576,196	(255,382,062)



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



Ernst & Young
Chartered Accountants
Rotunda Towers
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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

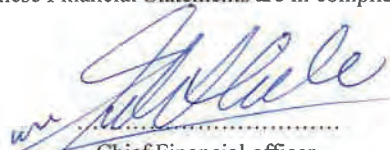
Digital Mobility Solutions Lanka (Private) Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

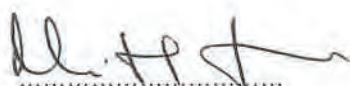
	Note	Group		Company	
		2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	8	131,951,155	22,634,678	127,479,885	16,598,888
Intangible Asset	9	959,303,566	706,276,896	959,303,566	706,276,896
Right of Use Assets	10	158,979,929	9,583,885	158,979,930	9,583,886
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><u>679,456,818</u></u>	<u><u>130,458,837</u></u>	<u><u>682,535,376</u></u>	<u><u>140,574,142</u></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><u>676,610,648</u></u>	<u><u>131,162,054</u></u>	<u><u>679,689,205</u></u>	<u><u>141,277,359</u></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.

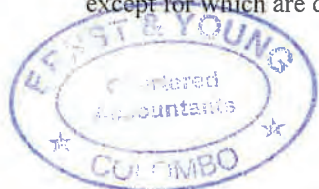
For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short term deposit with a maturity of three months or less, net of outstanding bank overdrafts.

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.

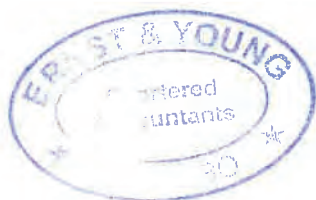
Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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	Group		Company	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
5.1 Finance Cost				
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

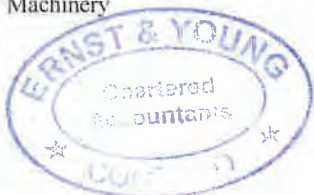
7. INCOME TAX EXPENSES	2024	2023
	Rs.	Rs.
Current Income Tax		
Current Income Tax Charge (7.1)	245,105,025	29,775,589
Under Provision of Current Taxes in respect of prior years	(24,436,992)	-
Deferred Income Tax		
Deferred Taxation Charge/(Reversal) (19)	92,936,623	(91,184,422)
Income tax expense/(reversal) 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	2023
	Rs.	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	Additions	Disposals	Balance
	as at 01.04.2023			as at 31.03.2024
	Rs.	Rs.	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/-)

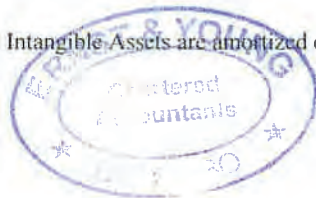
8.3 The useful lives of the assets are estimated as follows;

	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	Additions	Disposals	Balance
	as at 01.04.2022			as at 31.03.2023
	Rs.	Rs.	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>



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	-	-	-	-

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>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)	-	-	-
	51,720,208	47,978,611	3,741,597	(47,978,611)	-	-
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	-	-
	49,666,627	138,861,654	(90,414,814)	139,163,033	1,219,787	(301,379)
Deferred Income Tax Income			92,936,623	91,184,422	1,219,787	(301,379)
Net Deferred Tax Assets	(2,053,580)	90,883,043				

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
	593,176,457	367,501,417	593,086,457	492,030,730

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-EMPLOYMEE 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)	<u>924,980,697</u>	<u>14,562,492</u>	<u>931,214,355</u>	<u>24,677,796</u>



Digital Mobility Solutions Lanka (Private) Limited

DETAILED INCOME STATEMENT

Year ended 31 March 2024

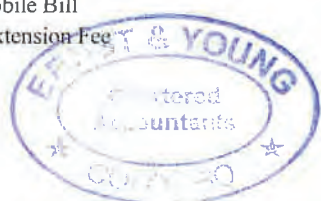
STATEMENT I

	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

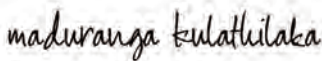
Digital Mobility Solutions Lanka Limited

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.

.....

 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)		291,906,623	160,485,701	291,906,608	160,485,686
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		20,665,846	24,002,978	20,665,820	24,002,952
Share of Loss from Associate Company				-	-
Profit/(Loss) before Tax		312,572,469	184,488,679	312,572,428	184,488,638
Income Tax (Expenses)/Reversal		(89,980,602)	(58,806,691)	(89,980,602)	(58,806,691)
Profit for the Year		222,591,867	125,681,988	222,591,826	125,681,947
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		-	-	-	-
Total Comprehensive Income/(Expense)		222,591,867	125,681,988	222,591,826	125,681,947
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	

PickMeTM

Digital Mobility Solutions Lanka Limited
No 309, High Level Road,
Colombo 06, Sri Lanka.