NAZARA TECHNOLOGIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

NAZARA TECHNOLOGIES

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

Contents

NAZARA TECHNOLOGIES

COMPANY INFORMATION

			Date of appointment
Directors	:	Vikash Pratapchand Mittersain	29 March 2013
		Salim Jhumka	27 January 2015
		Daniel Wong Tai Yun	22 June 2017
Secretary	:	Port Louis Management Services Ltd 3rd Floor, Harbour Front Building President John Kennedy Street Port Louis Republic of Mauritius	
Registered office	:	C/o Port Louis Management Services Ltd 3rd Floor, Harbour Front Building President John Kennedy Street Port Louis Republic of Mauritius	
Auditors	:	Nexia Baker & Arenson 5th Floor, C&R Court 49, Labourdonnais Street Port Louis Republic of Mauritius	
Bankers	:	Standard Chartered Bank (Mauritius) Limited 6th Floor, Standard Chartered Tower Bank Street Ebène Republic of Mauritius	
	:	SBM Bank (Mauritius) Ltd SBM Tower, 1 Queen Elizabeth 11 Avenue Port Louis Republic of Mauritius	

NAZARA TECHNOLOGIES

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2023

The Directors are pleased to present the audited financial statements of **NAZARA TECHNOLOGIES**, "the Company", for the year ended 31 March 2023.

Principal activities

The principal activity of the Company is to provide value added services and content which includes interactive wireless games, wallpapers, and ringtones on mobile devices to telecom operators across the globe.

Results and dividend

The results for the year are shown on page 8.

The Directors do not recommend the payment of a dividend in respect of the year ended 31 March 2023 (2022: USD 1,250,000).

The statement of Directors' responsibilities in respect of the financial statements

Company law requires the Directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Nexia Baker & Arenson, have expressed their willingness to continue in office for the year ending 31 March 2024 and will be automatically reappointed in the next annual meeting.

By order of the board

....

Director **Date: 12 July 2023**

NAZARA TECHNOLOGIES

SECRETARY'S CERTIFICATE
UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of **NAZARA TECHNOLOGIES** under the Mauritius Companies Act 2001 for the financial year ended 31 March 2023.

for **Port Louis Management Services Ltd**
Secretary

Registered Office:
3rd Floor, Harbour Front Building
President John Kennedy Street
Port Louis
Republic of Mauritius

Date: 12 July 2023

Nexia
Baker & Arenson

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF NAZARA TECHNOLOGIES

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of **NAZARA TECHNOLOGIES** (the "Company") set out on pages 7 to 30 which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code''). We have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the Commentary of the Directors and Secretary's Certificate. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF NAZARA TECHNOLOGIES

Report on the audit of the Financial Statements (continued)

Directors' Responsibilities for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the Directors determine 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, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 the directors.

- Conclude on the appropriateness of the Directors' 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF NAZARA TECHNOLOGIES

Report on the audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

We communicate with the Directors 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.

Use of this report

This report is made solely to the Company's member, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member, those matters that we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Other matter

The financial statements of **NAZARA TECHNOLOGIES** for the year ended 31 March 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 07 July 2022.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

We have no relationship with, or interests in, the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Nexia Baker & Arenson

Nexia Baker & Arenson
Chartered Accountants

Kian-Fah K.T. Chung Chun Lam FCCA
Licensed by FRC

Date: 12 JUL 2023

NAZARA TECHNOLOGIES

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2023

	Notes	2023 USD	2022 USD
ASSETS			
Non-current asset			
Intangible assets	12	-	-
Investments in subsidiary companies	13	1,249	1,249
Total non-current assets		1,249	1,249
Current assets			
Trade and other receivables	14	5,289,367	6,739,003
Loans receivable	15	5,962,500	400,000
Cash and cash equivalents	16	570,326	4,650,665
Total current assets		11,822,193	11,789,668
Total assets		11,823,442	11,790,917
EQUITY AND LIABILITIES			
Equity			
Stated capital	17	3,800	3,800
Retained earnings		10,819,628	10,849,378
Total equity		10,823,428	10,853,178
Current liabilities			
Trade and other payables	18	130,395	68,120
Current tax liabilities	11	869,619	869,619
Total current liabilities		1,000,014	937,739
Total equity and liabilities		11,823,442	11,790,917

These financial statements have been approved for issue by the Board of Directors on 12 July 2023 and signed on its behalf by:

....
Salim Jhumka
Director

....
Daniel Wong Tai Yun
Director

The notes on pages 11 to 30 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

NAZARA TECHNOLOGIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 USD	2022 USD
Revenue	7	**81,208**	346,463
Cost of sales	8	**(14,295)**	(25,880)
Gross profit		**66,913**	320,583
Other income		**67,103**	3,704
Administrative expenses	9	**(579,560)**	(208,496)
Operating (loss)/profit		**(445,544)**	115,791
Net foreign exchange loss		**(11,707)**	(8,373)
Amounts due from related parties written off		-	(197,839)
Payables written back		-	5,785
Impairment of investments in subsidiaries		-	(3,960)
Reversal of impairment/(impairment) of trade receivables		**270,115**	(227,778)
Finance income	10	**157,386**	18,739
Loss before taxation		**(29,750)**	(297,635)
Taxation		-	-
Loss for the year		**(29,750)**	(297,635)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive loss for the year		**(29,750)**	(297,635)

The notes on pages 11 to 30 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

NAZARA TECHNOLOGIES

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Stated capital USD	Retained earnings USD	Total equity USD
Balance as at 01 April 2021	3,800	12,397,013	12,400,813
Loss for the year	-	(297,635)	(297,635)
Dividend paid	-	(1,250,000)	(1,250,000)
Balance as at 31 March 2022	3,800	10,849,378	10,853,178
Balance as at 01 April 2022	3,800	10,849,378	10,853,178
Loss for the year	-	(29,750)	(29,750)
Balance as at 31 March 2023	**3,800**	**10,819,628**	**10,823,428**

The notes on pages 11 to 30 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

NAZARA TECHNOLOGIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	USD	USD
Cash flows from operating activities		
Loss before taxation	**(29,750)**	(297,635)
Adjustments:		
Amortisation	-	459
Amounts due from related parties written off	-	197,839
Payables written back	-	(5,785)
Gain on liquidation of subsidiaries	**(60,016)**	-
Impairment of investments in subsidiary companies	-	3,960
Reversal of impairment/(impairment) of trade receivables	**270,115**	227,778
Finance income	**(157,386)**	(18,739)
Operating (loss)/profit before working capital changes	**22,963**	107,877
Decrease in trade and other receivables	**1,334,683**	433,863
Increase/(decrease) in other payables	**62,275**	(54,883)
Net cash generated from operations	**1,419,921**	486,857
Interest received	**2,224**	18,739
Net cash generated from operating activities	**1,422,145**	505,596
Cash flows from investing activities		
Gain on liquidation of subsidiaries	**60,016**	-
Bank deposits matured during the year	-	4,388,028
Net cash generated from investing activities	**60,016**	4,388,028
Cash flows from financing activities		
Dividend paid	-	(1,250,000)
Loan advanced	**(5,762,500)**	-
Loan repayment	**200,000**	-
Net cash used in financing activities	**(5,562,500)**	(1,250,000)
Net (decrease)/increase in cash and cash equivalents	**(4,080,339)**	3,643,624
Cash and cash equivalents at the beginning of the year	**4,650,665**	1,007,041
Cash and cash equivalents at the end of the year	**570,326**	4,650,665
Cash and cash equivalents consist of:		
Cash at bank	**570,326**	4,650,665

The notes on pages 11 to 30 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

1. General information

NAZARA TECHNOLOGIES (the "Company") was incorporated in Mauritius under the Mauritius Companies Act 2001 on 29 March 2013 as a private company with liability limited by shares. The Company holds a Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007.

The principal activity of the Company is to provide value added services and content which includes interactive wireless games, wallpapers, and ringtones on mobile devices to telecom operators across the globe.

The financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board ("IASB") as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence.

2. Adoption of new and amended IFRS

2.1 New and amended Standards that are effective for the current year

	Effective for accounting period beginning on or after
- Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
- Onerous Contracts Costs of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
- Annual Improvements to IFRS Standards 2018–2020	1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

Onerous Contracts Costs of Fulfilling a Contract (Amendments to IAS 37)

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

2. Adoption of new and amended IFRS (continued)

2.1 New and amended Standards that are effective for the current year (continued)

Annual Improvements to IFRS Standards 2018–2020

A summary of the amendments from the 2018-2020 annual improvements cycle are as follows:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

- *IFRS 9 Financial Instruments*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- *Illustrative Examples accompanying IFRS 16 Leases*

The amendment removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.

- *IAS 41 Agriculture*

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments did not impact on the Company's financial position or performance.

2. Adoption of new and amended IFRS (continued)

2.2 Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company (continued)

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements, will be adopted in the Company's accounting policies for the first period beginning on or after the effective date of the pronouncement. Information on new Standards, amendments to existing Standards and Interpretations is provided as follows:

	Effective for accounting period beginning on or after
- Insurance Contracts IFRS 17	1 January 2023
- Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
- Amendments to IFRS 17	1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice	1 January 2023
- Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024

The directors anticipate that the adoption of these standards, amendments and interpretations in future years will have no material impact on the financial statements of the Company.

3. Summary of accounting policies

(a) Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

(b) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, *Revenue from contracts with customers,* all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

In the current year, the Company does not have financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the Company's business model for managing the financial asset.
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest method if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, other financial assets and most of its trade and other receivables fall into this category of financial instruments.

3. Summary of accounting policies (continued)

(b) Financial instruments (continued)

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. For the Company, instruments within the scope of the new requirements included its trade and other receivables.

Recognition of credit losses is no longer dependent on the Company's first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and

- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the expected credit losses, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities consist of most of its trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3. Summary of accounting policies (continued)

(c) Intangible assets

Intangible assets comprise of computer software and are initially measured at cost less accumulated depreciation and impairment losses if any. Computer software recognised as assets is amortised using the straight-line method over its useful lives, not exceeding 3 years.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit or loss and other comprehensive income.

(d) Investments in subsidiaries

A subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are initially stated at cost less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged to the statement of profit or loss and other comprehensive income.

(e) Consolidated financial statements

The financial statements are separate financial statements which contain information about NAZARA TECHNOLOGIES as an individual company and do not contain consolidated financial information as the parent of group.

The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of an unquoted company incorporated in Singapore, NAZARA PTE LTD.

(f) Foreign currency translation

Functional and presentation currency

The financial statements are presented in currency United States Dollar ("USD"), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3. Summary of accounting policies (continued)

(g) Taxation

Tax expense recognised in the statement of comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current reporting year, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

(h) Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank, net of bank overdrafts. Cash equivalents are short term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

All fixed deposits with initial maturity of more than 3 months are recognised separately under other financial assets.

(i) Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(j) Equity and reserves

Stated capital is determined using the value of shares that have been issued.

Retained earnings for the year consist of the current and prior years' results as disclosed in the statement of profit or loss and other comprehensive income.

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. The increase in the provision due to passage of time is recognised as interest expense in the statement of comprehensive income.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

3. Summary of accounting policies (continued)

(l) Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

(m) Expenses

All expenses are recorded for in the statement of profit or loss and other comprehensive income on the accrual basis.

(n) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Revenue

To determine whether to recognise revenue, the Company ensures that the following 5 conditions are satisfied:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

(p) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

(q) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

(r) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following is the judgement made by management in applying the accounting policies of the Company that has the most significant effect on the financial statements.

3. Summary of accounting policies (continued)

(r) Significant management judgement in applying accounting policies and estimation uncertainty (continued)

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of investments in subsidiaries

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The directors have assessed the recoverable amount of the investment in subsidiaries and confirmed that the carrying amount has not suffered any impairment in value at the reporting date.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, the directors must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of these cash flows.

Impairment of financial assets

The Company uses the guidance of IFRS 9 to determine the degree of impairment of its trade and other receivables. Management considers a broader range of information when assessing credit risk and estimating the credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the receivables. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

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4. Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company's financial assets and financial liabilities by category are summarised as follows:

	2023	2022
Financial assets	**USD**	USD
Financial assets measured at amortised cost:		
Current:		
Trade and other receivables*	**4,253,392**	5,729,498
Loan receivable	**5,962,500**	400,000
Cash and cash equivalents	**570,326**	4,650,665
Total financial assets	**10,786,218**	10,780,163
Financial liabilities		
Financial liabilities measured at amortised cost:		
Current:		
Trade and other payables	**130,395**	68,120
Total financial liabilities	**130,395**	68,120

* *Trade and other receivables exclude prepayments and tax withheld from customers.*

The Company's risk management is carried out under policies approved by the Board of Directors and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes. The most significant financial risks to which the Company is exposed to are as follows:

(a) Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Foreign currency risk, as defined in IFRS 7: Financial Instruments: Disclosures, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates.

NAZARA TECHNOLOGIES

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4. Financial instrument risk (continued)

(a) Market risk analysis (continued)

Foreign currency sensitivity (continued)

The currency profile of the Company's financial assets and financial liabilities is as follows:

	Financial assets 2023	Financial assets 2022	**Financial liabilities 2023**	Financial liabilities 2022
	USD	USD	**USD**	USD
United States Dollar (USD)	**10,745,292**	10,698,484	**125,971**	67,835
Euro (EUR)	**17,585**	29,000	-	285
Ghana Cedi (GHS)	**23,341**	-	-	-
Malawian Kwacha (MWK)	-	52,679	-	-
	10,786,218	10,780,163	**125,971**	68,120

The following table illustrates the sensitivity of loss and equity in regard to the Company's financial assets and liabilities.

It assumes the following changes in exchange rates based on the average market volatility in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency instruments held at 31 March:

	2023	2022
	% change	% change
Euro (EUR)	**5%**	5%
Ghana Cedi (GHS)	**5%**	5%
Malawian Kwacha (MWK)	**4%**	4%

If the USD had weakened by the above percentages, then this would have had the following impact on loss and equity:

	2023		2022	
	Loss	**Equity**	Loss	Equity
	USD	**USD**	USD	USD
Euro (EUR)	**(879)**	**879**	(1,436)	1,436
Ghana Cedi (GHS)	**(1,167)**	**1,167**	-	-
Malawian Kwacha (MWK)	-	-	(2,107)	2,107

Any strengthening in the USD against EUR and MWK would have the same opposite impact.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not have any interest-bearing financial assets and financial liabilities and is therefore not exposed to interest rate risk on its financial instruments.

4. Financial instrument risk (continued)

(b) Interest rate risk (continued)

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2023	2022
Assets	**USD**	USD
Current:		
Trade and other receivables*	**4,253,392**	5,729,498
Loan receivable	**5,962,500**	400,000
Cash and cash equivalents	**570,326**	4,650,665
Total financial assets	**10,786,218**	10,780,163

Trade receivables

The Company uses internal and external information to calculate ECLs for trade receivables and unbilled revenue. The provision is assessed for each customer on an individual basis which is based on past events, current conditions and forecasts of future economic conditions. At every reporting date, the historical observed defaults rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economics, conditions and ECLs is significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not to be representative of customer's actual default in the future.

As at the reporting date, gross trade receivables and unbilled revenue was **USD 611,338** (2022: USD 721,828) and the provision for expected credit losses was estimated at **USD 146,394** (2022: USD 416,509).

The closing balance of the trade receivables loss allowance as at 31 March 2023 reconciles with the trade receivables loss allowance opening balance as follows:

	2023	2022
	USD	USD
Financial assets		
Opening loss allowance as at 1 April	**416,509**	188,731
Loss allowance (reversed)/recognised during the year	**(270,115)**	227,778
Loss allowance as at 31 March	**146,394**	416,509

Amounts due from related companies and loan receivable

For the amounts due from related companies, management considers the probability of default to be close to zero as the related parties have a strong capacity to meet their contractual obligations. The related parties will ensure that they have sufficient cash reserves to ensure that no event of default occurs in the foreseeable future.

Cash and cash equivalents and other financial assets

The credit risk for the cash and cash equivalents and other financial assets are considered negligible, since the counterparties are reputable banks with high quality external credit rating.

None of the financial assets are secured by collateral or other credit enhancements.

4. Financial instrument risk (continued)

(c) Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity needs by carefully monitoring its cash outflows due in day-to-day business.

The following are the contractual maturities of financial liabilities:

	Within one year 2023 USD	Within one year 2022 USD
Trade and other payables	**130,395**	68,120

5. Capital management policies and procedures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends, buy back shares or issue new shares.

At 31 March 2023 and 2022, the Company was not geared since it does not have any external borrowings.

6. Fair value measurement

(i) Fair value measurement of financial instruments

The Company's financial instruments are measured at their carrying amounts, which approximate their fair values.

(ii) Fair value measurement of non-financial instruments

The Company's non-financial assets consist of investments in subsidiaries, intangible assets, tax withheld from customers and prepayments. Non-financial liabilities include tax payable and advances from customers. Fair value is not applicable for these non-financial instruments since they are not measured at fair value on a recurring or non-recurring basis in the statement of financial position.

7. Revenue

Revenue represents amount invoiced to clients and accrued income gross of withholding tax and net of trade discounts and deferred income.

	2023 USD	2022 USD
Revenue	**81,208**	346,463

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7. Revenue (continued)

	2023	2022
	USD	USD
Geographical Markets:		
Africa	**36,453**	231,243
Other than Africa	**44,715**	115,220
	81,168	346,463

8. Cost of sales

	2023	2022
	USD	USD
Content costs	**7,310**	7,645
Licence fees	**6,985**	18,235
	14,295	25,880

9. Administrative expenses

	2023	2022
	USD	USD
Sundry written off	**452,263**	-
Legal and professional fees	**37,556**	57,885
Miscellaneous expenses	**25,059**	8,600
Advertising fees	**16,071**	55,099
Administrative and business services	**16,977**	24,445
Technological services	**9,505**	35,940
Connectivity and colocation expenses	**9,733**	10,697
Bank charges	**8,037**	5,607
Audit fees	**4,359**	6,627
Digital marketing services	-	3,137
Amortisation (Note 12)	-	459
	579,560	208,496

10. Finance income

	2023	2022
	USD	USD
Interest income on:		
Interest on fixed deposits	**2,224**	18,739
Interest on loan	**155,162**	-
	157,386	18,739

11. Taxation

The Company was established as a Global Business Licence Company under the FSA and is liable to pay tax at a rate of 15%. A partial exemption system was introduced with effect from 1 January 2019 whereby companies deriving specific types of income may benefit from 80 % tax exemption subject to meeting conditions of substance as prescribed under Regulations 23D of the Income Tax Regulations 1996.

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11. Taxation (continued)

(i) *Statement of profit or loss and other comprehensive income*

	2023 USD	2022 USD
Tax expense	-	-

(ii) *Statement of financial position*

	2023 USD	2022 USD
Current tax liabilities	869,619	869,619

(iii) *The income tax on the Company's loss before tax differs from the theoretical amount that would arise using the effective tax rate of the Company as follows:*

	2023 USD	2022 USD
Loss before tax	(29,750)	(297,635)
Tax calculated at the rate 15%	(4,463)	(44,645)
Add: non-allowable expenses	-	34,761
Less: non-taxable income	(50,415)	-
Deferred tax asset not recognised	54,878	9,884
Tax charge	-	-

12. Intangible assets

	2023 USD	2022 USD
Cost		
At 01 April and 31 March	25,050	25,050
Amortisation		
At 01 April	25,050	24,591
Charge for the year	-	459
At 31 March	25,050	25,050
Carrying amount	-	-

13. Investments in subsidiary companies

(i) Unquoted and at cost:

	2023 USD	2022 USD
Balance at 01 April	1,249	5,209
Impairment of investment (Note 13 (iii))	-	(3,960)
Balance at 31 March	1,249	1,249

13. Investments in subsidiary companies (continued)

(ii) Details pertaining to the investments are as follows:

	Country of incorporatio	% holding	Cost USD 2023	Cost USD 2022
Nazara Uganda Limited	Uganda	Nil	-	-
Nazara Zambia Limited	Zambia	Nil	-	-
NZ Mobile Kenya Limited	Kenya	99.90%	**1,249**	1,249
NZ Mobile Nigeria Limited	Nigeria	99.90%	-	-
			1,249	1,249

(iii) The investments have been stated at cost as their fair values cannot be reliably estimated.

(iv) During the financial year ended 31 March 2023, Nazara Uganda Limited and Nazara Zambia Limited were wound up.

(v) Based on their review, the Directors of the Company have determined that there is no indication that the impairment of NZ Mobile Nigeria Limited should be reversed at 31 March 2023. Hence, the investment in NZ Mobile Nigeria Limited remains fully impaired.

(vi) The Company holds a Global Business Licence issued by the Financial Services Commission and has taken advantage of the exemption given in Section 12 of Part 1 of the Fourteenth Schedule of the Mauritius Companies Act 2001 from the requirement to prepare consolidated financial statements as it is a wholly-owned subsidiary of an unquoted company incorporated in Singapore, NAZARA PTE LTD.

(vii) The proportions of the voting rights in the subsidiaries held directly by the Company do not differ from the proportion of ordinary shares held.

14. Trade and other receivables

	2023 USD	2022 USD
Trade receivables	**611,338**	721,828
Allowance for expected credit losses	**(146,394)**	(416,509)
Trade receivables – net	**464,944**	305,319
Amounts due from related companies	**3,633,286**	5,424,179
Interest receivable	**155,162**	-
Tax withheld from customers	**1,028,582**	1,002,639
Prepayments	**7,393**	6,866
	5,289,367	6,739,003

(i) The average credit period on sales of services is 120 days. No interest is charged on trade receivables for overdue balances. Trade receivables over 365 are assessed for impairment using the expected credit loss model.

The carrying amount of the trade receivables are considered as reasonable approximation of the fair values as these financial assets are short-term and hence the time value of money is not significant.

The Directors have assessed the recoverable amounts of the trade and other receivables and concluded that an allowance of **USD 146,394** (2022: USD 416,509) for expected credit losses is required for the Company.

NAZARA TECHNOLOGIES

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14. Trade and other receivables (continued)

(ii) The movement in amounts due from the related companies are as follows:

	2023	2022
	USD	USD
Balance at 01 April	**5,424,179**	5,900,485
Transactions during the year	**309,106**	103,706
Expenses borne on behalf of the related parties	**21,143**	34,593
Receipts during the year	**(1,383,104)**	(416,766)
Amount transferred to third parties	**(289,000)**	-
Amount due from related parties written off	**(449,038)**	(197,839)
Balance at 31 March	**3,633,286**	5,424,179

(iii) For the amounts due from related companies, management considers the probability of default to be close to zero as the related parties have a strong capacity to meet their contractual obligations. The related parties will ensure that they have sufficient cash reserves to ensure that no event of default occurs in the foreseeable future.

(iv) The terms and conditions of the other loans to the related parties are unsecured, interest free and receivable on demand.

(v) During the year under review, the amount due from Nzmobile Nigeria Limited and Nazara Bangladesh Limited amounting to USD 40,883 and USD 697,155 were written off in these financial statements.

(vi) During the year ended 31 March 2022, the amount due from Nazara Uganda Limited and Nazara Zambia Limited amounting to USD 105,943 and USD 91,896 were fully written off in these financial statements.

15. Loans receivable

	2023	2022
	USD	USD
Nazara Pte. Ltd	**512,500**	400,000
Wildworks Holdco, Inc.	**5,450,000**	-
	5,962,500	400,000

(i) The loan to Nazara Pte. Ltd is unsecured, interest free and receivable on demand.

(ii) The loan to Wildworks Holdco, Inc. is unsecured, bear interest at a rate of 5% per annum with bullet repayment of interest accrued together with capital at maturity after 3 years.

(iii) Management considers the probability of default to be close to zero as both parties have strong capacity to meet their contractual obligations.

16. Cash and cash equivalents

	2023	2022
	USD	USD
Cash at bank	**570,326**	4,650,665

17. Stated capital

	2023	2022
	USD	USD
Issued, Subscribed and Paid-up		
380 Shares of USD 10 each	**3,800**	3,800

17. Stated capital (continued)

The rights attached to the Ordinary share are as follows:

(i) the right to be provided with notice of and to attend meetings of the shareholders generally and to vote on any matters to be considered by the shareholders generally;

(ii) the right to receive any dividend or distribution; and

(iii) on winding up, the right to share in the assets of the Company, if any, remaining after payment of the debts and liabilities of the Company and the costs of winding up (the surplus assets).

18. Trade and other payables

	2023	2022
	USD	USD
Trade payables	**4,559**	33,558
Amounts due to a related company	**108,977**	-
Accruals	**16,859**	34,562
	130,395	68,120

(i) The average credit period for local purchases and foreign suppliers are 45 days and 60 days respectively. No interest is charged on trade payables for overdue balances. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The carrying amount of trade and other payables is considered to be a reasonable approximation of the fair value.

(ii) The amount due to a related company amounting to **USD 108,977** (2022: USD 5,785) is unsecured, interest free and repayable on demand.

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19. Related party transactions

During the year, the following transactions were carried out with the related parties of the Company.

Name of related parties	Description of relationship	Description of transaction	Volume of transaction USD	Debit balance at 31 March 2023 USD	Debit balance at 31 March 2022 USD
NZ Mobile Kenya Limited	Subsidiary company	Sales/services	-	80,952	1,583,918
NZ Mobile Nigeria Limited	Subsidiary company	Sales/services	394,238	3,531,191	3,112,013
NZ Mobile Nigeria Limited	Subsidiary company	Sundry write off	(40,883)	-	-
Nazara Bangladesh Limited	Fellow subsidiary company	Sundry write off	(697,155)	-	697,155
Nazara Pte Limited	Parent company	Loan receivable	112,500	512,500	400,000
Nazara Technologies FZ LLC	Associate Company	Sales/services	87,796	21,143	-
NzWorld Kenya	Common	Receivable	(27,918)	-	27,918
Nazara Technologies Ltd	Ultimate Holding Company	Payable	416,170	(108,977)	2,092
Mitter Infotech LLP	Previous shareholder of the ultimate holding company	Receivable	(3,175)	-	3,175
Loan to Wildworks Inc	Common Management	Loan receivable	5,450,000	5,450,000	-

The terms and conditions of the amounts due from the related companies are disclosed in note 14.

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20. Dividends

	2023 USD	2022 USD
Dividends paid	-	1,250,000
Dividend per share	-	3,289

21. Events after the reporting date

There have been no other events after the reporting date which would require disclosure or adjustment to the 31 March 2023 financial statements.