



CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

INTRODUCTION

The Company was incorporated in the Cayman Islands on 13 October 2021 under the Companies Act as an exempted company with limited liability, under the name “Pegasus Asia”.

We are a special purpose acquisition company incorporated for the purpose of entering into a business combination in the form of a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination. We have not selected any potential business combination target and we have not, nor has anyone on our behalf, initiated any substantive discussions, directly or indirectly, with any potential business combination target.

Our business strategy is to identify and consummate an initial business combination with a company that has a strong track record in terms of opportunistic accretive and value-creating operations with significant upside from product offerings expansion, client base diversification and business mix rebalancing, so as to generate long-term shareholder value. We intend to concentrate our efforts on identifying businesses in technology-enabled, disruptive, new-economy sectors that have operations primarily centred in Asia Pacific, including but not limited to consumer-tech, fintech, prop-tech, insurance-tech, health-tech, and digital services. These businesses will offer multiple opportunities that drive sustained growth, capitalizing on key secular trends.

PEGASUS ASIA

(Company Registration Number: 382031)
(Incorporated in the Cayman Islands on 13 October 2021)

Condensed Interim Financial Statements
Period from 21 January 2022 (listing date) to 30 June 2022

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	June 30, 2022 \$'000
Assets		
Current assets		
Cash and cash equivalents	5	1,804
Restricted cash	5	152,630
Other assets	6	356
		154,790
Total assets		154,790
Liabilities		
Current liabilities		
Amount due to related corporation	7	183
Other payables	8	1,010
		1,193
Non-current liabilities		
Derivative financial liabilities	16	1,783
Redeemable shares	11	124,148
Other payables	8	3,968
		129,899
Total liabilities		131,092
Equity		
Share capital	9	-
Class A (Full consideration founder shares)	10	20,867
Class B founder shares	12	6,945
Class B founder warrants	12	289
Share-based payment reserves	12	2,450
Accumulated losses		(6,853)
		23,698
Total equity and liabilities		154,790

* amount less than \$1,000

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

PERIOD FROM 21 JANUARY 2022 (DATE OF LISTING) TO 30 JUNE 2022

	Note	For the period from 21 January 2022 (date of listing) to 30 June 2022 \$'000	For the period from 13 October 2021(date of incorporation) to 30 June 2022 \$'000
Revenue		-	-
Other income	13	381	381
Fair value gain on derivative financial liabilities	16	5,832	5,832
Expenses			
- Administrative	14	(6,955)	(8,100)
- Finance	11	(4,966)	(4,966)
Loss before income tax		(5,708)	(6,853)
Income tax expense		-	-
Loss after income tax/ Total comprehensive loss		(5,708)	(6,853)

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

CONDENSED INTERM STATEMENT OF CHANGES IN EQUITY

PERIOD FROM 13 OCTOBER 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

Note	Class A (Full consideration founder shares)			Class B			Share based payment reserves \$'000	Accumulated losses \$'000	Total equity \$'000
	Share capital \$'000	Nominal Share Price \$'000	Share Premium \$'000	Nominal Share Price \$'000	Share Premium \$'000	Founder warrants \$'000			
At 13 October 2021 (date of incorporation)	*	-	-	-	-	-	-	-	*
Total comprehensive loss									
Profit for the period	-	-	-	-	-	-	-	(6,853)	(6,853)
Total comprehensive loss								(6,853)	(6,853)
Transactions with owners, recognised directly in equity									
Re-designated to Class A Full Consideration Founder units	9	(*)	*	-	-	-	-	-	-
Issuance of shares	9,10	-	* 20,900	-	-	-	-	-	20,900
Units surrendered	9,10	-	(*) (*)	-	-	-	-	-	(*)
Founder shares and warrants	12								
- Issuance		-	-	*	7,752	323	-	-	8,075
- Repurchase		-	-	(*)	(807)	(34)	-	-	(841)
- Transaction costs		-	(33)	-	-	-	-	-	(33)
Share-based payment	12	-	-	-	-	-	2,450	-	2,450
Total contributions by and distributions to owners		-	* 20,867	*	6,945	289	2,450	-	30,551
At 30 June 2022		-	20,867	*	6,945	289	2,450	(6,853)	23,698

* amount less than \$1,000

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

Pegasus Asia
Condensed interim financial statements
Period ended 30 June 2022

Note	Class A (Full consideration founder shares)			Class B			Share based payment reserves \$'000	Accumulated losses \$'000	Total equity \$'000	
	Share capital \$'000	Nominal Share Price \$'000	Share Premium \$'000	Founder shares Nominal Share Price \$'000	Share Premium \$'000	Founder warrants \$'000				
At 21 January 2022 (date of listing)	*	-	-	-	-	-	-	-	*	
Total comprehensive loss										
Profit for the period	-	-	-	-	-	-	-	(5,708)	(5,708)	
Total comprehensive loss								(5,708)	(5,708)	
Transactions with owners, recognised directly in equity										
Re-designated to Class A Full Consideration Founder units	9	(*)	*	*	-	-	-	-	-	
Issuance of shares	9,10	-	*	20,900	-	-	-	-	20,900	
Units surrendered	9,10	-	(*)	(*)	-	-	-	-	(*)	
Founder shares and warrants	12									
- Issuance	-	-	-	*	7,752	323	-	-	8,075	
- Repurchase	-	-	-	(*)	(807)	(34)	-	-	(841)	
- Transaction costs	-	-	(33)	-	-	-	-	-	(33)	
Share-based payment	12	-	-	-	-	-	2,450	-	2,450	
Total contributions by and distributions to owners		-	*	20,867	*	6,945	289	2,450	-	33,551
At 30 June 2022		-	-	20,867	*	6,945	289	2,450	(5,708)	24,843

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS

PERIOD FROM 13 OCTOBER 2021 (DATE OF INCORPORATION) TO 30 JUNE 2022

	Note	For the period from 21 January 2022 (date of listing) to 30 June 2022 \$'000	For the period from 13 October 2021 (date of incorporation) to 30 June 2022 \$'000
Cash flows from operating activities			
Loss after income tax		(5,708)	(6,853)
Adjustments:			
Interest accretion		4,966	4,966
Fair value gain on derivatives		(5,832)	(5,832)
Interest income		(349)	(349)
Equity settled share-based payment transaction		2,450	2,450
Operating cashflow before changes in working capital		(4,473)	(5,618)
Changes in working capital:			
- Other assets		202	(5)
- Other payables		1,137	2,333
Net cash used in operating activities		(3,134)	(3,290)
Cash flows from financing activities			
Proceeds from issuance of Offering units		148,000	148,000
Payments on repurchase of Offering units		(17,706)	(17,706)
Payment of transaction costs		(1,987)	(1,987)
Proceeds from issuance of Full consideration founder shares		22,000	22,000
Proceeds from issuance of founder shares		7,752	7,752
Payments on repurchase of founder shares		(807)	(807)
Proceeds from issuance of founder warrants		323	323
Payments on repurchase of founder warrants		(34)	(34)
Amount due to related corporation		27	183
Net cash generated from financing activities		157,568	157,724
Cash flows from investing activities			
Restricted cash held in Escrow Account	5	(152,630)	(152,630)
Net cash generated from investing activities		(152,630)	(152,630)
Net increase in cash and cash equivalents		1,804	1,804
Cash and cash equivalent at date of listing/ date of incorporation		-	-
Cash and cash equivalents at end of period	5	1,804	1,804

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

Notes to the condensed interim financial statements

These notes form an integral part of the condensed Interim Financial Statements.

1. General information

Pegasus Asia (the “Company”) is incorporated and domiciled in the Cayman Islands on 13 October 2021. The address of its registered office is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

On the date of incorporation, 100% of the shares of the Company are held by Bellerophon Financial Sponsor 3, incorporated in France as incorporator of the Company. The Company’s intermediate holding corporation is Tikehau Investment Management, and the ultimate holding corporation is Tikehau Capital SCA, both incorporated in France.

On 21 January 2022 (the “listing date”), Pegasus Asia has started trading on the Singapore Exchange. Subsequent to the listing date, Bellerophon Financial Sponsor 3 holds only 9% of the shares of the Company, accordingly, Bellerophon Financial Sponsor 3, Tikehau Investment Management and Tikehau Capital SCA ceased to be the holding corporations of the Company.

The Sponsor of the Company are Tikehau Capital SCA through a subsidiary Bellerophon Financial Sponsor 3 SAS, Financière Agache SA through a subsidiary Poseidon Asia Financial Sponsor SAS, Diego De Giorgi, and Jean Pierre Mustier, are the sponsors of the Company (the “Founders”).

Following the Initial Public Offering (“IPO”) of the Company on the listing date and over-allotment, the Company issued 26,058,900 Class A units comprising of a share and half a warrant for a price of \$5 per unit (“Offering Units”); 4,400,000 Class A units to the Founders comprising of a share and half a warrant at a price of \$5 per unit (“Full Consideration Founder Units”); 7,614,725 Class B shares to the Founders at \$0.912 per share (“Founder shares”) and 14,467,977 warrants to the Founders for a price of \$0.02 per warrant (“Founder warrants”).

The Company is a special purpose acquisition company incorporated for the purpose of effecting a business combination with one or more target businesses within 24 months from the Listing Date.

These financial statements cover the period from 13 October 2021 (date of incorporation) to 30 June 2022.

2. Going concern

The Company is a special purpose acquisition company incorporated for the purpose of effecting a business combination with one or more target businesses within 24 months from the Listing Date. The Company will not generate any operating income until after the completion of a business combination. As such, the Company has recorded negative operating cashflows amounted to \$3,290,000 and a net loss for the period amounted to \$6,853,000. The interim financial statements of the Company have been prepared on a going concern basis as management of assessed that the Company is in a net current assets position of \$153,597,000. In addition, management assessed that together with a sponsor loan agreement signed by the Company and the founders for a loan of up to \$2 million, and existing funds held outside of Escrow Account as the “At-Risk-Capital” contributed by the founders, the Company has sufficient funds to meet ongoing working capital needs until consummation of business combination.

3. Basis of preparation

3.1 Statement of compliance

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) on the historical cost basis, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may defer from these estimates. Management is of the opinion that there are no critical estimates and judgements in applying accounting policies that may have a significant effect on the amounts recognised in the condensed interim financial statements or significant risk of resulting in a material adjustment within the next financial period.

3.2 Functional and presentation currency

The financial information is presented in Singapore dollars (“\$”) which is Pegasus Asia’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

4 Significant accounting policies

4.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI-debt investment; FVOCI-equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

4 Significant accounting policies (continued)

4.1 Financial instruments (continued)

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – eg. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

4 Significant accounting policies (continued)

4.1 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

4 Significant accounting policies (continued)

4.1 Financial instruments (continued)

(iii) Classification and subsequent measurement (continued)

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

The Company assesses whether the financial instrument is equity or liability classified taking into consideration:

- if there is contractual obligation:
 - to deliver cash or other financial assets; or
 - to exchange financial assets or financial liabilities with another party under potentially unfavourable conditions; or

- a contract that will or may be settled in the entity's own equity instrument:
 - a non-derivative that comprises an obligation for the entity to deliver a fixed or variable number of its own equity instruments; or
 - a derivative that will or may be settled by the entity exchanging a fixed or variable amount of cash or other financial assets for a fixed or variable of its own equity instruments, e.g. whether it meets the "fixed-for-fixed" test.

4 Significant accounting policies (continued)

4.1 Financial instruments (continued)

(iii) Classification and subsequent measurement (continued)

For a puttable instrument or an instrument (or a component of that instrument) that imposes an entity an obligation only on liquidation to be equity classified, the Company assesses if it meets all of the following considerations:

- the holder of instruments entitles to pro rata shares of entity's net assets in the event of entity's liquidation;
- the instrument belongs to class of instrument that is subordinate to all other classes of instruments issued by the entity;
- all financial instruments in the most subordinated class have identical terms;
- apart from obligation of the issuer to repurchase or redeem instrument, the instrument does not include any other contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities under potentially unfavourable conditions;
- total expected cash flows attributable to the instrument over its life are based substantially on profit or loss, change in recognised net assets or change in fair value of (un)recognised net assets of the entity; and
- the issuer has no other financial instrument or contract that has:
 - total cash flows based substantially on profit or loss, change in recognised net assets or change in fair value of (un)recognised net assets of the entity; and
 - effect of substantially restricting or fixing residual returns to puttable instrument holders.

If the puttable instrument does not meet any of the criteria above, the puttable instrument will be liability classified.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognized in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

4 Significant accounting policies (continued)

4.1 Financial instruments (continued)

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognizes financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

4 Significant accounting policies (continued)

4.2 Share-based Payment

We assess whether the transaction is an equity or cash settled share-based payment and assess if the transaction is an employee or non-employee settled share-based payment. In determining the recognition and measurement of the share-based payment award, we assess the terms of the award to determine if the award is service or non-service related and vesting or non-vesting conditions. For vesting conditions, the Company further determines:

- vesting period;
- grant date;
- service or performance vesting condition
- for performance vesting conditions, if it is market or non-market performance vesting condition.

The grant date fair value of the equity settled share-based payment awards granted is recognised as a share-based payment expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which service and non-market performance conditions are expected to be met, such that the amounts ultimately recognised as an expense is based on the number of awards that meet the service and non-market performance conditions at vesting date.

4.3 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

4 Significant accounting policies (continued)

4.3 Income tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

4.4 Currency translation

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are generally recognised in profit or loss.

4 Significant accounting policies (continued)

4.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

4.6 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

When the Company purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised and presented in the non-distributable capital reserve.

4.7 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the years during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

4 Significant accounting policies (continued)

4.8 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

4.9 Finance income and finance cost

Finance income comprises interest income on bank accounts that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings that are recognised in profit or loss. Interest expense is recognised as it accrues in profit or loss, using the effective interest method.

4.10 Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted -average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.11 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 13 October 2021 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements. The new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the Company's financial statements.

5. Cash and cash equivalents and Restricted cash

	June 30, 2022 \$'000
Cash and bank balances	1,804
Cash balances held in Escrow account ⁽¹⁾	152,630
	154,434
Less: Cash balances held in Escrow account ⁽¹⁾	(152,630)
Cash at cash equivalents in the interim financial statements	1,804

⁽¹⁾ In accordance with the Listing Rules, the Company has opened an escrow account (the “Escrow Account”) with and appointed a financial institution licensed and approved by the MAS, being Citibank, N.A., Singapore Branch, to act as escrow agent (the “Escrow Agent”) to operate the Escrow Account in accordance with the Escrow Agreement.

The Listing Rules provide that at least 90% of the gross proceeds from the Offering, being the gross proceeds from the Offering Units, must be deposited into the Escrow Account. The Company has deposited 100% of the gross proceeds of the Offering and from the sale of the Offering Units and Full Consideration Founder Units in the Escrow Account. The gross proceeds from the sale of the Founder Shares and Founder Warrants are not deposited in the Escrow Account.

The funds in the Escrow Account may be invested in certain cash equivalent instruments until completion of a business combination, subject to compliance with Rule 210(11)(i)(iv) of the Listing Rules.

These proceeds held in the Escrow Account will not be released until the earliest of (i) the completion of an initial Business Combination; (ii) the redemption of shares of those Shareholders who validly elect to redeem their Shares upon completion of an initial Business Combination; and (iii) the redemption of shares in the event a Liquidation Event occurs.

6. Other assets

	June 30, 2022 \$'000
Prepayments	356

7. Amount due to related corporation

Amount due to related corporation is non-trade in nature, unsecured, interest-free and repayable on demand.

8. Other payable

	June 30, 2022
	\$'000
<i>Current:</i>	
Other payables – third party	489
Accruals of operating expenses	521
	1,010
<i>Non-current:</i>	
Deferred underwriting commission	3,968
	4,978

Upon and concurrently with the completion of the initial Business Combination, a Deferred Underwriting Commission of S\$3,968,000 will be paid to the Joint Issue Managers and Global Coordinators and the Joint Bookrunners and Underwriters from the funds held in the Escrow Account.

9. Share capital

	Ordinary shares	
	No. of shares	\$'000
At 13 October 2021 (date of incorporation)	1	*
Issuance of ordinary shares	999	*
	1,000	*
Shares re-designated to full consideration founder units	(1,000)	*
At 30 June 2022	-	*

On 13 October 2021 (date of incorporation), the issued share capital of the Company is 1 ordinary shares at \$0.0001 per share. Subsequently, the Company has issued 999 ordinary shares at \$0.0001 per share in October 2021.

On 5 January 2022, the 1,000 ordinary shares issued prior to listing date was re-designated to full consideration founder shares. Following the issuance of the offering units on 21 January 2022, the 1,000 shares was surrendered with no consideration.

9. Share capital (continued)

Capital Management

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company's capital comprises its share capital, Class A full consideration founder shares, Class B shares and warrants, shared based payment reserves and accumulated losses.

The Company is not subject to externally imposed capital requirements. The Company's capital structure is regularly reviewed and managed in accordance with the capital management practices of the Company.

10. Class A (Full consideration founder shares)

	Full consideration founder shares	
	No. of units/ shares	June 30, 2022 \$'000
At 13 October 2021 (date of incorporation)	-	-
Ordinary shares re-designated to Class A (Full consideration founder units)	1,000	1,000
Surrendered	(1,000)	(1,000)
Issuance of Full consideration founder units	4,400,000	22,000
	<hr/> 4,400,000	<hr/> 22,000
Less: ½ warrants included per units (Note 16)	-	(1,100)
Less: transaction cost	-	(33)
Full consideration founder shares as at 30 June 2022	<hr/> <hr/> 4,400,000	<hr/> <hr/> 20,867

On 21 January 2022, the Company has issued 4,400,000 Full Consideration Founder shares at a price of \$5.00 per unit to founders. The full consideration founder shares are not redeemable in connection with the completion of initial business combination.

On 7 March 2022, the 45th day from the listing date, the shares and warrants constituting the full consideration founder units will begin separate trading.

11. Redeemable shares

	No. of units/ shares	June 30, 2022 \$'000
At 13 October 2021 (date of incorporation)	-	-
Offering units at date of issuance	29,600,000	148,000
Less: ½ warrants included per unit (Note 16)	-	(6,514)
Redeemable shares as at date of issuance	29,600,000	141,486
Repurchase of redeemable shares	(3,541,100)	(17,706)
Transaction costs		(4,598)
Interest accretion	-	4,966
As at 30 June 2022	26,058,900	124,148

On 21 January 2022, the Company has issued 29,600,000 Offering units at a price of \$5.00 per unit.

On 7 February 2022, the Company has repurchased 3,541,100 units at the offering price \$5.00 in respect of the exercise of the Put Option by the Stabilising Manager and the repurchase by the Company pursuant to the Private Placement Agreements.

The Shares and whole Public Warrants constituting the Offering Units will begin separate trading from the 45th calendar day from the Listing Date.

The shares of the Offering units (“Class A shares”) requires an initial investment which is not considered to be nominal and are not intended to be settled other than by cash in the event of redemption or a liquidation event. Furthermore, the value does not change in response to an underlying variable and is redeemable in the event of business combination and redeemable in a liquidation event. Accordingly, the Class A shares are measured at amortised cost.

Shareholders of Class A shares were provided the opportunity to redeem all or a portion of their Shares upon the completion of the initial Business Combination at a per-Share price, payable in cash, equal to the aggregate amount then on deposit in the Escrow Account, including interest earned on the Escrow Account (which interest shall be net of taxes payable), on the date of the Business Combination.

12. Share based payment arrangement

On listing date, the Company issued 8,500,000 Founder Shares (“Class B shares”) for a price of \$0.912 per share and issued 16,150,000 Founder warrants (“Class B warrants”) for a price of \$0.02 per warrant. On 7 February 2022, the Company repurchased 885,275 Founder Shares and 1,682,023 Founder warrants at their respective issuance price in respect of the exercise of the Put Option by the Stabilising Manager and the repurchase by the Company pursuant to the Private Placement Agreements

Founder shares cannot be redeemed in connection with the completion of initial business combination and are not entitled to participate in any distributions upon liquidation of the Company. The founder shares will be converted to Class A shares following completion of a business combination.

Founder warrants have the same exercise price and exercise period as warrants from the Offering units.

Management assessed that the Company will receive professional services from the founders in exchange for issuance of founder shares and founder warrants for a consideration which is less than the fair value of respective instruments, hence the issuance of founder shares and warrants falls within the scope of SFRS(I) 2 and will be recognised as share-based payment at the grant date. Since the Company is receiving services as consideration for its own equity instruments, they are assessed to be equity-settled share-based payment transactions. The condition associated with the grant is subject to future fulfilment of vesting conditions, and the expense is to be recognised during the service period.

Fair value of equity-settled share-based payments need not be remeasured. The Company needs to estimate the number of units expected to vest over the vesting period.

Vesting and non-vesting conditions

Founder shares and warrants are granted to compensate for services associated with the identification of a suitable target and perform due diligences. Such services are considered to be rendered between grant date and the date of successful business combination. Therefore, it has been assessed that there are service conditions associated with the grant of founder shares and founder warrants as at a nominal price. Also, the share-based payment will vest upon successful business combination. The requirement for a successful business combination (with an associated service condition) is a performance condition rather than a non-vesting condition on the basis that the business combination is by reference to the Company’s own operations. The condition associated with the grant date are therefore assessed to be vesting condition and the expense is to be recognised during the service period.

12. Share based payment arrangement (continued)

	Class B founder shares	
	No. of shares	\$'000
As of 13 October 2021 (date of incorporation)	-	-
Issuance	8,500,000	7,752
Repurchase	(885,275)	(807)
Founder shares	7,614,725	6,945

	Class B founder warrants	
	No. of shares	\$'000
As of 13 October 2021 (date of incorporation)	-	-
Issuance	16,150,000	323
Repurchase	(1,682,023)	(34)
Founder warrants reserves	14,467,977	289

The nominal share price for founder shares is \$0.0001 which amounted to \$761.

On 7 February 2022, the Company has repurchased 885,275 founder shares and 1,682,023 founder warrants at the offering price in respect of the exercise of the Put Option by the Stabilising Manager and the repurchase by the Company pursuant to the Private Placement Agreements.

Measurement of fair value

The fair value of the founder shares and founder warrants has been measured using the Monte Carlo method. The Monte Carlo simulation considers the model behavior of the respective tranches of founder shares.

The valuation of the Founder Shares and founder warrants are summarised in the table below.

	<u>Founder shares</u>	<u>Founder warrants</u>
	\$	\$
Fair value at grant date	1.9	0.24
Share price at grant date	1.9	0.24
Expected volatility (weighted average)	20%	44.6%
Expected life (weighted- average)	2 years	5 years
Risk-free interest rate (based on government bonds)	1.61% - 2.88%	2.9%

12. Share based payment arrangement (continued)

Fair value of founder shares and founder warrants at grant date were recognised as a share-based payment expenses over the service period in profit or loss and a corresponding increase in share-based payment reserves.

	\$'000
As of 13 October 2021 (date of incorporation)	-
Share based payments expenses during the period:	
- Founder shares	1,681
- Founder warrants	713
- Employee share-based payment	56
Share based payment reserve as at 30 June 2022	2,450

13. Other income

	21 January 2022 (date of listing) to 30 June 2022 \$'000	13 October 2021 (date of incorporation) to 30 June 2022 \$'000
Interest income	349	349
Foreign exchange gain	7	7
Others	25	25
	381	381

14. Administrative expenses

	Note	21 January 2022 (date of listing) to 30 June 2022 \$'000	13 October 2021 (date of incorporation) to 30 June 2022 \$'000
Bank charges		2	2
Director fees		189	189
Employee compensation			
- Salaries and wages		63	87
- Contributions to defined contribution plans		4	4
- Equity-settled share-based payment	12	56	56
Founder shares – share-based payments	12	2,394	1,682
Founder warrants – share-based payments	12	-	712
Insurance expense		111	111
Professional fees		1,648	2,721
Underwriting commission		2,433	2,482
Others		55	54
		<u>6,955</u>	<u>8,100</u>

15. Earnings per share

Basic and Diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

For the period ended 30 June 2022

	Basic \$'000	Diluted \$'000
Loss for the period	<u>(6,853)</u>	<u>(6,853)</u>
Weighted average number of shares	<u>7,439,887</u>	<u>7,439,887</u>
Earnings per share	<u>0.001</u>	<u>0.001</u>

15. Earnings per share (continued)

Basic and Diluted earnings per share (continued)

The weighted average number of shares were determined considering the number of full consideration founder shares of 4,400,000 and founders shares of 7,614,725 (collectively “original shares”) over the period from the date of listing, 21 January 2022 to 30 June 2022.

16. Derivatives financial liabilities

	June 30, 2022	June 30, 2022 Full consideration founder warrants	June 30, 2022 Total
Number of units issued	13,029,450	2,200,000	15,229,450
	\$'000	\$'000	\$'000
At issuance date	6,515	1,100	7,615
Fair value gain	(4,952)	(880)	(5,832)
Derivative financial liabilities	1,563	220	1,783

Full consideration founder warrants and public warrants have no contractual obligation to deliver cash because it is not redeemable in the event of a business combination and in a liquidation event. Furthermore, it does not meet the fixed-for-fixed criteria, accordingly the founder and public warrants are assessed to be a derivative financial liability. Full consideration founder warrants and public warrants are initially measured at fair value and subsequently measures at FVTPL.

The fair value of the full consideration founder warrants and public warrants has been measured using both the Monte Carlo method, which enable the value of these warrants to be approached statistically, and Binomial Tree method.

16. Derivatives financial liabilities

The valuation of the Public and full consideration Founder warrants is summarised in the table below.

	<u>Public warrants</u>	<u>Full consideration founder warrants</u>
	\$	\$
Fair value at grant date	0.26	0.22
Share price at grant date	0.26	0.22
Expected volatility	11.9% - 44.6%	11.9% - 44.6%
Expected life	7 years	7 years
Risk-free interest rate (based on government bonds)	1.6%	1.6%
Exercise price	5.75	-

17. Accounting classification and fair values

The fair value of financial instruments traded in active markets are determined based on quoted current bid prices at the balance sheet date. These instruments are included in Level 1 fair value measurement hierarchy.

The fair value of financial instruments that are not traded in an active market are determined based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). These instruments are included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

17. Accounting classification and fair values (continued)

The table below presents financial assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

	Carrying amount				Fair value			
	Mandatorily at FVTPL \$'000	Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2022								
Financial assets not measured at fair value								
Petty cash	-	*	-	*				
Cash at bank	-	154,434	-	154,434				
	-	154,434	-	154,434				
Financial liabilities not measured at fair value								
Amount due to related corporation	-	-	183	183				
Other payables and accruals	-	-	4,978	4,978				
	-	-	5,161	5,161				
Financial liabilities measured at fair value								
Derivative financial liabilities	1,783	-	-	1,783	-	1,783	-	1,783
Redeemable shares	-	-	124,148	124,148	-	-	-	-
	9,985	-	124,148	125,931	-	1,784	-	1,784

18. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at the prevailing market terms.

Payment made on behalf by related corporations

	21 January 2022 (date of listing) to 30 June 2022 \$'000	13 October 2021 (date of incorporation) to 30 June 2022 \$'000
Related corporations	155	165

Other Information Required by Appendix 7.2 of the Listing Manual of the SGX-ST (“Listing Manual”)

OTHER INFORMATION

1. Review

The condensed interim statement of financial position of Pegasus Asia (the “Company”) as at 30 June 2022 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited nor reviewed by the auditors.

2. Review of performance of the Company

a) Explanatory Notes to Statement of Comprehensive Income (Please refer to page 2)

i) Other income

The Company derived interest income from its funds placed in the Escrow Account.

ii) Unrealised fair value gain on derivative financial liabilities

The expenses incurred for the six months ended 30 June 2022 relate mainly to underwriting commissions, legal and professional fees for the IPO, administrative service fees and interest expense. The Company derived interest income from its cash placed in the Escrow Account. The Company recognised unrealised fair value gain of S\$ 5.832 million during the period as a result of a decline in fair value of its derivative financial liabilities.

iii) Administrative expense

These fees were the initial listing fees for the Company’s IPO offering and annual listing fees, legal and professional fees, and other administrative expenses mainly comprised administrative services fees, accounting and corporate secretarial fees and other miscellaneous expenses incurred after the Company’s IPO offering.

b) Explanatory Notes to Statement of Financial Position (Please refer to page 1)

i) Restricted cash

The Company has placed \$152.6 million in in Escrow account.

ii) Shares redeemable upon the Company’s initial business combination

Ordinary shares (Shares redeemable upon the Company’s initial business combination) which constitute the Offering Units and Cornerstone Units are classified as a liability on the statement of financial position. These shares are classified as financial liabilities as there is a contractual obligation by the Company to deliver cash to the holders of these Offering Units and Cornerstone Units who elect to have such shares redeemed by the Company upon the completion of the Company’s initial business combination. These shares are recognised initially at its fair value and subsequently measured, at each reporting period, at amortised cost

using the effective interest method. Interest expense is recognised in the statement of comprehensive income.

iii) Derivative financial liabilities

Full consideration founder warrants and public warrants are classified as derivative financial liabilities and measured at fair value. This is subject to re-measurement by an independent valuer at each reporting date. As such, at each reporting period and with each such re-measurement, the derivative financial liabilities will be adjusted to fair value, with the change in fair value recognised in the statement of comprehensive income.

c) Explanatory Notes to Statement of Cash Flows (Please refer to page 4)

Net cash used in operating activities was \$3.1 million mainly due to legal and professional fees incurred by the Company.

Net cash used in investment activities was \$152.6 million. This relates to the escrowed funds placed in the Escrow Account.

Net cash from financing activities was \$157.6 million. This was attributable to the Company's IPO proceeds and proceeds from the issuance of Private Placement to the Sponsor which was used to pay for expenses incurred by the Company in the IPO offering.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company has not disclosed any forecast to the market.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Company operates and any known factors or events that may affect the Company in the next operating period and the next 12 months.

In identifying, evaluating and selecting a target business for our initial business combination, we may encounter intense competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups and leveraged buyout funds, public companies, operating businesses seeking strategic acquisitions. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates.

5. If no dividend has been declared/recommended, a statement to that effect

The Company has been active with building and advancing a pipeline of potential business combination targets that are consistent with the investment profile of the Company's IPO offering, focusing on businesses in technology-enabled, disruptive, new-economy sectors that have operations primarily centred in Asia Pacific, where a combination with the Company can build lasting business value in close partnership with management teams.

The activities to identify an optimal business combination target are ongoing and the Company does not report any material updates at present. As at the date of this Announcement, the Company has not identified a conclusive business combination target and has not entered into any written binding acquisition agreement in relation to a potential Business Combination. Other than as disclosed in this Announcement, there are no material changes to the objective, strategy, status and capital of the Company.

7. Interested Person Transactions

The Company has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the SGX-ST (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

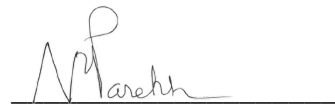
**By Order of the Board
Pegasus Asia**

**Neil Parekh
Director/ Chief Executive Officer
12 August 2022**

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read 'Neil Parekh', written over a horizontal line.

Neil Parekh
Director

A handwritten signature in black ink, appearing to read 'Jean-Baptiste Feat', written over a horizontal line.

Jean-Baptiste Feat
Director