

**FRONTIER DATA MANAGEMENT INC**

**FINANCIAL STATEMENTS**

**March 31, 2020**

**RAM ASSOCIATES, CPAS**

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# FRONTIER DATA MANAGEMENT INC

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders of  
Frontier Data Management Inc.  
Delaware.

We have audited the accompanying balance sheet of Frontier Data Management Inc. as of March 31, 2020 and the related statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Frontier Data Management Inc. as of March 31, 2020 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

RAM ASSOCIATES  
Hamilton, NJ  
May 20, 2020

FRONTIER DATA MANAGEMENT INC

Balance Sheet

As on 31-03-2020

ASSETS

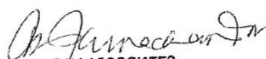
USD

<b>Current assets :</b>	
Cash	\$ 166,045
Accounts receivable	\$ 14,280,013
Other current assets	\$ 18,215,667
<b>Total current assets</b>	<u>\$ 32,661,726</u>
Fixed assets, net	\$ 333,244
Capital Work in Progress	\$ 6,676,196
Other intangible assets	\$ 25,908,705
Intangible assets under development	\$ 7,313,045
Investments	\$ 10,049,300
Loans & Advances	\$ 8,163,099
Deferred tax assets (net)	\$ 57,611
<b>Total assets</b>	<u><u>\$ 91,162,926</u></u>

LIABILITIES AND STOCKHOLDER'S EQUITY

<b>Current liabilities :</b>	
Account Payables	\$ 991,335
Other Current Liabilites	\$ 327,132
Provisions	\$ 965,323
<b>Total current liabilities</b>	<u><u>\$ 2,283,790</u></u>

<b>Stockholder's equity</b>	
Common stock, no par value, 1,500 authorized shares, issued and outstanding	\$ 9,303
Additional paid-in capital	\$ 28,910,086
Retained earnings	\$ 59,959,746
<b>Total stockholder's equity</b>	<u>\$ 88,879,135</u>
<b>Total liabilities and stockholder's equity</b>	<u><u>\$ 91,162,925</u></u>

  
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# FRONTIER DATA MANAGEMENT INC

## Statement of Income

For the Year Ended March 31, 2020

	USD
<b>Revenues</b>	\$ 42,033,910
<b>Cost of revenue</b>	\$ 16,861,231
<b>Gross profit</b>	<u>\$ 25,172,680</u>
<b>Operating expenses</b>	
General and administration expenses	\$ 3,901,282
<b>Income before depreciation, amortization and income taxes</b>	<u>\$ 21,271,398</u>
Interest expenses	
Depreciation & Amortization expenses	\$ 7,875,508
<b>Income before provision for Income taxes</b>	<u>\$ 13,395,890</u>
Income tax	\$ 3,978,579
Deferred tax	\$ (14,126)
<b>Net income</b>	<u><u>\$ 9,431,436</u></u>
Other comprehensive income	\$ (22,467)
	(19,485,499)
<b>Total comprehensive income for the period</b>	<b>\$ (10,076,530)</b>

  
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- See accompanying notes to financial statements-

# FRONTIER DATA MANAGEMENT INC

## Statement of Changes in Stockholder's Equity

For the Year Ended March 31, 2020

	Common stock		Additional paid-in capital USD	Retained earnings USD	Total stockholders' equity USD
	Number of shares	Amount USD			
<b>Balance at March 31, 2019</b>	1500	\$ 9,303	\$ 28,910,086	\$ 70,036,276	\$ 98,955,665
Net income				\$ (10,076,530)	\$ (10,076,530)
Additional paid-in capital					\$ -
<b>Balance at March 31, 2020</b>	<b>1,500</b>	<b>\$ 9,303</b>	<b>\$ 28,910,086</b>	<b>\$ 59,959,746</b>	<b>\$ 88,879,135</b>

  
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**FRONTIER DATA MANAGEMENT INC**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2020**

	<b>USD</b>
<b>Cash flows from operating activities</b>	
Net income	\$ (10,076,530)
Adjustments to reconcile net income to net cash Used by operating activities:	
Depreciation & Amortization	\$ 7,875,508
Provision for Impairment of Debtors	\$ 15,603
<b>Changes in assets and liabilities:</b>	
(Increase)/decrease in:	
Accounts receivable	\$ (1,615,077)
Other assets	\$ 18,912,752
Increase/(decrease) in:	
Other current liabilities	\$ 5,888
Provisions	\$ (1,108,564)
Accounts payable and accrued expenses	\$ 91,839
Taxes payable	
Net cash used by operating activities	<u>\$ 14,101,420</u>
 <b>Cash flows from Investing activities</b>	
Purchase of equipment	\$ (84,450)
Decrease/(Increase) in Intangible asset under developm	\$ (7,313,045)
Decrease/(Increase) in Capital work in progress	\$ (6,676,196)
Decrease/(Increase) in Investments	\$ -
Net cash provided by Investing activities	<u>\$ (14,073,691)</u>
 <b>Cash flows from financing activities</b>	
Increase/(decrease) in long-term debt	\$ -
Increase/(decrease) in Reserves	\$ -
Increase/(decrease) in Defeered asset	\$ (14,126)
Increase in other assets	\$ -
Net cash provided by financing activities	<u>\$ (14,126)</u>
Net increase in cash	\$ 13,603
 <b>Cash at the beginning of the year</b>	\$ 152,442
 <b>Cash at the end of the year</b>	<u><u>\$ 166,045</u></u>

  
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**FRONTIER DATA MANAGEMENT INC**  
**Supplementary schedule**  
**For The Year Ended March 31, 2020**

	<b>USD</b>
<u>General &amp; Administration</u>	
Salaries and Wages	\$ 1,533,932
Power	\$ 51,567
Rent, Rates and Taxes	\$ 367,704
Repairs & Maintenance	\$ 8,746
Auditor fee	\$ 65,279
Bandwidth Expenses	\$ 35,692
Hosting Expenses	\$ 211,904
Professional Fees	\$ 177,171
Sales and Marketing Expenses	\$ 78,340
Provision for Impairment of Debtors	\$ 15,603
Other Expenses	\$ 47,167
Travelling and Conveyance	\$ 103,620
Office Maintenance	\$ 99,610
Printing & Stationery Expenses	\$ 13,195
Consultancy Charges	\$ 73,944
Business Promotion Expenses	\$ 1,017,805
<b>Total</b>	<b>\$ 3,901,282</b>

'-See accompaynig notes to financial statements



# Frontier Data Management, Inc.

## Notes to the Financial Statements

For the year ended March 31, 2020

### **1. Organization and Description of Business**

Frontier Data Management, Inc is an international online media network with market presence in Europe, North and South America. Frontier provides the most comprehensive portfolio of online lead generation and media buying from its vast and well established advertising networks. They provide a wide range of eMarketing products and services that enable advertisers, agencies and publishers to cost-effectively reach, recruit, and retain consumers online. As a pioneer of the performance-based advertising model, Frontier achieves high performance by providing marketers with the most cost-effective methods that consistently produce measurable results. Frontier Data Management, Inc is a corporation registered in March 3, 2006 in the State of Delaware.

### **2. Summary of Significant Accounting Policies**

#### **a) Accounting Policies**

These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America; consequently, revenue is recognized when services are rendered and expenses reflected when costs are incurred.

#### **b) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are often based on judgments, probabilities and assumptions that management believes are reasonable but that are inherently uncertain and unpredictable. As a result, actual result could differ from those estimates.

Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustment, if any, to the estimates used are made prospectively based on such periodic evaluations.

# Frontier Data Management, Inc.

## Notes to the Financial Statements

For the year ended March 31, 2020

### c) **Accounts Receivables**

Frontier Data Management, Inc determines the allowance for doubtful accounts based on assessed customers' ability to pay, historically write-off experience, and economic trends.

### d) **Revenue Recognition**

The Company recognizes revenue on time-and-materials contracts as the services are performed for clients. Revenues on fixed-price contracts are recognized using the percentage of completion method. Percentage of completion is determined by relating the actual cost of work performed to date to the estimated total cost for each contract. If the estimate indicates a loss on a particular contract, a provision is made for the entire estimated loss without reference to the percentage of completion.

### 3. Property and Equipment

Property and equipment is stated at cost. The Company provides for depreciation of property and equipment using the straight-line method over the estimated useful lives of the related assets ranging from three to seven years. At March 31, 2020 the property and equipment consisted of the following:

<b>Particulars</b>	<b>Amount in USD</b>
Facilities	231,817
Computer Equipment's	1,987,816
Furniture and Fixtures	262,435
Vehicles	155,063
Total	2,637,131
Less : Accumulated Depreciation	2,303,887
<b>Net Assets</b>	<b>333,244</b>

The company charges repairs and maintenance costs that do not extend the lives of the assets to expenses as incurred.

# Frontier Data Management, Inc.

## Notes to the Financial Statements

For the year ended March 31, 2020

### 4. Amortization of product development and domain name

Product development and domain name costs are amortized as amortization will start after the development of the products.

### 5. Commitments

The company leases office space in Delaware under non-cancelable operating lease agreement. The following is a schedule of future minimum lease payments required under the lease:

For the year ending,

Particulars	Amount in USD
March 31, 2021	3,67,704
<b>Total</b>	<b>3,67,704</b>

### 6. Income Tax

Income taxes have been provided as per applicable laws.

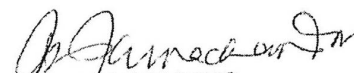
Due to the geographical scope of company's operations, Company is subject to tax examinations in various jurisdictions. Accordingly, Company may record incremental tax expenses, based upon the more- likely- than- not outcomes of any uncertain tax positions.

7. During the year the management has decided to impaired the assets, The following products(Acepad , Nexaray , OrderZen, Affiliate Castle, Orawide BlueCube) like have been identified as ones which are risky to continue in view of the imposition of the new law GDPR. Hence it is recommended we discontinue using them and do the impairment of the said assets from the balance sheet:

Particulars	USD
Short term loans and advances	\$ 60,99,232
Other current assets	\$ 1,33,86,267
<b>Total</b>	<b>\$ 1,94,85,499</b>

### 8. Others

Previous year figures have been regrouped wherever necessary.

  
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