Company Registration No. 202008897G

Appnext Pte Ltd

Annual Financial Statements
For the financial year ended 31 March 2022

Appnext Pte. Ltd.

Index

The directors are pleased to present their statement to the member together with the audited financial statements of Appnext Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 March 2022; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this report are:

Elad Shmuel Natanson
Kapil Mohan Bhutani
Anuj Khanna Sohum @ Anuj Khanna

Arrangements to enable directors to acquire shares or debentures

Except as disclosed in this statement, neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following director, who held office at the end of the financial period, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and its holding company as stated below:

	Direct interest		**Deemed interest**	
	At the beginning of financial year	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares				
Company				
Elad Shmuel Natanson	800	800	–	–
Ultimate Holding company Affle Holdings Pte Ltd				
Anuj Khanna Sohum @ Anuj Khanna	4,271,225	4,271,225	–	–
Elad Shmuel Natanson	194,911	194,911	–	–
Kapil Mohan Bhutani	40,210	78,115	–	–

Directors' interests in shares and debentures (cont'd)

	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Options to subscribe shares				
Ultimate Holding company Affle Holdings Pte Ltd				
Elad Shmuel Natanson	–	69,640	–	–
Kapil Mohan Bhutani	–	69,640	–	–

Share options

In its resolution in writing dated 1 November 2021, the directors approved the Employee Share Option Plans ("ESOP") for the granting of non-transferrable options to eligible employees and directors, respectively that are settled by physical delivery of the ordinary shares of the intermediate holding company, Affle (India) Limited.

No share of the Affle (India) Limited has been allotted and issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiary.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Anuj Khanna

Anuj Khanna Sohum @ Anuj Khanna
Director

Elad Shmuel Natanson
Director

Singapore
13 May 2022

Independent auditor's report to the Member of Appnext Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Appnext Pte. Ltd. (the Company) which comprise the balance sheet of the Company as at 31 March 2022 and the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year ended 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement, but 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report to the Member of Appnext Pte. Ltd.

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

- 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

13 May 2022

Appnext Pte. Ltd.

Statement of comprehensive income
For the financial year ended 31 March 2022

	Note	Year ended 31 March 2022 US$	17 March 2020 (date of incorporation) to 31 March 2021 US$
Revenue	4	23,816,808	12,270,268
Other income	5	2,048,596	1,678,013
Expenses			
Depreciation	9	(2,513)	(43)
Inventory and data cost		(17,815,716)	(9,489,069)
Salaries and employee benefits	6	(3,835,202)	(2,000,322)
Finance cost		(94,628)	(37,341)
Other expenses	7	(1,480,960)	(1,518,298)
Profit before tax		2,636,385	903,208
Income tax expense	8	(442,358)	(130,528)
Profit after tax, representing total comprehensive income for the year/period		2,194,027	772,680

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Appnext Pte. Ltd.

Balance sheet
As at 31 March 2022

	Note	2022 US$	2021 US$
Non-current assets			
Plant and equipment	9	10,351	1,577
Current assets			
Trade and other receivables	10	5,231,362	2,683,533
Accrued revenue	4	2,340,929	1,729,939
Deposits and prepayments		191,642	36,994
Cash and cash equivalents	11	2,122,486	806,811
		9,886,419	5,257,277
Total assets		9,896,770	5,258,854
Current liabilities			
Trade and other payables	12	6,042,028	3,976,074
Provision for tax	8	442,358	130,528
Total liabilities		6,484,386	4,106,602
Net current assets		3,402,033	1,150,675
Net assets		3,412,384	1,152,252
Equity			
Share capital	13	20,000	20,000
Retained earnings		2,966,707	772,680
Other reserve	14	66,105	–
Merger reserve	15	359,572	359,572
Total equity		3,412,384	1,152,252
Total equity and liabilities		9,896,770	5,258,854

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Appnext Pte. Ltd.

Statement of changes in equity
For the financial year ended 31 March 2022

	Share capital (Note 13) US$	**Retained earnings** US$	**Merger reserve (Note 15)** US$	**Other reserve (Note 14)** US$	**Total equity** US$
As at 1 April 2021	20,000	772,680	359,572	–	1,152,252
Profit for the period, representing total comprehensive income for the financial year	–	2,194,027	–	–	2,194,027
Grant of equity-settled share options	–	–	–	66,105	66,105
As at 31 March 2022	20,000	2,966,707	359,572	66,105	3,412,384
As at 17 March 2020 (date of incorporation)	–	–	–	–	–
Profit for the period, representing total comprehensive income for the financial period	–	772,680	–	–	772,680
Other comprehensive income for the period					
Merger reserve	–	–	359,572	–	359,572
Contributions by owners					
Issuance of new ordinary shares during the period	20,000	–	–	–	20,000
As at 31 March 2021	20,000	772,680	359,572	–	1,152,252

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Appnext Pte. Ltd.

Cash flow statement
For the financial year ended 31 March 2022

	Note	2022 US$	2021 US$
Cash flows from operating activities			
Profit before tax		2,636,385	903,208
Adjustments for:			
Depreciation	9	2,513	43
Finance cost		94,628	37,341
Unrealised exchange loss		115,318	12,564
Grant of equity-settled share options	6	66,105	–
Operating cash flows before changes in working capital		2,914,949	953,156
Increase in trade and other receivables		(2,547,830)	(395,253)
Increase in accrued revenue		(610,990)	(1,729,939)
Increase in prepayments		(154,648)	(36,994)
Increase in trade and other payables		2,065,955	1,898,365
Cash flows from operations		1,667,436	689,335
Interest expense paid		(94,628)	(37,341)
Income tax paid		(130,528)	–
Net cash flows generated from operating activities		1,442,280	651,994
Cash flows from investing activities			
Purchases of plant and equipment	9	(11,287)	(1,620)
Net proceeds received from acquisition of net assets	15	–	168,000
Net cash flows (used in)/generated from investing activities		(11,287)	166,380
Cash flows from financing activity			
Proceeds from issuance of ordinary shares		–	1,000
Net cash flows generated from financing activity		–	1,000
Net increase in cash and cash equivalents		1,430,993	819,374
Cash and cash equivalents at beginning of the year/the date of incorporation	11	806,811	–
Effect of exchange rate changes on cash and cash equivalents		(115,318)	(12,563)
Cash and cash equivalents at 31 March	11	2,122,486	806,811

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

1. Corporate information

Appnext Pte. Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is located at 600 North Bridge Road #23-01 Parkview Square, Singapore 188778.

The Company is a subsidiary owned by Affle International Pte. Ltd. incorporated in Singapore. The ultimate holding company is Affle Holdings Pte. Ltd., incorporated in Singapore. Related companies in these financial statements refer to subsidiaries of Affle Holdings Pte. Ltd.

The principal activity of the Company is rendering service through its mobile discovery platform ("the Platform"). The Platform helps users discover the most relevant applications they need specifically when they intend to use them. The Platform is a self-serve platform serving customers to reach quality users and publishers to enhance their mobile digital monetization. There have been no significant changes in the nature of these activities during the financial period.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars ("USD" or "US$") except when otherwise indicated. The Company's functional currency is USD.

2. Summary of significant accounting policies (cont'd)

2.2 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions beyond 2021	1 April 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 8 Definition of Accounting Estimates	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 117	1 January 2023
FRS 117 Insurance Contracts	1 January 2023
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.3 *Foreign currency*

The financial statements are presented in United States Dollars, which is also the Company's functional currency. The Company determines its own functional currency and items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

2. Summary of significant accounting policies (cont'd)

2.4 *Plant and equipment*

Property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	-	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.5 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (cont'd)

2.5 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset.

<u>Amortised cost</u>

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

D-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 *Impairment of financial assets*

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and demand deposits.

2.8 *Provisions*

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.9 *Employee benefits*

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

Employee share option plans

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments of intermediate holding company, Affle (India) Limited, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payments ("SBP") reserves in equity, over the period in which the service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2. Summary of significant accounting policies (cont'd)

2.10 *Revenue*

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Services rendered for mobile assets (Consumer Platform)

Revenue from services rendered for mobile assets is recognised on accrual basis upon rendering of services based on the terms of the contracts. In terms of contracts, excess/shortfall of revenue over the billed as at the period-end is carried in financial statement as gross amount due from/to customers for contract work-in-progress.

2.11 *Taxes*

(a) Current income tax

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

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

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

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd)

2.11 *Taxes (cont'd)*

(b) Deferred tax (cont'd)

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

2.12 *Leases*

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition to not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

2.13 *Share capital*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.14 *Contingencies*

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) A present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

Determination of functional currency

In determining the functional currency of the Company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the currency that mainly influences sales prices for goods and services. Management has assessed that prices are mainly denominated and settled in USD. In addition, most of the direct cost base is mainly denominated in USD as well. Therefore, management concluded that the functional currency of the Company is USD.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 10.

The carrying amount of trade receivables at the end of the reporting period is disclosed in Note 10.

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty (cont'd)*

Employee share-based compensation

The Company measures the cost of equity-settled transactions with employees using Black Scholes pricing model to determine the fair value on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 14.

4. Revenue

(a) Disaggregation of revenue

	Year ended 31 March 2022 US$	**17 March 2020 (date of incorporation) to 31 March 2021** US$
Services rendered for mobile assets (Consumer platform)	23,816,808	12,270,268
Timing of transfer of goods or services		
At a point in time	23,816,808	12,270,268

(b) Contract balances

Information about contract balances are disclosed as follow:

	Note	**2022** US$	**2021** US$
Receivables from contracts with customers	10	3,800,494	1,350,417
Accrued revenue		2,340,929	1,729,939
Advance from customers	12	422,374	160,450

Accrued revenue relates to completed services rendered for mobile assets that has yet to be billed to customers.

The Company has applied the practical expedient not to disclose information about its remaining performance obligation as the contracts have an original expected duration of less than a year.

5. Other income

	Year ended 31 March 2022 US$	17 March 2020 (date of incorporation) to 31 March 2021 US$
Service fees charged to intermediary holding company	1,407,196	1,277,730
Miscellaneous revenue	37,500	137,845
Referral fees	592,966	240,700
Processing fees	10,892	17,431
Transfer fees	42	4,307
	2,048,596	1,678,013

6. Salaries and employee benefits

	Year ended 31 March 2022 US$	17 March 2020 (date of incorporation) to 31 March 2021 US$
Salaries and bonuses	3,769,097	2,000,322
Grant of equity-settled share options	66,105	–
	3,835,202	2,000,322

7. Other expenses

	Year ended 31 March 2022 US$	17 March 2020 (date of incorporation) to 31 March 2021 US$
Research and development costs	544,536	687,336
Business development & marketing expenses	510,160	399,950
Professional services	193,700	387,607
Rental expense relating to low-value leases	25,845	464
Traveling expenses	67,773	5,031
Net foreign exchange loss	125,940	12,563
Others	13,006	25,348
	1,480,960	1,518,298

8. Income tax expense

Major components of income tax expense

The major component of income tax expense for the financial year ended 31 March 2022 and financial period from 17 March 2020 (date of incorporation) to 31 March 2021 are:

	Year ended 31 March 2022 US$	**17 March 2020 (date of incorporation) to 31 March 2021** US$
Statement of comprehensive income		
Current income tax:		
Current income taxation	442,358	130,528
Income tax expense recognised in profit or loss	442,358	130,528

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2022 and financial period from 17 March 2020 (date of incorporation) to 31 March 2021 are as follows:

	Year ended 31 March 2022 US$	**17 March 2020 (date of incorporation) to 31 March 2021** US$
Profit before tax	2,636,385	903,207
Tax calculated at a tax rate of 17%	448,186	153,545
Effects of:		
Income not subject to tax	(1,130)	–
Non-deductible expenses	18,631	1,603
Tax effect of partial tax exemption and tax relief	(23,329)	(24,349)
Deferred tax assets not recognised	–	(271)
Income tax expense recognised in profit or loss	442,358	130,528

9. Plant and equipment

	Computers US$
Cost	
At 17 March 2020 (date of incorporation)	–
Additions	1,620
At 31 March 2021 and 1 April 2021	1,620
Additions	11,287
At 31 March 2022	12,907
Accumulated depreciation	
At 17 March 2020 (date of incorporation)	–
Depreciation charge for the period	43
At 31 March 2021 and 1 April 2021	43
Depreciation charge for the year	2,513
At 31 March 2022	2,556
Net carrying amount	
At 31 March 2022	10,351
At 31 March 2021	1,577

10. Trade and other receivables

	2022 US$	2021 US$
Current		
Trade receivables from third parties	3,800,494	1,350,417
Amount due from intermediary holding company (trade)	1,372,956	1,164,854
Amount due from immediate holding company (trade)	–	80,721
Amount due from related company (trade)	3,348	87,541
Other receivables	54,564	–
	5,231,362	2,683,533
Allowance for expected credit losses	–	–
Total trade and other receivables	5,176,798	2,683,533
Add: Cash and cash equivalents (Note 11)	2,122,486	806,811
Total financial assets carried at amortised cost	7,299,284	3,490,344

10. Trade and other receivables (cont'd)

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amounts due from intermediary holding company, immediate holding company and related company

Amounts due from intermediary holding company, immediate holding company and related company (trade and other receivables) are non-interest bearing, unsecured and repayable upon demand.

Trade and other receivables denominated in foreign currency at 31 March are as follow:

	2022	**2021**
	US$	US$
Euro	76,939	11,088
Russian Roubles	207,350	7,278
British Pound Sterling	10,299	3,034
Brazilian Real	34,088	–
Singapore Dollar	7,170	–

Credit risk exposure on trade receivables using a provision matrix

31 March 2022	Days past due					
	Current	< 30 days	> 31 to 60 days	> 61 to 90 days	> 90 days	Total
	US$	US$	US$	US$	US$	US$
Carrying amount of trade receivables	510,607	1,496,022	689,104	357,219	747,541	3,800,494
Expected credit losses	–	–	–	–	–	–

31 March 2021	Days past due					
	Current	< 30 days	> 31 to 60 days	> 61 to 90 days	> 90 days	Total
	US$	US$	US$	US$	US$	US$
Carrying amount of trade receivables	32,137	199,116	1,011,986	63,620	43,558	1,350,417
Expected credit losses	–	–	–	–	–	–

At the end of the reporting period, the expected credit losses on trade receivables are not significant.

Trade debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

11. Cash and cash equivalents

	2022 US$	2021 US$
Cash at bank	2,122,486	806,811

Cash and cash equivalents denominated in foreign currency at 31 March are as follow:

	2022 US$	2021 US$
Euro	96,450	98,790
Singapore Dollar	115,879	8,771
Russian Rubbles	430,361	195
British Pound Sterling	11,932	115

12. Trade and other payables

	2022 US$	2021 US$
Current		
Trade payables:		
Trade payables to third parties	1,656,696	1,691,987
Amount due to related company (trade)	916,873	221,735
	2,573,569	1,913,722
Other payables:		
Advance payments from customers	422,374	160,450
Accruals	2,735,554	1,867,710
Other payables	310,531	34,192
Total trade and other payables	6,042,028	3,976,074
Less: Sales tax payables	(292,081)	(15,170)
Total financial liabilities carried at amortised cost	5,749,947	3,960,904

Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

12. Trade and other payables (cont'd)

Amount due to related company

Amount due to related company (trade and other payables) are non-interest bearing and are repayable upon demand.

Trade and other payables denominated in foreign currency at 31 March is as follows:

	2022	2021
	US$	US$
Singapore Dollar	364	344,156
British Pound Sterling	1,450	1,594
Euro	556	–
Chinese Yuan	7,829	–

13. Share capital

	2022		2021	
	No. of shares	US$	No. of shares	US$
Issued and fully paid ordinary shares				
At 1 April/17 March 2020 (date of incorporation)	20,000	20,000	–	–
Issuance of ordinary shares during the year/period	–	–	20,000	20,000
At 31 March	20,000	20,000	20,000	20,000

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and have no par value.

14. Other reserves

Other reserves represent the equity settled stock options granted to employees by its intermediate holding company, Affle (India) Limited.

The following table illustrates the number and weighted average exercise prices ("WAEP") of and movements in, share options during the year.

	2022		2021	
	No. of share options	WAEP INR	No. of share options	WAEP INR
At 1 April/17 March 2020 (date of incorporation)	–	–	–	–
Granted	191,088	1,050	–	–
Forfeited during the year	10,716	1,050	–	–
Outstanding at 31 March	180,372	1,050	–	–
Vested at 31 March	–	–	–	–

The weighted average fair value of options granted during the financial year was INR 335 (2021: Nil). The exercise price for options outstanding at the end of the year was INR1,050 (2021: Nil). No options were exercised during the year. An expense relating to grant of equity-settled share option of US$66,105 was recognised in salaries and employee benefits (Note 6) during the year.

Fair value of share options granted

The fair value of the share options granted as at the date of grant is estimated using the Black-Scholes Model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the models for the financial years ended 31 March 2022.

	2022
Dividend yield (%)	–
Expected volatility (%)	31.0% - 35.0%
Risk-free rate (% per annum)	4.4% - 5.5%
Expected life of option (years)	2.0 - 4.5
Weighted average share price (INR)	1,058.3

15. Acquisition of net assets

On 1 April 2020, the agreed assets and liabilities from Appnext Ltd. were transferred to the Company for a consideration of US$19,000. As of that date, both Appnext Ltd. and the Company were controlled by common shareholders.

	2021
	US$
Cash	168,000
Trade receivables	2,288,280
Trade payables	(2,077,708)
Net assets transferred	378,572
Consideration paid for acquisitions of net assets in a form of issuance of shares	(19,000)
Merger reserve at 31 March 2021	359,572

16. Related party transactions

(a) Sales and purchase of services

Other than the related party information disclosed elsewhere in the financial statements, the following are transactions between the Company and related parties during the financial year and period:

	Year ended 31 March 2022	**17 March 2020 (date of incorporation) to 31 March 2021**
	US$	US$
Service provided from intermediary holding company	2,673,412	2,168,237
Service provided from related party	2,422,020	961,322
Recharge of manpower cost from related party	630,170	122,459

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Year ended 31 March 2022	**17 March 2020 (date of incorporation) to 31 March 2021**
	US$	US$
Salaries and bonuses	449,944	301,483
Grant of equity-settled share options	24,137	–

17. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate of fair value.

Cash and cash equivalents, trade and other receivables, trade and other payables, amount due (from)/to intermediary/immediate/related company based on their notional amounts, reasonably approximate their fair value due to their short-term nature.

18. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. Throughout the current financial period, the Company did not engage in speculative activities.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has no significant concentration of credit risk. The Company has policies in place to ensure that transactions are entered into only with counterparties that are of acceptable credit quality. In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The maximum exposure to credit risk is represented by the net carrying amount of financial assets recorded in the financial statements. No other financial assets carry a significant exposure to credit risk.

<u>Exposure to credit risk</u>

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the outstanding trade and other receivables and cash and cash equivalents as disclosed in Note 10 and 11 respectively.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's financial liabilities have a maturity date of less than 1 year. Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

18. Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk

The Company is exposed to foreign currency risk on sales and expenses that are denominated in other currencies. The currencies giving rise to this risk are primarily the Singapore Dollar ("SGD"), Euro Dollar ("EUR"), Russian Rouble ("RUB"), British Pounds ("GBP"), Brazilian Real ("BRL") and Chinese Yuan ("CNY"). The Company also holds cash and cash equivalents denominated in foreign currency for working capital purposes.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in the SGD, EUR, RUB, GBP, BRL and CNY exchange rates against the Company's functional currency, with all other variables held constant.

	Increase/(decrease) Profit before tax 2022 US$	Increase/(decrease) Profit before tax 2021 US$
SGD		
- strengthened 5%	(15,984)	(23,218)
- weakened 5%	15,984	23,218
EUR		
- strengthened 5%	8,642	5,447
- weakened 5%	(8,642)	(5,447)
RUB		
- strengthened 5%	31,886	374
- weakened 5%	(31,886)	(374)
GBP		
- strengthened 5%	1,039	78
- weakened 5%	(1,039)	(78)
BRL		
- strengthened 5%	1,704	–
- weakened 5%	(1,704)	–
CNY		
- strengthened 5%	(2,439)	–
- weakened 5%	2,439	–

19. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company relies on its ultimate holding company to provide continuing financial support to enable the Company to repay its obligation as and when they fall due.

20. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 13 May 2022.