

Company Registration No. 202008897G

Appnext Pte. Ltd.

Annual Financial Statements
For the financial year ended 31 March 2024



Appnext Pte. Ltd.

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Appnext Pte. Ltd.**Directors' statement**

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 2024.

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 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 March 2024; 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:

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 year 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 year, 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
<u>Ordinary shares</u>				
Ultimate Holding company				
Affle Holdings Pte Ltd				
Anuj Khanna Sohum @ Anuj Khanna	4,271,225	4,271,225	–	–
Kapil Mohan Bhutani	78,115	78,115	–	–

Appnext Pte. Ltd.**Directors' statement**

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
<u>Options to subscribe shares</u>				
Ultimate Holding company				
Affle Holdings Pte Ltd				
Kapil Mohan Bhutani	69,640	69,640	–	–

Share options

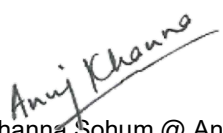
In its resolution in writing dated 1 November 2022, the directors approved the Employee Share Option Plans ("ESOP") for the granting of non-transferrable options to eligible employees and directors, respectively that are settled by physical delivery of the ordinary shares of the intermediate holding 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 Sohum @ Anuj Khanna
Director


Kapil Mohan Bhutani
Director

Singapore
23 May 2024

Appnext Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 March 2024**

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 2024 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 2024, and notes to the financial statements, including a summary of material accounting policy information.

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 2024 and of the financial performance, changes in equity and cash flows of the Company for the year 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.

Appnext Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 March 2024**

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

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.

Appnext Pte. Ltd.

**Independent auditor's report
For the financial year ended 31 March 2024**

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
23 May 2024

Appnext Pte. Ltd.**Statement of comprehensive income
For the financial year ended 31 March 2024**

	Note	2024 US\$	2023 US\$
Revenue	4	19,174,777	28,397,091
Other income	5	2,868,714	2,673,489
Expenses			
Depreciation	9, 13	(40,975)	(37,082)
Inventory and data cost		(15,596,077)	(21,121,603)
Salaries and employee benefits	6	(4,237,962)	(4,867,769)
Finance cost		(113,283)	(183,898)
Other expenses	7	(2,106,740)	(2,224,374)
(Loss)/profit before tax		(51,546)	2,635,854
Income tax expense	8	(3,598)	(455,434)
(Loss)/profit after tax, representing total comprehensive income for the year		(55,144)	2,180,420

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

Appnext Pte. Ltd.**Balance sheet
As at 31 March 2024**

	Note	2024 US\$	2023 US\$
Non-current assets			
Plant and equipment	9	19,002	19,654
Right-of-use assets	13	28,789	58,147
		47,791	77,801
Current assets			
Trade and other receivables	10	11,091,571	6,479,208
Accrued revenue	4	1,653,010	1,765,122
Deposits and prepayments		164,649	188,525
Cash and cash equivalents	11	1,675,199	5,231,241
		14,584,429	13,664,096
Total assets		14,632,220	13,741,897
Non-current liabilities			
Lease liabilities	13	22,116	45,220
Current liabilities			
Trade and other payables	12	8,810,527	7,497,212
Lease liabilities	13	22,021	21,385
Provision for tax		27,185	455,498
		8,859,733	7,974,095
Total liabilities		8,881,849	8,019,315
Net current assets		5,724,696	5,690,001
Net assets		5,750,371	5,722,582
Equity			
Share capital	14	20,000	20,000
Retained earnings		5,091,983	5,147,127
Other reserve	15	278,816	195,883
Merger reserve		359,572	359,572
Total equity		5,750,371	5,722,582
Total equity and liabilities		14,632,220	13,741,897

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 2024**

	Share capital (Note 14) US\$	Retained earnings US\$	Merger reserve US\$	Other reserve (Note 15) US\$	Total equity US\$
As at 1 April 2023	20,000	5,147,127	359,572	195,883	5,722,582
Loss for the year, representing total comprehensive loss for the financial year	–	(55,144)	–	–	(55,144)
Grant of equity-settled share options	–	–	–	82,933	82,933
As at 31 March 2024	20,000	5,091,983	359,572	278,816	5,750,371
As at 1 April 2022	20,000	2,966,707	359,572	66,105	3,412,384
Profit for the year, representing total comprehensive income for the financial year	–	2,180,420	–	–	2,180,420
Grant of equity-settled share options	–	–	–	129,778	129,778
As at 31 March 2023	20,000	5,147,127	359,572	195,883	5,722,582

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 2024**

	Note	2024 US\$	2023 US\$
Cash flows from operating activities			
(Loss)/profit before tax		(51,546)	2,635,854
<u>Adjustments for:</u>			
Depreciation for plant and machinery	9	11,617	8,008
Depreciation for right-of-use assets	13	29,358	29,074
Finance cost		111,153	181,022
Interest expense on Lease liabilities	13	2,130	2,876
Unrealised exchange loss		42,025	1,018
Allowance for expected credit losses on trade receivables	7,10	86,054	10,000
Bad debts written off	7	14,089	–
Grant of equity-settled share options	6	82,933	129,778
Operating cash flows before changes in working capital		327,813	2,997,630
Increase in trade and other receivables		(4,742,004)	(1,258,820)
Decrease in accrued revenue		112,112	575,807
Decrease in deposits and prepayments		23,876	3,117
Increase in trade and other payables		1,313,315	1,456,547
Cash flows from operations		(2,964,888)	3,774,281
Interest expense paid		(111,153)	(183,898)
Income tax paid		(431,911)	(440,777)
Net cash flows (used in)/generated from operating activities		(3,507,952)	3,149,606
Cash flows from investing activity			
Purchases of plant and equipment	9	(10,965)	(17,311)
Net cash flows used in investing activity		(10,965)	(17,311)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	13	(22,468)	(20,616)
Interest paid on lease liabilities	13	(2,130)	(2,876)
Net cash flows used in financing activities		(24,598)	(23,492)
Net increase in cash and cash equivalents		(3,543,515)	3,108,803
Cash and cash equivalents at beginning of the year	11	5,231,241	2,122,486
Effect of exchange rate changes on cash and cash equivalents		(12,527)	(48)
Cash and cash equivalents at 31 March	11	1,675,199	5,231,241

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

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

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 100 Pasir Panjang Road #06-07, Singapore 118518.

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 year.

2. Summary of material accounting policy information**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.

2.2 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
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21: Lack of Exchangeability	1 January 2025
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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**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.

2.4 Plant and equipment

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
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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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**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.

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.

Amortised cost

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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**2.5 Financial instruments (cont'd)****(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.

Derecognition

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.

2.6 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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**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.

2.9 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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**2.9 Employee benefits (cont'd)**

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.

2.10 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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**2.11 Taxes (cont'd)****(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.

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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**2.11 Taxes (cont'd)****(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.

2.12 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**(a) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.15.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**2.12 Leases (cont'd)****As lessee (cont'd)****(b) Lease liabilities (cont'd)**

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are presented in Note 13.

(c) 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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

2. Summary of material accounting policy information (cont'd)**2.15 Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

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 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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****3. Significant accounting judgements and estimates (cont'd)****3.2 Key sources of estimation uncertainty (cont'd)****Provision for expected credit losses of trade receivables (cont'd)**

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.

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 15.

4. Revenue**(a) Disaggregation of revenue**

	2024 US\$	2023 US\$
Services rendered for mobile assets (Consumer platform)	19,174,777	28,397,091
Timing of transfer of goods or services		
At a point in time	19,174,777	28,397,091

(b) Contract balances

Information about contract balances are disclosed as follow:

	Note	2024 US\$	2023 US\$
Receivables from contracts with customers	10	5,097,608	4,125,105
Accrued revenue		1,653,010	1,765,122
Advance from customers	12	379,035	662,954

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****4. Revenue (cont'd)****(b) Contract balances (cont'd)**

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

	2024	2023
	US\$	US\$
Service fees charged to intermediary holding company	1,927,950	1,746,112
Miscellaneous revenue	417,709	310,243
Referral fees	492,238	556,485
Processing fees	30,817	60,649
	<u>2,868,714</u>	<u>2,673,489</u>

6. Salaries and employee benefits

	2024	2023
	US\$	US\$
Salaries and bonuses	4,155,029	4,737,991
Grant of equity-settled share options	82,933	129,778
	<u>4,237,962</u>	<u>4,867,769</u>

7. Other expenses

	2024	2023
	US\$	US\$
Research and development costs	393,249	658,776
Business development & marketing expenses	687,027	618,301
Professional services	660,343	554,135
Rental expense relating to low-value leases	37,501	37,560
Travelling expenses	123,466	175,031
Net foreign exchange loss	35,705	70,906
Late payment charges on taxes value-added tax payment	27,489	36,870
Allowance for expected credit losses	86,054	10,000
Bad debts written off	14,089	-
Others	41,817	62,795
	<u>2,106,740</u>	<u>2,224,374</u>

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****8. Income tax expense**Major components of income tax expense

The major component of income tax expense for the financial year ended 31 March 2024 and financial year ended 31 March 2023 are:

	2024 US\$	2023 US\$
Statement of comprehensive income		
<u>Current income tax:</u>		
Current income taxation	2,054	457,015
Under/(over) provision in respect of previous years	1,544	(1,581)
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	3,598	455,434
	<hr/> <hr/>	<hr/> <hr/>

Relationship between tax expense and accounting (loss)/profit

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2024 and financial year ended 31 March 2023 are as follows:

	2024 US\$	2023 US\$
(Loss)/Profit before tax	(51,546)	2,635,854
	<hr/>	<hr/>
Tax calculated at a tax rate of 17%	(8,763)	448,095
Effects of:		
Non-deductible expenses	12,154	12,632
Under/(over) provision in respect of previous years	1,544	(1,581)
Tax effect of partial tax exemption and tax relief	(1,337)	(12,695)
Others	–	8,983
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	3,598	455,434
	<hr/> <hr/>	<hr/> <hr/>

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****9. Plant and equipment**

	Computers US\$
Cost	
At 1 April 2022	12,907
Additions	17,311
	<hr/>
At 31 March 2023 and 1 April 2023	30,218
Additions	10,965
	<hr/>
At 31 March 2024	41,183
	<hr/>
Accumulated depreciation	
At 1 April 2022	2,556
Depreciation charge for the year	8,008
	<hr/>
At 31 March 2023 and 1 April 2023	10,564
Depreciation charge for the year	11,617
	<hr/>
At 31 March 2024	22,181
	<hr/>
Net carrying amount	
At 31 March 2024	19,002
	<hr/>
At 31 March 2023	19,654
	<hr/>

10. Trade and other receivables

	2024 US\$	2023 US\$
Current		
Trade receivables from third parties	5,097,614	4,125,105
Amount due from intermediary holding company (trade)	2,713,224	1,101,799
Amount due from related company (trade)	3,176,064	1,077,765
Other receivables	200,723	184,539
	<hr/>	<hr/>
Allowance for expected credit losses	11,187,625 (96,054)	6,489,208 (10,000)
	<hr/>	<hr/>
Total trade and other receivables	11,091,571	6,479,208
Add: Cash and cash equivalents (Note 11)	1,675,199	5,231,241
Less: Sales tax receivables	(200,723)	(184,539)
	<hr/>	<hr/>
Total financial assets carried at amortised cost	12,566,047	11,525,910
	<hr/>	<hr/>

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

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 and related company

Amounts due from intermediary 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 currencies at 31 March are as follow:

	2024 US\$	2023 US\$
Euro	101,844	35,876
Russian Roubles	70,125	84,350
British Pound Sterling	28,207	7,427
Singapore Dollar	–	11,120
Chinese Yuan	109	123

Allowance for expected credit losses

The movement in allowance for expected credit losses of trade receivables and other receivables computed based on lifetime ECL is as follows:

	2024 US\$'000	2023 US\$'000
Movement in allowance accounts:		
At 1 April	10,000	10,000
Allowance for expected credit losses	86,054	–
At 31 March	96,054	10,000

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****10. Trade and other receivables (cont'd)*****Credit risk exposure on trade receivables using a provision matrix*****31 March 2024**

	Current US\$	< 30 days US\$	Days past due			Total US\$	
			> 31 to 60 days US\$	> 61 to 90 days US\$	> 90 days US\$		
Carrying amount of trade receivables	136,734	1,437,954	652,627	1,147,453	1,722,846	5,097,614	509750
Expected credit losses	-	(10,435)	(15,330)	(6,363)	(63,926)	(96,054)	5

31 March 2023

	Current US\$	< 30 days US\$	Days past due			Total US\$
			> 31 to 60 days US\$	> 61 to 90 days US\$	> 90 days US\$	
Carrying amount of trade receivables	467,519	804,977	940,397	671,388	1,240,824	4,125,105
Expected credit losses	-	-	-	-	(10,000)	(10,000)

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

	2024 US\$	2023 US\$
Cash at bank	1,675,199	5,231,241

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

	2024 US\$	2023 US\$
Euro	122,025	39,725
Singapore Dollar	-	44,217
British Pound Sterling	35,146	7,194

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****12. Trade and other payables**

	2024 US\$	2023 US\$
<i>Current</i>		
Trade payables:		
Trade payables to third parties	4,224,074	3,757,477
Amount due to related company (trade)	155,482	199,291
	<hr/> 4,379,556	<hr/> 3,956,768
Other payables:		
Advance payments from customers	379,035	662,954
Accruals	4,024,125	2,851,140
Other payables	27,811	26,350
	<hr/> 8,810,527	<hr/> 7,497,212
Total trade and other payables, representing total financial liabilities carried at amortised cost	<hr/> <hr/> 8,810,527	<hr/> <hr/> 7,497,212

Trade payables

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

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

	2024 US\$	2023 US\$
Singapore Dollar	–	455
Euro	–	68,607
Chinese Yuan	–	16,110
Brazilian Real	–	329
	<hr/> <hr/>	<hr/> <hr/>

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****13. Leases**

The Company has entered into commercial lease principally for its office premise. The lease term is 48 months.

The Company also has certain leases of office premises with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value asset' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2024 Office space US\$	2023 Office space US\$
At 1 April	58,147	–
Additions during the financial year	–	87,221
Depreciation expense	(29,358)	(29,074)
At 31 March	<u>28,789</u>	<u>58,147</u>

The carrying amounts of lease liabilities and the movements during the financial year, and a reconciliation of liabilities arising from the Company's financing activities are as follows:

	2024 US\$	2023 US\$
At 1 April	66,605	–
Additions during the year	–	87,221
Accretion of interest	2,130	2,876
Payments during the year	(24,598)	(23,492)
At 31 March	<u>44,137</u>	<u>66,605</u>

	Maturity	2024 US\$	2023 US\$
Current	2024	22,021	21,385
Non-current	2025-2026	22,116	45,220
		<u>44,137</u>	<u>66,605</u>

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****13. Leases (cont'd)**

The lease liabilities are denominated in Euro Dollar. The maturity analysis of lease liabilities is disclosed in Note 18(b).

The following are amounts recognised in profit or loss:

	Note	2024 US\$	2023 US\$
Depreciation of right-of-use assets		29,358	29,074
Interest expense on lease liabilities		2,130	2,876
Rental expense relating to short-term leases	7	37,501	37,560
Total amounts recognised in profit or loss		68,989	69,510

As at end of reporting period, the Company had total cash outflow for leases of US\$62,099 (2023: US\$61,052).

14. Share capital

	2024		2023	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 April and 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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****15. Other reserves**

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

Movement of share options during the financial year

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

	2024		2023	
	No. of share options	WAEP INR	No. of share options	WAEP INR
At 1 April	169,656	1,050	180,372	1,050
Granted	40,656	1,127	–	–
Forfeited	(96,430)	1,050	(10,716)	1,050
Exercised	(25,004)	1,050	–	–
Outstanding at 31 March	88,878	1,085	169,656	1,050

The weighted average fair value of options granted during the previous financial year was INR 335. The exercise price for options outstanding at the end of the year is INR 1,085 (2023: INR 1,050). No options were exercised during the year. An expense relating to grant of equity-settled share option of US\$82,993 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 2024 and 31 March 2023:

	2024	2023
Dividend yield (%)	–	–
Expected volatility (%)	28.9% - 44.9%	31.0% - 35.0%
Risk-free rate (% per annum)	6.8% - 6.9%	4.4% - 5.5%
Expected life of option (years)	1.5 - 4.5	2.0 - 4.5
Weighted average share price (INR)	1,064.58	1,058.30

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

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:

	2024 US\$	2023 US\$
Service provided from intermediary holding company	2,376,526	3,116,400
Service provided from related party	2,000,933	2,873,948
Recharge of manpower cost from related party	2,759,145	3,162,459

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2024 US\$	2023 US\$
Salaries and bonuses	66,403	293,955
Grant of equity-settled share options	–	55,261

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/related company based on their notional amounts, reasonably approximate their fair value due to their short-term nature.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024**

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, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. Throughout the current financial year, 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.

Exposure to credit risk

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.

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****18. Financial risk management objectives and policies (cont'd)****(b) Liquidity risk (cont'd)**

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less US\$	One year or more US\$	Total US\$
2024			
Financial assets:			
Trade and other receivables	11,091,571	–	11,091,571
Cash and cash equivalents	1,675,199	–	1,675,199
Total undiscounted financial assets	12,766,770	–	12,766,770
Financial liabilities:			
Trade and other payables	8,810,527	–	8,810,527
Lease liabilities	23,310	23,310	46,620
Total undiscounted financial liabilities	8,833,837	23,310	8,857,147
Total net undiscounted financial assets/(liabilities)	3,932,933	(23,310)	3,909,623
2023			
Financial assets:			
Trade and other receivables	6,479,208	–	6,479,208
Cash and cash equivalents	5,231,241	–	5,231,241
Total undiscounted financial assets	11,710,449	–	11,710,449
Financial liabilities:			
Trade and other payables	7,497,212	–	7,497,212
Lease liabilities	23,492	46,983	70,475
Total undiscounted financial liabilities	7,520,704	46,983	7,567,687
Total net undiscounted financial assets/(liabilities)	4,189,745	(46,983)	4,142,762

Appnext Pte. Ltd.**Notes to the financial statements
For the financial year ended 31 March 2024****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 (loss)/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) Loss before tax 2024 US\$	Increase/(decrease) Profit before tax 2023 US\$
SGD		
- strengthened 5%	–	(20,008)
- weakened 5%	–	20,008
EUR		
- strengthened 5%	11,193	350
- weakened 5%	(11,193)	(350)
RUB		
- strengthened 5%	3,506	4,218
- weakened 5%	(3,506)	(4,218)
GBP		
- strengthened 5%	3,168	731
- weakened 5%	(3,168)	(731)
BRL		
- strengthened 5%	–	(16)
- weakened 5%	–	16
CNY		
- strengthened 5%	5	(799)
- weakened 5%	(5)	799

Appnext Pte. Ltd.

**Notes to the financial statements
For the financial year ended 31 March 2024**

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 2024 were authorised for issue in accordance with a resolution of the directors on 23 May 2024.