Company Registration No. 00538.2011

PT. Affle Indonesia

Annual Financial Statements
31 March 2024

PT. Affle Indonesia

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PT. Affle Indonesia

Statement of comprehensive income
For the financial year ended 31 March 2024

	Note	2024 IDR ’000	2023 IDR ’000
Revenue	4	47,747,694	41,756,342
Other income/(expense)	5	(227,577)	(1,104,416)
Expenses			
Depreciation	9,13	381,298	64,458
Allowance for expected credit losses	10	202,577	–
Business development and marketing expenses		12,775,655	6,708,380
Professional fees		523,700	477,971
Inventory and data cost		25,890,419	25,427,297
Rental expenses relating to short-term leases		81,007	342,421
Salaries and employee benefits	6	6,033,804	4,998,277
Finance cost		77,959	99,410
Other expenses	7	366,781	670,054
		46,333,200	38,788,268
Profit before tax		1,186,917	1,863,658
Income tax expense	8	(452,763)	(108,108)
Profit after tax, representing total comprehensive income for the year		734,154	1,755,550

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

PT. Affle Indonesia

Balance sheet
As at 31 March 2024

	Note	2024	2023
		IDR '000	IDR '000
Non-current assets			
Plant and equipment	9	62,681	123,161
Right-of-use assets	13	449,146	–
Deferred tax assets		1,824	–
		513,651	123,161
Current assets			
Trade and other receivables	10	26,174,576	17,884,228
Accrued revenue	4	4,707,993	2,666,967
Prepayments		45,240	44,339
Cash and cash equivalents	11	4,548,300	4,598,418
		35,476,109	25,193,952
Total assets		35,989,760	25,317,113
Current liabilities			
Trade and other payables	12	24,550,952	14,860,873
Lease liabilities	13	396,510	–
Provision for tax		308,988	542,493
		25,256,450	15,403,366
Net current assets		10,219,659	9,790,586
Non-current liabilities			
Lease liabilities	13	60,927	–
		60,927	–
Total liabilities		25,317,377	15,403,366
Net assets		10,672,383	9,913,747
Equity			
Share capital	14	4,560,000	4,560,000
Other reserve	15	114,663	90,181
Retained earnings		5,997,720	5,263,566
Total equity		10,672,383	9,913,747
Total equity and liabilities		35,989,760	25,317,113

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

PT. Affle Indonesia

Statement of changes in equity
For the financial year ended 31 March 2024

	Share capital (Note 14) IDR ’000	**Other reserve (Note 15)** IDR ’000	**Retained earnings** IDR ’000	**Total equity** IDR ’000
As at 1 April 2023	4,560,000	90,181	5,263,566	9,913,747
Grant of equity-settled share options	–	24,482	–	24,482
Profit for the year, representing total comprehensive income for the financial year	–	–	734,154	734,154
As at 31 March 2024	4,560,000	114,663	5,997,720	10,672,383
As at 1 April 2022	4,560,000	391,623	3,508,016	8,459,639
Forfeit of equity-settled share options	–	(301,442)	–	(301,442)
Profit for the year, representing total comprehensive income for the financial year	–	–	1,755,550	1,755,550
As at 31 March 2023	4,560,000	90,181	5,263,566	9,913,747

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

PT. Affle Indonesia

Cash flow statement
For the financial year ended 31 March 2024

	Note	**2024** IDR ’000	**2023** IDR ’000
Cash flows from operating activities			
Profit before tax		1,186,917	1,863,658
Adjustments for:			
Interest income	5	(116,505)	(305,633)
Depreciation of plant and equipment	9	60,480	64,458
Depreciation of right-of-use assets	13	320,818	–
Allowance for expected credit losses	5, 10	202,577	–
Grant/(reversal) of equity-settled share options	6, 15	24,482	(301,442)
Finance cost		52,186	99,410
Interest expense on lease liabilities	13	25,773	–
Unrealised exchange loss		75,636	573,861
Operating cash flows before changes in working capital		1,832,364	1,994,312
(Increase)/decrease in accrued revenue		(2,041,026)	3,258,279
(Increase)/decrease in trade and other receivables		(9,149,442)	16,582,716
(Increase)/decrease in prepayments		(901)	40,878
Increase/(decrease) in trade and other payables		9,290,007	(28,781,114)
Cash flows used in operations		(68,998)	(6,904,929)
Interest received		116,505	305,633
Interest expense paid		(52,186)	(99,410)
Income tax paid		(61,952)	(86,733)
Net cash flows used in operating activities		(66,631)	(6,785,439)
Cash flows from investing activity			
Purchase of plant and equipment	9	–	(76,169)
Net cash flows used in investing activity		–	(76,169)
Cash flows from financing activities			
Payment of principal portion of lease liabilities	13	(338,300)	–
Net cash flows used in financing activities		(338,300)	–
Net increase/(decrease) in cash and cash equivalents		(404,931)	(6,861,608)
Cash and cash equivalents at the beginning of year		4,598,418	11,350,040
Effect of exchange rate changes on cash and cash equivalents		354,813	109,986
Cash and cash equivalents at end of year	11	4,548,300	4,598,418

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

1. Corporate information

PT Affle Indonesia (the "Company") is a limited liability company incorporated and domiciled in Indonesia. The immediate holding company is Affle International Pte Ltd, which is 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 Mobile Audience as a Service ("MAAS") platform ("the Platform"). The Platform uses cloud based audience algorithms to build, promote and monetize mobile assets for our customers. There have been no significant changes in the nature of these activities during the financial period.

2. Summary of material accounting policy information

2.1 *Basis of preparation*

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

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 Indonesian Rupiah ("IDR") and all values in the tables are rounded to the nearest thousand (IDR '000), unless otherwise indicated.

2.2 *Standards issued but not yet effective*

The Company has not adopted the following standards and interpretations 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 year of initial application.

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

2.3 *Foreign currency*

The financial statements are presented in Indonesian Rupiah, 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 functional currency of the Company and are recorded on initial recognition in the functional currency 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 end of the reporting period. 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, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Computers	-	3 years
Office equipment	-	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. Summary of material accounting policy information (cont'd)

2.5 *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.

2.6 *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 Group 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 Group 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

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) 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.

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

2.6 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

Investments in debt instruments (cont'd)

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

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 Group becomes a party to the contractual provisions of the financial instrument. The Group 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.

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

2.6 *Financial instruments (cont'd)*

(b) Financial liabilities (cont'd)

De-recognition

A financial liability is de-recognised 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.

2.7 *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.

2.8 *Cash and cash equivalents*

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

2.9 *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 material accounting policy information (cont'd)

2.10 *Employee benefits*

(a) Defined contribution plan

The Company participates in the national pension schemes as defined by the law in Indonesia. The Company makes contributions to the Social Insurance Administration Organisation in Indonesia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) 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.

(c) 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.

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

2.10 *Employee benefits (cont'd)*

(c) Employee share option plans (cont'd)

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.

2.11 *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

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(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, deprivation 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 2.7.

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

2.11 *Leases (cont'd)*

As lessee (cont'd)

(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.

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

2.12 *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.

(a) 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.

(b) Interest income

Interest income is recognised using the effective interest method.

2.13 *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.

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

2.13 *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.

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

2.14 *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.

2.15 *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 *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.

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

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

(a) 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.

(b) Impairment assessments of non-financial assets

Impairment exists when indicators are identified that indicate that the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. Factors that the Company considers in deciding when to perform an impairment review include, but are not limited to significant under-performance of a business or product line in relation to expectations, significant negative industry or economic trends, and significant planned changes in the use of the CGU.

The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. Historically, the Company's asset impairment analyses have utilised a value in use model. When preparing a value in use model, the Company makes subjective judgments in determining the independent cash flows that can be related to a specific CGU based on its asset usage model and manufacturing capabilities in addition to the discount rate used in the value in use computation.

4. Revenue

(a) Disaggregation of revenue

	2024 IDR '000	2023 IDR '000
Services rendered for mobile assets (Consumer Platform)	47,747,694	41,756,342
	47,747,694	41,756,342
Business unit		
RevX	1,609,729	8,498,849
MAAS	28,285,441	17,582,712
Omnichannel	–	342,806
Mediasmart	16,698,428	15,331,975
Jampp	1,154,096	–
	47,747,694	41,756,342
Timing of transfer of goods and services		
At a point in time	47,747,694	41,756,342

(b) Contract balances

Information about contract balances is disclosed as follows:

	Note	2024 IDR '000	2023 IDR '000
Receivables from contracts with customers	10	24,424,471	14,338,645
Accrued revenue		4,707,993	2,666,967

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

Significant changes in accrued revenue are explained as follows:

	2024 IDR '000	2023 IDR '000
Accrued revenue reclassified to receivables	2,666,967	5,925,246

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/(expense)

	2024 IDR '000	2023 IDR '000
Interest income	116,505	305,633
Foreign exchange (loss)/gain, net	(344,085)	(1,558,681)
Others	3	148,632
	(227,577)	(1,104,416)

6. Salaries and employee benefits

	2024 IDR '000	2023 IDR '000
Salaries and bonuses	5,632,733	4,823,026
Defined contribution plan	276,461	293,088
Grant/(Forfeit) of equity-settled share options (Note 15)	24,482	(301,442)
Other short-term benefits	100,128	183,605
	6,033,804	4,998,277

7. Other expenses

	2024 IDR '000	2023 IDR '000
Communication expenses	22,120	18,753
Travelling and accommodation	80	52,787
Others	344,581	598,514
	366,781	670,054

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2024 and 2023 are:

	2024 IDR '000	**2023** IDR '000
Statement of comprehensive income		
Income tax:		
Current income taxation	287,820	552,639
Under/(Over)provision of tax in prior year	166,767	(444,531)
	454,587	108,108
Deferred tax:		
Origination and reversal of temporary differences	(1,824)	–
Income tax expense recognised in profit or loss	452,763	108,108

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 years ended 31 March 2024 and 2023 are as follows:

	2024 IDR '000	**2023** IDR '000
Profit before tax	1,186,917	1,863,658
Tax calculated at a tax rate of 22% (2023: 22%)	261,121	372,731
Effects of:		
Non-deductible expenses	26,227	179,908
Origination and reversal of temporary differences	(1,352)	–
Under/(Over)provision of tax in prior year	166,767	(444,531)
Income tax expense recognised in profit or loss	452,763	108,108

9. Plant and equipment

	Computers and Office Equipment IDR '000
Cost	
At 1 April 2022	536,458
Additions	76,169
Written off	(23,390)
At 31 March 2023 and 1 April 2023	589,237
Written off	(380,788)
At 31 March 2024	208,449
Accumulated depreciation	
At 1 April 2022	425,008
Depreciation charge for the year	64,458
Written off for the year	(23,390)
At 31 March 2023 and 1 April 2023	466,076
Depreciation charge for the year	60,480
Written off for the year	(380,788)
At 31 March 2024	145,768
Net carrying amount	
At 31 March 2023	123,161
At 31 March 2024	62,681

10. Trade and other receivables

	2024 IDR '000	**2023** IDR '000
Current:		
Trade receivables:		
Trade receivables from third parties	24,784,662	14,496,259
Other receivables:		
Deposits	68,400	68,400
Other receivables	1,681,705	3,477,183
	26,534,767	18,041,842
Allowance for expected credit losses	(360,191)	(157,614)
Total trade and other receivables	26,174,576	17,884,228
Add: Cash and cash equivalents (Note 11)	4,548,300	4,598,418
Less: VAT receivables	(214,423)	(2,278,206)
Total financial assets carried at amortised cost	30,508,453	20,204,440

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.

Allowance for expected credit losses

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

	2024 IDR '000	**2023** IDR '000
Movement in allowance accounts:		
At 1 April	157,614	157,614
Allowance for expected credit losses	202,577	–
At 31 March	360,191	157,614

Credit risk exposure on trade receivables using a provision matrix

31 March 2024			**Days past due**			
	Current	**< 30 days**	**> 31 to 60 days**	**> 61 to 90 days**	**> 90 days**	**Total**
	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000
Carrying amount of trade receivables	11,720,370	2,916,278	3,440,620	3,511,478	3,195,916	24,784,662
Expected credit loss	–	–	–	–	360,191	360,191

31 March 2023			**Days past due**			
	Current	**< 30 days**	**> 31 to 60 days**	**> 61 to 90 days**	**> 90 days**	**Total**
	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000
Carrying amount of trade receivables	5,051,250	3,187,581	1,586,813	1,751,984	2,918,631	14,496,259
Expected credit loss	–	–	–	–	157,614	157,614

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

11. Cash and cash equivalents

	2024 IDR '000	2023 IDR '000
Cash at bank	4,548,300	1,798,418
Short-term deposits	–	2,800,000
	4,548,300	4,598,418

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The effective interest rate as at 31 March 2024 for the Company was NIL (2023: 4.05%).

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

	2024 IDR '000	2023 IDR '000
United States Dollar	926,981	847,377

12. Trade and other payables

	2024 IDR '000	2023 IDR '000
Current		
Trade payables:		
Trade payables to third parties	581,755	1,380,027
Amount due to immediate holding company (trade)	8,942,569	1,009,115
	9,524,324	2,389,142
Other payables:		
Amount due to immediate holding company (non-trade)	213,582	76,623
Accruals	12,879,998	10,813,185
Other payables	1,933,048	1,581,923
Total trade and other payables	24,550,952	14,860,873
Total financial liabilities carried at amortised cost	24,550,952	14,860,873

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

	2024 IDR '000	2023 IDR '000
United States Dollar	9,156,151	1,085,738
Singapore Dollar	175,500	237,300

13. Leases

The Company has entered into commercial lease principally for its office premise. The lease terms is 24 months.

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

	2024 **Office space** IDR '000	**2023** **Office space** IDR '000
At 1 April	–	–
Additions	769,964	
Depreciation expense	(320,818)	–
At 31 March	449,146	–

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the period:

	2024 IDR '000	**2023** IDR '000
As at 1 April	–	–
Additions	769,964	–
Accretion of interest	25,773	–
Payments	(338,300)	–
As at 31 March	457,437	–
Current	396,510	–
Non-current	60,927	–

(c) The following are the amounts recognised in the profit or loss:

	2024 IDR '000	**2023** IDR '000
Amortisation expense of right-of-use assets	320,818	–
Interest expense on lease liabilities	25,773	–
Deferred tax expense	(1,824)	–
Lease expense not capitalised in lease liabilities:		
- Rental expense relating to short-term leases	81,007	342,421
Total amount recognised in profit or loss	425,774	342,421

(d) Total cash outflow

As at end of the reporting period, the Company had total cash outflow for leases of IDR 419,307,000 (2023: IDR 342,421,000).

13. Leases (cont'd)

(e) Extension options

The Company has extension options for the lease contract. However, these options are negotiated by the management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extensions are reasonably certain to be exercised.

14. Share capital

	2024		2023	
	No. of shares	IDR '000	No. of shares	IDR '000
Issued and fully paid ordinary shares				
At 1 April and 31 March	400,000	4,560,000	400,000	4,560,000

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

15. Other reserves

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

<u>Movement of share options during the financial year</u>

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
Outstanding at 1 April	5,360	1,050	75,000	1,050
Forfeited	-	-	(69,640)	1,050
Outstanding at 31 March	5,360	1,050	5,360	1,050
Vested at 31 March	–	–	–	–

The weighted average fair value of options granted during the financial year was INR 335 (2023: INR 335). The exercise price for options outstanding at the end of the year was INR 1,050 (2023: INR 1,050). No options were exercised during the year. An expense relating to grant of equity-settled share option of IDR 24,482,000 (2023: IDR 301,442,000 reversal of expense relating to grant of equity-settled share option) was recognised in salaries and employee benefits expense (Note 6) during the year.

15. Other reserves (cont'd)

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. Since there is no new grant for the financial year ended 31 March 2024, no fair valuation is performed. The following table lists the inputs to the models for the financial year ended 31 March 2024:

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

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 IDR '000	**2023** IDR '000
Service provided from immediate holding company	22,224,078	23,978,589
Reimbursement of expense paid on behalf	777,696	550,256

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2024 IDR '000	**2023** IDR '000
Salaries and bonuses	577,290	1,407,710
Defined contribution plan	26,710	58,916
Share based payment	24,482	21,009
	628,482	1,487,635

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 receivable, trade and other payables, amount due to related company/ immediate holding company based on their notional amounts, reasonably approximate their fair value due to their short-term nature. Management has assessed and determined the difference between fair value and carrying value of non-current payables to be not significant.

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 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.

<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.

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

(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.

(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 United States Dollar ("USD") and Singapore Dollar ("SGD"). 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 USD and SGD exchange rates against the Company's functional currency, with all other variables held constant.

	Increase/(decrease) Profit before tax 2024 IDR '000	**Increase/(decrease) Profit before tax 2023** IDR '000
USD		
- strengthened 5%	(411,458)	(96,656)
- weakened 5%	411,458	96,656
SGD		
- strengthened 5%	(8,775)	(11,865)
- weakened 5%	8,775	11,865

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. The Company relies on its immediate holding company to provide continuing financial support to enable the Company to repay its obligations as and when they fall due.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.