Affle MEA FZ-LLC

FINANCIAL STATEMENTS

31 MARCH 2020

Ernst & Young Middle East
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AFFLE MEA FZ-LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Affle MEA FZ-LLC (the "Company"), which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 *International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Company's Articles of Association and Private Companies Regulations of 2016 issued under Law No 15 of 2014 concerning Dubai Development Authority and its amendments, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Board of Directors is responsible for overseeing the Company's financial reporting process.

Report on the Audit of the Financial Statements (continued)

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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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.

- 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 Board of 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF AFFLE MEA FZ-LLC (continued)

Report on Other Legal and Regulatory Requirements

We also confirm that, in our opinion, the financial statements of the Company have been properly prepared, in all material respects, in accordance with the provisions of the Private Companies Regulations of 2016 issued under Law No. 15 of 2014 concerning Dubai Development Authority and its amendments.

For Ernst & Young

TS. Hari Gopal

Signed by:
Thodla Hari Gopal
Partner
Registration No.: 689

19 July 2020

Dubai, United Arab Emirates

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2020

	Notes	***2020*** ***USD***
Revenue from contracts with customers	4	**4,913,679**
Direct costs	5	**(2,580,780)**
GROSS PROFIT		**2,332,899**
General and administrative expenses	6	**(518,809)**
Business development and marketing expenses		**(13,507)**
Provision for expected credit losses	9	**(2,276)**
Finance cost	13	**(443)**
PROFIT FOR THE YEAR		**1,797,864**
Other comprehensive income		**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,797,864**

The attached notes 1 to 16 form part of these financial statements.

Affle MEA FZ-LLC

STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Notes	*2020* *USD*
ASSETS		
Non-current assets		
Equipment	7	**2,972**
Intangible assets	8	**429,869**
Right-of-use assets	13	**30,051**
		462,892
Current assets		
Trade receivables	9	**1,603,170**
Amount due from a related party	14	**149,208**
Contract assets	4	**70,098**
Prepayments		**7,725**
Bank balances	10	**158,090**
		1,988,291
TOTAL ASSETS		**2,451,183**
EQUITY AND LIABILITIES		
Equity		
Share capital	11	**13,624**
Retained earnings		**1,797,864**
Total equity		**1,811,488**
Current liabilities		
Accruals and other payables	12	**532,835**
Amount due to a related party	14	**76,419**
Lease liabilities	13	**30,441**
		639,695
Total liabilities		**639,695**
TOTAL EQUITY AND LIABILITIES		**2,451,183**

Anuj Khanna

Director

The attached notes 1 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Share capital USD	*Retained earnings USD*	*Total USD*
Share capital issued on incorporation (Note 11)	13,624	-	13,624
Profit and total comprehensive income for the year	-	1,797,864	1,797,864
Balance at 31 March 2020	**13,624**	**1,797,864**	**1,811,488**

The attached notes 1 to 16 form part of these financial statements.

STATEMENT OF CASHFLOWS
For the year ended 31 March 2020

	Notes	***2020 USD***
OPERATING ACTIVITIES		
Profit for the year		**1,797,864**
Adjustments to reconcile profit to net cash flows:		
Depreciation of equipment	7	**349**
Depreciation of right-of-use assets	13	**13,088**
Amortisation of an intangible asset	8	**22,472**
Provision for expected credit losses	9	**2,276**
Finance costs	13	**443**
		1,836,492
Working capital changes:		
Trade receivables		**(1,605,446)**
Prepayments		**(7,725)**
Contract assets		**(70,098)**
Amount due from a related party		**(149,208)**
Accruals and other payables		**532,835**
Amount due to a related party		**76,419**
Net cash flows from operating activities		**613,269**
INVESTING ACTIVITIES		
Purchase of equipment	7	**(3,321)**
Purchase of an intangible asset	8	**(359,551)**
Expenditure made on an internally generated intangible asset	8	**(92,790)**
Net cash flows used in investing activities		**(455,662)**
FINANCING ACTIVITIES		
Introduction of share capital	11	**13,624**
Payment of lease liabilities	13	**(13,141)**
Net cash flows from financing activities		**483**
CASH AND CASH EQUIVALENTS GENERATED SINCE INCORPORATION TILL THE END OF THE YEAR		**158,090**
NON-CASH TRANSACTIONS		
Recognition of right-of-use assets and lease liabilities	13	**43,139**

The attached notes 1 to 16 form part of these financial statements.

1. ACTIVITIES

Affle MEA FZ-LLC (the “Company”) is a free zone limited liability company wholly owned by Affle International Pte Ltd, Singapore (the “Parent Company”). The Company was incorporated and domiciled in Dubai, United Arab Emirates on 1 April 2019 as per license number 95853 in accordance with the provisions of the Private Companies Regulations of 2016 issued under Law No. 15 of 2014 concerning Dubai Development Authority and its relevant amendments. The ultimate parent of the Company is Affle Holdings Pte (the “Ultimate Parent”), an entity incorporated in Singapore.

The Company’s registered office is at EO10, Ground Floor, Building 16, P.O Box 73000, Dubai Internet City, Dubai, United Arab Emirates.

The principal activity of the Company is rendering mobile advertising services through various platforms. These platforms use cloud-based audience algorithms to build, promote and monetise mobile assets for the Company’s customers.

The financial statements are for the first financial year since inception from 1 April 2019 to 31 March 2020 and represent the first set of financial statements of the Company.

The financial statements were authorised for issue on 19 July 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been presented in United States Dollars (USD) which is Company’s functional and presentation currency.

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

2.2 STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable provisions of relevant UAE Laws.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- IFRS 17: Insurance Contracts (1 January 2021)
- Classification of liabilities as current or non-current - Amendments to IAS 1 (1 January 2022)
- Definition of a Business – Amendments to IFRS 3 (1 January 2020)
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (1 January 2020)
- Definition of Material – Amendments to IAS 1 and IAS 8 (1 January 2020)
- The Conceptual Framework for Financial Reporting (1 January 2020)

The Company is currently assessing the impact of these standards on the future financial statements and intends to adopt these standards, if applicable, when they become effective and mandatory applied.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Current versus non-current classification
The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Revenue from contracts with customers
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 goods or services. 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 amount as at the year-end is carried in financial statements as contract assets.

b) Development of mobile assets (Enterprise Platform)
Revenue from the development of mobile assets is recognised by reference to the stage of completion at the end of the reporting period by using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

c) Royalty income on use of software (intellectual property)
Royalty income from intellectual property rights such as software is recognised based on a right to use the software. The royalty income is recognised at a point in time based on the contractual terms and substance of the relevant agreement with the customer. Royalty income is earned from Mediasmart Mobile S.L, a related party for the use of software.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Value added tax
Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added 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
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Equipment
Equipment are initially recorded at cost. The cost of an item of an 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, equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

Computers	-	3 years

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

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

An item of equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Intangible assets
Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Amortisation of the intangible asset begins when the development is complete, and the asset is available for use. Capitalised development costs are amortised on a straight-line basis over the estimated useful economic life of 4 years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)
Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Research and development costs
Research costs are expensed as incurred. Capitalised development costs are recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

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 annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell 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 CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company’s cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

i) Financial assets (continued)

Initial recognition and measurement (continued)
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include bank balances, trade receivables and due from a related party.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

Financial assets at amortised cost
This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's bank balances, trade receivables and due from a related party are financial assets measured at amortised cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 270 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.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include due to a related party, lease liabilities and accounts payable and accruals.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
The Company has no financial liability classified at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

This category generally applies to due to a related party, lease liabilities and accounts payable and accruals.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

ii) Financial liabilities (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Company intends to settle on a net basis.

iv) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability; or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdraft, if any.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

Foreign currencies
Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

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.

Leases

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 the 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 policies for impairment of non-financial assets are disclosed above.

(a) 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 may 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

As lessee (continued)

(a) Lease liabilities (continued)
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.

(b) Short-term leases and leases of low-value assets
The Company has exercised the IFRS 16 exemption 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.

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.

Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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.

Judgements
In the process of applying the Company’s accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Classification of financial assets
The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Company makes an assessment of the objective of a business model in which an asset is held because this best reflects the way the business is managed, and information is provided to the management. The information considered included:

- the stated policies and objectives for the financial asset and the operation of those policies in practise;
- how the performance of the financial asset is evaluated and reported to the Company's management;
- the risks that affect the performance of the business mode (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and time of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company’s stated objective for managing the financial assets is achieved and how cashflows are realised.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgements (continued)

Development cost
Development costs are capitalised in accordance with the accounting policy in Note 2.4 above. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. As at 31 March 2020, the carrying amount of development costs capitalised at the end of the reporting period was USD 92,790.

Determining the lease term of contracts with renewal and termination options – Company as lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain to be exercised.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in arm's length transactions of 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. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Impairment of trade accounts receivable
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 9.

The carrying amount of trade receivables at the end of the reporting period is disclosed in Note 9.

Leases – Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2020 *USD*
Types of revenue	
Services rendered for mobile assets (Consumer platform)	**4,758,721**
Royalty income (Use of intellectual property) (Note 14)	**149,208**
Development of mobile assets (Enterprise platform)	**5,750**
	4,913,679
Timing of revenue recognition	
At a point in time	**4,907,929**
Over time	**5,750**
	4,913,679
Contract balances	
Trade receivables (Note 9)	**1,603,170**
Contract assets (see below)	**70,098**
Advances from customers (Note 12)	**1,896**
	4,913,679

Contract balances
Contract assets relate to completed services rendered for mobile assets that is yet to be billed to customers.

Contract liabilities (advance from customers) is recorded when amounts received from customers are in excess of revenue that cannot be recognised because performance obligations have not been satisfied and control of the promised products or services has not transferred to the customer.

Performance obligations
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 DIRECT COSTS

	2020 *USD*
Inventory and data cost (see below)	**2,558,308**
Amortisation of an intangible asset (Note 8)	**22,472**
	2,580,780

Inventory and data cost represent cost of advertisement impressions or space on various websites in which the customers' advertisement can appear.

6 GENERAL AND ADMINISTRATIVE EXPENSES

	2020 *USD*
Professional fees	**303,544**
Salaries and bonuses	**122,751**
Foreign exchange loss, net	**38,672**
Rental expenses relating to short-term leases	**21,724**
Depreciation of right-of-use assets (Note 13)	**13,088**
Travelling expenses	**6,090**
Bank charges	**2,944**
Depreciation of equipment (Note 7)	**349**
Others	**9,647**
	518,809

7 EQUIPMENT

	2020 *USD*
Cost:	
Additions during the year	**3,321**
At 31 March 2020	**3,321**
Depreciation:	
Charge for the year	**349**
At 31 March 2020	**349**
Net carrying amount	
At 31 March 2020	**2,972**

8 INTANGIBLE ASSETS

	Internally generated software *USD*	*Software* *USD*	*Total* *USD*
Cost:			
Additions during the year	92,790	359,551	452,341
At 31 March 2020	**92,790**	**359,551**	**452,341**
Amortisation:			
Charge during the year	-	22,472	22,472
At 31 March 2020	-	**22,472**	**22,472**
Net carrying amount:			
At 31 March 2020	**92,790**	**337,079**	**429,869**

8 INTANGIBLE ASSETS (continued)

a) *Internally generated software*
As a global data and audience centric end-to-end mobile apps and ad services platform company, the integrated technology platform focuses on delivering brand and commerce campaigns for the Company's customers.

The Company capitalises certain internal software development costs primarily consists of salaries and manpower related cost for development employees which are associated with creating the internally developed software. These costs are incurred by Mediasmart Mobile S.L., a related party, which is developing the software on behalf of the Company.

b) *Acquisition of software*
During the financial year, the Company had entered into an agreement with Mediasmart Mobile S.L. to acquire their software at a consideration of USD 359,551.

9 TRADE RECEIVABLES

	2020 USD
Trade receivables	**1,605,446**
Less: allowance for expected credit losses	**(2,276)**
	1,603,170

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.

Trade receivables include balances amounting USD 698,953 which are denominated in Indian Rupees (INR) as at 31 March 2020.

As at 31 March 2020, trade accounts receivable at nominal value of USD 2,276 were impaired. Movements in the allowance for impairment of receivables were as follows:

	2020 USD
Expected credit losses during the year	**2,276**
At 31 March 2020	**2,276**

As at 31 March, the ageing of unimpaired trade accounts receivable is as follows:

		Days past due				
	Current USD	*< 30 days USD*	*> 31 to 60 days USD*	*> 61 to 90 days USD*	*> 90 days USD*	*Total USD*
Carrying amount of trade receivables	**485,418**	**31,972**	**780,331**	**214,563**	**93,162**	**1,605,446**

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.

10 CASH AND CASH EQUIVALENTS

	2020 USD
Cash at bank	**158,090**

Cash at bank include balances amounting USD 30,099 and USD 31 which are denominated in United Arab Emirates Dirhams (AED) and Singapore Dollar (SGD) respectively as at 31 March 2020.

11 SHARE CAPITAL

	2020 USD
Authorised, issued and fully paid	
50 ordinary shares of USD 272.58 per share (AED 1,000 each)	**13,624**

12 ACCRUALS AND OTHER PAYABLES

	2020 USD
Accruals	**522,853**
Other payables	**8,086**
Advances from customers	**1,896**
	532,835

Accruals include balances amounting USD 21,479 which are denominated in Singapore Dollar (SGD) as at 31 March 2020.

13 LEASES

Company as a lessee
The Company has entered into commercial leases principally for its office premise. The lease terms are 24 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’ recognition exemptions for these leases.

Right-of-use assets
Set out below, are the carrying amount of the Company’s right-of-use assets and the movements during the year:

	2020 USD
Additions during the year	**43,139**
Depreciation (Note 6)	**(13,088)**
Balance as at 31 March 2020	**30,051**

13 LEASES (continued)

Lease liabilities
Set out below, are the carrying amounts of the Company's lease liabilities and the movements during the year:

	2020 ***USD***
Additions during the year	**43,139**
Accretion of interest	**443**
Payments during the year	**(13,141)**
Balance as at 31 March 2020	**30,441**
Current portion	**30,441**

The maturity analysis of lease liabilities is disclosed in Note 15.

The following are the amounts recognised in statement of comprehensive income:

	2020 ***USD***
Depreciation of right-of-use assets (Note 6)	**13,088**
Finance cost on lease liabilities	**443**
Total amount recognised in statement of comprehensive income	**13,531**

The Company had total cash outflows for leases USD 13,141 in 2020. As at 31 March 2020, the Company does not have any lease that have not yet commenced.

14 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the Ultimate Parent Company, Parent Company and its shareholders, nominees and trustees holding the beneficial interest of the Group and its subsidiaries, directors and key management personnel of the group and its Ultimate Parent, affiliated companies where the shareholders of the group have an ownership interest and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the management.

a) Balances with related parties included in the statement of financial position are as follows:

Due from a related party

	2020 ***USD***
Entity under common control	
Mediasmart Mobile S.L.	**149,208**

Due to a related party

Parent Company	
Affle International Pte. Ltd	**76,419**

14 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Transactions with related parties included in the statement of comprehensive income are as follows:

Inventory and data costs

	2020 USD
Parent Company	
Affle International Pte. Ltd	**1,008,190**

Recharge of manpower cost

Parent Company	
Affle International Pte. Ltd	**38,620**

Reimbursement of expenses

Parent Company	
Affle International Pte. Ltd	**71,866**

Royalty income (Revenue from contracts with customers)

Entity under common control	
Mediasmart Mobile S.L.	**149,208**

c) Compensation of key management personnel of the Group

The Company is managed by shareholder who does not take any remuneration.

Terms and conditions of transactions with related parties
The pricing policies and terms of these transactions are approved by the Company's management. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables and payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related parties operate.

15 RISK MANAGEMENT

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, which are executed by the management team. 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.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is not exposed to any interest rate risk as at the reporting date.

15 RISK MANAGEMENT (continued)

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, due from a related party and 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. An analysis of net trade receivables past due is provided in Note 9. For trade receivables amounts past due but not provisioned are not material

With respect to credit risk arising from the other financial assets which include due from a related party and bank balances, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company limits its credit risk with respect to bank balances by dealing only with reputable banks. Amount due from the related party has a high credit rating, therefore, probability of default is very minimal.

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.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties 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 table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

At 31 March 2020	*Less than 3 months USD*	*3 to 12 months USD*	*Total USD*
Accruals and other payables	**530,939**	**-**	**530,939**
Lease liabilities	**7,868**	**23,156**	**31,024**
Total	**538,807**	**23,156**	**561,963**

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements and Company's foreign currencies payable.

The table below demonstrates the sensitivity to a reasonable possible change of the USD currency rate against the foreign currencies, with all other variables held constant, on the statement of comprehensive income (due to changes in the fair value of currency sensitive monetary assets and liabilities). The effect of decreases in currency rates is expected to be equal and opposite to the effect of the increases shown.

15 RISK MANAGEMENT (continued)

Foreign currency risk (continued)
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) and Indian Rupee (INR). The Company also holds cash and cash equivalents denominated in foreign currency for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 9, 10 and 12.

	Balance USD	*Increase in exchange rate to the USD*	*Effect on profit USD*
2020			
SGD	**23,659**	**+5%**	**2,146**
		-5%	**(2,146)**
INR	**698,953**	**+5%**	**34,948**
		-5%	**(34,948)**

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. Capital comprises share capital and retained earnings and is measured at USD 1,811,488.

16 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances, trade account receivable, and due from a related party. Financial liabilities consist of accruals and other payables, lease liabilities and due to a related party.

The fair values of financial instruments approximate their carrying values mainly due to the short-term maturities of these instruments at the reporting date.