

Radisys Canada Inc.

**Financial Statements
for the year ended 31st December, 2021**

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF RADISYS CANADA INC

Opinion

We have audited the accompanying Special Purpose Financial Statements of Radisys Canada Inc (hereinafter referred to as "the Company") which comprise the Balance Sheet as at December 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. These Special Purpose Financial Statements have been prepared by the management of Company per the basis of preparation as described therein, solely for the purpose of preparation of the consolidated financial statements of its holding company, Radisys Corporation.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Financial Statements of the Company for the year ended December 31, 2021 are prepared, in all material respects, in accordance with the basis of preparation of the Special Purpose Financial Statements as disclosed therein and accordingly provide a true and fair view of state of affairs of the Company as at December 31, 2021, and its profit, total comprehensive income, its cash flows and statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of these Special Purpose Financial Statements in accordance with the Standards on Auditing ("SAs") issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of these Special Purpose Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Management's Responsibility for the Special Purpose Financial Statements

The Management of the Company is responsible with respect to the preparation of the Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows and statement of changes in equity of the Company in accordance with the basis of preparation of these Special Purpose Financial Statements as described therein.

The Management of the Company is responsible for maintenance of adequate accounting records, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose 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 or to cease operations, or has no realistic alternative but to do so.

The Management of the Company are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 SAs 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 Special Purpose Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 financial 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Special Purpose 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 Special Purpose Financial Statements, including the disclosures, and whether these Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Financial Statements.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

The Special Purpose Financial Statements have been prepared for the limited purpose of preparation of the consolidated financial statements of Radisys Corporation, the holding company of the Company. As a result, the Special Purpose Financial Statements may not be suitable for another purpose. Our report is intended solely for the internal use of the Company and Radisys Corporation.

For DELOITTE HASKINS & SELLS LLP Chartered
Accountants
(Firm Registration No. 117366W / W - 100018)

(Abhijit A. Damle)
(Partner)
(Membership No. 102912)

Mumbai, dated April 09, 2022

(UDIN:22102912AGSLCO7655)

Radisys Canada Inc.

Balance Sheet as at December 31, 2021

(All amounts in USD, unless otherwise stated)

	Notes	As at December 31, 2021	As at December 31, 2020
Assets			
Non-current Assets			
(a) Financial Assets			
(i) Others	6	5,900	5,900
(b) Deferred Tax Assets (net)	15B	57,081	99,942
Total Non-current Assets		62,981	105,842
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	3,873,978	3,810,386
(ii) Cash and Cash Equivalents	5	44,206	32,694
(b) Other Current Assets	7	1,237	3,504
Total Current Assets		3,919,421	3,846,584
Total Assets		3,982,402	3,952,426
Equity and Liabilities			
Equity			
(a) Share Capital	8	2	2
(b) Other Equity	9	3,772,392	3,726,398
Total Equity		3,772,394	3,726,400
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	10	210,008	226,026
Total Current Liabilities		210,008	226,026
Total Liabilities		210,008	226,026
Total Equity and Liabilities		3,982,402	3,952,426
Corporate information and significant accounting policies and notes to the financial statements.	1-23		

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
F.R.N: 117366 W/W-100018

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No. 102912

Director Director

Place: Mumbai
Date: April 09, 2022

Place: Texas, USA
Date: April 08, 2022

Place: Texas, USA
Date: April 08, 2022

Radisys Canada Inc.

Statement of Profit and Loss for the year ended December 31, 2021

(All amounts in USD, unless otherwise stated)

		Year ended December 31, 2021	Year ended December 31, 2020
Income:	Notes		
Revenue from Operations (net)	11	951,357	1,130,394
Other Income	12	18,385	844
Total Income		969,742	1,131,238
Expenses:			
Employee Benefits Expense	13	785,343	902,176
Other Expenses	14	95,544	148,049
Total Expenses		880,887	1,050,225
Profit Before Tax		88,855	81,013
Tax Expense			
Current Tax	15A	-	-
Deferred Tax	15A	42,861	6,227
Net Tax Expense		42,861	6,227
Profit for the Year		45,994	74,786
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		45,994	74,786

Corporate information and significant accounting policies and notes to the financial statements. 1-23

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
F.R.N: 117366 W/W-100018

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No. 102912

Director

Director

Place: Mumbai
Date: April 09, 2022

Place: Texas, USA
Date: April 08, 2022

Place: Texas, USA
Date: April 08, 2022

Radisys Canada Inc.
Statement of Changes in Equity for the year ended December 31, 2021
(All amounts in USD, unless otherwise stated)

A. Share Capital	Total
Balance as at January 1, 2020	
1 Common stock with no par value	1
39,333 Preferred stock with no par value	1
	<u>2</u>
Movement during the year	-
Balance as at December 31, 2020	2
Movement during the year	-
Balance as at December 31, 2021	2

B. Other Equity	Reserves and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at January 1, 2020	45,918,584	(42,272,047)	5,075	3,651,612
Profit for the year	-	74,786	-	74,786
Balance as at December 31, 2020	45,918,584	(42,197,261)	5,075	3,726,398
Profit for the year	-	45,994	-	45,994
Balance as at December 31, 2021	45,918,584	(42,151,267)	5,075	3,772,392

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
F.R.N: 117366 W/W-100018

For and on behalf of the board

Abhijit A. Damle
 Partner
 Membership No. 102912

Director Director

Place: Mumbai
 Date: April 09, 2022

Place: Texas, USA Place: Texas, USA
 Date: April 08, 2022 Date: April 08, 2022

Radisys Canada Inc.

Cash Flow Statement for the year ended December 31, 2021

(All amounts in USD, unless otherwise stated)

	For the year ended December 31, 2021	For the year ended December 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	88,855	81,013
<i>Adjustments for:</i>		
Balances written off	-	2,562
Operating Profit before working capital changes	88,855	83,575
Changes in working capital:		
(Increase) in trade and other receivables	(61,325)	(92,819)
(Decrease) in trade payables	(16,018)	(99,570)
Net cash generated from / (used in) Operating Activities	11,512	(108,814)
B CASH FLOW FROM INVESTING ACTIVITIES		
Net cash from Investing Activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from Financing Activities	-	-
Net increase / (decrease) in Cash And Cash Equivalents (A+B+C)	11,512	(108,814)
Cash and Cash equivalents at the beginning of the year	32,694	141,508
Cash and cash equivalents at the end of the year (refer Note 5)	44,206	32,694

As per our report of even date

For Deloitte Haskins and Sells LLP
Chartered Accountants
F.R.N: 117366 W/W-100018

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No. 102912

Director

Director

Place: Mumbai
Date: April 09, 2022

Place: Texas, USA
Date: April 08, 2022

Place: Texas, USA
Date: April 08, 2022

1. General Information

Radisys Canada Inc. (“the Company”) was incorporated on January 1, 2007, in Canada. The principal office of the Company is situated at 4190 Still Creek Dr., Burnaby, BC V5C 6C6, Canada. The Company is a wholly owned subsidiary of Radisys Corporation.

The Company, together with its parent, is engaged in the business of open telecom solutions enabling service providers to drive disruption with new open architecture business models. The Company’s innovative disaggregated and virtualized enabling technology solutions leverage open reference architectures and standards, combined with open software and hardware to power business transformation for the telecom industry, while its world-class services organization delivers systems integration expertise necessary to solve communications and content providers’ complex deployment challenges.

2.1 Basis of Preparation and Presentation

These Special Purpose financial statements have been prepared for the limited purpose of preparation of consolidated financial statements of Radisys Corporation, from the audited consolidated trial balance which includes balances pertaining to the components, using accounting policies as specified hereinafter.

The financial statements have been prepared on the historical cost convention and on accrual basis of accounting except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurement is categorized within the fair value hierarchy into Levels 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Summary of Significant Accounting Policies

A. Leases

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term leases (defined as leases with a lease term of 12 months or less) and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

B. Foreign Currency Transaction and Translation

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. US Dollar), by applying to the foreign currency amount, using the exchange rate at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the 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 Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

C. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. Revenue is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Revenue represents commission on services rendered to group companies, based on cost plus agreement.

D. Employee Benefits

The undiscounted amount of short-term and long-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive.

E. Taxation

Taxes on income

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or in equity.

Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the balance sheet date.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

F. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation as a result of past event(s) and 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are not recognized but disclosed in the financial statements only where inflow of economic benefit is probable.

G. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

H. Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management and includes borrowing costs capitalized in accordance with the Company's accounting policy. The Company depreciates property, plant and equipment over the useful lives as prescribed below:

Class of asset *	Useful life
Plant & Equipment	1 - 5 years
Office Equipment	1 – 5 years

*For these class of assets, based on internal technical assessment, taking into account the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed-off are reported at the lower of the carrying value or the fair value less cost to sell.

I. Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

The estimated useful life of intangible assets is mentioned below:

Class of asset	Useful life
Software	3 – 5 years

The useful lives and the amortisation method are reviewed at the end of each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

J. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits having maturity of three months or less. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

K. Financial Instruments

i. Financial Assets

a. Initial recognition and measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular purchase and sale of financial assets are recognised using trade date accounting.

b. Subsequent measurement

Financial assets carried at amortised cost (AC):

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset 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 fair value through other comprehensive income (FVTOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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 fair value through profit or loss (FVTPL):

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

c. Equity instruments

Equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

d. Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

(a) Financial assets at amortised cost

(b) Financial assets measured at fair value through Other Comprehensive Income

The Company follows the 'simplified approach' for recognition of impairment loss allowance. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from its initial recognition.

The Company uses historical experience to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ii. Financial Liabilities

a. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in Statement of Profit and Loss as finance cost.

b. Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Derecognition of Financial Instrument

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition. On derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognised in the Statement of Profit and Loss. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in the Statement of Profit and Loss.

iv. Fair value of Financial Instrument

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future dates.

2.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management of the Company is required to make judgements, estimates and assumptions about the carrying amount of the assets and liability that are not readily apparent. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

(a) Income Taxes

Significant judgements are involved in estimating and determining the provision for income tax, including amount expected to be paid / recovered or uncertain tax positions.

Radisys Canada Inc.

Notes to the Financial Statements for the year ended Decemer 31, 2021

*(All amounts in USD, unless otherwise stated)***3a Property, Plant and Equipment:**

Description of Assets	Plant and Equipment	Office Equipment	Total
I. Gross Block			
Balance as at January 1, 2020	763,367	18,207	781,574
Disposals	(430,279)	(18,207)	(448,486)
Balance as at December 31, 2020	333,088	-	333,088
Translation Difference and Other Adjustments	58	-	58
Balance as at December 31, 2021	333,146	-	333,146
II. Accumulated Depreciation			
Balance as at January 1, 2020	763,367	18,207	781,574
Eliminated on disposal of assets	(430,279)	(18,207)	(448,486)
Balance as at December 31, 2020	333,088	-	333,088
Translation Difference and Other Adjustments	58	-	58
Balance as at December 31, 2021	333,146	-	333,146
Net block (I-II)			
Balance as at December 31, 2021	-	-	-
Balance as at December 31, 2020	-	-	-

There is no contractual commitments for the acquisition of Property, Plant and Equipment.

Radisys Canada Inc.

Notes to the Financial Statements for the year ended Decemer 31, 2021

(All amounts in USD, unless otherwise stated)

3b Other Intangible Assets (Acquired Seperately)

Description of Assets	Computer Software
I. Gross Block	
Balance as at January 1, 2020	80,077
Disposals	(77,501)
Balance as at December 31, 2020	2,576
Translation Difference and Adjustments	1
Balance as on December 31, 2021	2,577
II. Accumulated Amortisation	
Balance as at January 1, 2020	80,077
Eliminated on disposal of assets	(77,501)
Balance as at December 31, 2020	2,576
Translation Difference and Adjustments	1
Balance as on December 31, 2021	2,577
Net block (I-II)	
Balance as on December 31, 2021	-
Balance as at December 31, 2020	-

There is no contractual commitments for the acquisition of Other Intangible Assets.

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2021
(All amounts in USD, unless otherwise stated)

4 Trade Receivables (Current)

	As at December 31, 2021	As at December 31, 2020
Unsecured and considered good (from a related party) (Refer note 16)	3,873,978	3,810,386
Total	3,873,978	3,810,386

Particulars as of December 31, 2021	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – - considered good	299,113	427,197	788,036	1,526,844	832,788	3,873,978
(ii) Disputed Trade receivables –	-	-	-	-	-	-
Total	299,113	427,197	788,036	1,526,844	832,788	3,873,978

Particulars as of December 31, 2020	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – - considered good	562,988	600,281	926,563	832,789	887,765	3,810,386
(ii) Disputed Trade receivables –	-	-	-	-	-	-
Total	562,988	600,281	926,563	832,789	887,765	3,810,386

5 Cash and Cash Equivalents (Current)

	As at December 31, 2021	As at December 31, 2020
Balances with banks	44,206	32,694
Total	44,206	32,694

6 Other Financial Assets (Non-current) (Unsecured, Considered good)

	As at December 31, 2021	As at December 31, 2020
Deposits	5,900	5,900
Total	5,900	5,900

7 Other Current Assets

	As at December 31, 2021	As at December 31, 2020
Prepaid Rent	1,223	3,491
Other Receivables	14	13
Total	1,237	3,504

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2021

(All amounts in USD, unless otherwise stated)

8 Share Capital

(i) Authorised and Issued Share Capital

	As at December 31, 2021	As at December 31, 2020
Issued, Subscribed and Paid-up:		
1 Common stock with no par value	1	1
39,333 Preferred stock with no par value	1	1
Total	2	2

(ii) Details of shareholders holding more than 5% of the common stock and preferred stock:

Name of the shareholder	Common Stock		Preferred Stock	
	Number of shares held	% of holding	Number of shares held	% of holding
As at December 31, 2020				
Radisys Corporation	1	100%	39,333	100%
As at December 31, 2021				
Radisys Corporation	1	100%	39,333	100%

(iii) Terms/rights attached to shares:

The Company has common stock and preferred stock.

The shareholders have voting rights in the proportion of their shareholding. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all preferential amount, in the proportion of their shareholding.

Each share of preferred stock is senior to common stock in respect to repayment of capital and in liquidation but has no voting rights. The holders are entitled to receive a discretionary, non-cumulative, cash dividend at a rate not to exceed 4% per year on declared but unpaid dividends not to exceed Canadian \$1,000.

9 Other Equity

	Reserves and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at January 1, 2020	45,918,584	(42,272,047)	5,075	3,651,612
Profit for the year	-	74,786	-	74,786
Balance as at December 31, 2020	45,918,584	(42,197,261)	5,075	3,726,398
Profit for the year	-	45,994	-	45,994
Balance as at December 31, 2021	45,918,584	(42,151,267)	5,075	3,772,392

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2021

(All amounts in USD, unless otherwise stated)

10 Trade Payables

	As at December 31, 2021	As at December 31, 2020
Trade payables	210,008	226,026
Total	210,008	226,026

Trade Payables aging schedule

Particulars as of December 31, 2021	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	1-2 years	
(ii) Others	12,223	197,785	-	-	210,008
Total	12,223	197,785	-	-	210,008

Particulars as of December 31, 2020	Outstanding for following periods from due date of payment#				Total
	Unbilled	Not due	Less than 1 year	1-2 years	
(ii) Others	20,000	200,445	5,581	-	226,026
Total	20,000	200,445	5,581	-	226,026

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2021

(All amounts in USD, unless otherwise stated)

11	Revenue from Operations (net)	Year ended December 31, 2021	Year ended December 31, 2020
	Commission Revenue (Refer Note 16)	951,357	1,130,394
	Total	951,357	1,130,394
11A	The amounts receivable from customers become due after expiry of credit period. There is no significant financing component in any transaction with the customers.		
	The Company does not have any material remaining performance obligation as contracts entered for sale of products and services are for a shorter duration.		
12	Other Income	Year ended December 31, 2021	Year ended December 31, 2020
	Net foreign exchange gain	18,385	-
	Other Non-operating Income	-	844
	Total	18,385	844
13	Employee Benefits Expense	Year ended December 31, 2021	Year ended December 31, 2020
	Salaries and wages	739,474	804,330
	Contribution to defined contribution schemes	16,967	16,117
	Staff welfare expenses	28,902	45,010
	Restructuring	-	36,719
	Total	785,343	902,176
14	Other Expenses	Year ended December 31, 2021	Year ended December 31, 2020
	Travelling and Conveyance expenses	413	15,325
	Marketing Expense	3,485	3,025
	Legal and professional fees	66,178	89,741
	Telephone and internet charges	5,803	6,407
	Insurance	-	967
	Leases (Refer Note 19 and 20)	17,682	20,020
	Rates and Taxes	82	135
	Balances written off	-	2,562
	Equipment and Services	21	32
	Miscellaneous Expenses	1,880	9,835
	Total	95,544	148,049

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2021

(All amounts in USD, unless otherwise stated)

Income Tax expense:

Note	Particulars	Year ended December 31, 2021	Year ended December 31, 2020
15A	Income Tax recognised in the Statement of Profit and Loss:		
	Current Tax:		
	In respect of current year	-	-
	Net current tax expense recognised in the Statement of Profit and	-	-
	Deferred Tax:		
In respect of current year	42,861	6,227	
	Income tax expense	42,861	6,227

15B Deferred tax assets and liabilities at the end of the reporting period and deferred tax charge / (credit) in the Statement of Profit and Loss is as follows:

Movement in deferred tax balances:

Particulars	Opening Balance	Charge / (Credit) to the Statement of Profit and Loss	Closing Balance
Year ended December 31, 2021			
<u>Deferred Tax Assets</u>			
Property, Plant & Equipment	722	722	-
Accrued Bonus	20,579	20,579	-
Tax Credit Carryforwards	7,054,769	53,415	7,001,354
Canada NOL / Capital Loss	1,128,638	-	1,128,638
Others	-	-	-
Total Deferred Tax Asset:	8,204,708	74,716	8,129,992
Less: Valuation Adjustment #	(8,104,766)	(31,855)	(8,072,911)
Net Deferred Tax Assets	99,942	42,861	57,081

Deferred tax assets are recognized only to the extent it is probable that sufficient future taxable income will be available against which the deductible temporary difference can be utilized.

15C The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	As at December 31, 2021	As at December 31, 2020
Profit before tax	88,855	81,013
Federal tax calculated @ 27%	23,991	-
Non-deductible expenses (benefits)	114	5,253
Tax effect of changes in tax credits, net of valuation allowance	18,274	(15,818)
Others	482	16,792
Total	42,861	6,227
Net Current Tax expense as per Statement of Profit and Loss	42,861	6,227

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2021

(All amounts in USD, unless otherwise stated)

Note	Particulars			
16	Related party transactions			
A.	List of related parties where control exists and related parties with whom transaction have taken place and relationships:			
	Name of related parties	Description of relationship		
	Reliance Industries Limited	Ultimate Holding Company (Control exists)		
	Radisys Corporation, USA	Holding Company (Control exists)		
	Radisys Systems Equipment Trading (Shanghai) Co. Ltd	Fellow Subsidiary		
B.	Details of transactions during the year and balance outstanding as at the balance sheet date:			
	Particulars	Related Party	As at December 31, 2021	As at December 31, 2020
	a) Transactions during the year:			
	Commission Revenue	Radisys Corporation, USA	951,357	1,130,394
	Balances written off	Radisys Systems Equipment Trading (Shanghai) Co. Ltd	-	2,562
	Particulars	Related Party	As at December 31, 2021	As at December 31, 2020
	a) Balance outstanding:			
	Trade Receivables	Radisys Corporation, USA	3,873,978	3,810,386

17 The Company is involved in rendering software related services solely to the holding company, Radisys Corporation, USA. Accordingly, there is a single business and geographical segment.

18 These special purpose financial statements are prepared using accounting policies as described therein for the limited purpose of preparation of consolidated financial statements of the holding company, Radisys Corporation, from the audited consolidated trial balance which includes balances pertaining to the components.

19 The Company has taken certain of its office premises on lease, that are renewable in 6-month increments through mid 2022.

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2021***(All amounts in USD, unless otherwise stated)***20 Leases****As a lessee - Operating Lease**

The Company has one operating lease through the middle of 2022 which is cancellable. This lease is renewable for further period on mutually agreeable terms.

	Year ended December 31, 2021	Year ended December 31, 2020
Not later than one year	5,087	7,617
	<u>5,087</u>	<u>7,617</u>

The total cash outflow for leases amount to USD 17,682 (Dec 2020: USD 20,020), pertains to short-term and low value leases.

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2021*(All amounts in USD, unless otherwise stated)***21 Categorywise Classification of Financial Instruments**

	Note	Non-current As at December 31, 2021	Current As at December 31, 2021	Non-current As at December 31, 2020	Current As at December 31, 2020
Financial assets					
A. Measured at fair value through profit or loss (FVTPL)					
Nil					
B. Measured at amortised cost (AC)					
(i) Trade Receivables	4	-	3,873,978	-	3,810,386
(ii) Cash and Cash Equivalents	5	-	44,206	-	32,694
(iii) Loans	6	5,900	-	5,900	-
Financial liabilities					
A. Measured at fair value through profit or loss					
Nil					
B. Measured at amortised cost (AC)					
(i) Trade payables		-	210,008	-	226,026

22 Financial Risk Management Objectives

The Company's financial liabilities comprise mainly of trade payables. The Company's financial assets comprise mainly of cash and cash equivalents and trade receivables.

The following disclosures summarize the Company's exposure to financial risks.

1 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company, with the support of its parent, will ensure that sufficient liquidity is available to meet all of its commitments by raising loans or arranging other facilities as and when required.

2 Credit Risk Management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with related parties and hence the risk of financial loss is minimal.

3 Capital Management

The Company is predominantly equity financed which is evidenced from the capital structure table. (Refer Note 8)

22A COVID -19 Disclosure

The COVID-19 pandemic continues to cause significant disturbance and slowdown of economic activity in United States of America and Canada. The Company has taken into account external and internal information for assessing possible impact of COVID-19 on various elements of its financial statements, including recoverability of its assets.

23 These financial statements have been authorized for issue by the board on April 08, 2022.

For and on behalf of the board

Director

Place: Texas, USA
Date: April 08, 2022

Director

Place: Texas, USA
Date: April 08, 2022