

Radisys Canada Inc.

**Financial Statements
For the year ended 31st December, 2023**

**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, 2023, 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, 2023 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, 2023, 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 17, 2024

(UDIN: 24102912BKEPFA8412)

Radisys Canada Inc.

Balance Sheet as at December 31, 2023

(All amounts in USD, unless otherwise stated)

	Notes	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current Assets			
(a) Financial Assets			
(i) Other	6	-	5,555
(b) Deferred Tax Assets (net)	16B	80,704	63,888
Total Non-current Assets		80,704	69,443
Current Assets			
(a) Financial Assets			
(i) Trade Receivables	4	3,965,894	4,026,324
(ii) Cash and Cash Equivalents	5	55,721	38,979
(iii) Other Financial Assets	7	67,923	-
(b) Other Current Assets	8	11	1,162
Total Current Assets		4,089,549	4,066,465
Total Assets		4,170,253	4,135,908
Equity and Liabilities			
Equity			
(a) Share Capital	9	2	2
(b) Other Equity	10	3,982,249	3,904,847
Total Equity		3,982,251	3,904,849
Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	11	188,002	231,059
Total Current Liabilities		188,002	231,059
Total Liabilities		188,002	231,059
Total Equity and Liabilities		4,170,253	4,135,908

Corporate information and material accounting policies and notes to the financial statements.

1-22

As per our report of even date

For Deloitte Haskins and Sells LLP

Chartered Accountants

F.R.N: 117366W/W-100018

Abhijit A. Damle
Partner
Membership No. 102912

Place: Mumbai
Date: April 16, 2024

For and on behalf of the board

Nilesh Mehta
Director

Date: April 16, 2024

Robert Pippert
Director

Date: April 16, 2024

Radisys Canada Inc.**Statement of Profit and Loss for the year ended December 31, 2023***(All amounts in USD, unless otherwise stated)*

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Income:			
Revenue from Operations	12	1,259,935	1,064,793
Other Income	13	1,625	46,775
Total Income		1,261,560	1,111,568
Expenses:			
Employee Benefits Expense	14	1,061,175	839,394
Other Expenses	15	139,799	146,526
Total Expenses		1,200,974	985,920
Profit Before Tax		60,586	125,648
Tax Expense			
Current Tax	16A	26,901	21,296
Deferred Tax	16A	(43,717)	(28,103)
Net Tax Expense		(16,816)	(6,807)
Profit for the Year		77,402	132,455
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		77,402	132,455
Corporate information and material accounting policies and notes to the financial statements.	1-22		

As per our report of even date

For Deloitte Haskins and Sells LLPChartered Accountants
F.R.N: 117366W/W-100018Abhijit A. Damle
Partner
Membership No. 102912Place: Mumbai
Date: April 16, 2024**For and on behalf of the board**Nilesh Mehta
Director

Date: April 16, 2024

Robert Pippert
Director

Date: April 16, 2024

Radisys Canada Inc.
Statement of Changes in Equity for the year ended December 31, 2023
(All amounts in USD, unless otherwise stated)

A. Share Capital	Total
Balance as at January 1, 2022	
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, 2022	2
Movement during the year	-
Balance as at December 31, 2023	2

B. Other Equity	Reserves and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at January 1, 2022	45,918,584	(42,151,267)	5,075	3,772,392
Profit for the year	-	132,455	-	132,455
Balance as at December 31, 2022	45,918,584	(42,018,812)	5,075	3,904,847
Profit for the year	-	77,402	-	77,402
Balance as at December 31, 2023	45,918,584	(41,941,410)	5,075	3,982,249

As per our report of even date

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

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No. 102912

Nilesh Mehta
Director

Robert Pippert
Director

Place: Mumbai
Date: April 16, 2024

Date: April 16, 2024

Date: April 16, 2024

Radisys Canada Inc.

Cash Flow Statement for the year ended December 31, 2023*(All amounts in USD, unless otherwise stated)*

	For the year ended December 31, 2023	For the year ended December 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	60,586	125,649
Operating Profit before working capital changes	60,586	125,649
Changes in working capital:		
(Increase) in trade and other receivables	(787)	(151,927)
(Decrease)/Increase in trade payables	(43,057)	21,051
Net cash generated from/(used in) Operating Activities	16,742	(5,227)
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)	16,742	(5,227)
Cash and Cash equivalents at the beginning of the year	38,979	44,206
Cash and cash equivalents at the end of the year (refer Note 5)	55,721	38,979

As per our report of even date

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

For and on behalf of the board

Abhijit A. Damle
Partner
Membership No. 102912

Nilesh Mehta
Director

Robert Pippert
Director

Place: Mumbai
Date: April 16, 2024

Date: April 16, 2024

Date: April 16, 2024

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023.****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 c/o TMF Canada Inc., 777 Dunsmuir Street, Suite 1700, Vancouver, BC V7Y 1K4, 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 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.

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023****2.2 Summary of Material 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 TranslationInitial 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).

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023****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.

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023****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.

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023**

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 measurementFinancial 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.

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023****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.

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023****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 December 31, 2023

(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, 2022	333,146	-	333,146
Disposals	(245,537)	-	(245,537)
Translation Difference and Other Adjustments	34,251	-	34,251
Balance as at December 31, 2022	121,860	-	121,860
Disposals	(157,285)	-	(157,285)
Translation Difference and Other Adjustments	35,425	-	35,425
Balance as at December 31, 2023	-	-	-
II. Accumulated Depreciation			
Balance as at January 1, 2022	333,146	-	333,146
Eliminated on disposal of assets	(245,537)	-	(245,537)
Translation Difference and Other Adjustments	34,251	-	34,251
Balance as at December 31, 2022	121,860	-	121,860
Eliminated on disposal of assets	(157,285)	-	(157,285)
Translation Difference and Other Adjustments	35,425	-	35,425
Balance as at December 31, 2023	-	-	-
Net block (I-II)			
Balance as at December 31, 2023	-	-	-
Balance as at December 31, 2022	-	-	-

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

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023***(All amounts in USD, unless otherwise stated)***3b Other Intangible Assets (Acquired Separately)**

Description of Assets	Purchased Software
I. Gross Block	
Balance as at January 1, 2022	2,577
Translation Difference and Adjustments	(151)
Balance as at December 31, 2022	2,426
Disposals	(3,360)
Translation Difference and Adjustments	934
Balance as at December 31, 2023	-
II. Accumulated Amortisation	
Balance as at January 1, 2022	2,577
Translation Difference and Adjustments	(151)
Balance as at December 31, 2022	2,426
Eliminated on disposal of assets	(3,360)
Translation Difference and Adjustments	934
Balance as at December 31, 2023	-
Net block (I-II)	
Balance as at December 31, 2023	-
Balance as at December 31, 2022	-

There is no contractual commitment for acquisition of Other Intangible Assets.

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2023

(All amounts in USD, unless otherwise stated)

4 Trade Receivables (Current)

	As at December 31, 2023	As at December 31, 2022
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Unsecured and considered good (from a related party) (Refer note 17)	3,965,894	4,026,324
Total	3,965,894	4,026,324

Trade Receivables Aging Schedule

Particulars as of December 31, 2023	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	More than 3 years	
(i) Undisputed Trade receivables – - considered good	210,708	571,306	682,959	1,055,250	851,775	593,896	3,965,894
(ii) Disputed Trade receivables –	-	-	-	-	-	-	-
Total	210,708	571,306	682,959	1,055,250	851,775	593,896	3,965,894

Particulars as of December 31, 2022	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	More than 3 years	
(i) Undisputed Trade receivables – - considered good	308,657	491,661	563,588	851,775	1,534,164	276,479	4,026,324
(ii) Disputed Trade receivables –	-	-	-	-	-	-	-
Total	308,657	491,661	563,588	851,775	1,534,164	276,479	4,026,324

5 Cash and Cash Equivalents (Current)

	As at December 31, 2023	As at December 31, 2022
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Balances with banks	55,721	38,979
Total	55,721	38,979

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

	As at December 31, 2023	As at December 31, 2022
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Deposits	-	5,555
Total	-	5,555

7 Other Financial Assets (Current)

	As at December 31, 2023	As at December 31, 2022
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Unbilled Revenue (Refer note 17)	67,923	-
Total	67,923	-

8 Other Current Assets

	As at December 31, 2023	As at December 31, 2022
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Prepaid Rent	-	1,151
Other Receivables	11	11
Total	11	1,162

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2023

(All amounts in USD, unless otherwise stated)

9 Share Capital

(i) Authorised and Issued Share Capital

	As at December 31, 2023	As at December 31, 2022
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, 2022				
Radisys Corporation	1	100%	39,333	100%
As at December 31, 2023				
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.

10 Other Equity

	Reserves and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at January 1, 2022	45,918,584	(42,151,267)	5,075	3,772,392
Profit for the year	-	132,455	-	132,455
Balance as at December 31, 2022	45,918,584	(42,018,812)	5,075	3,904,847
Profit for the year	-	77,402	-	77,402
Balance as at December 31, 2023	45,918,584	(41,941,410)	5,075	3,982,249

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2023

(All amounts in USD, unless otherwise stated)

11 Trade Payables

	As at December 31, 2023	As at December 31, 2022
Trade payables	188,002	231,059
Total	188,002	231,059

Trade Payables aging schedule

Particulars as of December 31, 2023	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	1-2 years	
(i) Others	14,095	173,907	-	-	188,002
Total	14,095	173,907	-	-	188,002

Particulars as of December 31, 2022	Outstanding for following periods from due date of payment#				Total
	Unbilled	Not due	Less than 1 year	1-2 years	
(i) Others	17,923	213,136	-	-	231,059
Total	17,923	213,136	-	-	231,059

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023***(All amounts in USD, unless otherwise stated)***12 Revenue from Operations**

	Year ended December 31, 2023	Year ended December 31, 2022
Commission Revenue (Refer Note 17)	1,259,935	1,064,793
Total	1,259,935	1,064,793

12A 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.

13 Other Income

	Year ended December 31, 2023	Year ended December 31, 2022
Miscellaneous Income	1,625	46,775
Total	1,625	46,775

14 Employee Benefits Expense

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and wages	1,005,416	795,102
Contribution to defined contribution schemes	23,240	16,737
Staff welfare expenses	32,519	27,555
Total	1,061,175	839,394

15 Other Expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Travelling and Conveyance expenses	58,958	42,745
Marketing Expenses	6,336	3,739
Legal and professional fees	20,668	29,692
Telephone and internet charges	8,698	7,557
Operating lease rentals	1,151	14,459
Repairs and Maintenance	7,413	46,018
Miscellaneous Expenses	36,575	2,316
Total	139,799	146,526

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2023

(All amounts in USD, unless otherwise stated)

Income Tax expense:

Note	Particulars	Year ended December 31, 2023	Year ended December 31, 2022
16A	Income Tax recognised in the Statement of Profit and Loss:		
	Current Tax:		
	In respect of current year	26,901	21,296
	Net current tax expense recognised in the Statement of Profit and Loss	26,901	21,296
	Deferred Tax:		
In respect of current year	(43,717)	(28,103)	
	Income tax credit	(16,816)	(6,807)

16B 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, 2023			
<u>Deferred Tax Assets</u>			
Tax Credit Carryforwards	6,634,528	26,901	6,607,627
Canada NOL / Capital Loss	1,128,638	-	1,128,638
Total Deferred Tax Asset:	7,763,166	26,901	7,736,265
Less: Valuation Adjustment #	(7,699,278)	(43,717)	(7,655,561)
Net Deferred Tax Assets	63,888	(16,816)	80,704

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.

16C The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	As at December 31, 2023	As at December 31, 2022
Profit before tax	60,586	125,649
Federal tax calculated @ 27%	16,358	33,925
Non-deductible expenses (benefits)	591	356
Tax effect of changes in tax credits, net of valuation allowance	(33,765)	(41,088)
Total	(16,816)	(6,807)
Net Current Tax expense as per Statement of Profit and Loss	(16,816)	(6,807)

Radisys Canada Inc.

Notes to the Financial Statements for the year ended December 31, 2023

(All amounts in USD, unless otherwise stated)

Note	Particulars			
17	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)		
	Reliance Jio Infocomm Limited	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, 2023	As at December 31, 2022
	a) Transactions during the year:			
	Commission Revenue	Radisys Corporation, USA	1,192,012	1,064,793
	Commission Revenue	Reliance Jio Infocomm Limited	67,923	-
	Particulars	Related Party	As at December 31, 2023	As at December 31, 2022
	a) Balance outstanding:			
	Trade Receivables	Radisys Corporation, USA	3,965,894	4,026,324
	Unbilled Revenue	Reliance Jio Infocomm Limited	67,923	-

18 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.

19 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.

Radisys Canada Inc.**Notes to the Financial Statements for the year ended December 31, 2023***(All amounts in USD, unless otherwise stated)***20 Categorywise Classification of Financial Instruments**

	Note	Non-current As at December 31, 2023	Current As at December 31, 2023	Non-current As at December 31, 2022	Current As at December 31, 2022
Financial assets					
A. Measured at fair value through profit or loss (FVTPL)					
Nil					
B. Measured at amortised cost (AC)					
(i) Trade Receivables	4	-	3,965,894	-	4,026,324
(ii) Cash and Cash Equivalents	5	-	55,721	-	38,979
(iii) Deposits	6	-	-	5,555	-
(iv) Other Financial Assets	7	-	67,923	-	-
Financial liabilities					
A. Measured at fair value through profit or loss					
Nil					
B. Measured at amortised cost (AC)					
(i) Trade payables	11	-	188,002	-	231,059

21 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 predominately equity financed which is evidenced from the capital structure table. (Refer Note 10)

22 These financial statements have been authorized for issue by the board on April 16, 2024.

For and on behalf of the board

Nilesh Mehta
Director

Robert Pippert
Director

Date: April 16, 2024

Date: April 16, 2024