Radisys Corporation

Financial Statements
for the year ended 31st December, 2023

INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF RADISYS CORPORATION

Opinion

We have audited the accompanying Special Purpose Standalone Financial Statements of Radisys Corporation (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 Standalone 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 Company.

In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Standalone 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 Standalone 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, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements.

Management's Responsibility for the Special Purpose Standalone Financial Statements

The Company's Board of Director is responsible with respect to the preparation of the Special Purpose Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, statement of changes in equity and cash flows of the Company in accordance with the basis of preparation of these Special Purpose Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Special Purpose Standalone 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 Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Standalone 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 Standalone 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 Standalone Financial Statements have been prepared for the limited purpose of preparation of the consolidated financial statements of the Company. As a result, these Special Purpose Standalone Financial Statements may not be suitable for another purpose. Our report is intended solely for the internal use of the Company.

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

(Abhijit A. Damle)
(Partner)
(Membership No. 102912)
(UDIN: 24102912BKEPFG8752)

Mumbai, dated April 17, 2024

Radisys Corporation
Balance Sheet as at December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

	Notes	As at December 31, 2023	As at December 31, 2022
Assets			
Non-current Assets			
(a) Property, Plant and Equipment	3.A	1,333	1,462
(b) Capital Work in Progress	3.A	-	463
(c) Other Intangible Assets	3.B	32,079	19,102
(d) Intangible Assets Under Development	3.B	52,193	45,241
(e) Right of Use Asset	3.C	712	875
(f) Financial Assets			
(i) Investments	5	68,822	6,146
(iii) Other Financial Assets	6	9,781	7,396
(g) Current Tax Assets	4	174	38
(h) Other Non-current Assets	7	233	532
Total Non-current Assets		**165,327**	**81,255**
Current Assets			
(a) Inventories	8	6,627	2,360
(b) Financial Assets			
(i) Trade Receivables	9	30,583	33,903
(ii) Cash and Cash Equivalents	10	987	2,194
(iii) Other Financial Assets	11	10,156	5,956
(c) Other Current Assets	12	21,677	6,074
Total Current Assets		**70,030**	**50,487**
Total Assets		**235,357**	**131,742**
Equity and Liabilities			
Equity			
(a) Share Capital	13	166,120	75,000
(b) Other Equity	14	(82,415)	(88,399)
Total Equity		**83,705**	**(13,399)**
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	70,000	70,000
(b) Provisions	16	54	29
(c) Deferrred Tax Liabilities (net)	29b	188	181
(d) Other Non Current Liabilities	17	2,168	163
(e) Lease Liabilities	18	654	834
Total Non-current Liabilities		**73,064**	**71,207**
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	19	67,909	63,634
(b) Other Current Liabilities	20	9,986	7,679
(c) Provisions	16	158	183
(d) Current Tax Liabilities	21	354	2,264
(e) Lease Liabilities	18	181	174
Total Current Liabilities		**78,588**	**73,934**
Total Liabilities		**151,652**	**145,141**
Total Equity and Liabilities		**235,357**	**131,742**
Corporate information and material accounting policies and notes to the financial statements.	1-38		

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 Corporation
Statement of Profit and Loss for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

Income:	Notes	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from Operations (net)	22a	143,429	158,253
Other Income	23	1,848	1,041
Total Income		**145,277**	**159,294**
Expenses:			
Cost of Goods Sold	24	48,902	50,857
Employee Benefits Expense	25	21,405	23,414
Finance Costs	26	4,298	1,910
Depreciation and Amortization Expense	27	7,719	4,792
Other Expenses	28	64,277	63,449
Total Expenses		**146,601**	**144,422**
Profit Before Tax		**(1,324)**	**14,872**
Tax Expense			
Current Tax	29a	4,531	3,695
Net Current Tax expense		4,531	3,695
Deferred Tax	29a	7	21
Net Tax Expense		**4,538**	**3,716**
Profit for the Year		**(5,862)**	**11,156**
Other Comprehensive Income:			
Total Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the Year		**(5,862)**	**11,156**
Earnings per equity share (Face value of USD 10 each)			
(1) Basic (in USD)	34	**(0.52)**	**1.49**
(2) Diluted (in USD)	34	**(0.52)**	**1.49**
Corporate information and material accounting policies and notes to the financial statements.	1-38		

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 Corporation

Statement of Changes in Equity for the year ended December 31, 2023

(All amounts in USD thousand, unless otherwise stated)

A. Share Capital	Total
Balance as at January 1, 2022	**75,000**
Movement during the year	-
Balance as at December 31, 2022	**75,000**
Issue of shares	**91,120**
Balance as at December 31, 2023	**166,120**

B. Other Equity

	Reserves and Surplus			Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Retained Earnings		
Balance as at January 1, 2022	**(103,077)**	**-**	**3,522**	**-**	**(99,555)**
Profit for the year	-	-	11,156	**-**	**11,156**
Balance as at December 31, 2022	**(103,077)**	**-**	**14,678**	**-**	**(88,399)**
Issue of shares	**-**	11,846	**-**	**-**	**11,846**
Profit for the year	**-**	**-**	(5,862)	**-**	**(5,862)**
Balance as at December 31, 2023	**(103,077)**	**11,846**	**8,816**	**-**	**(82,415)**

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 Corporation

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

		For the year ended December 31, 2023	For the year ended December 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	(Loss)/Profit before tax	**(1,324)**	**14,872**
	Adjustments for:		
	Depreciation and Amortisation expense	7,719	4,792
	Provision for doubtful debts written (back)	(199)	987
	Bad debts written off	-	133
	Net Loss on discard of property, plant and equipment and intangible assets	-	1
	Provision for warranty written (back)	4	(32)
	Finance costs	4,298	1,910
	Interest Income	(310)	(340)
	Operating Profit before working capital changes	**10,188**	**22,323**
	Changes in working capital:		
	(Increase)/Decrease in inventories	(4,267)	909
	(Increase) in trade and other receivables	(18,744)	(11,798)
	Increase in trade, other payables and provisions	8,586	12,219
	Cash (used in)/generated from Operating Activities	**(4,237)**	**23,653**
	Income Taxes (paid) (net)	(6,577)	(4,093)
	Net cash (used in)/generated from Operating Activities	**(10,814)**	**19,560**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, plant and equipment and intangible assets	(26,896)	(34,810)
	Purchase of Subsidiary	(62,926)	-
	Interest received	684	278
	Net cash (used in) Investing Activities	**(89,138)**	**(34,532)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	-	8,700
	Proceeds from common stock issuance	102,966	-
	Repayment of share capital by subsidiary	250	-
	Lease Liability paid	(185)	(181)
	Finance costs paid	(4,286)	(1,896)
	Net cash generated from Financing Activities	**98,745**	**6,623**
	Net (decrease) in Cash And Cash Equivalents (A+B+C)	**(1,207)**	**(8,349)**
	Cash and Cash equivalents at the beginning of the year	2,194	10,543
	Cash and cash equivalent at end of year (Refer Note 10)	**987**	**2,194**

Note
Changes in liabilities arising from financing activities.

			Non-cash changes		
	As at January 1, 2022	Cash flows (net)	Net Additions	Other adjustments	As at Decemer 31, 2022
Borrowings - non current	61,300	8,700	-	-	70,000
Lease Liabilities (Refer Note 18)	1,175	(181)	-	14	1,008
	As at January 1, 2023	Cash flows (net)	Net Additions	Other adjustments	As at Decemer 31, 2023
Borrowings - non current	70,000	-	-	-	70,000
Lease Liabilities (Refer Note 18)	1,008	(185)	-	12	835

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 Corporation

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

1. General Information

Radisys Corporation ("the Company") was incorporated on March 18, 1987, in Oregon. The Company is having its principal office at 8900 NE Walker Suite 130, Hillsboro, OR 97006 United States. With effect from December 11, 2018, the Company has become a wholly owned subsidiary of Reliance Industries Limited (RIL), an Indian listed company. During the year 2020, Jio Platforms Limited became the intermediate holding company, while RIL continues to be the ultimate Parent.

The Company 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 polices 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 are categorised 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. Business Combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration.

Radisys Corporation

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

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired, and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, records the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their respective carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity.

B. 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 capitalised 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

Leasehold improvements are depreciated over primary lease period.

*For this 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.

C. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Such cost includes purchase price and any cost directly attributable for preparing the asset for its intended use,. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Expenses directly attributable and reasonably allocable to the project, net of income earned during the project development stage prior to its intended use, are considered as project development expenditure and disclosed under Intangible Assets Under Development.

Radisys Corporation

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

Gains or losses arising from derecognition 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 the Statement of Profit and Loss when the asset is derecognised. The Company's intangible assets comprises assets with finite useful life which are amortised on a straightline basis over the period of their expected useful life.

A summary of amortisation policies applied to the Company's Intangible Assets to the extent of depreciable amount is, as follows:

Class of asset	Useful life
Purchased Software	3 – 5 years
Internally Generated Software / Design	5 – 10 years
Purchased Technology	2 – 5 years
Trade Names	10 years
Customer Lists	6 years
Patents	2 – 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.

D. Investment in Subsidiaries

The Company has accounted for its investments in Subsidiaries at cost less impairment loss (if any).

E. 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.

Radisys Corporation

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

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.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

F. Impairment of non-financial assets

Assessment is done at the end of each reporting period as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at end of each reporting period as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

G. 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), 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 rate 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).

H. Inventories

Inventories are stated at the lower of cost, determined on a standard cost basis and net realizable value. Standard cost basis approximates actual cost on a first-in, first-out basis. The Company evaluates inventory for obsolete or slow-moving items to ascertain if the recorded allowance is reasonable and adequate. Inventory is written down for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated net realizable value based upon assumptions about future demand and market conditions.

Radisys Corporation

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

I. 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.

<u>Sale of products</u>:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or upon delivery of the software master to the customer, as may be specified in the contract. Revenue from customers for royalties is recorded when the revenue recognition criteria have been met.

<u>Rendering of services</u>:

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. Technical support services revenue is recognized as earned on the straight-line basis over the term of the contract.

Professional services revenue is recognized upon completion of certain contractual milestones. Other services revenues include hardware repair services which is recognized when the services are complete.

J. 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.

Defined Contribution Plans:

The Company's contribution under the 401(k) plan which is a defined contribution plan is charged as an expense when services are rendered by the employees.

K. Borrowing costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as a part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

L. 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

Radisys Corporation

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

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 recognised 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.

M. 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 recognised but disclosed in the financial statements only where inflow of economic benefit is probable.

N. 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.

O. 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.

Radisys Corporation

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

P. 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.

Radisys Corporation

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

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) Depreciation / Amortisation and useful lives of property, plant and equipment / Intangible Assets
Property, Plant and Equipment / Intangible Assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The depreciation / amortisation method is selected so as to reflect the pattern in which future economic benefits of different assets are expected to be consumed by the Group. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

(b) Provision for warranty
Provision for warranty is considered based on the average warranty expense incurred in the preceding 24 months, the warranty period ranges from 12 months to 24 months as per provisions of the contracts.

Radisys Corporation

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

(c) Impairment of non-financial assets

Where indicators of impairment exist for an asset or cash generating unit ("CGU") Management determines the recoverable amount. As part of that determination, in assessing value in use, the estimated future cash flows are discounted to their present value using 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 of disposal, recent market transactions are taken into account, if no such transactions can be identified, a valuation model is used.

(d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions, as well as, forward looking estimates at the end of each reporting period.

(e) 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 Corporation

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

3.A Property, Plant and Equipment

Description of Assets	Leasehold Improvements	Plant and Equipment	Office Equipment	Total
I. Gross Block				
Balance as at January 1, 2022	**198**	**5,953**	**3,540**	**9,691**
Additions	-	458	85	543
Disposals	-	(849)	(809)	(1,658)
Adjustments	-	-	(8)	(8)
Balance as at December 31, 2022	**198**	**5,562**	**2,808**	**8,568**
Additions	-	799	151	950
Disposals	-	(824)	(100)	(924)
Adjustments	-	-	-	-
Balance as at December 31, 2023	**198**	**5,537**	**2,859**	**8,594**
II. Accumulated Depreciation				
Balance as at January 1, 2022	**40**	**5,027**	**2,812**	**7,879**
Depreciation expense for the year	26	538	320	884
Disposals	-	(849)	(808)	(1,657)
Balance as at December 31, 2022	**66**	**4,716**	**2,324**	**7,106**
Depreciation expense for the year	26	755	295	1,076
Disposals	-	(823)	(98)	(921)
Adjustments	-	-	-	-
Balance as at December 31, 2023	**92**	**4,648**	**2,521**	**7,261**
Net block (I-II)				
Balance as at December 31, 2023	106	889	338	1,333
Capital Work in Progress				-
Total				**1,333**
Balance as at December 31, 2022	132	846	484	1,462
Capital Work in Progress				463
Total				**1,925**

(a) The amount of contractual commitments for the acquisition of Property, Plant and Equipment is disclosed in note 30.

(b) Capital Work in Progress (CWIP) ageing schedule as of December 31, 2023

Particulars as at December 31, 2023	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Particulars as at December 31, 2022	**Amount in CWIP for a period of**				**Total**
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	405	58	-	-	463
Projects temporarily suspended	-	-	-	-	-

(c) There are no projects as of December 31, 2023 and December 31, 2022 under capital work-in progress whose completion is overdue or has exceeded its cost compared to original plan

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

3.B Other Intangible Assets (Acquired Separately)

Description of Assets	Purchased Software	Internally Generated Software / Design	Purchased Technology	Trade Names	Customer Lists	Total
I. Gross Block						
Balance as at January 1, 2022	**9,988**	**12,963**	**114,754**	**11,536**	**37,000**	**186,241**
Additions	351	9,753	-	-	-	10,104
Disposals	(304)	-	-	-	-	(304)
Balance as at December 31, 2022	**10,035**	**22,716**	**114,754**	**11,536**	**37,000**	**196,041**
Additions	-	19,453	-	-	-	19,453
Disposals	(59)	-	-	-	-	(59)
Translation difference and other adjustments	5	-	-	-	-	5
Balance as at December 31, 2023	**9,981**	**42,169**	**114,754**	**11,536**	**37,000**	**215,440**
II. Accumulated Amortisation						
Balance as at January 1, 2022	**9,273**	**935**	**114,754**	**11,536**	**37,000**	**173,498**
Amortisation expense for the year	443	3,302	-	-	-	3,745
Disposals	(304)	-	-	-	-	(304)
Balance as at December 31, 2022	**9,412**	**4,237**	**114,754**	**11,536**	**37,000**	**176,939**
Amortisation expense for the year	115	6,365	-	-	-	6,480
Disposals	(59)	-	-	-	-	(59)
Translation difference and other adjustments	1	-	-	-	-	1
Balance as at December 31, 2023	**9,469**	**10,602**	**114,754**	**11,536**	**37,000**	**183,361**
Net block (I-II)						
Balance as at December 31, 2023	512	31,567	-	-	-	32,079
Intangible Assets under Development						52,193
Total						**84,272**
Balance as at December 31, 2022	623	18,479	-	-	-	19,102
Intangible Assets under Development						45,241
Total						**64,343**

(a) The amount of contractual commitments for the acquisition of Other Intangible Assets is disclosed in note 30.

(bi) Intangible Assets under Development (IAUD) ageing schedule

Particulars as at December 31, 2023	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15,155	17,932	15,605	3,501	52,193
Projects temporarily suspended	-	-	-	-	-

(bii) Intangible Assets under Development (IAUD) ageing schedule

Particulars as at December 31, 2022	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	22,309	19,431	3,501	-	45,241
Projects temporarily suspended	-	-	-	-	-

(c) There are no projects as of December 31, 2023 and December 31, 2022 under Intangible Assets under Development whose completion is overdue or has exceeded its cost compared to original plan

Radisys Corporation

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

(All amounts in USD thousand, unless otherwise stated)

3.C Right of Use Assets

Description of Assets	Office Premises
I. Gross Block	
Balance as at January 1, 2022	**1,271**
Additions	-
Balance as at December 31, 2022	**1,271**
Additions	-
Balance as at December 31, 2023	**1,271**
II. Accumulated depreciation	
Balance as at January 1, 2022	**233**
Depreciation expense for the year	163
Balance as at December 31, 2022	**396**
Depreciation expense for the year	163
Balance as at December 31, 2023	**559**
Net Block (I-II)	
Balance as at December 31, 2023	**712**
Balance as at December 31, 2022	875

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

4 Current Tax Assets	**As at December 31, 2023**	**As at December 31, 2022**
Income Tax Receivable	174	38
Total	**174**	**38**

5 Investments	**As at December 31, 2023**	**As at December 31, 2022**
Investments in Subsidiaries (unquoted at cost, unless stated otherwise)		
Radisys International LLC	5,259	5,509
Radisys Ireland (3 Ordinary Shares of € 1 each)	*	*
Radisys UK Limited (1,900 Ordinary Shares of €100 each)	317	317
Radisys B.V. (650 Ordinary Shares of NLG 100 each)	320	320
Radisys Canada Inc. (1 Common Stock with no par value and 39,333 Preferred Stock with no par value)	45,918	45,918
Radisys International Singapore Pte.Ltd. (1 Ordinary Share of S$1 each)	**	**
Mimosa Networks	62,926	-
Aggregate amount of Invesments in Subsidiaries (A)	**114,740**	**52,064**
Less: Provision for impairment in value of investments:		
Radisys Canada Inc.	45,918	45,918
Aggregate provision for impairment in value of investments (B)	**45,918**	**45,918**
Total (A-B)	**68,822**	**6,146**

* represents USD 4
** represents USD 1

6 Other Financial Assets (Non-Current)	**As at December 31, 2023**	**As at December 31, 2022**
Unbilled revenue	3,810	551
Notes Receivable from Related Parties (Refer Note 32)	2,793	3,293
Interest Receivable from Related Parties (Refer Note 32)	3,178	3,552
Total	**9,781**	**7,396**

7 Other Non-current Assets	**As at December 31, 2023**	**As at December 31, 2022**
Advance Warranty Stores and Spares	233	532
Total	**233**	**532**

8 Inventories	**As at December 31, 2023**	**As at December 31, 2022**
Stock-in-Trade	6,627	2,360
Total	**6,627**	**2,360**

The cost of inventories recognized during the year is disclosed in Note 24.

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

9 Trade Receivables (Unsecured)

	As at December 31, 2023	As at December 31, 2022
Considered good (Refer Note 32)	30,583	33,903
Credit Impaired	163	1,373
	30,746	**35,276**
Less : Allowance for doubtful debts	163	1,373
Total	**30,583**	**33,903**

Receivables with a single external customer of over 10% of the oustanding balance:

Customer A	29.4%	21.4%
Customer B	11.8%	28.9%

Trade Receivable Aging Schedule

Particulars as at December 31, 2023	**Outstanding for following periods from due date of payment**						**Total**
	Current but not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables –							
- considered good	21,917	8,038	601	-	16	11	30,583
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	163	-	-	163
(ii) Disputed Trade receivables –							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-

Particulars as at December 31, 2022	**Outstanding for following periods from due date of payment**						**Total**
	Current but not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables –							
- considered good	30,359	3,451	93	-	-	-	33,903
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	100	200	467	441	165	-	1,373
(ii) Disputed Trade receivables –							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-

10 Cash and Cash Equivalents

	As at December 31, 2023	As at December 31, 2022
Balances with banks	987	2,194
Total	**987**	**2,194**

11 Other Financial Assets (Current)

	As at December 31, 2023	As at December 31, 2022
Unbilled Revenue (Refer Note 32)	9,951	5,796
Deposits	205	160
Total	**10,156**	**5,956**

12 Other Current Assets

	As at December 31, 2023	As at December 31, 2022
Prepaid Expenses	2,581	2,441
Advance towards share application money (Refer Note 32)	17,000	-
Balances with Government Authorities	673	99
Others	1,423	3,534
Total	**21,677**	**6,074**

Radisys Corporation

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

(All amounts in USD thousand, unless otherwise stated)

13 Share Capital

(i) Authorized and issued share capital

	As at December 31, 2023	As at December 31, 2022
Authorized:		
150,000 common stock with par value of $10.00 per share	1,500,000	1,500,000
Issued, Subscribed and Paid-up:		
16,612 (PY 7,500) common stock with par value of $10.00 per share	166,120	75,000

(ii) Movements in common stock

	Number of shares	Amount
As at January 1, 2022	**7,500**	**75,000**
Movement in common stock	-	-
As at December 31, 2022	**7,500**	**75,000**
Issue of shares	**9,112**	**91,120**
As at December 31, 2023	**16,612**	**166,120**

(iii) Details of shareholders holding more than 5% of the common stock:

Name of the shareholder	Number of shares held	% of holding
As at December 31, 2022		
Jio Platforms Limited	7,500	100%
As at December 31, 2023		
Jio Platforms Limited	16,612	100%

(iv) Jio Platforms Limited became the intermediate holding company w.e.f June 4, 2020 while Reliance Industries Limited continues to be ultimate Parent.

(iv) Terms/rights attached to common 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.

All number of shares are in thousands

Radisys Corporation

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

(All amounts in USD thousand, unless otherwise stated)

14 Other Equity

	Reserves and Surplus			Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Retained Earnings		
Balance as at January 1, 2022	**(103,077)**	**-**	**3,522**	**-**	**(99,555)**
Profit for the year	-	-	11,156	**-**	**11,156**
Balance as at December 31, 2022	**(103,077)**	**-**	**14,678**	**-**	**(88,399)**
On issue of shares	**-**	11,846	**-**	**-**	**11,846**
Profit for the year	**-**	**-**	(5,862)	-	**(5,862)**
Balance as at December 31, 2023	**(103,077)**	**11,846**	**8,816**	**-**	**(82,415)**

15 Borrowings (non current, unsecured)	**As at December 31, 2023**	**As at December 31, 2022**
Loan from Bank (Refer to Note 15.1)	70,000	70,000
Total	**70,000**	**70,000**

15.1 Agreement entered into with Bank of America, N.A. (‘the Lender’) during the year 2018 has been revised during the year 2021 for uncommitted line of credit with aggregate advances outstanding thereunder not at any time to exceed $70,000 ('000). Each Loan shall bear interest payable on the outstanding principal amount thereof at a rate per annum equal to SOFR plus 1.20% for such Interest Period. Each Loan shall be due and payable on the earliest of: (a) the maturity date for such Loan agreed to by the Lender at the time such Loan is made, (b) the Maturity Date and (c) the date specified in the notice of acceleration following an Event of Default that is continuing. Accrued and unpaid interest on each Loan shall be due and payable on each Interest Payment Date. The mutually agreed maturity date is May 31, 2024. Since the Company intends to continue and avail the uncommitted line of credit, beyond one year period, the said borrowing is classified as Non-current. Jio Platforms Limited ("the Parent") has provided letter of comfort to Bank of America, N.A.

During the year, the Company did not borrow any funds (PY: $8,700 (‘000)) out of the existing line of credit with Bank of America.

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

16 Provisions	**As at December 31, 2023**	**As at December 31, 2022**
Non-Current		
- Provision for Warranty	54	29
	54	**29**
Current		
- Provision for Warranty	140	162
- Provision for Adverse Purchase Commitments	18	21
- Provision for Restructuing Cost	-	-
	158	**183**
Total	**212**	**212**

16.1 Provision for warranty

The Company provides for the estimated cost of product warranties at the time it recognizes revenue. Products are generally sold with warranty coverage for a period of 12 or 24 months after shipment. On a yearly basis, the Company assesses the reasonableness and adequacy of warranty provisions.

Provision for adverse purchase commitments

The Company enters into certain non-cancellable contractual obligations to procure certain inventories from its suppliers. In the event the Company estimates that the inventories are no longer required for the Company's operations, a provision is taken against the obligations.

Provision for restructuring cost

The Company engages in restructuring actions which requires the Company, to make estimates for severance and other employee separation costs.

16.2 Movement in provisions

	Provision for warranty	**Provision for adverse purchase commitments**	**Provision for restructuring cost**	**Total**
Closing balance at December 31, 2021	**223**	**58**	**22**	**303**
Additions/(Utilizations / Reversals)(Net)	(32)	(37)	(22)	(91)
Closing balance at December 31, 2022	**191**	**21**	**-**	**212**
Additions/(Utilizations / Reversals)(Net)	3	(3)	-	-
Closing balance at December 31, 2023	**194**	**18**	**-**	**212**

17 Other Non Current Liabilities	**As at December 31, 2023**	**As at December 31, 2022**
Deferred Revenue	2,168	163
Total	**2,168**	**163**

18 Lease Liabilities	**As at December 31, 2023**	**As at December 31, 2022**
Current	181	174
Non-current	654	834
Total	**835**	**1,008**

19 Trade Payables	**As at December 31, 2023**	**As at December 31, 2022**
Trade Payables (Refer to Note 32)	67,909	63,634
Total	**67,909**	**63,634**

The average payment period is in a range of 90-120 days.

Trade Payables aging schedule

Particulars as at December 31, 2023	**Outstanding for following periods from due date of payment**						**Total**
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) Others	20,500	7,727	39,682	-	-	-	67,909
(ii) Disputed dues - Others	-	-	-	-	-	-	-
Total	20,500	7,727	39,682	-	-	-	67,909

Particulars as at December 31, 2022	**Outstanding for following periods from due date of payment**						**Total**
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3	
(i) Others	21,418	13,752	28,464	-	-	-	63,634
(ii) Disputed dues - Others	-	-	-	-	-	-	-
Total	21,418	13,752	28,464	-	-	-	63,634

20 Other Current Liabilities	**As at December 31, 2023**	**As at December 31, 2022**
Deferred Revenue (Refer to Note 32)	9,313	7,054
Statutory Payables	141	47
Other Payables	532	578
Total	**9,986**	**7,679**

21 Current Tax Liabilities	**As at December 31, 2023**	**As at December 31, 2022**
Provision for income tax (net)	354	2,264
Total	**354**	**2,264**

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

22a Revenue from Operations (net)

	Year ended December 31, 2023	Year ended December 31, 2022
Sale of products (Refer Note 32)	88,462	99,143
Sale of services (Refer Note 32)	54,967	59,110
Total	**143,429**	**158,253**

22b Revenue from Contracts with Customers disaggregated based on geography

	Year ended December 31, 2023	Year ended December 31, 2022
United States of America (USA)	32,233	31,816
North and South America excluding USA	681	1,062
Europe, Middle East and Africa	90,212	88,018
Asia-Pacific	20,303	37,357
Total	**143,429**	**158,253**

22c The amounts receivable from customers become due after expiry of credit period. Average collection period is in the range of 80-110 days. Significant financing components are appropriately accounted.

The Company provides agreed upon specification warranty for selected range of products. The amount of liability towards such warranty are disclosed in note 16.

The Company does not have any material remaining performance obligation as contracts entered for sale of products and services are for a shorter duration.

23 Other Income

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income on Note Receivable from Related Parties (Refer Note 32)	300	340
Interest income from banks	10	-
Provision for Doubtful Debts written back	199	-
Provision for warranty written back	-	32
Miscellaneous Income	1,339	669
Total	**1,848**	**1,041**

24 Cost of Goods Sold

	Year ended December 31, 2023	Year ended December 31, 2022
Opening stock (Stock-in-Trade)	2,360	3,269
Add: Purchases of trading goods	53,169	49,948
Less: Closing stock (Stock-in-Trade)	(6,627)	(2,360)
Total	**48,902**	**50,857**

25 Employee Benefits Expense

	Year ended December 31, 2023	Year ended December 31, 2022
Salaries and wages *	19,064	21,123
Contribution to defined contribution schemes	452	443
Staff Welfare Expenses	1,889	1,848
Total	**21,405**	**23,414**

* includes contract employees

26 Finance Costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest		
Interest on borrowings measured at amortized cost:	4,286	1,896
Interest on lease liability	12	14
Total	**4,298**	**1,910**

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

27 Depreciation and Amortisation Expense

	Year ended December 31, 2023	Year ended December 31, 2022
Depreciation on Property, Plant and Equipment (Refer Note 3A)	1,076	884
Amortization on Intangible Assets (Refer Note 3B)	6,480	3,745
Depreciation on Right of Use Asset (Refer Note 3C)	163	163
Total	**7,719**	**4,792**

28 Other Expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Subcontracting Charges (Net) (Refer note 32)	49,548	44,937
Legal and Professional Fees	3,667	4,556
Travelling and conveyance expenses	890	1,065
Repairs and Maintenance	968	913
Equipment and Services	1,673	1,305
Freight and Handling charges	561	866
Leases (Refer Note 33)	2	1
Telephone and internet charges	89	94
Insurance	381	251
Electricity Expenses	27	24
Membership Fees	182	297
Marketing Expense	1,573	1,857
Research costs related to Product development	2,960	4,946
Rates and taxes	97	166
Provision for Warranty	4	-
Loss on discard of property, plant and equipment and intangible assets	-	1
Provision for Doubtful Debts (net)	-	987
Bad debts written off	-	133
Miscellaneous expenses	1,655	1,050
Total	**64,277**	**63,449**

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
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Income Tax Expense:

Note	Particulars	For the year ended December 31, 2023	For the year ended December 31, 2022
29a	**Income Tax recognised in the Statement of Profit and Loss**		
	Current Tax:		
	In respect of current year		
	Federal	3,451	2,946
	State	131	156
	Foreign	949	593
	Net current tax expense recognised in the Statement of Profit and Loss	**4,531**	**3,695**
	Deferred Tax:		
	In respect of current year		
	Federal	5	24
	State	2	(3)
		7	21
	Income tax expense	**4,538**	**3,716**

29b Movement in deferred tax balances:

Particulars	Opening Balance	Charge / (credit) to the Statement of Profit and Loss	Closing Balance
For the year ended December 31, 2023			
Deferred Tax Assets			
Accrued Warranty	43	(1)	44
Inventory	2,087	7	2,080
Net Operating Loss carry forward	17,504	3,811	13,693
Tax Credits carry forward	1,402	-	1,402
Interest expense carryforward	-	-	-
Property, Plant and Equipment	(455)	(122)	(333)
Goodwill and other intangibles	(1,609)	(7,934)	6,325
Deferred revenue	261	187	74
Subsidiary service accruals	7,533	4,353	3,180
Others	1,223	672	551
Total Deferred Tax Asset	**27,989**	**973**	**27,016**
Less: Valuation Allowance #	(28,069)	(880)	(27,189)
Net Deferred Tax Assets	**(80)**	**93**	**(173)**
Deferred Tax Liability			
Others	(101)	(86)	(15)
Total Deferred Tax Liability	**(101)**	**(86)**	**(15)**
Net Deferred tax (liability)	**(181)**	**7**	**(188)**

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

29c The income tax expenses can be reconciled to the accounting profit as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
(Loss)/Profit before tax	(1,324)	14,872
Federal income tax calculated @ 21%	-	3,123
State tax calculated @ 2.4%	133	153
BEAT calculated at 10%	2,834	2,946
Non-deductible expenses (benefits)	(242)	(9,279)
Tax effect of changes in net operating loss and tax credits, net of valuation allowances	864	6,180
Foreign taxes	949	593
Income Tax expenses recognised in Statement of Profit and Loss	**4,538**	**3,716**

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30 Contingent Liabilities and Commitments

	As at December 31, 2023	As at December 31, 2022
(i) Claims against the Company not acknowledged as debts	-	-
(ii) Capital Commitments	-	137
Total	**-**	**137**

31 Segment Information

The Group is in the business of trading of hardware solutions, providing software solutions and related services. The primary business activities of the group's product lines are in support of open-standards communications infrastructure. This includes both complete systems (hardware/software solutions) as well as stand-alone software products. The Group's chief operating decision maker (CODM), its Chief Executive Officer, evaluates financial performance and allocates resources at a consolidated level. The CODM is the final decision maker for all resource allocations and oversees a functional executive team. Considering this, the Group has a single reportable business segment.

Geographical information

	USA	Outside USA	Total
Revenue			
For the year ended December 31, 2023	32,233	111,196	143,429
For the year ended December 31, 2022	31,816	126,437	158,253
Non-current assets			
As at December 31, 2023	164,148	1,179	165,327
As at December 31, 2022	79,634	1,621	81,255

Transaction with a single external customer of over 10% of the Company revenue

December 31, 2023		December 31, 2022	
Customer A	31.6%	Customer A	34.3%
Customer B	16.7%	Customer B	17.6%
Customer C	14.7%	Customer C	7.8%

32 Related Party Disclosures

1. List of related parties where control exists and related parties with whom transactions have taken place and relationships;

Name of the related party	Relation
Reliance Industries Limited	Ultimate Parent Company (Control exists)
Jio Platforms Limited	Parent Company (Control exists)
Radisys U.K. Limited	Subsidiary (control exists)
Radisys GmbH	Subsidiary (control exists)
Radisys Canada Inc.	Subsidiary (control exists)
Radisys B.V.	Subsidiary (control exists)
Radisys Systems Equipment Trading (Shanghai) Co. Ltd.	Subsidiary (control exists)
Radisys International LLC	Subsidiary (control exists)
Radisys Technologies (Shenzhen) Co. Ltd.	Subsidiary (control exists)
Radisys Spain S.L.U.	Subsidiary (control exists)
Radisys Cayman Limited	Subsidiary (control exists)
Radisys International Singapore PTE. LTD.	Subsidiary (control exists)
Radisys Convedia (Ireland) Limited	Subsidiary (control exists)
Mimosa Networks, Inc. (from August 11, 2023)	Subsidiary (control exists)
Mimosa Networks Bilisim Teknolojileri Limited Sirketi (from August 11, 2023)	Subsidiary (control exists)
Radisys India Limited (previously known as Radisys India Private Limited)	Fellow Subsidiary
Reliance Jio Infocomm Limited	Fellow Subsidiary
Arun Bhikshesvaran- Chief Executive Officer	Key Management Personnel
Don Crosby - Chief Financial Officer (up to Oct 13, 2023)	Key Management Personnel
Bryant McArthur - Head of Corporate Finance (from Oct 15, 2023)	Key Management Personnel

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
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32.2 Details of related party transactions during the year ended December 31, 2023

Name of the related party	Balances as at year end	As at December 31, 2023	As at December 31, 2022
Radisys Convedia (Ireland) Limited	Trade Receivables	477	418
Reliance Jio Infocomm Limited	Unbilled Revenue	-	26
Reliance Jio Infocomm Limited	Deferred Revenue	332	332
Radisys Technologies (Shenzhen) Co. Ltd.	Interest Receivable	3,178	3,552
Radisys Technologies (Shenzhen) Co. Ltd.	Notes Receivable	2,743	3,243
Radisys International Singapore PTE. LTD.	Notes Receivable	50	50
Mimosa Networks, Inc.	Advance towards share application money	17,000	N/A
Mimosa Networks, Inc.	Trade Receivables	63	N/A
Radisys B.V.	Trade Payables	958	891
Radisys GmbH	Trade Payables	1,265	1,185
Radisys Systems Equipment Trading (Shanghai) Co. Ltd.	Trade Payables	1,372	1,391
Radisys International Singapore PTE. LTD.	Trade Payables	315	275
Radisys Canada Inc.	Trade Payables	3,966	4,026
Radisys India Limited	Trade Payables	26,794	23,291
Radisys India Limited	Trade Receivables	3	493
Radisys India Limited	Unbilled Revenue	859	-
Radisys Technologies (Shenzhen) Co. Ltd.	Trade Payables	5,181	5,886
Radisys Spain S.L.U.	Trade Payables	264	125
Radisys U.K. Limited	Trade Payables	2,374	1,399
Key management personnel	Trade Payables	114	419

Name of the related party	Nature of transaction	As at December 31, 2023	As at December 31, 2022
Radisys India Limited	Subcontracting Charges	61,883	61,318
Radisys India Limited	Revenue from Operations	1,965	1,671
Radisys Canada Inc.	Subcontracting Charges	1,192	1,065
Radisys Technologies (Shenzhen) Co. Ltd.	Subcontracting Charges	1,226	1,179
Radisys B.V.	Subcontracting Charges	657	852
Radisys GmbH	Subcontracting Charges	2,685	1,873
Radisys U.K. Limited	Subcontracting Charges	1,673	828
Radisys Spain S.L.U.	Subcontracting Charges	365	202
Radisys International Singapore PTE. LTD.	Subcontracting Charges	509	362
Radisys India Limited	Reimbursement Expense	44	58
Reliance Jio Infocomm Limited	Revenue from Operations	1,327	11,878
Jio Platforms Limited	Revenue from Operations	2,000	6,708
Radisys Technologies (Shenzhen) Co. Ltd.	Interest received	300	340
Radisys International LLC.	Repayment of Investment	250	-
Jio Platforms Limited	Issue of shares	102,966	-
Key management personnel	Remuneration and benefits	465	1,196

33 Leases

The Company has taken certain of its office premises on lease, that expire at various dates through 2028, along with options that permit renewals for additional periods.

(i) Lease Liabilities - Maturity Analysis (Undiscounted basis)

	As at December 31, 2023	As at December 31, 2022
Not later than one year	190	186
Later than one year and not later than five years	669	790
Later than five years	-	69
	859	1,045

The total cash outflow for leases amount to USD 185K (PY: USD 181K) which pertains to short-term lease payments.

The discount rate used by the Company 1.28% (incremental borrowing rate) which is applied to all lease liabilities recognised in the balance sheet.

34 Earnings per Share

	As at December 31, 2023	As at December 31, 2022
a) Basic and diluted earnings per share in USD (face value – USD 10 per share)* (In USD)	(0.52)	1.49
b) (Loss)/Profit after tax as per Statement of Profit and Loss (USD in '000)	(5,862)	11,156
c) Weighted average number of equity shares outstanding during the year	11,259,408	7,500,000

* Earning per share is calculated by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Radisys Corporation

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

(All amounts in USD thousand, unless otherwise stated)

35 Financial Risk Management Objectives

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, loans, trade receivables, other receivables, and investments.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks.

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 (Reliance Industries Limited), will ensure that sufficient liquidity is available to meet all of its commitments by raising loans or arranging other facilities as and when required.

Capital Management Risk:

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and borrowings. The funding requirements are met through equity, internal accruals and borrowings. The Company is not exposed to any externally imposed capital requirements.

<u>Gearing ratio:</u>

The gearing ratio at the end of the period was as follows

	As at December 31, 2023	As at December 31, 2022
Debt #	70,000	70,000
Less: Cash and cash equivalents	(987)	(2,194)
Net debt	69,013	67,806
Total equity	83,705	(13,399)
Net debt to equity ratio	83%	*

Debt is defined as long term and short term borrowings excluding derivatives, financial guarantee contracts and contingent contracts.

* Indicates the ratio is not measurable due to negative equity

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 creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk. Financial instruments affected by market risk include borrowings, trade & other payables, trade & other receivables and loans.

Interest rate risk:

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest risk. The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Company manages its interest rate risk by monitoring the movement in interest rates closely.

Radisys Corporation

Notes to the Financial Statements for the year ended December 31, 2023
(All amounts in USD thousand, unless otherwise stated)

36A Categorywise Classification of Financial Instruments

	Note	Non-current		Current	
		As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
Financial assets					
A. Measured at amortised cost (AC)					
(i) Investments	5	68,822	6,146	-	-
(ii) Trade Receivables	9	-	-	30,583	33,903
(iii) Cash and Cash Equivalents	10	-	-	987	2,194
(iv) Other Financial Assets	6, 11	9,781	7,396	10,156	5,956
Financial liabilities					
A. Measured at amortised cost (AC)					
(i) Borrowings	15	70,000	70,000	-	-
(ii) Trade payables	19	-	-	67,909	63,634
(iii) Lease liabilities	18	654	834	181	174

36B Fair Value Measurement:
The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

37 Previous year's figures have been regrouped / rearranged wherever necessary to correspond with the current year's classification / disclosure.

38 The financial statements were approved for issue by the board of directors on April 16, 2024.

For and on behalf of the Board of Directors

Nilesh Mehta Director	Robert Pippert Director
Date: April 16, 2024	Date: April 16, 2024