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INDEPENDENT AUDITOR'S REPORT
To The Board of Directors of R Systems, Inc.
Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Financial Statements of **R Systems, Inc.** ("the Company"), which comprise the Statement of Financial Position as at December 31, 2025, and the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with the with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), of the state of affairs of the Company as at December 31, 2025, its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of 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") 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 Financial Statements.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with IFRS as issued by the IASB.

This responsibility also includes 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other matters

The Financial Statements are prepared for inclusion in the annual report of R Systems International Limited ("the Parent Company") under the requirements of section 129(3) of Companies Act, 2013. As a result, the Financial Statements may not be suitable for any other purpose. The Financial Statements cannot be referred to or distributed or included or used for any other purpose except with our prior consent in writing. Our report is intended solely for the above purpose and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of the above matter.

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

Deloitte Haskins & Sells LLP
Chartered Accountants

Jitendra Agarwal
Partner
(Membership No. 087104)
(UDIN: 26087104EUWWJG8250)

Place: Gurugram
Date: February 10, 2026

R Systems, Inc.

Statement of Financial Position as at December 31, 2025

(Amount in USD)

Particulars	Notes	As at December 31, 2025	As at December 31, 2024
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	3a	384,296	532,607
(b) Right-of-use assets	3b	73,604	-
(c) Intangible assets	3c	-	-
(d) Financial assets			
(i) Investments	4	-	-
(ii) Other financial assets	5	250	250
(d) Deferred tax assets (net)	21	356,471	391,242
(e) Other non-current assets	6	111,396	8,072
(f) Non-current tax assets (net)		104,650	-
Total non-current assets (A)		**1,030,667**	**932,171**
B. Current assets			
(a) Financial assets			
(i) Trade receivables	7	5,801,843	5,747,335
(ii) Cash and bank balances	8	3,039,773	3,172,372
(iii) Other financial assets	5	1,354,648	432,781
(b) Other current assets	6	300,641	171,837
Total current assets (B)		**10,496,905**	**9,524,325**
Total assets (A+B)		**11,527,572**	**10,456,496**
EQUITY AND LIABILITIES			
A. Capital and reserve			
(a) Share capital	9	1,537,401	1,537,401
(b) Retained earnings	10	3,710,283	3,782,519
Total capital and reserve (A)		**5,247,684**	**5,319,920**
B. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	12	38,003	-
Total non-current liabilities (B)		**38,003**	**-**
B. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11	4,853,886	3,976,953
(ii) Lease liabilities	12	37,688	-
(iii) Other financial liabilities	13	743,020	590,000
(b) Provisions	14	447,300	493,858
(c) Other current liabilities	15	159,991	17,116
(d) Current tax liability (net)		-	58,649
Total current liabilities (C)		**6,241,885**	**5,136,576**
Total equity and liabilities (A+B+C)		**11,527,572**	**10,456,496**

Notes forming integral part of the financial statements 1-26

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Jitendra Agarwal

Partner

Membership No. 087104

Place: Gurugram

Date: February 10, 2026

For and on behalf of the Board of Directors of

R SYSTEMS, INC.

Nand Sardana

Director

Place: Greater Noida

Date: February 10, 2026

R Systems, Inc.

Statement of Profit or Loss and Other Comprehensive Income for the year ended December 31, 2025

(Amount in USD)

Particulars	Notes	Year ended December 31, 2025	Year ended December 31, 2024
Revenue from operations	16	37,714,682	36,982,048
Cost of revenue	20	(32,880,330)	(30,807,551)
Gross profit		**4,834,352**	**6,174,497**
Other income	17	206,550	177,501
Depreciation and amortisation expense	18	(261,387)	(282,499)
Finance costs	19	(5,275)	(663)
Selling, general and administrative expenses	20	(4,151,123)	(4,461,929)
Profit before tax (A)		**623,117**	**1,606,907**
Income tax expense (B)	21	95,353	533,482
Profit for the year (A-B)		**527,764**	**1,073,425**
Other comprehensive income		-	-
Total comprehensive income for the year		**527,764**	**1,073,425**

Notes forming integral part of the financial statements 1-26

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Jitendra Agarwal
Partner
Membership No. 087104
Place: Gurugram
Date: February 10, 2026

For and on behalf of the Board of Directors of

R SYSTEMS, INC.

Nand Sardana
Director

Place: Greater Noida
Date: February 10, 2026

R Systems, Inc.

Statement of Cash Flows for the year ended December 31, 2025

(Amount in USD)

Particulars	**Year ended December 31, 2025**	**Year ended December 31, 2024**
Cash flows from operating activities:		
Profit for the year	**527,764**	**1,073,425**
Adjustments for:		
Income tax expense	95,353	533,482
Depreciation and amortization expense	261,387	282,499
Provision/(Reversal) for doubtful debts (net)	26,967	(33,880)
Liability no longer required written back	(12,400)	(64,622)
Unrealised foreign exchange loss / (gain)	2,364	(12,514)
Interest on lease liabilities	4,886	-
Interest expense under income tax	389	663
Interest income	(4,156)	-
Loss on sale/disposal of property, plant and equipment (net)	-	1,106
Operating profit before working capital changes	**902,554**	**1,780,159**
Changes in operating assets and liabilities:		
(Increase) / Decrease in trade receivables	(81,475)	(430,276)
(Increase) / Decrease in other financial assets and other assets	(1,153,995)	136,853
Increase / (Decrease) in trade payables, other financial liabilities and other liabilities	1,182,864	832,809
Increase / (Decrease) in provisions	(46,558)	23,624
Cash generated from operations	803,390	2,343,169
Taxes paid, net of refunds	(224,270)	(532,532)
Net cash generated from operating activities	**579,120**	**1,810,637**
Cash flows from investing activities:		
Payment for purchase of property, plant and equipment	(90,675)	(45,749)
Proceeds from sale of property, plant and equipment	-	30
Interest received (refer to Note 17)	4,156	-
Net cash generated from/ (used in) investing activities	**(86,519)**	**(45,719)**
Cash flows from financing activities:		
Dividend payout to parent entity including withholding taxes	(600,000)	-
Payment of lease liabilities	(25,200)	-
Net cash used in financing activities	**(625,200)**	**-**
Net increase / (decrease) in cash and bank balances	(132,599)	1,764,918
Cash and bank balances at the beginning of the year	3,172,372	1,407,454
Cash and bank balances at the end of the year	**3,039,773**	**3,172,372**

Notes forming integral part of the financial statements 1-26

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Jitendra Agarwal

Partner

Membership No. 087104

Place: Gurugram

Date: February 10, 2026

Deloitte Haskins & Sells LLP Chartered Accountants

For and on behalf of the Board of Directors of

R SYSTEMS, INC.

R SYSTEMS, INC

Nand Sardana

Director

Place: Greater Noida

Date: February 10, 2026

R Systems, Inc.

Statement of Changes in Equity as at December 31, 2025

(Amount in USD)

Particulars	**Share capital**	**Retained earning**	**Total**
Balance as at January 1, 2024	1,537,401	2,709,094	4,246,495
Profit for the year	-	1,073,425	1,073,425
Balance as at December 31, 2024	**1,537,401**	**3,782,519**	**5,319,920**
Dividend paid	-	(600,000)	(600,000)
Profit for the year	-	527,764	527,764
Balance as at December 31, 2025	**1,537,401**	**3,710,283**	**5,247,684**

Notes forming integral part of the financial statements 1-26

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

Deloitte Haskins & Sells LLP Chartered Accountants

JITENDRA AGARWAL

Partner

Membership No. 087104

Place: Gurugram

Date: February 10, 2026

For and on behalf of the Board of Directors of

R SYSTEMS, INC.

R SYSTEMS, INC

Nand Sardana

Director

Place: Greater Noida

Date: February 10, 2026

1. General information

R Systems, Inc. (the 'Company') was incorporated under the laws of the State of California on March 9, 1993. The Company is a wholly owned subsidiary of R Systems International Limited (RSIL), a company incorporated in India. RSIL is an intermediate holding company. Also refer to Note 23.

The address of the registered office of the Company is 5000, Windplay Drive, Suite # 5, El Dorado Hills, Sacramento, California, USA, 95762.

The Company provides IT staffing and consulting services for customers primarily in USA geographies.

The financial statements were authorized for issuance by the Company's Board of Directors on February 10, 2026.

2. Summary of Material Accounting Policies

a) Basis of preparation

The financial statements as at and for the year ended December 31, 2025 have been prepared in accordance with International Financial Reporting Standards and its interpretations ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The Company has consistently applied accounting policies to all periods.

The financial statements of the Company have been prepared on the accrual and going concern basis.

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 estimating the fair value of an assets or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16.

Based on the nature of services rendered to customers and the time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration of the services rendered, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

The principal accounting policies adopted by the Company are set out below.

b) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to receive in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Arrangements with customers for services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

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R SYSTEMS, INC

Revenue on time-and-material contracts are recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue.

Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognised ratably over the term of the underlying maintenance arrangement.

While revenue recognition for fixed-price contracts is based on percentage of completion method, invoicing to clients is based on milestones as defined in the contract. This results in timing of revenue recognition being different from the timing of billing the customers. The Company recognizes deferred revenue for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either unbilled revenue or trade receivables in the statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Unbilled revenue for fixed price development contracts is classified as non-financial assets as the contractual right to consideration is dependent on completion of contractual milestones.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'unbilled revenue' and 'unearned revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Company has not adopted the terminology used in IFRS 15 to describe such balances.

IT staffing and consultancy services

The Company recognizes revenue from IT staffing and consultancy services over time, using an output method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. The output method recognizes revenue on the basis of direct measurements of the value to the customer of services transferred to date, relative to the remaining services promised under the contract.

c) Functional currency

The financial statements of the Company are presented in USD which is the currency of the primary economic environment in which the Company operates.

d) Foreign currencies

Transactions in currencies other than functional currency are recognised, on initial recognition, at exchange rates prevailing at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currencies are restated at the rates prevailing on that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at the balance sheet date are recognised in the statement of profit or loss.

e) Taxation

The tax expense recognized in statement of profit and loss comprises the sum of the current tax and deferred tax.

Current tax

Current taxes are based on the taxable profit for the year of the Company and are calculated according to local tax rules, using the tax rates that have been enacted or substantially enacted by the balance sheet date. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss

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R SYSTEMS, INC

because of certain items of income or expenses that are taxable or deductible in other years and certain items that are never taxable or deductible.

Deferred tax

Deferred tax is recognized on temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

f) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

An item of property, plant and equipment is derecognised upon disposal or retirement i.e. when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses, arising from derecognition of an item of property, plant and equipment, are measured as the difference between the net disposal proceeds and the carrying amount of the item and recognised in the statement of profit and loss.

Assets which are under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

The Company depreciates property, plant and equipment on a straight-line basis over the useful lives as estimated by the management. The residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

The useful lives estimated by the management are as follows:

- Leasehold improvements	7 years or period of lease, whichever is less
- Electric installation	5 years
- Networking equipment's	5 years
- Furniture and fittings	7 years
- Computer hardware	3 years
- Vehicles	7 years
- Office equipment	5 years

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g) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at each balance sheet date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment on an annual basis for events or changes in circumstances that indicate that the carrying value may not be recoverable.

Amortisation is calculated so as to write off the cost of intangible assets over their estimated useful lives, using the straight-line method, on the following bases:

- Software	Lower of license period or 3 years
- Non-compete	Over the non-compete period

h) Leases

Company as lessee

The Company assesses whether a contract is or contains lease, at inception of a contract. A contract is, or contains, a lease if the contract or of part of contract, conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit or loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Subsequent to the initial measurement, the liability will be reduced for payments made and increased for interest. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the statement of financial position and lease payments have been classified as financing activity under cash flow statement.

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R SYSTEMS, INC

i) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

All financial instruments are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Cash and bank balances

Cash and bank balance comprise cash in hand and in banks and demand deposits with banks. For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, in banks and demand deposits with banks with an original maturity of three months or less.

Loans and receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. Loans and other receivable with maturity greater than 12 months after the balance sheet date are classified as non-current assets. Loans and other receivables are subsequently carried at amortised cost using the effective interest method.

Interest income

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income included under the head other income in the statement of profit & loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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R SYSTEMS, INC

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) Impairment

Financial assets

The Company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and accrued income. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

(ii) Definition of default

The Company considers that default has occurred when a financial asset is more than 120 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

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(iv) Write off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Non-financial assets

The carrying amounts of the Company's non-financial assets, excluding deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

The recoverable amount of an asset or its cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

l) Employee benefits

(i) Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, short term compensated absences and

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performance incentives are recognised on undiscounted basis in the year in which the employee renders the related service.

(ii) Social security plans

Employer's Contributions payable to the social security plans, which are a defined contribution scheme, are charged to the statement of profit or loss in the year in which the employee renders services. The Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related risks fall on the employee.

(iii) Compensated absences

The employees of the Company are entitled for compensated absence. The employees can carry forward a portion of the unutilized accumulating compensated absence and utilize it in future years or receive cash at retirement or termination of employment.

The Company records an obligation for compensated absence in the year in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. The Company recognizes accumulated compensated absence based on actuarial valuation. The Company recognizes actuarial gains and losses immediately in the statement of profit or loss. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(iv) Employee share-based payment

The employees of the Company are granted Restricted Stock Unit plan (RSU) (under equity settled share-based payment scheme) by the Parent entity, R Systems International Limited and accordingly the Company is subject to cross charge of fair value of options/share awards from R Systems international Limited. The fair value of the equity settled transactions are determined at the date of the grant using an appropriate pricing model. The expense is recognized in statement of profit and loss over the vesting period.

m) Critical accounting estimates and judgments

The preparation of the financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences, management expertise and other contributing factors, the results which form the basis of making judgments about the carrying value of assets and liabilities that may not be readily apparent from other sources. Actual results may differ from these estimates.

a. *Provision for tax*

The Company's major tax jurisdiction is USA. Significant judgments are involved in determining the provision for income taxes. Also refer to Note 21.

b. *Compensated absences*

The present value of provision for compensated absence is based on actuarial valuation using the projected unit credit method. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, provision for compensated absence is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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n) New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRS that have been issued but are not yet effective:

New and revised IFRSs

	Effective for annual periods beginning on or after
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21 translation to a hyperinflationary presentation currency	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments should have no material impact on the financial statements of the Company in the year of initial application.

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R SYSTEMS, INC

R Systems, Inc.

Notes to the Financial Statements for the year ended December 31, 2025

3a. Property, plant and equipment

(Amount in USD)

Particulars	Leasehold improvements	Networking equipments	Furniture and fittings	Computer hardware	Vehicles	Office equipment	Total
At cost							
Gross carrying value							
As at January 1, 2024	121,084	1,464,914	155,641	364,097	33,865	63,462	**2,203,063**
Additions during the year	-	318,552	99	23,498	-	-	**342,149**
Deletions during the year	-	-	-	(13,765)	-		**(13,765)**
As at December 31, 2024	**121,084**	**1,783,466**	**155,740**	**373,830**	**33,865**	**63,462**	**2,531,447**
Additions during the year	-	-	-	76,024		14,651	**90,675**
Deletions during the year	-	-	-	(854)		(1,187)	**(2,041)**
As at December 31, 2025	**121,084**	**1,783,466**	**155,740**	**449,000**	**33,865**	**76,926**	**2,620,081**
Accumulated depreciation							
As at January 1, 2024	121,084	1,060,741	154,578	328,935	171	63,462	**1,728,971**
Charge for the year	-	248,328	188	29,145	4,838	-	**282,499**
Deletions during the year	-	-	-	(12,630)	-	-	**(12,630)**
As at December 31, 2024	**121,084**	**1,309,069**	**154,766**	**345,450**	**5,009**	**63,462**	**1,998,840**
Charge for the year	-	194,227	163	38,770	4,878	948	**238,986**
Deletions during the year	-	-	-	(854)		(1,187)	**(2,041)**
As at December 31, 2025	**121,084**	**1,503,296**	**154,929**	**383,366**	**9,887**	**63,223**	**2,235,785**
Net carrying value :							
As at December 31, 2024	**-**	**474,397**	**974**	**28,380**	**28,856**	**-**	**532,607**
As at December 31, 2025	**-**	**280,170**	**811**	**65,634**	**23,978**	**13,703**	**384,296**

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R SYSTEMS, INC

3b. Right-of-use assets

(Amount in USD)

Particulars	Building
At cost	
Gross carrying value	
As at January 1, 2024	-
Additions	-
As at December 31, 2024	**-**
Additions	96,005
As at December 31, 2025	**96,005**
Accumulated depreciation	
As at January 1, 2024	-
Charge for the year	-
As at December 31, 2024	**-**
Charge for the year	22,401
As at December 31, 2025	**22,401**
Net carrying value	
As at December 31, 2024	**-**
As at December 31, 2025	**73,604**

3c. Intangible assets

(Amount in USD)

Particulars	Softwares
At cost	
Gross carrying value	
As at January 1, 2024	119,571
Additions during the year	-
As at December 31, 2024	**119,571**
Additions during the year	-
As at December 31, 2025	**119,571**
Accumulated amortization	
As at January 1, 2024	119,571
Charge for the year	-
As at December 31, 2024	**119,571**
Charge for the year	-
As at December 31, 2025	**119,571**
Net carrying value	
As at December 31, 2024	**-**
As at December 31, 2025	**-**

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R SYSTEMS, INC

4. Investments

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Investment, measured at cost		
Investment in RSIL Mexico, S. de R.L. de C.V., United State of Mexico	-*	-*
Total investment measured at cost	**-**	**-**
Non-current	-	-
Current	-	-
	-	**-**

*The amount is less than USD 1, hence shown as Nil.

The Company has invested MXN $1 (No. of share 1) in RSIL Mexico, S. de R.L. de C.V. which is a wholly owned subsidiary of the parent entity, set up on October 9, 2024.

5. Other financial assets

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Advance to related parties (refer to Note 23)	-	271,121
Unbilled revenue	1,324,735	141,999
Staff advance	29,913	19,661
Security deposit	250	250
	1,354,898	**433,031**
Non-current	250	250
Current	1,354,648	432,781
	1,354,898	**433,031**

6. Other assets

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Prepaid expenses	412,037	170,954
Advance to vendor	-	8,955
	412,037	**179,909**
Non-current	111,396	8,072
Current	300,641	171,837
	412,037	**179,909**

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R SYSTEMS, INC

7. Trade receivables

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Unsecured, considered good	5,801,843	5,747,335
Unsecured, credit impaired	25,482	11,438
Less: Provision for doubtful debts (allowance for expected credit loss)	(25,482)	(11,438)
	5,801,843	**5,747,335**

Trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognized at their original invoice amounts, which represents their fair values on initial recognition.

An allowance for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are indicators that the receivable is impaired. The amount of the allowance for credit loss is recognized in the statement of profit or loss.

Movement of provision for doubtful debts

	For the year ended December 31, 2025	**For the year ended December 31, 2024**
Balance at beginning of year	11,438	50,124
Provision for doubtful debts (net)/ reversal	26,967	(33,880)
Bad debts written off	(12,923)	(4,806)
Balance at end of the year	**25,482**	**11,438**

Age of impaired trade receivables

	As at December 31, 2025	**As at December 31, 2024**
91 to 180 days	12	14
181+ days	25,470	11,424
	25,482	**11,438**

Receivables that are past due but not impaired

The Company has trade receivables amounting to USD 1,914,121 (previous year USD 2,288,001) respectively that is past due at the end of reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of reporting period is as follow:

	As at December 31, 2025	**As at December 31, 2024**
0-60 days	1,840,827	2,134,208
61-90 days	13,840	84,185
91 to 180 days	59,454	69,608
	1,914,121	**2,288,001**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed. The Company estimates the following matrix at the reporting date.

Ageing	**Default rate***	
	As at December 31, 2025	**As at December 31, 2024**
Not due-90 days	0.00%	0.00%
90-180 days	0.02%	0.07%
180-365 days	0.17%	0.31%
More than 365 days	2.00%	2.00%

*In case of probability of non-collection, default rate is 100%.

8. Cash and bank balances

Cash and bank balances at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Balances with banks		
In current accounts	3,039,773	3,172,372
Cash and bank balances for the purpose of statement of cash flows	**3,039,773**	**3,172,372**

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R SYSTEMS, INC

9. Share capital

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Common stock		
Authorised		
5,000 (Previous year 5,000) common stock at "no par value"	-	-
	-	-
Issued, subscribed and fully paid up		
2,150 (Previous year 2,150) common stock at "no par value"	1,537,401	1,537,401
	1,537,401	**1,537,401**

Notes:
(a) Reconciliation of number of ordinary shares and amount of ordinary shares outstanding at the beginning and at the closing of the year:

Particulars	For the year ended December 31, 2025		For the year ended December 31, 2024	
	Number	Amount in USD	Number	Amount in USD
At the beginning of the year	2,150	1,537,401	2,150	1,537,401
Issued during the year	-	-		-
Outstanding at the closing of the year	**2,150**	**1,537,401**	**2,150**	**1,537,401**

(b) Terms/rights attached to ordinary shares:

The Company has only one class of ordinary shares. Each holder of ordinary share is entitled to one vote per share and carry a right to dividends. In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of ordinary shares held by the shareholders.

10. Retained earnings

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Opening balance	3,782,519	2,709,094
Less: Dividend paid	(600,000)	-
Add: Profit for the year	527,764	1,073,425
Total	**3,710,283**	**3,782,519**

11. Trade payables

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Trade payables	4,853,886	3,976,953
	4,853,886	**3,976,953**

Trade payables are non-interest bearing and are normally settled on 30 to 60 days' terms.

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12. Lease liabilities

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Lease liabilities	75,691	-
	75,691	**-**
Non-current	38,003	-
Current	37,688	-
	75,691	**-**

Movement schedule of lease liability is as follows:

Particulars	As at December 31, 2025	As at December 31, 2024
Opening balance	-	-
Addition during the year	96,005	-
Interest accrued on lease liability	4,886	-
Payment of lease liability	(25,200)	-
Closing balance	**75,691**	**-**

13. Other financial liabilities

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Payable to related parties (refer to Note 23)	180,705	150,106
Employess benefit payable	548,760	413,939
Advance from customers	13,555	25,955
	743,020	**590,000**
Non-current	-	-
Current	743,020	590,000
	743,020	**590,000**

14. Provisions

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Provision for compensated absences	447,300	493,858
	447,300	**493,858**
Non-current	-	-
Current	447,300	493,858
	447,300	**493,858**

15. Other liabilities

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Statutory dues payable		
401K contribution payable	16,678	17,116
Sales tax payable	8,438	-
Unearned revenue	134,875	-
	159,991	**17,116**
Non-current	-	-
Current	159,991	17,116
	159,991	**17,116**

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R SYSTEMS, INC

16. Revenue from operations

(Amount in USD)

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Rendering of services	37,714,682	36,982,048
	37,714,682	**36,982,048**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosures provide the aggregate amount of transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts as revenue. Applying the practical expedients as given in IFRS 15, the Company has not disclosed the remaining performance obligations related disclosures where the revenue recognised corresponds directly with the value to customer of the entity's performance completed to date, typically those contracts where invoicing is on the basis of time-and-material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment of revenue that has not materialised and adjustments for currency.

17. Other income

(Amount in USD)

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Interest income on loan to related party (refer Note 23)	4,156	-
Liability no longer required written back	12,400	64,622
Foreign exchange fluctuation (net)	-	12,704
Reversal of provision for doubtful debts (net)	-	33,880
Sales and support fees	178,085	60,531
Others	11,909	5,764
	206,550	**177,501**

18. Depreciation and amortisation expense

(Amount in USD)

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Depreciation on property, plant and equipment	238,986	282,499
Depreciation of right-of-use assets	22,401	-
	261,387	**282,499**

19. Finance costs

(Amount in USD)

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Interest on lease liabilities	4,886	-
Interest expense under income tax	389	663
	5,275	**663**

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R SYSTEMS, INC

20. Expenses by nature

(Amount in USD)

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Employee benefits (refer to Note 1 below)	12,825,938	14,854,183
Sub-contracting expenses (refer to Note 2 below)	22,436,427	18,581,713
Power and fuel	8,365	6,976
Rent - premises	62,256	109,314
Rent - equipments	3,204	4,813
Rates and taxes	35,993	32,849
Insurance	71,667	56,722
Repair and maintenance	263,712	194,354
Advertising and sales promotion	36,485	170,834
Travelling and conveyance (refer to Note 3 below)	499,962	584,143
Communication costs	192,396	176,074
Printing and stationery	622	1,607
Legal and professional fees	257,308	307,679
Auditors' remuneration	38,603	37,295
Foreign exchange fluctuation (net)	15,668	-
Provision for bad and doubtful debts (net)	26,967	-
Recruitment and training expenses	46,795	106,181
Membership and subscription	171,522	27,754
Loss on sale of assets	-	1,106
Miscellaneous expenses	37,563	15,883
	37,031,453	**35,269,480**

Note 1: Employee benefits

Salaries and wages	11,767,101	13,622,660
Employees share based payments expense (refer to Note 25)	75,109	134,141
Contribution towards 401K plan	78,815	65,603
Staff welfare expenses	904,913	1,031,779
	12,825,938	**14,854,183**

The employee benefits are recognized in the following line items in the statement of profit or loss:

Cost of revenues	10,883,645	12,662,006
Selling, general and administrative expenses	1,942,293	2,192,177
	12,825,938	**14,854,183**

Note 2: Sub-contracting expenses

Outsourcing expenses third party	6,699,903	8,022,079
Outsourcing expenses from related parties	15,736,524	10,559,634
	22,436,427	**18,581,713**

The Sub-contracting expenses are recognized in the following line items in the statement of profit or loss:

Cost of revenues	21,889,419	17,989,297
Selling, general and administrative expenses	547,008	592,416
	22,436,427	**18,581,713**

Note 3: Travelling and conveyance

Travelling and conveyance expenses are recognized in the following line items in the statement of profit or loss:

Cost of revenues	107,266	156,248
Selling, general and administrative expenses	392,696	427,895
	499,962	**584,143**

Note 4: Break up of expenses

Cost of revenues (A)

Employee benefits	10,883,645	12,662,006
Sub-contracting expenses	21,889,419	17,989,297
Travelling and conveyance	107,266	156,248
	32,880,330	**30,807,551**

Selling, general and administrative expenses (B)

Employee benefits	1,942,293	2,192,177
Sub-contracting expenses	547,008	592,416
Travelling and conveyance	392,696	427,895
Others	1,269,126	1,249,441
	4,151,123	**4,461,929**
Total expenses (A+B)	**37,031,453**	**35,269,480**

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R SYSTEMS, INC

21. Taxation

The provision for income taxes for the years ended December 31, 2025 and 2024 consisted of the following:

(Amount in USD)

Particulars	**Year ended December 31, 2025**	**Year ended December 31, 2024**
Components of income tax expense		
Current income tax expense		
In respect of the current year	222,100	565,800
In respect of the prior year	(161,517)	(20,562)
Deferred tax		
In respect of the current year	34,770	(11,756)
Income tax expense	**95,353**	**533,482**

Reconciliation of income tax charge to accounting profit:

Profit before tax	623,117	1,606,907
Effective income tax rate in USA	26.45%	26.45%
Expected tax expense	164,796	425,027
Adjustment of current tax of prior periods	(161,517)	(20,562)
Tax provision due to state filings (refer Note below)	102,534	143,793
Others (net)	(10,460)	(14,776)
	95,353	**533,482**

Break up of effective tax rate:

Particulars	**Year ended December 31, 2025**	**Year ended December 31, 2024**
Federal statutory rate	21.00%	21.00%
State tax rate, net of federal benefit	5.45%	5.45%
Effective income tax rate	26.45%	26.45%

Note:
The Company operates in various states of USA, for certain states, the Company files tax return along with RSIL and fellow subsidiary company R Systems Technologies Ltd., USA, under the unitary methodology. The provision in such states have been computed using consolidated profit of RSIL and allocated to the Company based on its share from the respective state.

Deferred tax assets / (liabilities) as at December 31, 2025 in relation to:

(Amount in USD)

Particulars	**Opening balance**	**Credited / (Charged) to Statement of profit or loss**	**Closing balance**
Deferred tax asset / (liability) in relation to			
Provision for compensated absences	130,612	(12,313)	118,299
Employees share based payments expense	35,476	12,315	47,791
Provision for doubtful debts	3,025	3,714	6,739
Property, plant and equipment and Intangible assets	222,129	(38,487)	183,642
Deferred tax asset (net)	**391,242**	**(34,771)**	**356,471**

Deferred tax assets / (liabilities) as at December 31, 2024 in relation to:

(Amount in USD)

Particulars	**Opening balance**	**Credited / (Charged) to Statement of profit or loss**	**Closing balance**
Deferred tax asset / (liability) in relation to			
Provision for compensated absences	124,364	6,248	130,612
Employees share based payments expense	-	35,476	35,476
Provision for doubtful debts	13,263	(10,238)	3,025
Brought forward business losses	30,030	(30,030)	-
Property, plant and equipment and Intangible assets	211,829	10,300	222,129
Deferred tax asset (net)	**379,486**	**11,756**	**391,242**

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R SYSTEMS, INC

22. Financial instruments and risk management

a) Categories of financial instruments

The Company has the following categories of financial instruments as at the balance sheet date:

(Amount in USD)

Particulars	Note	Basis of measurement	As at December 31, 2025		As at December 31, 2024	
			Carrying value	Fair value	Carrying value	Fair value
Financial assets						
Trade receivables	7	Amortised cost	5,801,843	5,801,843	5,747,335	5,747,335
Cash and bank balances	8	Amortised cost	3,039,773	3,039,773	3,172,372	3,172,372
Other financial assets	5	Amortised cost	1,354,898	1,354,898	433,031	433,031
			10,196,514	**10,196,514**	**9,352,738**	**9,352,738**
Financial liabilities						
Trade and other payables	11	Amortised cost	4,853,886	4,853,886	3,976,953	3,976,953
Lease liabilities	12	Amortised cost	75,691	75,691	-	-
Other financial liabilities	13	Amortised cost	743,020	743,020	590,000	590,000
			5,672,597	**5,672,597**	**4,566,953**	**4,566,953**

Carrying amount of financial instruments at amortised cost approximates their fair value.

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

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R SYSTEMS, INC

22. Financial instruments and risk management (Contd.)

b) Financial risk factors and risk management objectives

The Company's activities expose it to credit risk, market risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is credit risk.

Credit risk

Credit risk is the risk that a counter-party will cause a financial loss to the Company by failing to discharge its obligation to the Company. The Company trades only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification reviews. Customer balances are reviewed regularly to ensure that the risk of exposure to bad debts is minimised. The maximum exposure to credit risk for trade and other receivables, bank balances and other financial assets is represented by their carrying amount.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of revenues generated from top customer and top 5 customers:

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Revenue from top customer	7,429,346	4,507,323
Revenue from top 5 customers	15,615,244	11,891,424

Revenue from one customer "The Chamberlain Group LLC" amounting to $7,429,346 and $4,507,323 which is more than 10% of the revenue for the year ended December 31, 2025 and December 31, 2024 respectively. Trade receivable from one customer "The Chamberlain Group LLC" amounting to $905,382 and $1,089,470 which is more than 10% of the trade receivable as at December 31, 2025 and December 31, 2024 respectively.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rate, prices and interest rates.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies. The Company has limited exposure to movements in foreign currency exchange rates arising from normal trading transactions. Therefore, the risk associated with the movement of foreign exchange rates has no significant impact on the Company.

Interest rate risk

The Company has no exposure to interest rate risk as it does not have any floating interest bearing borrowings/ investments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company has given responsibility of liquidity risk management to the Board of Directors who have formulated liquidity management tools to service this requirement. Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows. In addition, the Company benefits from strong cash flow from its normal operating activities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Less than 1 year		
Trade payables	4,853,886	3,976,953
Lease liabilities	37,688	-
Other financial liabilities	743,020	590,000
More than 1 year		
Lease liabilities	38,003	-
	5,672,597	**4,566,953**

c) Capital risk management

The Company aims to manage its overall capital so as to ensure the Company continues to operate as a going concern, whilst providing an adequate return to shareholders. The Company's overall strategy remains unchanged for the year ended December 31, 2025 and it is not subject to externally imposed capital requirements. The Company's capital structure is as follows:

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Total shareholder fund attributable to the common stockholders	**5,247,684**	**5,319,920**
As percentage of total capital	98.58%	100.00%
Lease liabilities (including current maturities)	75,691	-
Total lease liabilities	**75,691**	-
As percentage of total capital	1.42%	0.00%
Total capital (equity and lease liabilities)	**5,323,375**	**5,319,920**

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R SYSTEMS, INC

23. Related party disclosures

i) Names of related parties

Immediate holding company	**R Systems International Limited, India**
Intermediate holding company	**BCP Asia II TOPCO II Pte. Ltd.**
Ultimate holding company	**BCP Asia II Holdco II Pte. Ltd.**

Fellow subsidiaries

Following are the subsidiaries of R Systems International Limited, India

R Systems (Singapore) Pte Ltd, Singapore
R Systems Technologies Limited, USA
R Systems Consulting Services Limited, Singapore
R Systems Computaris International Limited, UK
RSYS Technologies Limited, Canada
Velotio Technologies Private Limited, India
- o Scaleworx Technologies Private Limited, India

RSIL Mexico, S. de R.L. de C.V., United Mexican States (w.e.f. October 09, 2024)
Novigo Solutions Private Limited, India (w.e.f. November 13, 2025)

Following are the subsidiaries of R Systems Consulting Services Limited, Singapore

- R Systems Consulting Services (M) Sdn. Bhd., Malaysia
- R Systems Consulting Services (Thailand) Co., Ltd., Thailand
- R Systems Consulting Services (Shanghai) Co., Ltd., People's Republic of China
- R Systems Consulting Services (Hong Kong) Ltd., Hong Kong
- R Systems Consulting Services Kabushiki Kaisha, Japan
- R Systems Consulting Services Company Limited, Vietnam

Following are the subsidiaries of R Systems Computaris International Limited, UK

- R Systems Computaris Europe S.R.L., Romania
- R Systems Computaris Poland Sp. Z O.O, Poland
- R Systems Computaris S.R.L, Moldova
- R Systems Computaris Malaysia Sdn. Bhd., Malaysia
- R Systems Computaris Philippines Pte. Ltd. Inc., Phillippines
- R Systems Computaris Suisse Sarl, Switzerland

Following are the subsidiaries of R Systems (Singapore) Pte Ltd, Singapore

R Systems IBIZCS Pte. Ltd., Singapore with the following step down subsidiaries:
- IBIZ Consulting Services Pte Ltd, Singapore (strike off w.e.f. January 08, 2024)
- R Systems IBIZCS Sdn. Bhd., Malaysia
- PT. R Systems IBIZCS International, Indonesia
- IBIZ Consulting (Thailand) Co. Ltd., Thailand
- IBIZ Consulting Services Limited, Hong Kong (IBIZ HK)
  - IBIZ Consulting Services (Shanghai) Co. Ltd., People's Republic of China (wholly owned subsidiary of IBIZ HK)

Following are the subsidiaries of Novigo Solutions Private Limited, India

- Novigo Solutions Limited, United Kingdom
- Novigo For Information Technology, Saudi Arabia
- Novigo Solutions Inc, United States
- Novigo Solutions BV, Netherlands

Entities under common control	Nucleus Network Pty. Ltd.
Key management personnel	Nitesh Bansal, Director (appointed w.e.f. April 02, 2025) Nand Sardana, Director Ruchica Gupta, Director Mandeep Sodhi, Director (resigned w.e.f. April 01, 2025)

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R SYSTEMS, INC

ii) Details of transactions with related parties for the year ended December 31, 2025 and December 31, 2024:

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Information technology services rendered to		
R Systems Computaris Europe S.R.L, Romania	2,382,293	2,271,002
R Systems Technologies Ltd., USA	48,000	48,735
Nucleus Network	86,477	43,784
Total	**2,516,770**	**2,363,521**
Information technology services received from		
R Systems Technologies Ltd., USA	2,347,967	3,892,258
RSYS Technologies Ltd., Canada	1,668,706	1,294,761
R Systems International Limited, India	10,385,537	4,686,854
R Systems Computaris Europe S.R.L., Romania	136,507	72,435
R Systems Computaris Poland Sp. Z O.O, Poland	26,010	20,910
R Systems IBIZCS Sdn. Bhd., Malaysia	46,000	-
RSIL Mexico, S. de R.L. de C.V.	578,789	-
Total	**15,189,516**	**9,967,218**
Off-shore support services received from		
R Systems International Limited, India	547,008	592,416
Total	**547,008**	**592,416**
Sales and support services rendered to		
R Systems International Limited, India	175,394	59,306
R Systems Computaris Europe S.R.L., Romania	2,327	947
R Systems Computaris Poland Sp. Z O.O, Poland	364	278
Total	**178,085**	**60,531**
Dividend paid		
R Systems International Limited, India	600,000	-
Total	**600,000**	**-**
Travel & other expenses reimbursed by the Company to		
RSYS Technologies Ltd., Canada	630	1,384
R Systems Technologies Ltd., USA	-	3,401
R Systems International Limited, India	107,766	135,082
R Systems Computaris Europe S.R.L., Romania	481	-
R Systems Consulting Services (M) Sdn. Bhd., Malaysia	515	-
Total	**109,392**	**139,867**
Travel & other expenses reimbursed to the Company by		
R Systems Technologies Ltd., USA	21,559	13,786
R Systems International Limited, India	836,879	694,040
RSYS Technologies Ltd., Canada	150,735	75,946
R Systems Computaris Europe S.R.L, Romania	39,165	17,524
Total	**1,048,338**	**801,296**
Reimbursement for employees share based payments expense to		
R Systems International Limited, India	75,109	134,141
Total	**75,109**	**134,141**
Loan given to		
RSIL Mexico, S. de R.L. de C.V.*	225,000	-
Total	**225,000**	**-**
Loan received from		
RSIL Mexico, S. de R.L. de C.V.*	225,000	-
Total	**225,000**	**-**
Interest received from		
RSIL Mexico, S. de R.L. de C.V.*	4,156	-
Total	**4,156**	**-**

*On 1 April 2025, the Company entered into a loan agreement under normal commercial terms with the fellow subsidiary, RSIL Mexico S DE RL DE CV, for a sum of USD 300,000. The maximum outstanding during the year was USD 225,000.

During the year, RSIL Mexico S DE RL DE CV has fully repaid the loan amount of USD 225,000 and the Company has received a interest of USD 4,156 (2024: Nil) at a rate of 6% per annum. The balance of the loan owing to the company by RSIL Mexico S DE RL DE CV at the year end is Nil (2024: Nil).

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R SYSTEMS, INC

iii) Details of balances of related parties as at December 31, 2025 and December 31, 2024:

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Trade receivable		
R Systems Computaris Europe S.R.L, Romania	170,546	297,429
R Systems Technologies Ltd., USA	4,000	4,000
Nucleus Network	4,960	19,464
Total	**179,506**	**320,893**
Trade payable		
RSYS Technologies Ltd., Canada	161,367	395,874
R Systems International Limited, India	2,118,726	610,770
R Systems Technologies Ltd., USA	199,311	773,612
R Systems Computaris Europe S.R.L., Romania	-	52,245
R Systems Computaris Poland Sp. Z O.O, Poland	-	10,569
R Systems IBIZCS Sdn. Bhd., Malaysia	38,000	-
Total	**2,517,404**	**1,843,070**
Other receivables		
RSYS Technologies Ltd., Canada	11,045	4,636
R Systems International Limited, India	82,697	261,771
R Systems Computaris Europe S.R.L, Romania	-	4,577
R Systems Computaris Poland Sp. Z O.O, Poland	-	137
R Systems Technologies Ltd., USA	16,139	-
Total	**109,881**	**271,121**
Other financial liabilities		
R Systems International Limited, India	180,705	149,396
R Systems Technologies Ltd., USA	-	710
R Systems Consulting Services (M) Sdn. Bhd., Malaysia	515	-
Total	**181,220**	**150,106**

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R SYSTEMS, INC

24. Employee Benefit

The Company has calculated the benefits provided to employees as under:

A. Defined contribution plans

The Company contributes to a defined contribution retirement scheme, qualified under Section 401(k) of the Internal Revenue Code, for participants. Pursuant to the scheme, eligible employees may contribute a portion of their compensation, subject to a maximum amount per year as specified by law. The Company provides a matching contribution based on specified percentages of amounts contributed by participants. In addition to the matching contributions, the Company, at its discretion, can provide profit-sharing contributions. During the years ended December 31, 2025 and 2024 there were no discretionary contributions made.

During the year the Company has recognised the following amounts in the statement of profit and loss:

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
401(k) contribution	78,815	65,603

B. Compensated absences

Compensated absences are recognised on the basis of actuarial valuation. The actuarial valuation is done as per projected unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

Particulars	As at December 31, 2025	As at December 31, 2024
Discount rate(s)*	4.15%	4.69%
Rate of increase in compensation level	3.50%	3.50%
Average expected future working life (Years)	3.90	3.90

***Discount rate**

Under IAS 19 R, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds and term consistent with the term of the post-employment benefit obligations.

Components of expenses recognised in the statement of profit or loss in respect of:

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Current service cost	157,705	219,759
Net interest cost on obligation	20,000	19,504
Actuarial gain on obligation	(112,746)	(120,236)
Expenses recognised in profit and loss	**64,959**	**119,027**

The amount included in the balance sheet arising from the entity's obligation in respect of compensated absence is as follows:

(Amount in USD)

Particulars	As at December 31, 2025	As at December 31, 2024
Present value of obligation	447,300	493,858
Fair value of plan assets	-	-
Deficit/ (Surplus)	447,300	493,858
Effects of asset ceiling, if any	-	-
Net liability / (asset)	447,300	493,858

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R SYSTEMS, INC

Movement in the present value of obligation for accumulated compensated absences is as follows:

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Present value of obligation as at the beginning	493,858	470,234
Current service cost	157,705	219,759
Interest expense or cost	20,000	19,504
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in financial assumptions	7,278	1,793
- experience variance	(120,024)	(122,029)
Benefits paid	(111,517)	(95,403)
Present value of obligation as at the end	**447,300**	**493,858**

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonable possible changes in respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Sensitivity analysis

The following table represents the obligation for accumulated compensated absences due to change in:

(Amount in USD)

Particulars	**As at December 31, 2025**	**As at December 31, 2024**
Discount rate		
a. Discount rate - 50 basis points	461,502	509,372
b. Discount rate + 50 basis points	434,025	479,350
Salary increase rate		
a. Rate - 50 basis points	433,812	479,035
b. Rate + 50 basis points	461,425	509,366

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R SYSTEMS, INC

25. Employees Stock Option Plan:

During the year ended December 31, 2025, R Systems International Limited (RSIL), the intermediate holding company in India, has introduced a equity-settled share based payment plan (the "RSU") for certain identified employees. an aggregate of 46,106 and 146,958 RSUs have been granted to the employees of R Systems Inc., USA during the year ended December 31, 2025 and December 31, 2024 respectively. The plan is implemented and administered by RSIL. Each RSUs shall vest into one equity share as per the terms and conditions mentioned in the plan at an exercise price of Indian Rupee (INR) 1 per share.

Based upon the vesting criteria, the RSU's have been classified as time-based RSU's and Performance-based RSU's.

Time-based RSUs:

In case of time-based RSUs, the vesting period is 60 months (20% vesting in each year) commencing from the date of grant as per the vesting schedule.

The movement in such options during the year is set out below:

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Number of RSU outstanding at the beginning of the year	31,060	-
Number of RSU granted during the year	-	31,060
Addition on transfer of employee	2,616	-
Number of RSU exercised during the year	(5,232)	-
Number of RSU forfeited/ lapsed/ surrendered	-	-
Number of RSU outstanding at the end of the year	**28,444**	**31,060**
Weighted average remaining contractual life (in years) at the end of the year	1.55	2.05

The weighted average fair value of time-based RSUs on the date of grant is INR 498.60. The Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Inputs	Options granted during the year ended December 31, 2025	Options granted during the year ended December 31, 2024
Weighted average share price on date of grant	NA	INR 518.74
Exercise price	INR 1	INR 1
Expected volatility (in %)*	37.35% to 45.19%	33.3% to 48.36%
Life of RSUs granted during the year	5 years i.e. 20% vesting at the end of each year from the date of grant	5 years i.e. 20% vesting at the end of each year from the date of grant
Exercise period**	5 years	5 years
Expected Dividend yield (in %)	1.70%	1.70%
Risk-free interest rate (in %)	5.57% to 6.01%	6.48% to 7.03%

* Volatilities have been considered for respective time periods using the listed stock prices of RSIL.

** RSUs shall be automatically exercised upon vesting.

Performance-based RSUs:

The vesting of Performance-based RSUs will be determined subject to satisfaction of the performance obligations as stated under the Plan.

The movement in such options during the year is set out below:

Particulars	Year ended December 31, 2025	Year ended December 31, 2024
Number of RSU outstanding at the beginning of the year	115,898	-
Number of RSU granted during the year	46,106	115,898
Addition on transfer of employee	9,793	-
Number of RSU exercised during the year	-	-
Number of RSU forfeited / lapsed / surrendered	-	-
Number of RSU outstanding at the end of the year	**171,797**	**115,898**
Weighted average remaining contractual life at the end of the year	4.36 years	5.36 years

In order to determine total performace-based RSUs that are possible to vest i.e. fulfilment of the performance obligations, Monte Carlo Simulation ("MCS") method has been used. As per the MCS method, the external valuer has arrived that the performance obligaton will be fullfilled by May 10, 2030 and approx. 42% of the performace-based RSUs granted during the year 2025 and 50% of the performace-based RSUs granted during the year 2024, will vest. Various assumptions/inputs used for valuation exercise is given below:

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R SYSTEMS, INC

25. Employees Stock Option Plan (Contd.):

Inputs	Options granted during the year ended December 31, 2025	Options granted during the year ended December 31, 2024
Weighted average share price on date of grant	INR 465.40	INR 521.94
Exercise price	INR 1	INR 1
Expected volatility (in %)*	44.50%	47.30%
Expected remaining life of RSUs and exercise period**	4.36 years	5.36 years
Expected dividend yield (in %)	1.70%	1.70%
Risk-free interest rate (in %)	6.00%	6.70% to 7.00%

* Volatilities have been considered for respective time periods using the listed stock prices of RSIL.

** RSUs shall be automatically exercised upon vesting.

During the year ended December 31, 2025, the Company has recorded USD 75,109 (Previous year 2024 USD 134,141) as share based payment expense relating to RSUs granted to its employees.

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R SYSTEMS, INC

26. Subsequent events

The Company evaluated subsequent events for potential recognition and disclosure till February 10, 2026, i.e. the date the financial statements were issued.

For and on behalf of the Board of Directors of
R SYSTEMS, INC.

Nand Sardana
Director

Place: Greater Noida
Date: February 10, 2026