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RSIL MÉXICO, S. DE R.L. DE C.V.

FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2025 & 2024
INDEPENDENT AUDITORS REPORT THEREON

CONTENT

Independent Auditors Report

To the Shareholders
And Board of Directors of
RSIL México, S. de R.L. de C.V.

Opinion

We have audited the accompanying financial statements of RSIL México, S. de R.L. de C.V., which comprise the Statement of Financial Position as of December 31, 2025 and 2024, as well as the Statements of Profit or Loss, Changes in Equity and Cash Flows for the years then ended, in accordance with the Mexican Financial Reporting Standards, as well as the notes to the financial statements that include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RSIL México, S. de R.L. de C.V., as of December 31, 2025 and 2024; as well as its profit or loss, changes in equity and cash flows for the year then ended, in accordance with the Mexican Financial Reporting Standards (NIF).

Basis for the opinion

We have conducted the audit in accordance with International Standards on Auditing (ISA). Our responsibility under these Standards is described below in the Responsibilities of the Auditor section in connection with the audit of the financial statements of this report. We are independent of RSIL México, S. de R.L. de C.V. in accordance with the Code of Professional Ethics, together with the ethical requirements that are applicable to audits of financial statements in Mexico and comply with other ethical responsibilities of compliance with the requirements and the Code of Professional Ethics.

We believe that the audit evidence provides a sufficient and adequate basis for our opinion.

Responsibilities of the Management and those responsible for government in the entity in relation to the Financial Statements

Management is responsible for the preparation and presentation of the field of the accompanying financial statements of compliance with the FRS and for the internal control that management considers necessary to enable the preparation of financial statements free of material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as appropriate, matters relating to going concern and using the principle of going concern unless the management intends to liquidate the company or to cease operations, or there is no other realistic alternative.

Those responsible for the entity's government are responsible for overseeing the Company's financial reporting process.

Responsibility of the auditor in relation to the audit of the financial statements

The objective of our audit is to obtain reasonable assurance that the financial statements, as a whole, are free from material misstatement, due to fraud or error, and to issue an auditor´s report containing our opinion. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements may be due to fraud or error and are considered material if, individually or in the aggregate, could reasonably be expected to influence the decisions of users taken based on these financial statements.

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

I. Identify and assess the risks of material misstatement in the financial statements, due to fraud or error, designing and applying audit procedures to respond to those risks, and obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than for one resulting in from error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentations, or the override of internal control.

II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances and not intended to express opinion on the effectiveness of internal control.

III. Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made.

IV. Conclude on the adequacy of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, it is concluded on whether or not there is a material deviation related to facts or conditions that can generate significant doubts 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 auditors' report on the corresponding information disclosed in the financial statements or, if such disclosures are inadequate, to express a modified opinion. The conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

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V. 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 reasonable presentation.

We communicate with the Company's Management, 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.

Despacho Luis G. Pastor, S.C. – Kreston FLS

C.P.A. Jaime Pérez Martínez
Audit Partner

February 3, 2026

RSIL MEXICO, S. DE R. L. DE C. V.
Statement of Financial Position
for the years ended December 31, 2025 and 2024
(Amount in MxP)

Annex 1

ASSETS	2025	2024
Current		
Cash and cash equivalents (Notes 3c & 4)	$ 1,426,832	$ 1,671,961
Debtors	2,237	32,823
Recoverable tax	674,122	
Prepaid expenses	123,286	
Unbilled revenues (Notes 3d & 5)	2,353,412	
	3,153,057	32,823
Total current assets	4,579,889	1,704,784
Non-current		
Net equipment and office furniture (Notes 3e & 6)	512,394	
Deposits in guarantee (Note 7)	148,200	148,200
Deferred taxes (Note 8)	710,806	
Total non-current assets	1,371,400	148,200
Total assets	$ 5,951,289	$ 1,852,984

LIABILITIES	2025	2024
Current		
Suppliers	$ 76,941	$ 228,611
Taxes payable	796,521	9,844
Accrued expenses	1,383,832	
Total current liabilities	2,257,294	238,455
Total liabilities	2,257,294	238,455
EQUITY (Note 9)		
Share capital	5,569,523	1,815,823
Accumulated losses	(201,294)	-
Loss of the year	(1,674,234)	(201,294)
Total equity	3,693,995	1,614,529
Total liabilities and equity	$ 5,951,289	$ 1,852,984

The accompanying notes are integral part of the financial statements

Mexico City, February 3, 2026

Nand Lal Sardana
Secretary of the Board of Managers

RSIL MÉXICO, S. DE R. L. DE C. V.
Income Statement

For the year from January 1 to December 31, 2025 and the period from October 1 to December 31, 2024
(Amount in MxP)

		2025		2024
Net sales	$	10,740,032	$	
Unbilled revenues (Notes 3d &5)		2,353,412		
Other revenues		2,174		
Total revenues		13,095,618		
Operative expenses				
General expenses		15,160,561		199,601
Operative loss		(2,064,943)		(199,601)
Comprehensive Financing Results				
Net interest		76,800		
Exchange loss		243,297		1,693
		320,097		1,693
Loss before taxes		(2,385,040)		(201,294)
Provision for:				
Income tax (Notes 8)		(710,806)		0
Net loss (Note 3f)	$	(1,674,234)	$	(201,294)
Loss per share (Note 3i)		(1,674.23)		(201.29)

The accompanying notes are integral part of the financial statements

Mexico City, February 3, 2026

Nand Lal Sardana
Secretary of the Board of Managers

Annex 3

RSIL MÉXICO, S. DE R. L. DE C. V.
Statement of Changes in Equity
For the years ended December 31, 2025 and 2024
(Amount in MxP)

		Share capital	Loss of the current year	Accumulated losses	Total Equity
Incorporation of the company (Note 1)		1,000			1,000
Increase in variable share capital		1,814,823	-	-	1,814,823
Net loss of 2024			(201,294)		(201,294)
Equity as of December 31, 2024	$	1,815,823	(201,294)	-	1,614,529
Increase in variable share capital		3,753,700			3,753,700
Carryover of the prior year			201,294	(201,294)	-
Net loss of 2025			(1,674,234)		(1,674,234)
Equity as of December 31, 2025	$	5,569,523	(1,674,234)	(201,294)	3,693,995

The accompanying notes are integral part of the financial statements

Mexico City, February 3, 2026

Nand Lal Sardana
Secretary of the Board of Managers

RSIL MÉXICO, S. DE R. L. DE C. V.
Statement of Cash Flows
For the year from January 1, 2025 and the period from October 1, to December 31, 2024
(Amount in MxP)

Annex 4

		2025		2024
Operating Activities				
Net loss	$	(1,674,234)	$	(201,294)
Items not involving the use of cash				
Unpaid share capital				1,000
Effects of foreign currency remeasurement		(338,096)		(6,043)
Unbilled revenue		2,353,412		
Accrued expenses reserve		(683,832)		
Depreciation		109,125		
Increase in accounts receivables		(3,120,234)		(32,823)
Increase in deposits in guarantee				(148,200)
Increase in Deferred Tax		(710,806)		
(Decrease) increase in suppliers		(151,670)		228,611
Increase in tax payable		786,677		9,844
Increase in accrued expenses		1,383,832		
Net resources generated by operating activities		(3,429,658)		(148,905)
Investing Activities				
Equipment and offcie furniture purchases		(621,519)		
Net resources applied in investing activities		(621,519)		-
Excess cash to apply in financial activities		(4,051,177)		(148,905)
Financial Activities				
Capital contributions		3,753,700		1,814,823
Net resources generated by financial activities		3,753,700		1,814,823
Net increase of cash and cash equivalents		(297,477)		1,665,918
Effects of foreign currency remeasurement on bank accounts		52,348		6,043
Cash and cash equivalents at beginning of year		1,671,961		-
Cash and cash equivalents at end of year	$	1,426,832	$	1,671,961

The accompanying notes are integral part of the financial statements

Mexico City, February 3, 2026

Nand Lal Sardana
Secretary of the Board of Managers

RSIL MÉXICO, S. DE R.L. DE C. V.
Notes to the Financial Statements as of December 31, 2025 and 2024

NOTE 1. DATE OF ESTABLISHMENT AND COMPAÑY'S ACTIVITIES.

The company was incorporated on October 1, 2024, through deed 104,770. Provides information technology services (IT) and services related to information-enabled technologies (IETS): development, design, implementation, maintenance, consulting, technical support, network administration, technological infrastructure, software, digital platforms, and any service related to information and communication technologies.

The registered office address of the Company is Avenida Paseo de las Palmas No. 405-1702, Lomas de Chapultepec I Section, Miguel Hidalgo Borough, Postal Code 11000, Mexico City, Mexico.

The Company is 99.9% owned by R Systems International Limited, a corporation incorporated in India, and 0.1% owned by R Systems, Inc., a corporation incorporated in the United States of America.

NOTE 2. FINANCIAL REPORTING STANDARDS STATEMENT.

Company's Management has settled the policies regarding the recognition and revelation of Mexican Financial Reporting Standards (FRS) that are applicable for the years 2025 and 2024.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTIG POLICIES.

The significant accounting policies, consistently applied for the years 2025 and 2024, are as follows:

3a.- Currency

Under the provisions of FRS B-15, the company has identified and used the following currencies:

Currency	
Registry	Mexican Peso
Functional	Mexican Peso
Report	Mexican Peso

3b.- Hyperinflationary Economy Effects recognition

In Mexico, up to December 2007, financial statements were prepared incorporating the effects of inflation in financial information, in accordance with the guidelines set forth in FRS B-10 and its Interpretations, issued by the Mexican Council for Research and Development of Financial Reporting Standards (CINIF). This FRS basically requires the inventories, property, plant and equipment, depreciation, sales cost and equity to be presented at current values at the date of the financial statements.

Effective in January 2008, recognition of inflation effects is not mandatory, unless the economic environment comes into hyperinflationary, which is defined as the aggregate of 26% inflation rate for the last three years at the end of the reporting period.

Accumulated inflation for the years 2025, 2024 and 2023 was 13.09%, therefore the recognition of inflation effects was not required in 2025.

3c.- Cash and cash equivalents

Cash and cash equivalents include banks available to view.

3d.- Unbilled revenue

In compliance to FRS D-1 Revenue from Contracts with Customers, the services effectively rendered at year-end but not yet billed to customers must be recorded as unbilled receivables.

3e.- Equipment and Office Equipment

Equipment and Office equipment are stated at acquisition cost.

Depreciation is calculated using the straight-line method, based on the useful lives of assets estimated by the Directors of the company, which is reviewed at the end of each period.

The depreciation rates are as follows:

Asset	Rate
Computing equipment	30 %
Office equipment	30 %

3f.- Share capital

Share capital and retained earnings are stated at their historical values.

3g.- Foreign currency and exchange differences

Foreign currency transactions are initially recognized valued at the exchange rate at the date of the transaction. Assets and liabilities denominated in that currency are valued at the exchange rate at the end of the reporting period. The differences arising from fluctuations in exchange rates between the date of the transaction and the settlement or valuation at the end of the reporting period are recognized as profit or loss, as a component of the Financing Cost (RIF), except for those exchange differences that are part of the cost of qualifying assets are capitalized with other components of RIF.

3h.- Comprehensive income

The comprehensive income presented, if it is the case, in the Statement of Comprehensive Income is determined in conformity of FRS B-3 provisions, added if applicable, by items which effects are recognized in the equity due to provisions in another specific FRS.

3i.- Loss per share

The loss per share for the years 2025 and 2024 is calculated as follows:

Concept		2025		2024
Net los	$	(1,674,234)	$	(201,294)
Number of shares		1,000		1,000
Loss per share	$	(1,674.23)	$	(201.29)

3j- Related Parties

The Company discloses transactions and balances with related parties in accordance with FRS C-13 Related Parties. Related parties could include shareholders, subsidiaries, associates, and other entities under common control.

Transactions with related parties are recognized at the amounts agreed between the parties, which are considered to be conducted under market conditions comparable to these prevailing with independent third parties.

Balances receivable and payable with related parties are presented separately in the financial statements.

3k.- Deferred Income Tax

The Deferred Income Tax is recognized based on the assets and liabilities method with an integrated approach, which means to consider all temporary differences between accounting and tax values of assets and liabilities that are expected to materialize in the future at the rates enacted in the tax provisions to the date of the financial statements. The company recognized deferred income tax, since the financial and tax projections prepared by the Management indicate that essentially would pay income tax in the future.

The effects of the initial recognition of deferred income tax identified with comprehensive income items that have not carried out, continue as part of the equity, and will be reclassified to income in the year the carrying amount being paid or recovered.

NOTE 4. CASH AND CASH EQUIVALENTS

As of December 31, 2025 and 2024, cash and cash equivalents are integrated as follows:

Concept		2025		2024
Banks in local currency	$	271,036	$	20,800
Banks in foreign currency		1,155,796		1,651,161
Total	$	1,426,832	$	1,671,961

NOTE 5. UNBILLED REVENUES

As of December 31, 2025, this account corresponds to services effectively rendered to R Systems Inc. These services are pending invoicing and amount to $2,353,412.

NOTE 6. EQUIPMENT AND OFFICE FURNITURE

As of December 31, 2025 are integrated as follows:

Investment	Historical	Accumulated depreciation	Net investment
Computing equipment	612,785	106,723	506,062
Office equipment	8,734	2,402	6,332
Total	$ **621,519**	$ **109,125**	$ **512,394**

NOTE 7. DEPOSITS IN GUARANTEE

As of December 31, 2025 & 2024, the composition of the deposits in guarantee is as follows:

Concept	2025	2024
Deposit granted for the lease of the company's office.	148,200	148,200

NOTE 8. DEFERRED INCOME TAX

As of December 31, 2025, the financial statements include the recognition of the FRS D-4 provisions as follows:

a) The integration of the Effective Tax in the Income Statement

		2025
Current Income Tax	$	0
Deferred income Tax		(710,806)
Effective Income Tax	$	(710,806)

b) Deferred taxes are based on the temporary differences under the assets and liabilities method, which summary is as follows:

		2025
Net difference between assets and liabilities	$	761,536
Tax losses		(3,130,888)
Taxable		(2,369,352)
Enacted tax rate		30%
Deferred income tax Liability (Asset)		(710,806)
Deferred income tax Liability (Asset), previous year		0
Deferred effect of the year	$	(710,806)

c) The effective tax rate is determined as follows:

2025

Tax rate = 30%	Taxable	30%	Effective rate
Income before current income tax	(2,385,040)	0	0.00%
Current Income Tax differences:			
Reconciliation items	(736,464)	0	0.00%
Current Income Tax	(3,121,504)	0	0.00%
Deferred Income Tax effects			
Temporary differences in the period	(2,369,352)	(710,806)	(29.80%)
Effective Income Tax	**(2,369,352)**	**(710,806)**	**(29.80%)**

d) Temporary differences under the assets and liabilities method arises from:

2025

			Temporary differences		
Item	**Accounting value**	**Tax value**	**Deductible**	**Income**	**Net**
Unbilled recoverable	2,353,412	0		2,353,412	2,353,412
Equipment and office furniture	512,394	517,993	5,599		(5,599)
Prepaid expenses	123,286	0		123,286	123,286
Total assets	**2,989,092**	517,993	5,599	2,476,698	2,471,099
Other provisions	(1,344,109)	0	1,344,109		1,344,109
Social security contributions	(365,454)	0	365,454		365,454
Total liabilities	**1,709,563**	**0**	**1,709,563**	**0**	**1,709,563**
Net assets	**1,279,529**	**517,993**	**1,715,162**	**2,476,698**	**761,536**

NOTE 9. EQUITY

a) The share capital as of December 31, 2025 & 2024 is composed, at its nominal value, as shown below:

Concepto	2025	2024
Fixed capital	$ 1,000	$ 1,000
Variable capital	5,568,523	1,814,823
Total	**$ 5,569,523**	**$ 1,815,823**

b) On October 7, 2024, the shareholders Meeting approved the transfer of equity interests, which were allocated in favor of R Systems International Limited and R Systems, Inc., resulting in the distribution of the share capital as follows:

Partner	Equity Interests	Amount
R System International Limited	1	$ 999
R Systems Inc.	1	1
Total		**$ 1,000**

c) On October 10, 2024, the company's shareholders approved a capital increase, in its variable portion of the share capital in the amount of USD 90,000 valued at an exchange rate of $20.1647 per U.S. dollar. Accordingly, the contribution in Mexican pesos amounted to a total of $1,814,823, which was subscribed and paid by the shareholder R System International Limited.

d) On May 3, 2025, the company's shareholders approved a capital increase, in its variable portion of the share capital in the amount of USD 200,000 valued at an exchange rate of $18.7685 per U.S. dollar. Accordingly, the contribution in Mexican pesos amounted to a total of $3,753,700, which was subscribed and paid by the shareholder R System International Limited.

e) Retained earnings include a legal reserve. According to the Mexican General Corporations Law, at least a 5% of the yearly net profit must be separated to form the legal reserve up to reach a 20% of the share capital at par value. The legal reserve may be capitalized but must not be distributed unless the entity is dissolved and must be replenished if it is reduced for any reason.

f) From the effective date of Mexican Income Tax Law, January 1, 2014, it is settled that a dividend paid is subject to a withholding at 10% rate, which is considered as a definitive tax payment.

g) The balance of the Share Capital Revaluated Account (CUCA) calculated in conformity with applicable provisions of the Income Tax Law is by $5,690,071 as of December 31, 2025.

Article 77 of the Income Tax Law stipulates that taxpayers must update the value of their capital contributions by applying the effects of inflation corresponding to the period between the date the contributions were paid and the end of each fiscal year. This result shall be further updated at the close of each fiscal year.

This calculation does not affect the entity´s financial information; its purpose is solely for tax purposes. Any capital reduction exceeding the balance of this account must be treated as dividend and, if applicable, will be subjected to Income Tax.

NOTE 10. RELATED PARTIES

a) For the year ended December 31, 2025, transactions with related parties were as follows:

Revenues:

Name	Country	Type	Amount
R Systems Inc.	USA	IT consulting and knowledge services	$10,578,426

Expenses:

Name	Country	Type	Amount
R Systems Inc.	USA	Loan agreement, interest payment	$76,800

b) As of December 31, 2025, balances with related parties consist solely of the unbilled revenues previously disclosed in Note 5. These amounts will be invoiced to R Systems Inc.

NOTE 11. INCOME TAX

For the fiscal year ended December 31, 2025, the Company incurred a tax loss of $3,121,504, therefore, no Tax income was incurred.

For the fiscal year ended December 31, 2024, the Company incurred a tax loss of $9,384, therefore, no Tax income was incurred.

NOTE 12. CONTINGECIES

Under the current Income Tax Law, the fiscal authorities have the faculty to review up to five fiscal years preceding the last statement filed income tax, which could result in some tax payables differences.

According to the Income Tax Law companies in transactions with related parties are subject to tax limitations and obligations concerning the determination of prices agreed upon, as these should be comparable to the ones used by independent parties in comparable transactions. If the tax authorities review prices and rejected certain amounts, may also require the collection of tax, besides surcharges and fines on unpaid taxes, which may be up to 100% on the revaluated amount of the unpaid taxes. To the independent auditor report date's, the company has not received the report regarding the compliance of "arm's length" principle.

NOTE 13. RECENTLY ISSUED REGULATORY PRONOUNCEMENTS

The Mexican Council for Financial Reporting Standards, A.C. (CINIF) has issued the following NIF and Improvements:

Starting and after January 1, 2025, some provisions of the following FRS and improvements to the NIF, issued by the Mexican Council for Financial Reporting Standards, A.C. (CINIF), will come into effect. The main changes that may apply to the Entity are described below:

Improvements to NIF that Generate Accounting Changes

FRS A-1, Conceptual Framework of Financial Reporting Standards – Important Accounting Policies – Disclosure Standards. FRS A-1 provides for the disclosure of important accounting policies to make the disclosure more effective, according to the concept of materiality, which states:

"It is the qualitative characteristic of an element of the financial statements and their notes that arises from the risk that its omission or misstatement affects the perception of general users in relation to their decision-making."

The disclosure of important accounting policies is necessary for users to understand the information about transactions and other events recognized or disclosed in the financial statements, considering not only the size of the transaction but also its nature.

The disclosure of accounting policies is more useful to the user when it includes specific information about the entity rather than just standardized information or summaries of the requirements of particular FRS.

FRS B-2, Statement of Cash Flows – Supplier Financing Arrangements. FRS B-2 requires the entity to disclose information that helps to understand its financial situation and liquidity in different situations; however, users of financial statements have highlighted the need for additional information on supplier financing arrangements (agreements), also known as reverse factoring, due to difficulties in:

a) Analyzing the total amount and conditions of an entity's debt, especially when the financial liabilities that are part of the agreements are classified as trade and other payables.

b) Identifying operating and financing cash flows arising from the agreements, influencing the understanding of how the agreements affect an entity's cash flows and associated financial ratios.

c) Understanding the effect of the agreements on an entity's exposure to liquidity risk; and

d) Comparing the financial statements of an entity that uses such agreements with those of an entity that does not use them.

As a result, it is proposed to add general disclosure standards to FRS B-2, applicable to Public Interest Entities (PIE) and Non-Public Interest Entities (NPIE), to provide information on supplier financing arrangements that allow users of financial statements to understand these agreements and their effects on the financial statements.

FRS B-15, Foreign Currency Translation – Currency Interchangeability. FRS B-15 does not establish what an entity should do when, on the date of foreign currency translation, it is determined that a certain currency is not interchangeable, so it is suggested to include the applicable regulations, in convergence with the amendments made to IAS 21, The Effects of Changes in Foreign Exchange Rates.

The proposed amendment includes disclosure requirements that correspond to general disclosures, applicable to both PIE and NPIE.

FRS B-3, Comprehensive Income Statement FRS B-16, Financial Statements of Non-Profit Entities FRS C-3, Accounts Receivable – Discounts, Rebates, and Returns

According to FRS D-1, Revenue from Contracts with Customers, the transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring control of the agreed goods or services to the customer. The consideration established in a contract may include fixed amounts, variable amounts, or both. If the consideration agreed upon in a contract includes a variable amount, for example, due to discounts, returns, refunds, credits, price reductions, incentives, performance bonuses, penalties, or other similar items, an entity must estimate the amount of consideration to which it will be entitled in exchange for transferring control of the agreed goods or services to the customer; thus, net revenue is recognized for variable amounts that are highly likely to be reversed.

Comments were received indicating that some FRS require or allow the presentation of discounts, rebates, and returns in a separate item within the comprehensive income statement, which could create inconsistency with FRS D-1 regarding the recognition of net revenue. Therefore, it is proposed to modify the references in the following FRS.

FRS C-6, Depreciation Methods

FRS C-6 mentions that there are various depreciation methods, including the special depreciation method, which is not considered a proper depreciation method but rather a practical way to apply depreciation methods. Therefore, it is proposed to eliminate it as an alternative depreciation method. However, considering that this methodology is based on using average depreciation rates on a base of a group of minor assets, it is considered that an entity can continue using these weighted determinations in terms of materiality.

Additionally, it is suggested to include in the FRS the description of each depreciation method, even though they can currently be consulted in one of the application guides for FRS C-6 available on the CINIF website.

FRS C-9, Provisions, Contingencies, and Commitments – Contingent Assets and Reimbursements

IAS 37, Provisions, Contingent Liabilities, and Contingent Assets, like FRS C-9, states that contingent assets are not subject to recognition in the financial statements. However, comments were received regarding a possible substantive difference between these standards, as IAS 37 establishes that only when the realization of income from a contingent asset becomes virtually certain, the corresponding asset is no longer contingent, and it is appropriate to recognize it in the statement of financial position. On the other hand, FRS C-9 states that the recognition of the asset should occur when the incorporation of economic benefits becomes probable. Considering that the uncertainty associated with this type of asset involves the application of judgment and, therefore, a certain level of estimation, CINIF considers it appropriate to modify FRS C-9 to only allow the recognition of an asset when it is virtually certain that it is no longer contingent.

Similarly, in the case of reimbursements, FRS C-9 establishes their recognition if and only if their receipt by the entity is probable, so it is proposed to modify it as indicated in the previous paragraph.

FRS C-19, Financial Instruments Payable FRS C-20, Financial Instruments to Collect Principal and Interest – Disclosure of Contingent Events

To understand the nature and extent of risks arising from financial instruments with contingent clauses, such as ESG or thematic bonds linked to achieving an environmental, social, or governance objective, it is suggested that an entity disclose information that allows users of financial statements to understand the uncertainty of future cash flows, as an investor and/or issuer of such instruments. The proposed disclosure requirements will only apply to Public Interest Entities (PIE).

FRS D-1, Revenue from Contracts with Customers – Insurance Contracts

Recently, an amendment was made to IFRS 17, Insurance Contracts, where for the accounting recognition of contracts whose primary purpose is the provision of services at a fixed payment and whose economic substance is similar to that of an insurance contract, an entity may choose to apply IFRS 15, Revenue from Contracts with Customers, instead of IFRS 17 if, and only if, the specified conditions are met.

CINIF considers that an entity applying NIF, when issuing contracts that are economically similar to an insurance contract, i.e., a contract in which one party (the issuer of the contract) accepts significant insurance risk from the other party (the holder of the contract), agreeing to compensate the holder if a future uncertain event (the insured event) adversely affects the holder, should apply FRS D-1, Revenue from Contracts with Customers, for its accounting recognition, eliminating in these cases the option to apply IFRS 17 subsidiarily. Therefore, a modification to the scope of FRS D-1 is suggested, provided that the specified conditions in the standard are met.

Improvements to FRS that do not generate accounting changes

FRS A-1, Conceptual Framework of Financial Reporting Standards – Connectivity with Sustainability Reporting Standards

The connectivity between Sustainability Reporting Standards (SRS) and FRS is necessary, mainly because sustainability issues can generate risks that may impact financial statements. In the presence of events or circumstances that generate significant risk due to environmental, social, or governance issues that may negatively affect the financial statements being issued, it is proposed to require the disclosure of such risk, similarly to other risks such as liquidity, credit, market, or cash flow risk.

Additionally, it is proposed to modify the definition of users of financial statements to be consistent with the definition of SRS.

FRS A-1, Conceptual Framework of Financial Reporting Standards FRS B-9, Interim Financial Reporting – Important Accounting Policies

It is proposed to establish, both in the Conceptual Framework of FRS and in particular FRS, that regarding accounting policies, it is sufficient to disclose only the important ones.

For adequate disclosure, the notes should include information: a) About the basis of preparation of the financial statements and important accounting policies; b) Required by FRS that has not been included elsewhere in the basic financial statements; c) That is not presented in any of the basic financial statements but is relevant to understanding any of them; and d) Regarding whether the entity is considered a public interest entity or a non-public interest entity.

FRS C-19, Financial Instruments Payable – Other Accounts Payable

According to FRS C-19, other accounts payable, like long-term accounts payable to suppliers (more than one year), must be valued at their amortized cost from their recognition. However, FRS C-19, based on received comments, does not clearly mention this requirement, so it is proposed to make the necessary clarifications to the standard.

FRS B-8, Consolidated or Combined Financial Statements FRS C-6, Property, Plant, and Equipment FRS C-8, Intangible Assets FRS C-9, Provisions, Contingencies, and Commitments FRS C-10, Derivative Financial Instruments and Hedging Relationships FRS D-8, Share-Based Payments – Other Convergence Topics

As part of the modifications to the revised disclosure project that will come into effect on January 1, 2025, the disclosure regarding significant non-controlling interest was standardized. Therefore, it is proposed to eliminate the mention of the difference within the convergence section with IFRS in FRS B-8.

The Association's Management anticipates that all relevant pronouncements will be adopted for the first period beginning after the pronouncement's effective date.

NOTE 14. ISSUING FINANCIAL STATEMENTS DATE

On February 3, 2026, Mr. Nand Lal Sardana, Company's Secretary of the Board of Managers, authorized the issuing of its financial statements, which are subject to the approval of the Stockholders Assembly, who may approve or modify them in accordance with the General Law of Commercial Companies.

These notes are an integral part of the financial statements as of December 31, 2025 & 2024.