

CITIXSYS LIMITED

Directors' Report and Financial Statements
For the financial year ended 31 March 2024

CITIXSYS LIMITED

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CITIXSYS LIMITED

Company information

Directors	Ritesh Aurora (Canada) Yolanda Kelly
Company registration number	553907
Registered office	3rd Floor Waterloo Exchange Waterloo Road Dublin 4
Corporate service provider	Cafico International 3rd Floor Waterloo Exchange Waterloo Road Dublin 4
Company secretary	Cafico Secretaries Limited 3rd Floor Waterloo Exchange Waterloo Road Dublin 4
Auditors	BDO Block 3, Miesian Plaza 50-58 Baggot Street Lower Dublin 2
Solicitors	Matheson 70 Sir John Rogerson's Quay Dublin 2
Bankers	Bank of Ireland Baggot Street Lower Dublin 2

CITIXSYS LIMITED

Directors' Report

The directors present the Directors' Report and audited financial statements for CitiXsys Limited (the "Company") for the financial year ended 31 March 2024.

Principal activities, review of business and future development

The Company was incorporated on 8 December 2014 as a private limited liability company under the laws of Ireland. The primary objective of the Company is to carry on the business of a retail software provider offering point-of-sale, inventory management, loyalty programs, eCommerce, business intelligence, mobility solution, digital passes/coupons, and cloud-based solutions, incorporating real time data analytics. In addition, the Company holds proprietary developed intellectual property rights for licensing to non-US group companies and third-party users.

Directors, secretary and their interests

The directors and secretary who held office at 31 March 2024 had no interest in the shares or debentures or loan stock of the Company at any time during the reporting period. The Company is a 100% subsidiary of CitiXsys Holdings Inc., a company incorporated and domiciled in the State of Delaware, United States of America.

Results and dividends

The results for the financial year and the Company's financial position are set out on pages 10 to 12, respectively. Loss before tax and exceptional items for the financial year ended 31 March 2024 amounted to US\$ 12,664,760 (2023: Loss US\$(39,182,419)). Loss after tax and exceptional items for the financial year ended 31 March 2024 amounted to US\$ 15,347,987 (2023: Loss US\$(39,182,419)).

The Directors are satisfied with the state of affairs of the Company and have no plans to change the activities and operations of the Company in the foreseeable future. The Directors do not recommend the payment of dividends (2023: Nil).

Directors and secretary

The names of the directors who were in office at any time during the financial year ended 31 March 2024 and, in the period, subsequent up until approval of these financial statements are set out below:

Ritesh Aurora (Canada)
Yolanda Kelly

The company secretary is Cafico Secretaries Limited. Matsack Trust Limited resigned on 1 February 2024 and Cafico Secretaries Limited was appointed as company secretary on the same day.

Going concern

The Company's financial statements for the financial year ended 31 March 2024 have been prepared on a going concern basis and the directors believe that the going concern basis is appropriate. The directors have outlined the appropriateness of this assessment in note 1.2 of these financial statements.

Audit opinion on going concern

The directors note that the statutory auditor's report, which accompanies these financial statements, includes an adverse opinion in respect of the appropriateness of the going concern basis of preparation. The adverse opinion arises from the auditor's conclusion that the going concern assumption is not appropriate based on the audit evidence available to them. The directors recognise the seriousness of an adverse audit opinion on going concern and have carefully considered its implications in forming their assessment.

The Company's ability to continue as a going concern is dependent on favourable trading conditions and the availability of financial support from its parent and ultimate holding company, as set out in the going concern note at 1.2 in these financial statements. In forming their view, the directors have considered the current liquidity and trading position, the cash flow projections covering at least the next twelve months and the broader operational and financial plans as the business moves forward with the roll out of the iVendNext SaaS platform. They also took into account the group restructuring completed in March 2025, including the conversion of intercompany balances and agreed interest waivers, together with the funding commitment received from CitiXsys Holdings Inc. indicating an intention to provide financial assistance if necessary. The group's plan to secure further investment (which are still being finalised) has also been reviewed in forming this assessment.

CITIXSYS LIMITED

Directors' Report (continued)

Having regard to the above information, the directors remain satisfied that it is appropriate to prepare the financial statements on a going concern basis, notwithstanding the auditor's adverse opinion. The directors acknowledge that material uncertainties exist which may cast significant doubt on the Company's ability to continue as a going concern; however, they believe that the disclosures in the financial statements appropriately describe these uncertainties and the basis for their judgement in adopting the going concern basis.

Principal risks and uncertainties

In common with other companies operating in this sector, the Company faces risks and uncertainties such as increased competition and increased operating costs. The directors are of the opinion that the Company is well positioned to manage these risks.

The directors of the Company manage competition through close attention to market research, benchmarking with competition, and recruitment of highly skilled professional staff and engagement with highly skilled service providers.

The liquidity needs of the Company are monitored on the basis of future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash and cash equivalents and short terms investments.

Accounting records

The measures taken by the Directors to secure compliance with the Company's obligations, under Section 281 to 285 of the Companies Act, 2014, to keep proper accounting records are the use of appropriate systems and procedures and ensuring that competent persons are responsible for keeping the Company's accounting records. The Company's accounting records are kept at the registered office at 3rd Floor Waterloo Exchange, Waterloo Road, Dublin 4.

Statement of disclosure to the Company's statutory auditors

Each of the directors in office at the date of the approval of the director's report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- The directors have taken all the steps that he or she ought to have as a director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 332 of the Companies Act 2014.

Political Donations

The Electoral Act, 1997 requires companies to disclose all political donations over €200 in aggregate made during the financial year to a political party, member of either House of the Oireachtas or a representative in the European Parliament, or to any candidate for election to same. The directors, on enquiry, have satisfied themselves that no such donations have been made by the company.

Subsequent events

On 12 March 2025, the Company agreed a restructuring of short-term borrowings with its parent company, CitiXsys International Limited, and long term borrowings with associated companies within the CitiXsys Group.

CitiXsys International Limited approved a restructuring of the promissory loan note amounting to \$119,526,933 issued to CitiXsys Limited as per note 17. CitiXsys International Limited agreed that the promissory loan note would be considered an additional investment in CitiXsys Limited and approved that CitiXsys Limited would convert the promissory loan note into equity via a capital contribution.

CitiXsys Limited agreed with other group entities CitiXsys Holding Inc., CitiXsys Arabia FZ-LLC, CitiXsys Mexico, CitiXsys Canada Limited and CitiXsys Intermediate Holding Inc. the waiver of interest on long term intercompany loans as per note 19 for the next five years and extending the due date for repayment by five years.

CITIXSYS LIMITED


Directors' Report (continued)

As of the date of signing the financial statements, there are no other significant post-balance sheet events that require adjustment or disclosure.

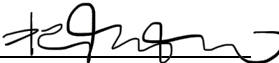
Independent auditor

The auditors, BDO Statutory Audit firm, continue in office in accordance with section 383 (2) of the Companies Act, 2014.

This report was approved by the Board of Directors and signed on its behalf by:



Yolanda Kelly
Director



Ritesh Aurora
Director

Date: 25th February 2026

CITIXSYS LIMITED

Directors' Responsibilities Statement

The directors acknowledge their responsibilities for preparing the directors report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Irish company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities, financial position as at the financial year ended date, of the profit or loss of the Company for that financial year and that they otherwise comply with the Companies Act 2014.


In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards;
- notify the shareholders in writing about the use of disclosure exemptions if any, of FRS 102; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

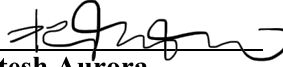
The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board of Directors by:



Yolanda Kelly
Director



Ritesh Aurora
Director

Date: 25th February 2026



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIXSYS LIMITED

Report on the audit of the financial statements

Adverse Opinion

We have audited the financial statements of CitiXsys Limited (the 'Company') for the financial year ended 31 March 2024, which comprise the Statement of financial position, Statement of comprehensive income, Statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

In our opinion, because of the nature of the matter described in the Basis of adverse opinion paragraph the statutory financial statements do not give a true and fair view in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council (FRC) of the assets, liabilities and financial position of the company as at 31 March 2024 and of its loss for the year then ended.

In all other respects, in our opinion the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for Adverse Opinion

As set out in note 1.2 to the financial statements, the directors have prepared the financial statements on a going concern basis, which is dependent on the continued financial support of the Company's parent. We were informed that the parent has a significant borrowing that matured in November 2024 and, as at the date of this report, this borrowing has not been repaid or refinanced. While the parent is engaged in discussions with its creditors and potential investors, management has not provided persuasive evidence to substantiate that refinancing or alternative funding will be secured on a timely basis.

In our judgement, the absence of sufficient, appropriate evidence confirming the parent's ability to secure the necessary funding indicates that the going concern basis of accounting is inappropriate for the Company.

The effects of these departures from the applicable financial reporting framework are pervasive to the financial statements, and, accordingly, an adverse opinion is appropriate.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIXSYS LIMITED (continued)

Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIXSYS LIMITED (continued)

Respective responsibilities

Responsibilities of directors and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement set on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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.

Auditor's responsibilities for the audit of the 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 ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIXSYS LIMITED (continued)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Teresa Morahan'.

Teresa Morahan
for and on behalf of
BDO
Statutory Audit Firm
Block 3, Miesian Plaza
50-58 Baggot Street Lower
Dublin 2
D02 Y754

Date: **26/02/2026**

CITIXSYS LIMITED**Statement of Comprehensive Income
for the financial year ended 31 March 2024**

	Note	For the year ended 31 Mar 2024 US\$	For the year ended 31 Mar 2023 US\$
Turnover	2	10,857,019	11,270,592
Other income	3	6,794	30,444
Operating expenses			
Salaries and wages	4	(45,969)	(48,160)
Other operating expenses	6	<u>(23,482,604)</u>	<u>(50,435,295)</u>
Operating loss		<u>(12,664,760)</u>	<u>(39,182,419)</u>
Loss on ordinary activities before taxation		(12,664,760)	(39,182,419)
Taxation	8	(2,683,227)	-
Total comprehensive loss for the year		<u>(15,347,987)</u>	<u>(39,182,419)</u>

All of the above losses are in respect of the continuing operations. The Company has no recognised gains and losses in the financial year other than those dealt with in the Statement of Comprehensive Income.


The notes on pages 14 to 28 are an integral part of these financial statements.

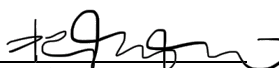
CITIXSYS LIMITED**Statement of Financial Position
As at 31 March 2024**

	Note	31 Mar 2024 US\$	31 Mar 2023 US\$
Non-current assets			
Investments in subsidiaries	11	142,620	142,620
Intangible assets	10	-	12,665,862
Tangible assets	9	437	2,197
Long term loan	12	-	1,489,566
		<u>143,057</u>	<u>14,300,245</u>
Current assets			
Trade receivables	13	1,030,390	1,319,017
Other receivables	14	1,146,092	3,738,354
Cash and cash equivalents	15	61,763	66,171
		<u>2,238,245</u>	<u>5,123,542</u>
Current liabilities			
Trade payables	16	60,553	550,555
Other current liabilities	17	129,810,069	127,050,351
		<u>129,870,622</u>	<u>127,600,906</u>
Total assets less current liabilities		(127,489,320)	(108,177,119)
Non - current liabilities			
Long term borrowings	19	(50,646,169)	(54,610,383)
Net liabilities		<u>(178,135,489)</u>	<u>(162,787,502)</u>
Capital and reserves			
Share capital presented as equity	20	1	1
Capital contribution	20	2,070,890	2,070,890
Retained earnings	21	(164,858,393)	(125,675,974)
Profit and loss account	21	(15,347,987)	(39,182,419)
		<u>(178,135,489)</u>	<u>(162,787,502)</u>

The notes on pages 14 to 28 are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 25th February 2026 by:


Yolanda Kelly
 Director


Ritesh Aurora
 Director

CITIXSYS LIMITED**Statement of Changes in Equity**
For the financial year ended 31 March 2024

	Share capital US\$	Capital contribution US\$	Profit and loss account US\$	Total US\$
Balance as at 1 April 2022	1	2,070,890	(125,675,974)	(123,605,083)
Loss for the financial year	-	-	(39,182,419)	(39,182,419)
Balance as at 31 March 2023	1	2,070,890	(164,858,393)	(162,787,502)
Balance as at 1 April 2023	1	2,070,890	(164,858,393)	(162,787,502)
Loss for the financial year			(15,347,987)	(15,347,987)
Balance as at 31 March 2024	1	2,070,890	(180,206,380)	(178,135,489)

The notes on pages 14 to 28 are an integral part of these financial statements.

CITIXSYS LIMITED

Notes to Financial Statements

1. Accounting policies

1.1 Basis of preparation

CitiXsys Limited (the "Company") is a company limited by shares and incorporated and domiciled in the Republic of Ireland.

These financial statements were prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Ireland ("FRS 102").

The Company is a wholly owned subsidiary of CitiXsys International Limited, a company incorporated and domiciled in Ireland. The Company's ultimate parent company is CitiXsys Holdings, Inc., (the "Ultimate Parent Company"), a company incorporated and domiciled in the State of Delaware, United States of America. These financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of the group may be obtained at 1209 Orange Street, Wilmington, Delaware 19801, USA, the principal office of the Ultimate Parent Company.

In accordance with FRS 102, the Company, being a qualifying company as defined under the standards, has availed of the exemption under Section 1.12(b) regarding the requirements of Section 7 Statement of Cash Flow, Section 3 Financial Statement Presentation paragraph 3.17(d) and section 33 Related Parties Disclosures paragraph 33.7.

In accordance with FRS 102, the Company, being also a subsidiary, has availed of the exemption from preparing consolidated financial statements under Section 9.3 of the standards.

1.2 Going Concern

These financial statements have been prepared on a going concern basis. Loss after tax and exceptional items for the financial year ended 31 March 2024 amounted to US\$(15,347,987) and net liabilities US\$(178,135,489).

On 12 March 2025, the Company agreed a restructuring of short-term borrowings with its parent company, CitiXsys International Limited, and of long-term borrowings with associated companies within the CitiXsys Group. CitiXsys International Limited approved a restructuring of the promissory loan note amounting to \$119,526,933 issued to CitiXsys Limited as per note 16. CitiXsys International Limited agreed that the promissory loan note would be considered an additional investment in CitiXsys Limited and approved that CitiXsys Limited would convert the promissory loan note into equity via a capital contribution. CitiXsys Limited agreed with other group entities CitiXsys Holding Inc., CitiXsys Arabia FZ-LLC, CitiXsys Mexico, CitiXsys Canada Limited and CitiXsys Intermediate Holding Inc. the waiver of interest on long term intercompany loans as per note 18 for the next five years and extending the due date for repayment by five years.

In assessing the company's ability to continue as a going concern, the directors have considered CitiXsys Limited's current financial position, projected cash flows, and available sources of funding for a period of at least 12 months from the date of approval of these financial statements.

The company is currently operating at a loss and based on cash flow forecasts, will require a cash injection of approximately \$800,000 from its holding company within the next 12 months to meet its obligations and continue trading. The directors have received confirmation from CitiXsys Holdings Inc. of the intention to provide or arrange sufficient financial support by way of intercompany advances, shareholder loans, capital infusion, or other funding instruments as deemed necessary to enable CitiXsys Limited to meet all its liabilities as and when they fall due for at least 12 months from the date of approval of these financial statements. This support will not be withdrawn without prior written notice to CitiXsys Limited and its auditors, and in any case not before the end of the above 12-month period.

In making this assessment, the directors have taken into account:

- The company's strategic realignment is to focus on the SaaS-based iVendNext platform, targeting scalable growth in developing markets (Middle East, Africa, and Latin America).

CITIXSYS LIMITED

Notes to Financial Statements (continued)

- Revenue projections indicating a path to positive EBITDA within 12–18 months, driven by cost optimisation initiatives and strategic expansion through key partnerships.
- Operational efficiency measures, including the implementation of a cost reduction plan across operations in FY26.
- Cash flow forecasts indicate an EBITDA deficit of approximately USD 659K by YE2026, primarily due to investments in product transition and overseas subsidiaries, with any periodic cash requirement for regional operations to be fulfilled by the holding company.

The directors consider the assumptions underlying the forecasts to be reasonable and achievable and believe that the holding company has the financial capacity to provide the necessary support. The holding company's ability to provide funding in future periods is expected to be supported by the successful completion of ongoing negotiations to secure additional investment. The holding company is actively engaged in negotiations with its creditors and potential investors and these discussions are progressing positively, although the related arrangements have not yet been legally formalised. These circumstances represent a fundamental uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Nevertheless, having considered the business environment in which the company is operating, the support available and the forecasts prepared, the directors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that might be necessary if the company is unable to secure the required funding and continue as a going concern.

1.3 Significant accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future years. There are no areas in the financial statements where significant management judgement and estimates have been applied.

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Intangible assets which are measured at amortised cost are assessed for objective evidence of impairment. It is management's judgment that no impairment of intangible asset exists between the carrying amount and the recoverable amount at the end of the current financial year.

1.4 Turnover

Turnover comprises the invoiced value of services supplied by the Company in respect of the financial year, exclusive of Value Added Tax and trade discounts, and adjusted for deferred income. The directors have availed of the exemption provided by paragraph 65 (6) of Schedule 3 of the Companies Act 2014 and have therefore not disclosed an analysis of turnover by class or geographical region.

1.5 Operating expenses

Operating expenses are recognised on an accruals basis.

1.6 Cash and cash equivalents

Cash at bank is comprised of bank balances.

1.7 Trade and other receivables

Trade receivables are recognised initially at fair value and thereafter measured at amortised cost using the effective interest rate method less any provision for impairment. A provision for impairment of trade receivables is recognised when there is objective evidence the Company will not be able to collect all amounts due according to the original terms of the receivable. Significant difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that trade receivables are impaired.

CITIXSYS LIMITED

Notes to Financial Statements (continued)**1.8 Trade and other payables**

Trade and other payables are non-derivative financial liabilities representing an unconditional obligation to deliver cash or other financial assets to another entity. Trade payables are recognised initially at fair value and thereafter measured at amortised cost using effective interest rate method.

1.9 Investments in subsidiaries

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.

1.10 Deferred income

Income billed in advance is taken to the deferred income on the balance sheet and released to the profit and loss on a time proportion basis. Management has assumed equal amounts of work throughout the financial year.

1.11 Taxation

Current tax, including Irish corporation tax and foreign taxes, is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the temporary differences reverse. Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

1.12 Foreign currency**(i) Functional and presentation currency**

Items included in the Company financial statements are measured and presented using the US Dollar ("US\$" the functional currency) which reflect the fact that the majority of the Company transactions are denominated in this currency.

(ii) Translation of foreign currency transactions

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

1.13 Share Capital

Share capital is issued in USD. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.14 Employee Benefits

The Company does not provide any benefits to employees.

1.15 Holiday Pay Accrual

The Company does not accrue for holiday pay.

1.16 Interest Income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.17 Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

CITIXSYS LIMITED

Notes to Financial Statements (continued)**1.18 Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

1.19 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

CITIXSYS LIMITED**Notes to Financial Statements (continued)****4. Salaries and wages**

The amount which includes salaries of the directors consists of the following:

	For the year ended 31 Mar 2024 US\$	For the year ended 31 Mar 2023 US\$
Wages and salaries	44,534	46,782
Social security costs	1,435	1,378
	<u>45,969</u>	<u>48,160</u>

There were no capitalised salary costs in the year (2023: \$Nil).

The average number of employees (including directors) during the financial year analysed by category is as follows:

	No. of Employees	No. of Employees
Management	2	2
Finance and Accounting	1	1
	<u>3</u>	<u>3</u>

5. Directors' remuneration

Key management includes the director. The compensation paid to key management for employee services is shown below:

Directors' remuneration consists of:

	For the year ended 31 Mar 2024 US\$	For the year ended 31 Mar 2023 US\$
Directors' salaries	<u>28,231</u>	<u>27,124</u>

CITIXSYS LIMITED**Notes to Financial Statements (continued)****6. Other operating expenses**

	For the year ended 31 Mar 2024 US\$	For the year ended 31 Mar 2023 US\$
Software research and license fees	8,718,598	16,449,259
Other general expenses	80,170	92,004
Insurance	4,744	6,069
Legal and professional expenses	334,318	454,800
Travelling expenses	13,648	24,346
Foreign exchange loss (net)	22,221	29,958
Provision for doubtful debts	(11,543)	(860,320)
Amortisation	12,665,862	32,700,768
Depreciation	1,012	1,162
Financial costs	1,528,858	1,431,603
Advertising & sales promotion	124,716	105,646
	<u>23,482,604</u>	<u>50,435,295</u>

7. Statutory and other information

Audit of individual company accounts	34,178	48,441
Tax compliance services	5,500	4,300
	<u>39,678</u>	<u>52,741</u>

8. Taxation

(a) Analysis of the statement of comprehensive income charge:

	For the year ended 31 Mar 2024 US\$	For the year ended 31 Mar 2023 US\$
Current income tax	-	-
Deferred tax	2,683,227	-
	<u>2,683,227</u>	<u>-</u>

(b) Tax is chargeable in future years on profit earned at the corporate tax rate of 12.5%. The tax rate is expected to remain at its current rate.

(c) Factors affecting tax charge

CITIXSYS LIMITED**Notes to Financial Statements (continued)**

	For the year ended 31 Mar 2024 US\$	For the year ended 31 Mar 2023 US\$
Loss on ordinary activities before tax	(12,664,760)	(39,182,419)
Taxable loss on ordinary activities before tax	(12,664,760)	(39,182,419)
Loss before tax multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2023: 12.5%)	(1,583,095)	(4,897,802)
Not deductible expenses	8,756	96,165
Income taxable at higher rate	-	3,973
Other timing differences	92,796	-
Prior year adjustments	(17,662,347)	(12,864,683)
Deferred tax not provided	16,460,663	17,662,347
	<u>2,683,227</u>	<u>-</u>

9. Tangible assets

	Fixtures and fittings US\$	Total US\$
Opening balance		
At 1 April 2023	5,808	5,808
Additions	-	-
Disposals	(748)	(748)
At 31 March 2024	<u>5,060</u>	<u>5,060</u>
Amortization		
At 1 April 2023	3,611	3,611
Charge for the year	1,012	1,012
At 31 March 2024	<u>4,623</u>	<u>4,623</u>
Net book value		
At 31 March 2024	<u>437</u>	<u>437</u>
At 31 March 2023	<u>2,197</u>	<u>2,197</u>

CITIXSYS LIMITED**Notes to Financial Statements (continued)****10. Intangible assets**

	Internally Developed Software US\$	Purchased Software US\$	Customer Relationship US\$	Total US\$
Opening balance				
At 1 April 2023	2,143,900	115,326,192	22,921,515	140,391,607
Additions	-	-	-	-
At 31 March 2024	<u>2,143,900</u>	<u>115,326,192</u>	<u>22,921,515</u>	<u>140,391,607</u>
Amortization				
At 1 April 2023	2,143,900	115,126,130	10,455,715	127,725,745
Charge for the year	-	200,062	12,465,800	12,665,862
At 31 March 2024	<u>2,143,900</u>	<u>115,326,192</u>	<u>22,921,515</u>	<u>140,391,607</u>
Net book value				
At 31 March 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2023	<u>-</u>	<u>200,062</u>	<u>12,465,800</u>	<u>12,665,862</u>

In the financial year ended 31 March 2024, following an impairment review performed by CitiXsys Limited management, it has been assessed that there is no evidence of the intangible assets being impaired.

The value-in-use calculations used by management were based on cash flow forecasts built on current budgets and strategic plans to reflect anticipated future revenue growth rates of the Company and its industry. The cashflow forecast employed are for a six year period approved by management which included a terminal value, which is applied to the year six cash flows to reflect the discounted value of the cash flows beyond year five based on weighted average long-term growth rates.

CITIXSYS LIMITED**Notes to Financial Statements (continued)****11. Investment in subsidiaries**

	As at 31 March 2024 US\$	As at 31 March 2023 US\$
CitiXsys Tech Solutions Pvt. Ltd.	1	1
CitiXsys Canada Ltd.	139,620	139,620
CitiXsys Mexico S. De R.L. De C.V.	2,999	2,999
	142,620	142,620

The Company has investments in the following subsidiary undertakings:
As at 31 March 2024:

Subsidiary undertakings	Country of Incorporation	Principal Activity	Holding %
CitiXsys Tech Solutions Pvt. Ltd.	India	IT Consultancy, Sales & Marketing	100%
CitiXsys Canada Ltd.	Canada	IT Consultancy, Sales & Marketing	100%
CitiXsys Mexico S. De R.L. De C.V.	Mexico	IT Consultancy, Sales & Marketing	99.97%

The type of shares held in all subsidiaries are ordinary shares.

Registered Address:

CitiXsys Tech Solutions Private Limited: A-24/5, MCIE, Mathura Road, New Delhi-110044, India.

CitiXsys Canada Limited: 2425 Matheson Blvd. 8th Floor, Mississauga ONL4W 5K4, Canada.

CitiXsys Mexico S DE R L DE C V: Javier Barros Sierra #540 Tower 1, 5th Floor, Office 5046, Lomas de Santa Fe ,Del. Alvaro Obregon, Mexico City, Mexico Postal Code: 01210.

12. Intercompany loans – long term

	Opening balance	Loan due within 1 year	Loan due within 2-5 years	Loan due after 5 years	Interest	Repayments	Closing balance
Loan to CitiXsys Americas Inc.	909,928					(909,928)	-
Loan to CIH	579,638					(579,638)	-
Total	1,489,566					(1,489,566)	-

CITIXSYS LIMITED**Notes to Financial Statements (continued)****13. Trade receivables**

The amount consists of:

	As at 31 March 2024 US\$	As at 31 March 2023 US\$
Trade debtors	10,817,467	11,117,637
Provision for doubtful debts	(9,787,077)	(9,798,620)
	<u>1,030,390</u>	<u>1,319,017</u>

14. Other receivables

The amount consists of:

	As at 31 March 2024 US\$	As at 31 March 2023 US\$
Security deposits	42,881	42,881
Taxes recoverable	10,931	13,304
Intercompany receivables	1,085,071	950,806
Prepayments	7,209	48,136
Deferred tax asset	-	2,683,227
	<u>1,146,092</u>	<u>3,738,354</u>

Intercompany loans are amounts owed by group companies subject to the annual interest rate.

15. Cash and cash equivalents

Cash and cash equivalents include cash deposits held at call with banks. The total amount of cash and cash equivalents held at the financial year end was US\$ 61,763 (2023: US\$66,171).

16. Trade payables

The amount consists of:

	As at 31 March 2024 US\$	As at 31 March 2023 US\$
Trade payables	60,553	550,555
	<u>60,553</u>	<u>550,555</u>

CITIXSYS LIMITED**Notes to Financial Statements (continued)****17. Other current liabilities**

The amount consists of:

	As at 31 March 2024 US\$	As at 31 March 2023 US\$
Intercompany creditors	8,729,001	5,923,661
Deferred income	1,505,590	1,542,380
Accruals	45,093	55,026
Payroll taxes	3,452	3,854
Intercompany loan	<u>119,526,933</u>	<u>119,525,430</u>
	<u>129,810,069</u>	<u>127,050,351</u>

Intercompany creditors relate to amounts payable to group companies for service fees which are equal to all reasonable and necessary costs incurred plus an agreed percentage of such costs. Intercompany creditors are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Deferred income

The amount consists of annual licence fees received in advance.

19. Long term borrowings

The amount consists of:

	As at 31 March 2024 US\$	As at 31 March 2023 US\$
Loan from CitiXsys Holding Inc.	14,206,195	17,050,024
Loan to CitiXsys Arabia FZ- LLC	25,432,529	36,558,157
Loan to CitiXsys Mexico	1	1
Loan from CitiXsys Canada Limited	1,019,257	1,002,201
Loan from CIH	<u>9,988,187</u>	<u>-</u>
	<u>50,646,169</u>	<u>54,610,383</u>

The unsecured loan from CitiXsys Holdings Inc.; availed of for business purposes of US\$14,206,195 carries interest at 1.85% per annum.

The unsecured loan from CitiXsys Arabia FZ- LLC; availed of for business purposes of US\$25,432,529 carries interest at 2.95% per annum.

The unsecured loan from CitiXsys Canada Limited; availed of for business purposes of US\$1,019,257 carries interest at 1.78% per annum.

The unsecured loan from CIH; availed of for business purposes of US\$9,988,187 carries interest at 3.02% per annum.

CITIXSYS LIMITED**Notes to Financial Statements (continued)****20. Share capital**

	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
1,000,000 ordinary shares of € 1 each	<u>€1,000,000</u>	<u>€1,000,000</u>
Allotted, called up and fully paid share capital		
1 ordinary share of €1 each	<u>US\$1</u>	<u>US\$1</u>
	As at 31 March 2024	As at 31 March 2023
	US\$	US\$
Capital contribution	<u>2,070,890</u>	<u>2,070,890</u>

There are no rights attached to shares. Authorised share capital represents available shares in the Company. Allotted, called up and fully paid share capital represents the nominal value of shares that have been issued. Capital contribution represents all non-refundable sums received from the ultimate parent company.

21. Reserves

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of transfers to/from other reserves and dividends paid.

	Profit and Loss account US\$	Total US\$
As at 1 April 2023	(164,858,393)	(164,858,393)
Loss for the year	<u>(15,347,987)</u>	<u>(15,347,987)</u>
As at 31 March 2024	<u>(180,206,380)</u>	<u>(180,206,380)</u>

22. Subsequent events

On 12 March 2025, the Company agreed a restructuring of short-term borrowings with its parent company, CitiXsys International Limited, and of long-term borrowings with associated companies within the CitiXsys Group.

CitiXsys International Limited approved a restructuring of the promissory loan note amounting to \$119,526,933 issued to CitiXsys Limited as per note 17. CitiXsys International Limited agreed that the promissory loan note would be considered an additional investment in CitiXsys Limited and approved that CitiXsys Limited would convert the promissory loan note into equity via a capital contribution.

CitiXsys Limited agreed with other group entities CitiXsys Holding Inc., CitiXsys Arabia FZ-LLC, CitiXsys Mexico, CitiXsys Canada Limited and CitiXsys Intermediate Holding Inc. the waiver of interest on long term intercompany loans as per note 19 for the next five years and extending the due date for repayment by five years.

As of the date of signing the financial statements, there are no other significant post-balance sheet events that require adjustment or disclosure.

CITIXSYS LIMITED**Notes to Financial Statements (continued)****23. Controlling parties**

The immediate parent undertaking is CitiXsys International Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is CitiXsys Holding Inc.

24. Financial instruments

Financial Assets		As at 31 March 2024 US\$	As at 31 March 2023 US\$
Cash		61,763	66,171
ICO Advances	CitiXsys Tech Sol Private Ltd	1,085,071	950,806
ICO Loans	CitiXsys Intermediate Holding, Inc	-	579,638
	CitiXsys Americas, Inc - Loan A/c	-	909,928
		<u>1,085,071</u>	<u>1,489,566</u>
Trade Receivables		1,030,390	1,319,017
	Total Financial Assets	<u><u>2,177,224</u></u>	<u><u>3,825,560</u></u>

Financial assets measured at amortised cost comprise amounts due from group undertakings and trade debtors.

CITIXSYS LIMITED**Notes to Financial Statements (continued)****25. Financial instruments (continued)**

Financial Liabilities		As at 31 March 2024 US\$	As at 31 March 2023 US\$
ICO Loans	CitiXsys Holdings Inc - Loan	14,206,195	17,050,024
	CitiXsys Canada Ltd - Loan	1,019,257	1,002,201
	Loan to Citixsys International Limited	119,526,933	119,525,430
	Loan to Citixsys Mexico	1	1
	Loan to Citixsys Arabia FZ- LLC	25,432,529	36,558,157
	CIH - Loan	9,988,187	-
		<hr/>	<hr/>
		170,173,102	174,135,813
ICO Payables	CitiXsys Arabia FZ-LLC - TP	8,388,004	5,814,742
	CitiXsys Canada Ltd - TP	340,997	108,919
		<hr/>	<hr/>
		8,729,001	5,923,661
Trade Payables		60,553	550,555
		<hr/>	<hr/>
	Total Financial Liabilities	178,962,656	180,610,029

Financial liabilities measured at amortised cost comprise of amounts owed to group undertakings and other creditors.

26. Financial risk management

The group has exposures to two main areas of risk - foreign exchange currency exposure and liquidity risk.

(i) Foreign exchange transactional currency exposure

The group is exposed to currency exchange rate risk due to a proportion of its receivables being denominated in non-Dollar currencies.

(ii) Liquidity risk

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through ongoing sales. In the event that the operating cash flows would not cover all the financial obligations the group has a capital contribution agreement with its parent company.

27. Approval of financial statements

The Board of Directors approved these financial statements on 25th February 2026.