

Khanxay Suryadhay
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77600 Bussy-Saint-Georges
Chartered accountant
Auditor

Auditor's report on the annual accounts
Financial year ending 31st December 2020

To the sole shareholder
SAS Actian France
27 avenue de l'Opéra
75001 Paris

Opinion

In accordance with the assignment given to us by your general meeting, we have audited the annual accounts of SAS Actian France for the financial year ending 31st December 2020 as appended to this report. We hereby certify that, with respect to French accounting rules and principles, the annual accounts have been properly and honestly compiled and faithfully reflect the result of the operations carried out during the financial year and the company's financial position and assets and liabilities at the end of the year.

Basis for our opinion

Auditing standards

We performed our audit in accordance with the standards of professional practice applicable in France. We consider that the information that we have obtained is sufficient and appropriate to justify our opinion. Our responsibilities according to these standards are set out in the section below entitled "Auditor's responsibilities in relation to the annual accounts audit".

Impartiality

We conducted our audit in accordance with the rules of impartiality applicable to us over the period from 1st January 2020 to the date of issue of our report. In particular, we did not provide any services banned under the auditors' code of professional ethics.

Justification of assessments

Pursuant to the provisions of Articles L823-9 and R823-7 of the Trade Code on the justification of our assessments, we inform you that in our professional judgement the most significant assessments that we have made concern the appropriateness of the accounting principles applied, the reasonableness of the main estimates made and the overall presentation of the accounts. These assessments should be seen in the context of our audit of the annual accounts in their entirety and the formation of our opinion expressed above. We do not express any opinion on any parts of the annual accounts in isolation.

[Initials]

Checking the documents sent to the sole shareholder

We carried out the specific checks laid down by law in accordance with the standards of professional practice applicable in France. We have no comments to make on the accuracy of the information provided in the documents on the financial position and annual accounts sent to the sole shareholder or on the correspondence of this information with the annual accounts.

Responsibilities of management and those in charge of corporate governance in relation to the annual accounts

Management is responsible for drawing up reliable annual accounts in accordance with French accounting rules and principles and for putting in place the internal controls that it considers necessary to draw up annual accounts not containing any significant anomalies arising from either fraud or error. When drawing up the annual accounts, management is responsible for assessing the company's ability to remain a going concern, presenting any necessary information on its status as a going concern in the accounts and applying the going concern accounting convention unless it is proposing to liquidate the company or to wind it up.

The annual accounts were settled by the Chairman.

Auditor's responsibilities in relation to the annual accounts audit

We are responsible for drawing up a report on the annual accounts, with the aim of obtaining a reasonable assurance that they do not contain any significant anomalies taken in their entirety, though "reasonable assurance" does not guarantee that an audit conducted in accordance with the standards of professional practice can systematically detect all significant anomalies arising from fraud or error, i.e. that might reasonably be expected, individually or cumulatively, to influence the economic decisions that users make on the basis of the accounts. As specified by Article L823-10-1 of the Trade Code, our accounts certification remit does not consist in guaranteeing the viability or quality of the management of your company.

As part of an audit carried out in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout this audit. In addition, the auditor:

- identifies and assesses the risks of material anomalies in the assessed annual accounts, whether these result from fraud or from errors; defines and implements audit procedures in response to these risks; and collects elements that he considers sufficient and appropriate for basing his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, because fraud can involve collusion, falsification, wilful omissions, false declarations, or bypassing internal control;
- informs himself of the internal control relevant to the audit in order to define the audit procedures required, but not in order to express an opinion on the effectiveness of the internal control; assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information provided in the annual accounts;

- assesses the appropriateness of Management's application of the standard accounting policy and, depending on the information collected, the existence or not of significant uncertainty related to events or circumstances likely to threaten the company's ability to continue operating. This assessment is based on the information collected up to the date of this report. It should be noted, however, that subsequent circumstances or events could threaten business continuity. If he concludes that significant uncertainty exists, he includes such information in the annual accounts or, if this information is not provided or is not relevant, he either provides conditional certification or refuses to certify the accounts;
- assesses the overall presentation of the annual accounts and assesses whether they reflect the underlying transactions and events in such a way as to present them fairly.

Bussy-Saint-Georges, 2nd April 2021

[Signature]

Khanxay Suryadhay, auditor

Actian France SAS

Annual accounts

31st December 2020

“Siret” identification number 487 632 044 00045

Ferrières & Co SAS
A firm of chartered accountants
46 rue du Général Foy
75008 Paris

[Initials]

BALANCE SHEET ASSETS

Assets		Financial year ending 31/12/2020 (12)			Financial year ending 31/12/2019 (12)
		Gross	Depreciation and impairment (deducted)	Net	Net
	Subscribed capital, not called up (I)				
Fixed assets	Intangible fixed assets				
	Start-up costs				
	Development expenses				
	Franchises, patents and similar rights				
	Goodwill ¹	2,197		2,197	2,197
	Other intangible fixed assets				
	Advances and down payments				
	Tangible fixed assets				
	Land				
	Buildings				
	Technical facilities, equipment and tools				
	Other tangible fixed assets	9,179	6,010	3,129	6,228
	Fixed assets in progress				
	Advances and down payments				
Financial fixed assets					
Holdings valued using the equity method					
Other holdings					
Receivables related to holdings					
Other capitalised securities					
Loans					
Other financial fixed assets	319		319	319	
Total II	11,695	6,010	5,685	8,745	
Current assets	Stocks and work in progress				
	Raw materials and procurements				
	Goods production in progress				
	Service production in progress				
	Intermediate and finished products				
	Goods				
	Advances paid and down payments made on orders				
	Receivables³				
	Customers and related accounts	1,053,224		1,053,224	1,438,418
	Other receivables	1,310		1,310	1,225
	Subscribed capital called up, unpaid				
Investment securities					
Available assets	579,809		579,809	481,113	
Expenses recorded in advance ³	1,180,713		1,180,713	1,613,802	
Total III	2,815,056		2,815,056	3,534,558	
Equalisation accounts	Loan issue expenses to be spread over several years (IV)				
	Bond redemption premiums (V)				
	Conversion difference – assets (VI)	269		269	
	Grand total (I+II+III+IV+V+VI)	2,827,020	6,010	2,821,010	3,543,302

1) Including leasehold right

2) Including amount due within one year

3) Including amount due after more than one year

BALANCE SHEET LIABILITIES

Liabilities		Financial year ending 31/12/2020 (12)	Financial year ending 31/12/2019 (12)
Equity	Capital (including paid-up: 37,000) Issue, merger and contribution premiums Revaluation differences	37,000	37,000
	Reserves		
	Statutory reserve	3,700	3,700
	Reserves stipulated in the articles of association and contractual reserves		
	Regulated reserves	261,966	222,989
	Other reserves		
	Amount carried forward	44,134	38,977
	Annual result (profit or loss)		
	Investment subsidies Regulated provisions		
	Total I	346,800	302,666
Other own funds	Income from equity issues Conditional advances		
	Total II		
Provisions	Provisions for risks Provisions for costs		
	Total III		
Debts ¹	Financial debts		
	Convertible bond loans		
	Other debenture loans		
	Bank borrowings		
	Bank overdrafts		
	Borrowings and miscellaneous financial debts	519,189	705,742
	Advances and down payments received for current orders		
	Operating debts		
	Supplier debts and related accounts	5,321	8,540
	Tax and national insurance debts	394,451	522,807
Debts on fixed assets and related accounts			
Other debts	269	2,213	
Income recorded in advance ¹	1,554,980	2,001,334	
Total IV	2,474,210	3,240,636	
Equalisation accounts	Conversion differences – liabilities (V)		
	Grand total (I+II+III+IV+V)	2,821,010	3,543,302
1) Including amount due within one year		2,474,210	3,240,636

INCOME STATEMENT

	Financial year ending 31/12/2020 (12)			Financial year ending 31/12/2019 (12)
	France	Exports	Total	
Operating income¹				
Sales of goods				
Sold production of goods	1,991,853	637,173	2,629,026	2,315,213
Sold production of services	575,537		575,537	576,083
Net turnover	2,567,390	637,173	3,204,563	2,891,296
Stored production				
Capitalised production				
Operating subsidies				
Write-backs of impairment, provisions and depreciation; expense transfers				22,226
Other income			119	360
Total operating income (I)			3,204,682	2,913,881
Operating expenses²				
Goods purchases				
Stock variation (goods)				
Purchases of raw materials and other procurements				
Stock variation (raw materials and other procurements)				
Other external purchases and expenses*			2,492,197	2,094,871
Taxes, levies and equivalent payments			10,990	7,335
Wages and salaries			438,224	513,896
National insurance contributions			199,212	239,531
Allocations for depreciation and impairment				
- for fixed assets: allocations for depreciation			3,060	2,786
- for fixed assets: allocations for impairment				
- for current assets: allocations for impairment				
- allocations for provisions				
Other expenses			60	185
Total operating expenses (II)			3,143,742	2,858,604
1. Operating result (I-II)			60,940	55,277
Shares of results of joint operations				
Profit accruing or loss transferred (III)				
Loss borne or profit transferred (IV)				

1) Including income pertaining to previous years

2) Including expenses pertaining to previous years

INCOME STATEMENT

	Financial year ending 31/12/2020 (12)	Financial year ending 31/12/2019 (12)
Financial income		
Financial income from holdings ³		
Income from other securities and fixed asset receivables ³		
Other interest and similar income ³	252	
Write-backs of impairment and provisions; expense transfers		
Positive currency differences		
Net income from sales of investment securities		
Total V		
Financial charges		
Allocations for depreciation, impairment and provisions		
Interest and similar charges ⁴		794
Negative currency differences		
Net expenses for sales of investment securities		
Total VI		794
2. Financial result (V-VI)	252	794-
3. Pre-tax result before exceptional items (I-II+III-IV+V-VI)	61,193	54,483
Exceptional income		
Exceptional income from management operations		
Exceptional income from capital operations		
Write-backs of impairment and provisions; expense transfers		
Total VII		
Exceptional expenses		
Exceptional expenses for management operations		351
Exceptional expenses for capital operations		
Allocations for depreciation, impairment and provisions		
Total VIII		351
4. Exceptional result (VII-VIII)		351-
Employee profit-sharing (IX)		
Corporation tax (X)	17,059	15,155
Total income (I+III+V+VII)	3,204,934	2,913,881
Total expenses (II+IV+VI+VIII+IX+X)	3,160,801	2,874,904
5. Profit / Loss (total income - total expenses)	44,134	38,977
* Including: Equipment leasing fees Property leasing fees		
3) Including income concerning affiliated companies		
4) Including interest concerning affiliated companies		

NOTES ON THE ACCOUNTS

Financial year from 1st January to 31st December 2020

Notes on the balance sheet, before allocation of the result for the financial year, totalling €2,821,010.22, and on the annual income statement, presented in list form, showing turnover of €3,204,562.97 and a profit of €44,133.66.

The financial year lasted twelve months, covering the period from 1st January to 31st December 2020.

The notes and tables presented below form an integral part of the annual accounts.

Characteristic events during the year

Tax audit for fiscal years 2017 and 2018, which began on February 13, 2020, resulted in a notification of no adjustment.

Significant events subsequent to the closing

Information relating to the accounting treatments induced by the Coronavirus epidemic.

In accordance with the provisions of article L 833-2 of the General Accounting Plan, the entity's annual accounts at 31/12/2020 have been approved without adjustments related to the Coronavirus epidemic.

The following items only reflect the conditions that existed at the closing date, without taking into account subsequent changes to the situation:

- the book value of assets and liabilities
- depreciation of trade receivables
- depreciation of tangible and intangible assets
- depreciation of inventories
- deferred tax assets
- turnover
- banking "covenants"

Accounting rules and methods (French accounting guidelines, Article 831-1/1)

Principles and general conventions

The 2020 annual accounts have been drawn up and presented in accordance with accounting rules and in line with the principles laid down by Articles 121-1 to 121-5 and following of the French accounting guidelines issued in 2016. The normal accounting conventions have been applied in line with the principle of prudence according to the following basic hypotheses: going concern, use of the same accounting methods from one financial year to the next and independence of financial years.

The basic method used to value the items recorded in the accounts is the historical cost method.

Accounting conventions have been applied in accordance with the Trade Code, the Accounting Decree of 29th November 1983 and ANC (accounting standards authority) Regulation 2018-01 of 20th April 2018 concerning the rewriting of the French accounting guidelines applicable at the end of the financial year.

NOTES ON THE ACCOUNTS

Financial year from 1st January to 31st December 2020

Income recognition

The company's business is marketing software applications. Turnover is recorded once the software user licence is transferred and activated electronically.

Permanence of methods

The valuation methods used for the 2020 financial year were no different from the previous year.

NOTES ON THE ACCOUNTS

Financial year from 1st January to 31st December 2020

Additional information on the balance sheet**Statement of fixed assets**

	Gross value at the start of the year	Increases	
		Revaluations	Acquisitions
Other intangible fixed asset accounts Total	2,197		
Office equipment, IT hardware and furniture	9,179		
Total	9,179		
Loans and other financial fixed assets	319		
Total	319		
Grand total	11,695		

	Reductions		Gross value at the end of the year	Year-end revaluation of the initial value
	Account transfers	Disposals		
Other intangible fixed assets Total			2,197	
Office equipment, IT hardware and furniture			9,179	
Total			9,179	
Loans and other financial fixed assets			319	
Total			319	
Grand total			11,695	

Depreciation statement

Changes during the year	Initial value	Allocations during the year	Reductions / write-backs	Final value
Office equipment, IT hardware and furniture	2,951	3,060		6,010
Total	2,951	3,060		6,010
Grand total	2,951	3,060		6,010

Breakdown of allocations during the year	Straight-line depreciation	Reducing balance depreciation	Exceptional depreciation	Discretionary depreciation	
				Allocations	Write-backs
Office equipment, IT hardware and furniture	3,060				
Total	3,060				
Grand total	3,060				

Statement of terms of receivables and debts

Statement of receivables	Gross amount	Due within one year	Due after more than one year
Other financial fixed assets	319		319
Doubtful or disputed customer accounts			
Other customer receivables	1,053,224	1,053,224	
Taxes on profits			
Value added tax	1,264	1,264	
Miscellaneous, state and other public authorities	46	46	
Expenses recorded in advance	1,180,713	1,180,713	
Total	2,235,566	2,235,247	319

Statement of debts	Gross amount	Due within one year	Due within one to five years	Due after more than five years
Suppliers and related accounts	5,321	5,321		
Personnel and related accounts	91,852	91,852		
National insurance and other welfare agencies	71,452	71,452		
Corporate income tax	1,904	1,904		
Value added tax	216,364	216,364		
Other taxes, levies and equivalent	12,880	12,880		
Group and shareholders	519,189	519,189		
Other debts	269	269		
Income recorded in advance	1,554,980	1,554,980		
Total	2,474,210	2,474,210		

NOTES ON THE ACCOUNTS

Financial year from 1st January to 31st December 2020

Formation of the share capital (French accounting guidelines, Articles 831-3 & 832-13)

Securities category	Nominal value (€)	Number of securities			
		At the start of the year	Created	Redeemed	At the end of the year
Equity shares	10.0000	3,700			3,700

Other intangible fixed assets (Trade Code, Article R123-186)

Patents, franchises, licences and other intangible fixed assets have been valued at their purchase costs, excluding acquisition expenses.

Valuation of tangible fixed assets

The gross value of tangible fixed assets corresponds to the initial value of the assets taking account of the expenses necessary to make these assets usable but excluding acquisition expenses.

Valuation of depreciation

The following depreciation methods and periods have been applied:

Category	Method	Term
Franchises, patents and licences	Straight-line	One year
Fixtures and fittings	Straight-line	Nine years
Office equipment and IT hardware	Straight-line	Three years
Furniture	Straight-line	Nine years

Valuation of receivables and debts

Receivables and debts have been valued at their nominal values.

Receivables impairment (French accounting guidelines, Article 831-2/3)

A provision for impairment has been made for receivables to take account of any collection problems.

Available assets (€)

Cash in hand and bank liquidities have valued at the nominal value.

NOTES ON THE ACCOUNTS

Financial year from 1st January to 31st December 2020

Expenses payable

Expenses payable included in the following balance sheet items	Amount
Supplier debts and related accounts	3,501
Tax and national insurance debts	140,930
Total	144,431

Expenses and income recorded in advance

Expenses recorded in advance	Amount
Operating expenses	1,180,713
Total	1,180,713
Income recorded in advance	Amount
Operating income	1,554,980
Total	1,554,980

Additional information on the income statement**Breakdown of net sales**

Distribution per geographical area	Amount
France	2,567,390
European Union	637,173
Total	3,204,563

Average workforce

(French accounting guidelines, Article 831-3)

	Salaried personnel
Middle managers	3
Total	3

NOTES ON THE ACCOUNTS

Financial year from 1st January to 31st December 2020

Financial commitments and other information**Pension and retirement commitments** (French accounting guidelines, Articles 531-2/9 & 832-13)

Obligations relating to retirement compensation covered by statute or a collective agreement have been valued as of 31st December 2020. Such compensation is recorded under off-balance sheet commitments as calculated at the end of the financial year, taking account of the length of service of the staff and the probability of their remaining with the company until the date of their retirement, based on an actuarial method incorporating hypotheses on changes in salaries, the retirement age and the profitability of long-term investments at the end of the financial year, as follows:

- chosen calculation method: projection;
- 2014-16 mortality table;
- annual discount rate: 0.48%;
- average employer's contribution rate: 46.60%;
- salary growth rate: 2%;
- collective agreement: "Syntech";
- retirement age under the collective agreement: 62 years;
- retirement conditions: initiated by the employee.

The commitment calculated at 31st December 2020 totals €215,008.

Parent companies consolidating the accounts (French accounting guidelines, Article 831-3)

Corporate name	Form	Capital	Head office
HCL Technologies Limited	Limited company	93,788	806 Siddharth, , 96 Nehru Place, New Delhi 110019 (Inde)

The parent company's capital is in thousands of US dollars. HCL Technologies Limited is an Indian company.