

HCL TECHNOLOGIES ITALY S.P.A.

(Unipersonale)

Sede legale in Vimodrone (MI), Via Luigi Cadorna n. 73, cap. 20090

Capitale Sociale Euro 2.840.000,00 i.v.

Codice Fiscale e n. Iscrizione Registro delle imprese di Milano 08740280964

REA MI 2045670

Subject: Report of the Board of Statutory Auditors on the Financial Statements for the year ended March 31, 2023 drawn up pursuant to art. 2429, co. 2, of the Italian Civil Code

To the Shareholders' Meeting of the Company HCL Technologies Italy S.p.A. ..

Whereas

This report has been collectively approved for its filing at the Company's headquarters. The Board of Directors approved on June 28, 2023 and made available the documents relating to the financial year ended December 31, 2023.

During the year ended on March 31, 2023, our activity was inspired by the provisions of the law and the Rules of Conduct of the Board of Statutory Auditors of unlisted companies issued by the National Council of Chartered Accountants and Accounting Experts, published in March 2020 and in force. from 1 January 2021.

We inform you of this activity and the results achieved with this report. The Financial Statements of HCL Technologies Italy S.p.A. have been submitted for your examination as of March 31, 2023, drawn up in accordance with the Italian rules governing its preparation, which shows an operating result of Euro 1.560.850. The Financial Statements was made available to us within the legal deadline. The person in charge of the statutory audit, Dr. Giovanni Romanò (BDO), delivered his report dated July 11, 2023 containing an unchanged opinion. From what is reported in the report of the person in charge of the statutory audit, the Financial Statements as of March 31, 2023 represent in a true and correct manner the equity and financial situation, the economic result and the cash flows of your Company as well as having been drawn up in compliance with Italian rules governing its preparation. The Board of Statutory Auditors, not being in charge of the statutory audit, carried out the supervisory activities envisaged in Rule 3.8 "Rules of conduct

of the board of statutory auditors of unlisted companies” consisting of an overall synthetic control aimed at verifying that the Financial Statements have been correctly drawn up. Verification of compliance with accounting data is in fact the responsibility of the person in charge of the statutory audit.

1) Supervisory activity pursuant to art. 2403 and subsequent. c.c.

- We monitored compliance with the law and the By-Laws, compliance with the principles of proper administration and, in particular, the adequacy of the organizational structures, the administrative and accounting system and their concrete functioning.
- We participated in the shareholders' meetings and the meetings of the board of directors and, on the basis of the information available, we have no particular findings to report.
- We have acquired from the administrative body, through written replies, during the meetings of the Board, with adequate advance and also during the meetings held, information on the general performance of the management and its foreseeable evolution, as well as on the most important transactions, for their size or characteristics, made by the Company and, based on the information acquired, we have no particular observations to report. - sufficient information has been acquired relating to the general performance of operations and its foreseeable evolution, as well as on the most significant transactions, in terms of size or characteristics, carried out by the Company;
- We promptly exchanged data and information with the auditor relevant to the performance of our supervisory activity.
- We have acquired knowledge and monitored the adequacy of the organizational, administrative and accounting structure and its concrete functioning also through the collection of information from the heads of the functions and in this regard we have no particular observations to report.
- We have acquired knowledge and monitored, to the extent of our competence, the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter in correctly representing management events, by obtaining information from the managers of the functions and the examination of Company documents, and in this regard, we have no particular observations to report.
- No complaints have been received pursuant to art. 2408 of the Italian Civil Code;
- We have not made reports to the administrative body pursuant to and for the purposes of art. 15 d.l. n. 118/2021.
- We have verified compliance with the provisions of the Business Crisis and Insolvency Code (Legislative Decree No. 14/2019 - Legislative Decree No. 83/2022), which entered into force

on 15 July 2022 and, in this regard, it has not found any elements that could reasonably cause or determine a state of crisis and/or the loss of business continuity.

- During the year, the Board of Statutory Auditors has issued an opinion pursuant to the law only in relation to the Reasoned Proposal for the appointment of the company auditor.
- During the supervisory activity, as described above, no other significant facts emerged such as to require mention in this report.

2) Comments on the Financial Statements

From what is reported in the report of the person in charge of the statutory audit "the Financial Statements provide a true and fair view of the equity and financial situation of HCL Technologies Italy S.p.A. as of March 31, 2023 and of the economic result and cash flows for the year ended on that date in accordance with the Italian rules governing the drafting criteria ". To the best of our knowledge, the directors, in the preparation of the financial statements, did not derogate from the law pursuant to art. 2423, co. 5, of the Italian Civil Code.

3) Observations and proposals regarding the approval of the Financial Statements

Considering the results of the activity carried out by us and the opinion expressed in the audit report issued by the person in charge of the audit, we invite the Shareholder to approve the Financial Statements ended March 31, 2023, as drawn up by the directors. The Board of Statutory Auditors agrees with the proposal for the allocation of the result for the year formulated by the directors in the explanatory notes.

Finally, we point out that the administrative body, in the Explanatory Notes, in the margin of the chapter "*Information on significant events occurring after the end of the financial year*" indicated some notes regarding the conflict that started on February 24, 2022, with which the Russian Federation started a war against Ukraine. At the moment, the Board of Directors does not record any significant effects relating to the impact of the conflict on the Company's business. The Board of Directors constantly monitors the developments relating to the continuing hostilities and assesses the potential impact on the Company's activities. At the date of these Financial Statements, due to constantly changing conditions, it is not possible to clearly define the impact of the war and the sanctions imposed in various jurisdictions on the activities, financial results and development prospects of the Company. Finally, the board of statutory auditors refers to the report of the accounting auditor Dr. Giovanni Romanò, issued today for the attestation that the financial

statements as of March 31, 2023 truly and correctly represent the equity and financial situation,
pursuant to art. 14 of Legislative Decree no. 39/2010.

* * * * *

Milan, 11 July 2023

The board of statutory auditors

Dott. Roberto Bisi, Chairman



Dott. Giuseppe Sigona



Dott.ssa Eleonora Pianta



General information about the company

Name and id code

Company name: HCL TECHNOLOGIES ITALY S.P.A.

Company site: VIA LUIGI CADORNA, 73 VIMODRONE MI

Share capital: 1.000.000,00

Fully paid-in share capital: Yes

Registration Authority id code: MI

VAT number: 08740280964

Fiscal code: 08740280964

Registration number: 2045670

Legal form: SOCIETA' PER AZIONI

Activity Code: 620200

Company being wound up: No

Company with a single shareholder: No

Company subject to the management and coordination of others: No

Name of the company or entity that exercises management and coordination:

belonging to a group: Yes

Name of the controlling entity: HCL TECHNOLOGIES LIMITED

Country of the controlling entity: INDIA

Cooperative company Registration number:

Financial statements as at 31/03/2023

Ordinary balance sheet

	31/03/2023	31/03/2022
Assets		
B) Fixed assets		
I - Intangible fixed assets	-	-
3) industrial patents and intellectual property rights	15.363	41.241
5) goodwill	869.222	1.099.969
7) other	352.448	516.916
<i>Total intangible fixed assets</i>	<i>1.237.033</i>	<i>1.658.126</i>
II - Tangible fixed assets	-	-

	31/03/2023	31/03/2022
2) plant and machinery	123.995	25.371
3) industrial and commercial equipment	9.600	13.440
4) other assets	1.050.427	894.532
<i>Total tangible fixed assets</i>	<i>1.184.022</i>	<i>933.343</i>
III - Financial fixed assets	-	-
2) receivables due from	-	-
d-bis) third parties	141.250	141.250
due beyond the following year	141.250	141.250
<i>Total receivables</i>	<i>141.250</i>	<i>141.250</i>
<i>Total financial fixed assets</i>	<i>141.250</i>	<i>141.250</i>
<i>Total fixed assets (B)</i>	<i>2.562.305</i>	<i>2.732.719</i>
C) Current assets		
I - Inventories	-	-
4) finished products and goods for resale	16.019	1.019.748
<i>Total inventories</i>	<i>16.019</i>	<i>1.019.748</i>
II - Receivables	-	-
1) trade accounts	20.476.037	15.194.654
due within the following year	20.476.037	15.194.654
3) due from associated companies	1.308.472	749.220
due within the following year	1.308.472	749.220
4) due from parent companies	4.182.756	1.938.725
due within the following year	4.182.756	1.938.725
5) due from companies under the control of parent companies	17.706.487	7.332.218
due within the following year	13.706.487	3.332.218
due beyond the following year	4.000.000	4.000.000
5-bis) due from tax authorities	552.568	18.186
due within the following year	552.568	18.186
5-ter) advances on tax payments	241.786	273.664
5-quater) due from third parties	2.374.854	2.126.054
due within the following year	2.374.854	2.126.054
<i>Total receivables</i>	<i>46.842.960</i>	<i>27.632.721</i>
IV - Liquid funds	-	-
1) bank and post office deposits	4.215.064	7.440.433
<i>Total liquid funds</i>	<i>4.215.064</i>	<i>7.440.433</i>

	31/03/2023	31/03/2022
<i>Total current assets (C)</i>	51.074.043	36.092.902
D) Accrued income and prepayments	14.439.209	11.734.628
<i>Total assets</i>	68.075.557	50.560.249
Liabilities and shareholders' equity		
A) Shareholders' equity	15.511.484	13.950.632
I - Share capital	2.840.000	2.840.000
IV - Legal reserve	375.545	275.385
VI - Other reserves	-	-
Extraordinary reserve	110.415	110.415
Miscellaneous other reserves	4.047.146	4.047.145
<i>Total other reserves</i>	4.157.561	4.157.560
VIII - Retained earnings (accumulated losses)	6.577.528	4.674.489
IX - Profit (loss) for the year	1.560.850	2.003.198
Total shareholders' equity	15.511.484	13.950.632
C) Total reserve for severance indemnities (TFR)	986.990	1.116.540
D) Payables		
6) advances	14.117.787	3.996.407
due within the following year	14.117.787	3.996.407
7) trade accounts	9.736.508	6.758.225
due within the following year	9.736.508	6.758.225
11) due to parent companies	1.074.496	24.015
due within the following year	1.074.496	24.015
11-bis) due to companies under the control of parent companies	1.116.465	1.293.421
due within the following year	1.116.465	1.293.421
12) due to tax authorities	1.819.148	2.210.685
due within the following year	1.819.148	2.210.685
13) due to social security and welfare institutions	2.754.112	2.127.604
due within the following year	2.754.112	2.127.604
14) other payables	9.254.509	7.229.723
due within the following year	9.254.509	7.229.723
<i>Total payables (D)</i>	39.873.025	23.640.080
E) Accrued liabilities and deferred income	11.704.058	11.852.997
<i>Total liabilities and shareholders' equity</i>	68.075.557	50.560.249

Ordinary P&L account

	31/03/2023	31/03/2022
A) Value of production		
1) Revenues from sales and services	80.259.797	71.752.951
5) Other income and revenues	-	-
other	736.300	21.577
<i>Total Other income and revenues</i>	<i>736.300</i>	<i>21.577</i>
<i>Total value of production</i>	<i>80.996.097</i>	<i>71.774.528</i>
B) Cost of production		
6) Raw, ancillary and consumable materials and goods for resale	3.099.668	1.516.424
7) Services	34.585.805	29.215.497
8) Use of third party assets	1.954.040	1.840.447
9) Payroll and related costs	-	-
a) wages and salaries	26.450.970	24.770.291
b) related salaries	9.738.053	8.667.856
c) severance	369.124	331.050
e) other costs	132.591	70.227
<i>Total payroll and related costs</i>	<i>36.690.738</i>	<i>33.839.424</i>
10) Amortisation, depreciation and writedowns	-	-
a) amortisation of intangible fixed assets	410.448	421.441
b) depreciation of tangible fixed assets	519.536	713.078
d) writedowns of accounts included among current assets	340.719	621.724
<i>Total Amortisation, depreciation and writedowns</i>	<i>1.270.703</i>	<i>1.756.243</i>
11) Changes in inventories of raw, ancillary and consumable materials and goods for resale	1.003.728	(89.169)
14) Other operating expenses	106.338	558.859
<i>Total cost of production</i>	<i>78.711.020</i>	<i>68.637.725</i>
Difference between value and cost of production (A - B)	2.285.077	3.136.803
C) Financial income and expense		
16) Other financial income	-	-
d) income other than the above	-	-
companies under the control of parent companies	57.266	1.534
other	33.465	-
<i>Total income other than the above</i>	<i>90.731</i>	<i>1.534</i>
<i>Total other financial income</i>	<i>90.731</i>	<i>1.534</i>

	31/03/2023	31/03/2022
17) Interest and other financial expense	-	-
other	6.183	9.872
<i>Total interest and other financial expense</i>	<i>6.183</i>	<i>9.872</i>
17-bis) Currency gains and losses	(52.251)	629
<i>Total financial income and expense (15 + 16 - 17 + - 17-bis)</i>	<i>32.297</i>	<i>(7.709)</i>
Profit before taxes (A - B + - C + - D)	2.317.374	3.129.094
20) Taxes on the income for the year		
Current taxes	724.628	1.276.894
taxes related to previous years	17	983
deferred tax assets and liabilities	31.879	(151.981)
<i>Total taxes on the income for the year</i>	<i>756.524</i>	<i>1.125.896</i>
21) Net profit (loss) for the year	1.560.850	2.003.198

Statement of cash flows, indirect method

	Amount as at 31/03/2023	Amount as at 31/03/2022
A) Financial flow from operations (indirect method)		
Net profit (loss) for the year	1.560.850	2.003.198
Income taxes	756.524	1.125.896
Interest expenses/(income)	(84.548)	8.338
(Capital gains)/Capital losses resulting from asset disposal		413.821
<i>1) Profit (loss) for the fiscal year before income taxes, dividends and capital gains/losses from disposals</i>	<i>2.232.826</i>	<i>3.551.253</i>
Adjustments for non-monetary elements with no offset in working capital		
Accruals to provisions	470.270	952.774
Depreciation of assets	929.984	1.134.519
<i>Total adjustments for non-monetary items with no offset in net working capital</i>	<i>1.400.254</i>	<i>2.087.293</i>
<i>2) Financial flow before changes to the net working capital</i>	<i>3.633.080</i>	<i>5.638.546</i>
Changes in net working capital		
Decrease/(Increase) of inventories	1.003.729	(89.169)
Decrease/(Increase) of credits towards customers	(5.281.383)	(8.232.490)
Increase/(Decrease) in payables due to suppliers	2.978.283	1.551.362
Decrease/(Increase) in accrued income and deferred expenses	(2.704.581)	(35.153)
(Increase)/Decrease in accrued liabilities and deferred income	(148.939)	36.946
Other decreases/(Other increases) of net working capital	(674.194)	4.335.620
<i>Total changes in net working capital</i>	<i>(4.827.085)</i>	<i>(2.432.884)</i>
<i>3) Financial flow after changes to the net working capital</i>	<i>(1.194.005)</i>	<i>3.205.662</i>
Other adjustments		
Interest collected/(paid)	84.548	(8.338)
(income taxes paid)	(724.645)	(1.125.896)
(Use of provisions)	(704.064)	(307.057)
Other collections/(payments)	8.340	
<i>Total other adjustments</i>	<i>(1.335.821)</i>	<i>(1.441.291)</i>
Financial flow from operations (A)	(2.529.826)	1.764.371
B) Financial flow from investing activities		
PROPERTY, APPARATUS AND EQUIPMENT		
(Investments)	(748.769)	(9.868)

	Amount as at 31/03/2023	Amount as at 31/03/2022
INTANGIBLE FIXED ASSETS		
Disinvestments	53.226	
Cash flow from investing activities (B)	(695.543)	(9.868)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(3.225.369)	1.754.503
Cash and cash equivalents at the beginning of the fiscal year		
bank and post office deposits	7.440.433	5.685.930
Total cash and cash equivalents at the beginning of the fiscal year	7.440.433	5.685.930
Cash and cash equivalents at the fiscal year end		
bank and post office deposits	4.215.064	7.440.433
Total cash and cash equivalents at the end of the fiscal year	4.215.064	7.440.433
Balance difference		

Explanatory notes, initial part

Introduction

Dear Shareholders: these explanatory notes to the financial statements are integral part of the financial statements to 31/03/2023.

The financial statements comply with the requirements of articles 2423 and following of the Italian Civil Code and with the national accounting standards published by the Italian Accounting Board; therefore, they describe, clearly, truthfully, and accurately the assets and financial situation of the company and the economic outcome for the fiscal year.

The contents of the balance sheet and income statement are those required by articles 2424 and 2425 of the Italian Civil Code, while the statement of the financial position was prepared in accordance with art. 2425-ter.

The explanatory notes to the financial statements, written in accordance with art. 2427 of the Italian Civil Code, also contain all information useful to provide a correct interpretation of the financial statements.

Basis of preparation

Financial Statement preparation

The information contained in this document is reported based on the order of the items in the balance sheet and P&L account.

In reference to the indications in the introduction to these Explanatory Notes, we declare that, in accordance with article 2423, 3rd paragraph of the Italian Civil Code, if the disclosures required by specific legal provisions are not sufficient for giving a truthful and fair representation of the company's situation, additional disclosures are provided considered necessary for this purpose

No exceptional cases occurred which made it necessary to use the exceptions as per article 2423, paragraph 4 and article 2423 - bis paragraph 2 of the Italian Civil Code.

The financial statements, as well as these explanatory notes to the financial statements were written in units of Euros

Publishing principles

Comment

In order to prepare the financial statements with clarity and provide a true and fair view of the financial position and results of operations in accordance with Article 2423 bis of the Italian Civil Code, we have taken the following steps

- evaluate the individual items according to prudence and in anticipation of a going concern;
- include only profits actually realised during the year
- determine income and costs on an accrual basis, regardless of their financial manifestation;
- include all risks and losses pertaining to the period, even if they become known after the end of the financial year;
- consider separately, for the purposes of the relevant evaluation, the heterogeneous elements included in the various items of the financial statements;
- maintaining the valuation criteria adopted with respect to the previous year unchanged.

The following financial statement postulates of OIC 11 par. 15 have also been respected:

- prudence;
- b) going concern perspective;
- c) substantial representation;
- d) competence;
- e) consistency in the valuation criteria, except as described above in relation to the suspension of amortisation of tangible and intangible assets of tangible and intangible fixed assets;
- (f) materiality;
- (g) comparability.

Going concern perspective

With regard to this principle, the evaluation of the items in the financial statements was carried out on a going concern basis and therefore taking into account the fact that the company constitutes a functioning economic complex, destined, at least for a foreseeable future period of time (12 months from the reference date of the closing of the financial statements), to produce income.

In the prospective assessment of the going concern assumption, there are no significant uncertainties.

Structure and contents of the financial statement

The balance sheet, income statement, statement of cash flows, and accounting information found in these explanatory notes are consistent with the accounting entries, from which they were directly derived.

The Balance Sheet and P&L Account do not contain groupings of items preceded by Arabic numeral, as instead optionally allowed by article 2423 ter of the Italian Civil Code.

In accordance with article 2424 of the Italian Civil Code, it should be noted that there are no asset and liability elements which are under more than one item in the financial statement schedule.

Applied evaluation criteria

Comment

In accordance with article 2427, paragraph 1, n° 1 of the Italian Civil Code, the most significant valuation criteria adopted in observance of the provisions of art. 2426 of the Italian Civil Code are shown, with special reference to the balance sheet items for which the law allows several valuation and adjustment criteria or for which no specific criteria are provided.

Other information

Comment

The company was incorporated on July 29, 2014, being the corporate object the design, development, production and trading of software and hardware, as well as the provision of the other IT services and related activities.

On September 24, 2014, the Company acquired a business unit of Ericsson Telecomunicazioni S.p.a., named “Design organization Microwave e Mobile Backhaul Italy”, with effect from October 1, 2014.

On 1 September 2016, the Company has acquired part of business of IBM relating to the activities of development and special assistance of products called IBM work scheduler and Automation.

On 21/12/2018 the company acquired a further branch of business of the company Celerifintech Services Italy Srl, which carries out activities in the IT sector, with particular reference to the banking sector. The business acquired relates to the development and maintenance of software.

The Directors believe that future profits will be created through the positive business development. In order to sustain the business operations, the parent company is obligated to provide financial support if needed. The company will focus on three categories of services for development of business:

IT and Business Services provide a comprehensive portfolio of IT & Business Services (Application, Infrastructure and Digital Process Operations) and Digital transformation services enabled by Digital and Analytics, IoTWoRKs, Cloud native and Cybersecurity solutions including products developed within these businesses.

Engineering and R&D Services provides comprehensive engineering services and solutions across software, embedded, mechanical, VLSI and platform engineering that support the end to end lifecycle of products – both hardware and software across diverse industries including products developed within this business.

HCL Software includes standalone product businesses that provide modernized software products to global clients for their technology and industry specific requirements.

Assessment of foreign currency items

The accounting amounts expressed in foreign currency were entered after conversion into euro according to the exchange rate existing at the time of their assessment or at the exchange rate on the fiscal year's closing date based on the indications of OIC accounting standard no. 26.

Transactions with grant back obligation

In accordance with art. 2427, n° 6-ter, the company certifies that, during the fiscal year, the company did not perform any transaction subject to the grant back obligation.

Receivable included in current assets are recognised on Trial Balance according to the criterio of depreciated cost, as required by article 2426 paragraph 1, n. 8 of Civile Code.

The adaptation to the presumable net realizable value was made through the allocation of a provision for allowances for doubtful accounts.

Explanatory notes, assets

Introduction

The values entered as assets in the balance sheet were valued as required by article 2426 of the Italian Civil Code and in accordance with the national accounting standards. The criteria applied in each case are indicated in the sections concerning the individual entries.

Fixed assets

Intangible fixed assets

Introduction

Intangible fixed assets

As the prerequisites indicated by the accounting principles are satisfied, the intangible assets are entered as assets in the balance sheet, at the acquisition and/or production cost and are depreciated in constant amounts depending on their future usefulness.

The values of the assets are shown net of the accumulated depreciation and writedowns.

The depreciation was carried out in accordance with the following pre-established plan, which is believed to ensure a correct allocation of the cost incurred during the useful life of the asset in question:

Intangible assets items	Period
Concessions, licenses, trademarks, and similar rights	20%
Goodwill	10%
Other intangible assets	20%

The depreciation criterion for intangible assets was applied systematically and in every fiscal year, in relation to the remaining possibility of economic use of each asset or expense.

Goodwill

As the prerequisites indicated by the accounting principles were satisfied, the goodwill was entered as an asset in the balance sheet with the consent of the board of statutory auditors, as it was acquired at a cost; it was depreciated, within the limit of 10 years required by OIC 24, in accordance with its useful life, in accordance with the terms of art. 2426, paragraph 1, n° 6 of the Italian Civil Code.

Tangible fixed assets

Fixed assets belonging to the property, apparatus and equipment category are entered in the financial statements at purchase cost plus the incidental charges incurred until the asset are ready for use.

The value of these assets is stated net of accumulated depreciation.

The accounting amount of goods, grouped into uniform classes by nature and year of acquisition, is divided between the fiscal years when the goods will presumably be used. This procedure is implemented by systematic allocation of depreciation shares in the P&L Account corresponding to established plans, defined when the goods enter service, with reference to the presumed remaining possibility of use of the goods. These plans are prepared with reference to the gross value of the goods and assuming a zero realisation value at the end of the process.

The depreciation of property, apparatus and equipment, whose use is limited in time, is performed in compliance with the following established plan:

Property, apparatus and equipment items	Rate %
Apparatus and machinery	20 %
Industrial and commercial equipment	20 %
Other goods	20 %

For those tangible fixed assets acquired during the fiscal year, the abovementioned rates have been halved, as the depreciation rate thus obtained does not significantly diverge from the rate calculated starting from the moment in which the assets is available and ready for the use.

The cost of property, apparatus and equipment is systematically depreciated each fiscal year in relation to their remaining possible use.

Pursuant to article 10 of the Law March 19, 1983 no. 72, and as also cited on subsequent laws concerning monetary revaluation, it should be noted that no monetary revaluation was performed for property, apparatus and equipment existing in company assets.

It should be noted that it was not necessary to perform the write-downs as per article 2426 paragraph 1 no. 3 of the Italian Civil Code, as required by OIC accounting standard no. 9, because there were no indicators of potential impairment of property, apparatus and equipment.

Financial fixed assets

Receivables

The credits entered among the financial assets were recognized in the financial statements at the nominal value corresponding to the presumable net realizable.

Intangible fixed assets

Changes in intangible fixed assets

Introduction

Intangible assets before the relative depreciation reserve amount to Euros 3,529,878; the depreciation reserve totals Euros 2,292,845. Net intangible assets Euros 1,237,033.

The following table shows the movements concerning the assets in question.

Analysis of transactions in intangible assets

	Industrial patents and intellectual property rights	Goodwill	other	Total intangible fixed assets
Year opening balance				
Cost	155.286	2.307.471	1.120.347	3.583.104
Amortisation (amortisation fund)	114.045	1.207.502	603.431	1.924.978

	Industrial patents and intellectual property rights	Goodwill	other	Total intangible fixed assets
Balance sheet value	41.241	1.099.969	516.916	1.658.126
Changes during the year				
Decreases for transfers and disposals (of the balance sheet value)	10.515	-	130	10.645
Amortisation (amortisation fund)	15.363	230.747	164.338	410.448
<i>Total changes</i>	<i>(25.878)</i>	<i>(230.747)</i>	<i>(164.468)</i>	<i>(421.093)</i>
Year closing balance				
Cost	102.710	2.307.471	1.119.697	3.529.878
Amortisation (amortisation fund)	87.347	1.438.249	767.249	2.292.845
Balance sheet value	15.363	869.222	352.448	1.237.033

Comment

In the item "Industrial patents and intellectual property rights" were included software of property amounting Euros 102,710.

The item "Goodwill" refers to the costs relating to the acquisition of the business units of IBM and Celerefintech Services Italy Srl as described above.

Goodwill is made up as follows:

- Euro 1,422,570 relating to the purchase of the IBM business unit in the year ended 31/03/2017;
- Euro 884,902 relating to the acquisition of the Celerefintech Services Italy Srl business unit during the last year.

The item "other intangible fixed assets" expetially refers to maintenance on leased assets.

Tangible fixed assets**Changes in tangible fixed assets***Introduction*

Property, apparatus and equipment before the relative depreciation reserve amount to Euro 3,996,528 depreciation reserve totals Euro 2.812,506. Net property, apparatus and equipment totals Euros 1,184,022.

The table below shows the transactions in the assets in question

Analysis of transactions in property, apparatus and equipment

	plant and machinery	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER PROPERTY, APPARATUS AND EQUIPMENT	Total tangible fixed assets
Year opening balance				
Cost	41.918	39.492	3.166.349	3.247.759

	plant and machinery	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OTHER PROPERTY, APPARATUS AND EQUIPMENT	Total tangible fixed assets
Amortisation (amortisation fund)	16.547	26.052	2.271.817	2.314.416
Balance sheet value	25.371	13.440	894.532	933.343
Changes during the year				
Increases for purchases	113.760	-	710.246	824.006
Decreases for transfers and disposals (of the balance sheet value)	1.430	-	52.360	53.790
Amortisation (amortisation fund)	13.705	3.840	501.991	519.536
<i>Total changes</i>	<i>98.625</i>	<i>(3.840)</i>	<i>155.895</i>	<i>250.680</i>
Year closing balance				
Cost	154.247	39.492	3.802.788	3.996.527
Amortisation (amortisation fund)	30.252	29.892	2.752.361	2.812.505
Balance sheet value	123.995	9.600	1.050.427	1.184.022

Comment

Other property, apparatus and equipment includes Ordinary office furniture and machines for Euros 49,464 and Electronic office machines for Euros 3,753,324.

Finance leases operations

Introduction

The company had no finance lease contracts in progress at the fiscal year's closing date.

Financial fixed assets

Changes and due date of noncurrent credits

Introduction

The table below shows the movements in the assets in question.

Analysis of the changes and due date of noncurrent credits

	Year opening balance	Year closing balance	Portion due beyond fiscal year
due from third parties	141.250	141.250	141.250
Total	141.250	141.250	141.250

Breakdown of non-current receivables by geographic area

Introduction

All non-current receivables are due from Italian subjects.

Current assets

Introduction

The elements of the current assets are valued as required by numbers 8 to 11-bis of article 2426 of the Italian Civil Code. The criteria utilized are indicated in the sections of the respective financial statements' items.

Inventories

Inventories are valued at purchase and/or production cost.

The purchase cost includes any directly attributable accessory charges.

The cost of production does not include indirectly attributable costs, as the latter are not attributable according to an objective method.

Description	Detail	Opening balance	Decr.	Closing balance
	Inventories of finished products and goods	1.019.748	1.003.729	16.019
	Total	1.019.748	1.003.729	16.019

Inventory

Comment

The amount include a provision of Eur 121,581.

Receivables included among current assets

Introduction

Receivables were reported in the financial statements at nominal value which corresponds to the estimated realization value.

The credits entered among the current assets were recognized in the financial statements in accordance with the depreciated cost criterion, as defined by art. 2426, par. 2 of the Italian Civil Code, taking into account the time factor and the presumable realization value, in accordance with the terms of art. 2426, paragraph 1, N° 8 of the Italia Civil Code.

Credits for which the depreciated cost method and/or the discounting to current value are not applicable were entered at their presumable realization value, in order to provide a truthful and accurate representation of the balance sheet and income statement situation. This situation occurred, for example, in the case of debts with a maturity of less than twelve months or, with reference to the depreciated cost method, in the case in which the transaction costs, commissions, and any other differences between initial value and value at maturity are negligible or, also, in the case of discounting to current

value, when the interest rate inferable from the contractual conditions does not differ significantly from the market interest rate.

The item 'Tax receivables' includes definite and determined amounts arising from receivables for which a right of realisation has arisen through refund or offsetting.

Deferred tax assets" include deferred tax assets determined on the basis of deductible temporary differences, applying the estimated tax rate in force at the time the differences are expected to reverse.

Changes and due date of the credits entered in the current assets

Introduction

The table below shows the information on the changes in receivables entered in current assets as well as information on their due dates, if significant.

Analysis of changes and due dates of receivables reported as current assets

	Year opening balance	Change during the year	Year closing balance	Portion due within fiscal year	Portion due beyond fiscal year
trade accounts	15.194.654	5.281.383	20.476.037	20.476.037	-
associated companies	749.220	559.252	1.308.472	1.308.472	-
parent companies	1.938.725	2.244.031	4.182.756	4.182.756	-
companies under the control of parent companies	7.332.218	10.374.269	17.706.487	13.706.487	4.000.000
due from tax authorities	18.186	534.382	552.568	552.568	-
advances on tax payments	273.664	(31.878)	241.786	-	-
third parties	2.126.054	248.800	2.374.854	2.374.854	-
Total	27.632.721	19.210.239	46.842.960	42.601.174	4.000.000

Comment

The items "trade accounts", "due from associated companies" and "parent companies" are commercial. The item "companies under the control of parent companies" include a loan granted of Eur 4.000.000.

The item "due from tax authorities" consists mainly:

- Receivables for IRES for 527,640 Euros;
- Receivables for IRAP for 24,633 Euros.

Third parties mainly refer to advances to suppliers.

Breakdown of receivables included among current assets by geographic area

Introduction

The following table shows the distribution by geographical area of the credits entered among the current assets

Details of receivables reported as current assets broken down by geographic area

Geographic area	Trade receivables included among current assets	Receivables due from associated companies included among current assets	Receivables due from parent companies included among current assets	Credits towards companies subject to the control of the parent companies entered in the current assets	Tax receivables included among current assets	Assets for prepaid tax included among current assets	Other receivables included among current assets	Total receivables included among current assets
Italy	18.586.815	-	-	4.237	552.568	241.786	982.675	20.368.081
UE	875.470	126.094	-	751.431	-	-	417.982	2.170.977
Extra UE	1.013.752	1.182.378	4.182.756	16.950.819	-	-	974.197	24.303.902
Total	20.476.037	1.308.472	4.182.756	17.706.487	552.568	241.786	2.374.854	46.842.960

Cash and cash equivalents

Introduction

Cash and cash equivalents are measured at nominal value.

Analysis of changes in cash and cash equivalents

	Year opening balance	Changes during the year	Year closing balance
bank and post office deposits	7.440.433	(3.225.369)	4.215.064
Total	7.440.433	(3.225.369)	4.215.064

Accrued income and prepaid expenses**Introduction**

Accruals and deferred income were calculated according to an accrual basis of accounting, by allocating revenues and/or costs common to two fiscal years.

The following schedule shows the composition of the items in question, as they result from the financial statements.

Analysis of changes in accrued income and deferred expenses

	Year opening balance	Change during the year	Year closing balance
Prepaid expenses	11.734.628	2.704.581	14.439.209
Total accrued income and prepaid expenses	11.734.628	2.704.581	14.439.209

Capitalized financial assets

Introduction

All of the interests and other financial expenses have been entirely expensed during the fiscal year. We declare that no capitalization of financial expenses exists for the purposes of article 2427, paragraph 1 of the Italian Civil Code.

Explanatory notes, liabilities and shareholders' equity

Introduction

The entries of the equity investment and the liabilities of the balance sheet were entered in accordance with the national accounting standards; the criteria specifically applied are indicated in the sections concerning the individual entries.

Shareholders' equity

Introduction

The items are entered in the financial statements at their accounting amount based on the indications contained in OIC accounting standard no. 28

Changes in shareholders' equity

Introduction

In reference to the closing fiscal year, the tables below show the changes of the individual shareholders' equity, as well as the details of other reserves, if present in the financial statements.

In reference to the closing fiscal year, the tables below show the changes of the individual shareholders' equity, as well as the details of other reserves, if present in the financial statements.

Analysis of changes in equity items

	Year opening balance	Allocation of profit from previous fiscal year - Other allocations	Other changes - Increases	INCOME (LOSS) FOR THE YEAR	Year closing balance
Share capital	2.840.000	-	-	-	2.840.000
Legal reserve	275.385	100.160	-	-	375.545
Extraordinary reserve	110.415	-	-	-	110.415
Miscellaneous other reserves	4.047.145	-	1	-	4.047.146
Total other reserves	4.157.560	-	1	-	4.157.561
Retained earnings (accumulated losses)	4.674.489	1.903.038	1	-	6.577.528
Net profit (loss) for the year	2.003.198	(2.003.198)	-	1.560.850	1.560.850
Total	13.950.632	-	2	1.560.850	15.511.484

Detail on other reserves

Description	Amount
Contributions to capital account or to cover previous losses	4.047.145
Res. from rounding to euro units	1
Total	4.047.146

Use of shareholders' equity**Introduction**

The following schedules indicate the items of the equity investment, specifying their origin, possible utilization and distribution, as well as their utilization during the previous three fiscal years.

Origin, possibility of use and distribution of equity items

Description	Amount	Origin / nature	Possibility of use	Available portion
Share capital	2.840.000	Share capital		-
Legal reserve	375.545	Profits	B	375.545
Extraordinary reserve	110.415	Share capital	A;B;C	110.415
Miscellaneous other reserves	4.047.146	Share capital	A;B;C	4.047.146
Total other reserves	4.157.561	Share capital		4.157.561
Retained earnings (accumulated losses)	6.577.528	Profits	A;B;C	6.577.528
Total	13.950.634			11.110.634
Non-distributable portion				375.545
Residual distributable portion				10.735.089
LEGEND: A: increase of share capital; B: coverage of losses; C: distribution to shareholders; D: for other obligations imposed by the article of association; E: other				

Origin, possibility of use and leasability of miscellaneous other reserves (overview)

Description	Amount	Origin / nature	Possibility of use
Other reserves	4.047.145	Share capital	
Res. from rounding to euro units	1	Share capital	
Total	4.047.146		
LEGEND: A: increase of share capital; B: coverage of losses; C: distribution to shareholders; D: for other obligations imposed by the article of association; E: other			

Staff severance fund

Introduction

The provision for the staff leaving indemnity were calculated in accordance with the terms of article 2120 of the Italian Civil Code, taking into account legal provisions and the specific nature of the contracts and professional categories, and includes the annual amounts accrued and revaluations performed based on ISTAT coefficients.

The amount of the provision is assessed net of advances paid and the amounts used for terminations of employment occurring during the fiscal year and represents the certain payable due to the employees on the fiscal year's closing date.

The Changes in the fiscal year – Use is related to the portion of employee severance indemnities allocated to pension funds or INPS treasury funds..

Analysis of changes in post-employment benefit treatment

	Year opening balance	Changes in the fiscal year - Accrual	Changes in the fiscal year - Use	Changes in the fiscal year - Total	Year closing balance
Total reserve for severance indemnities (TFR)	1.116.540	369.124	498.674	(129.550)	986.990
Total	1.116.540	369.124	498.674	(129.550)	986.990

Payables

Introduction

The debts were recognized in the financial statements in accordance with the depreciated cost criterion, as defined by art. 2426 of the Italian Civil Code, taking into account the time factor, in accordance with the terms of art. 2426, paragraph 1, N° 8 of the Italian Civil Code. Debts for which the depreciated cost method and/or the discounting to current value are not applicable were entered at their nominal value, in order to provide a truthful and accurate representation of the balance sheet and income statement situation. This situation occurred, for example, in the case of debts with a maturity of less than twelve months or, with reference to the depreciated cost method, in the case in which the transaction costs, commissions, and any other differences between initial value and value at maturity are negligible or, also, in the case of discounting to current value, when the interest rate inferable from the contractual conditions does not differ significantly from the market interest rate.

Payables changes and due date

Introduction

The table below shows the information on changes in payables and any information related to their due dates.

Payables changes and due date

	Year opening balance	Change during the year	Year closing balance	Portion due within fiscal year
advances	3.996.407	10.121.380	14.117.787	14.117.787

	Year opening balance	Change during the year	Year closing balance	Portion due within fiscal year
trade accounts	6.758.225	2.978.283	9.736.508	9.736.508
due to parent companies	24.015	1.050.481	1.074.496	1.074.496
due to companies under the control of parent companies	1.293.421	(176.956)	1.116.465	1.116.465
due to tax authorities	2.210.685	(391.537)	1.819.148	1.819.148
due to social security and welfare institutions	2.127.604	626.508	2.754.112	2.754.112
OTHER PAYABLES	7.229.723	2.024.786	9.254.509	9.254.509
Total	23.640.080	16.232.945	39.873.025	39.873.025

Comment

The items “Trade accounts” and “due to parent companies” are commercial.

The item “Due to companies under the control of parent companies” is mainly composed by:

- due of commercial nature of Euros 944,431;
- due to parent companies for Euros 93,346.

The Item “Due to tax authorities” is mainly composed by:

- Tax authorities VAT payments for Euros 754,801;
- Withholding tax on employees incomes for Euros 1,063,610.

The item “Other Payables” is mainly composed by:

- Payables to Employees for Euros 1,224,848;
- Payables to Employees deferred for Euros 7,537,488.

Breakdown of payables by geographic area

Introduction

The following table shows the distribution by geographical area of the debts.

Details on payables broken down by geographic area

Geographic area	advances	trade accounts	due to parent companies	due to companies under the control of parent companies	due to tax authorities	due to social security and welfare institutions	OTHER PAYABLES	Payables
Italy	1.948.056	4.822.845	-	-	1.819.148	2.754.112	8.949.401	20.293.562
UE	1.189.320	381.873	-	178.771	-	-	74.257	1.824.221
Extra UE	10.980.411	4.531.790	1.074.496	937.694	-	-	230.851	17.755.242
Total	14.117.787	9.736.508	1.074.496	1.116.465	1.819.148	2.754.112	9.254.509	39.873.025

Payables covered by real guarantees on social assets

Introduction

Pursuant to article 2427, paragraph 1, no. 6 of the Italian Civil Code, we declare that there are no company payables secured by collateral.

Accrued liabilities and deferred income

Introduction

Accruals and deferred income were calculated according to an accrual basis of accounting, by separating costs and/or revenue common to two fiscal years.

The following schedule shows the composition of the items in question, as they result from the financial statements.

Analysis of changes in accrued liabilities and deferred income

	Year opening balance	Change during the year	Year closing balance
Deferred income	11.852.997	(148.939)	11.704.058
Total accrued liabilities and deferred income	11.852.997	(148.939)	11.704.058

Comment

Accrued income and prepaid expenses relevant to costs pertaining to the following fiscal year and their amounts were calculated on an accrual basis as specified accounting standard no. 18.

Explanatory notes, P&L account

Introduction

The income statement shows the economic outcome for the fiscal year.

It shows the operating activities through a summary of the revenue and cost components of the income that contributed to the economic outcome. The revenue and cost components of the income, entered in the financial statements as required by article 2425-bis of the Italian Civil Code, are grouped in a way that provides meaningful intermediate results and are distinguished depending on the various operations to which they belong: ordinary, accessory, and financial.

The ordinary activity identifies the income components generated by operations that are performed continuously and in the sector pertinent to the performance of the operation, which identify and qualify the specific and distinctive part of the economic activity carried out by the company and which is the company's business purpose.

The financial activity consists of transactions that generate revenues and expenses of financial nature.

Finally, the accessory activity consists of the operations that generate income components that are part of the ongoing activity, but do not fall into the ordinary and financial activity.

With reference to the performance of operations during the period, the following should be noted:

Development of sales: There is satisfactory development of sales to Euros 80,255,154 in comparison to € 68,866,471 in the previous financial year which is due to the strong market conditions.

Development of costs: The operating costs increased to Euros 78,711,020 in comparison to Euros 68.637.725 in the previous financial year to commensurate to the overall business of the Company.

Development of profits: The profits before taxes amounted to Euros 2,317,374. After income taxes, there was a profit for the financial year of Euros 1,560,850.

VALUE OF PRODUCTION

Introduction

I Revenues related to services totals Euros 80,259,797 are entered in the financial statements based on accrual basis of accounting, net returns, allowances, discounts and premiums.

The item "Other Incomes" is composed of refund for Euro 31,967 and contingent liabilities deductible equal to Euros 269 and use of ordinary area fund for Euros 704,064. .

Breakdown of net revenue by geographic area

Introduction

The revenues for services are mainly related to operations made with the Indian parent company.

The following table illustrates the distribution of the revenues from sales and services by geographical area.

Details on revenue from sales and services broken down by geographic area

Geographic area	Current year value
Italy	44.882.487
UE	3.204.454
Extra UE	32.172.856
Total	80.259.797

Cost of production

Comment

The costs and charges are attributed on accrual basis of accounting and according to their nature, net of returns, allowances, discounts, and premiums, in compliance with the principle of correlation with the revenues; they are entered in the respective items as required by accounting standard OIC 12. The costs incurred to purchase goods are entered when the substantive, not the formal transfer of the ownership title occurs; the reference parameter for the substantive transfer is the transfer of the risks and benefits. When services are purchased, the related costs are entered when the service is received, that is when the service has been performed; in the case of ongoing services, the related costs are entered for the portion accrued.

Cost of production	31/03/2022	Variation	31/03/2023
6) Raw, ancillary and consumable materials and goods for resale	1,516,424	1,583,244	3,099,668
7) Services	29,215,497	5,370,308	34,585,805

8) Use of third party assets	1,840,447	113,593	1,954,040
9) Payroll and related costs			
a) wages and salaries	24,770,291	1,680,679	26,450,970
b) related salaries	8,667,856	1,070,197	9,738,053
c) severance	331,050	38,074	369,124
e) other costs	70,227	62,364	132,591
<i>Total payroll and related costs</i>	<i>33,839,424</i>	<i>2,851,314</i>	<i>36,690,738</i>
10) Amortisation, depreciation and writedowns			
a) amortisation of intangible fixed assets	421,441	-10,993	410,448
b) depreciation of tangible fixed assets	713,078	-193,542	519,536
d) writedowns of accounts included among current assets	621,724	-281,005	340,719
<i>Total Amortisation, depreciation and writedowns</i>	<i>1,756,243</i>	<i>-485,540</i>	<i>1,270,703</i>
11) Changes in inventories of raw, ancillary and consumable materials and goods for resale	-89,169	1,092,897	1,003,728
14) Other operating expenses	558,859	-452,521	106,338
<i>Total cost of production</i>	<i>68,637,725</i>	<i>10,073,295</i>	<i>78,711,020</i>

Financial income and charges

Introduction

Financial income and charges are entered on accrual basis of accounting based on the portion accrued during the fiscal year.

Composition of share income

Introduction

There is no income from equity investments as per article 2425 no. 15 of the Italian Civil Code.

Breakdown of interest and other financial liabilities by payables type

Introduction

Financial profit and costs are recorded on an accrual basis in relation to the portion accrued during the year.

The schedule below shows the interest expenses and other financial expenses:

Breakdown of interest and other financial liabilities by payables type

	due to banks	Other	Total
Interest and other financial expense	6.130	53	6.183

Comment

Gains/losses on foreign exchange

The information concerning exchange rate gains or losses is shown below, distinguishing the portion realized from that derived from the valuations of assets and liabilities denominated in foreign currency entered at the end of the fiscal year.

Description	Amount shown in the balance sheet	Valuation portion	Realised portion
<i>Currency gains and losses</i>	52.251-		
Gain on foreign exchange		-	64.900
Loss on foreign exchange		-	117.151
Total entry		-	52.251-

Amount and nature of the individual revenue/expense items of exceptional magnitude or impact

Introduction

No revenues or other positive components derived from events of exceptional magnitude or impact were recognized during the current fiscal year.

Income taxes for the fiscal year, current, deferred, and prepaid

Introduction

The company has set aside a provision for taxes for the year in accordance with current tax laws. Current taxes refer to taxes for the year as stated in the tax returns; taxes relating to previous years include direct taxes for previous years, inclusive of interest and penalties and also refer to the positive (or negative difference) between the amount due following the definition of a dispute or an assessment compared to the value of the provision set aside in previous years. Lastly, deferred and prepaid taxes concern positive or negative income components to be taxed or deducted, respectively, in different years to the one in which they were recorded for statutory accounting purposes.

Deferred tax assets and liabilities

This item includes the impact of deferred taxes on these financial statements. It can be traced back to the temporary differences between the value attributed to an asset or liability in accordance with statutory criteria and the corresponding value recognized for these elements for tax purposes.

The company determined the deferred taxation with reference to IRES, and IRAP.

The prepaid and deferred taxes were calculated utilizing respectively the following rates:

Rates	Fiscal year n+1	Fiscal year n+2	Fiscal year n+3	Fiscal year n+4	Past
IRES	24,00%	24,00%	24,00%	24,00%	24,00%
IRAP	3,90%	3,90%	3,90%	3,90%	3,90%

The following schedules indicate analytically:

- the description of the temporary differences that involved the recognition of the deferred and prepaid taxes, specifying the rate applied and the changes compared to the previous fiscal year, the amounts credited or debited to the income statement or to the shareholders' equity;
- the amount of the prepaid taxes posted to the financial statements, pertaining to the losses for the fiscal year or for prior fiscal years and the reasons for the entering; the amount not yet posted and the reasons for the failure to post it;
- the items excluded from the calculation and the related reasons.

Detection of deferred and anticipated taxes and consequent effects (overview)

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	903.567	639.231
Net temporary differences	(903.567)	(639.231)
B) Fiscal effects		
Deferred (prepaid) tax fund at the beginning of the year	(252.734)	(20.930)
Deferred (prepaid) taxes for the year	35.878	(4.000)
Deferred (prepaid) tax fund at the end of the year	(216.856)	(24.930)

Details deductible temporary differences (overview)

Description	Amount at the previous fiscal year end	Change occurring during the fiscal year	Amount at the fiscal year end	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Spese di manutenzione	1.333	(713)	620	24,00	149	-	-
Ammortamento avviamento	536.668	102.554	639.222	24,00	153.413	3,90	24.930
Accantonament o f.do rischi su crediti	515.056	(372.935)	142.121	24,00	34.109	-	-
Obsolescenza magazzino	-	121.600	121.600	24,00	29.184	-	-

Comment

Current tax are:

IRES tax for Euros 488,851;

IRAP tax for Euros 235,777.

Tax of previous years for Euros 17.

Explanatory notes, statement of cash flows

Comment

The company prepared the statement of cash flows, which is the summary document linking the changes in the company's balance sheet that occurred during the fiscal year with the changes in financial position; said statement shows the value of the financial resources that the company needed during the fiscal year and the uses of said resources.

With regard to the method used, it is specified that, in accordance with the provision of OIC 10, the company utilized the indirect method, on the basis of which the cash flow is reconstructed by adjusting the fiscal year income/loss results of the non-monetary components.

Explanatory notes, other information

Introduction

The other information requested by the Italian Civil Code is shown below.

Employment data

Introduction

The schedule below shows the average number of employees, broken down by category and calculated considering the daily average

Average number of employees broken down by category

	Executives	Corporate management	Other employees	Total employees
Average number	3	176	219	398

Remunerations, advances, and credits granted to directors and statutory auditors, as well as commitments assumed on their behalf

Introduction

The company did not decide to grant any compensation to the administrative body, nor are there advances or credits towards said body. In addition, the company did not assume commitments on behalf of said body as a result of providing any type of guarantee

Amount of remunerations, advances, and credits granted to directors and statutory auditors, as well as of commitments assumed on their behalf

	Auditors
Remunerations	21.000

Remunerations to the official auditor or external auditors

Introduction

The following table shows the remunerations payable to the statutory auditor, subdivided by the types of services provided.

Amount of remuneration due to auditor or auditing firm.

Amount of remuneration due to auditor or auditing firm

	Legal audit of annual accounts	Total remuneration due to the legal auditor or audit firm
Value	15.000	15.000

Category of shares issued by the company

Introduction

The company issued 28.400 shares with nominal value of 100 Eur each for a total amount of Euro 2.840.000.

Securities issued by the company

Introduction

The company did not issue securities.

Details on other financial instruments issued by the company

Introduction

The company did not issue other financial instruments in accordance with article 2346, paragraph 6, of the Italian Civil Code..

Commitments, guarantees, and potential liabilities that do not appear in the balance sheet

Introduction

There are not any commitments, guarantees, or potential liabilities that do not appear in the balance sheet.

Information on assets and financing intended for a specific business transaction

Comment

Assets destined to a specific business

It is certified that, at the date of closing of the financial statements, there are no assets dedicated to a specific business transaction as per n° 20 of art. 2427 of the Italian Civil Code.

Financing destined to a specific business

It is certified that, at the date of closing of the financial statements, there are no loans dedicated to a specific business transaction as per n° 21 of art. 2427 of the Italian Civil Code.

Information on transactions with related parties

Comment

Transactions with related parties were conducted during the fiscal year. These transactions were concluded at market conditions; therefore, in accordance with the legislation in effect, no additional information is provided.

The Company's relations with related parties mainly concern, and on a recurring basis, the parent company HCL Technologies UK Ltd and its subsidiaries together with HCL America and its subsidiaries.

The execution of transactions with related parties responds to the Company's interest in realising synergies within the group in terms of production and commercial integration, efficient use of existing skills and rationalisation of the use of central structures.

The preceding paragraphs of these Notes have already indicated the relations entertained during the financial year both with the parent company HCL Technologies UK and with the other affiliated companies.

It should also be noted, pursuant to Article 2427, paragraph 1, no. 22-bis of the Italian Civil Code, that these transactions were not carried out at conditions that differ from those of the market.

No atypical or unusual transactions were carried out during the year.

Information on agreements that do not appear in the balance sheet

Comment

No agreements not entered on the Balance Sheet were undertaken during the fiscal year

Information on significant events that occurred after the fiscal year's end

Comment

On 24.02.2022, the Russian Federation began a war with Ukraine. At the moment, the Management Board of the Company does not record any significant effects related to the impact of the conflict on its operations. The Management Board of the Company monitors the developments related to the continuing hostilities on an ongoing basis and assesses the potential impact on the Company's operations. As at the date of this financial statements, due to dynamically changing conditions, it is not possible to clearly define the impact of war and sanctions imposed in various jurisdictions on the Company's operations, financial results and development prospects.

Companies that prepare the financial statements of the broader/narrower group of companies of which the company is part as a subsidiary

Introduction

There are no cases such as those mentioned at art. 2427, numbers 22-quinquies and sexies of the Italian Civil Code.

Information concerning the derivative financial instruments as per art. 2427-bis of the Italian Civil Code

Comment

It is certified that no derivative financial instruments were subscribed.

Proposed destination of profit or coverage of losses

Comment

Dear Shareholder

in view of the discussion above, the board of director proposes to allocate the profit for fiscal year as follows:

- Euros 78,042.50 to the legal reserve;
- Euros 1,482,807.47 to profit carried forward.

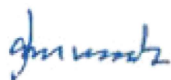
Explanatory notes, final part**Comment**

31/03/2023 together with the proposed destination of the fiscal year income/loss, as set forth by the administrative body.

The financial statements are true and real and correspond to accounting records

Milan, 28th June 2023

HCL TECHNOLOGIES ITALY SPA



For the Board of Director

Mr. Shiv Walia Kumar