

# HCL Lending Solutions, LLC

Financial statements

For the year ended December 31, 2024 and 2023

**KNAV CPA LLP**

Certified Public Accountants

One Lakeside Commons, Suite 850

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America Counts on CPAs

# HCL Lending Solutions, LLC

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## **Independent Auditor's Report**

To the Member of  
HCL Lending Solutions, LLC

### **Opinion**

We have audited the accompanying financial statements of HCL Lending Solutions, LLC (the Company'), which comprise the balance sheet as of December 31, 2024 and the related statement of operations, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Other matter**

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor, who expressed an unmodified opinion thereon on March 28, 2024.

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **KNAV CPA LLP**

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2025-63-US



### **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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**KNAV CPA LLP**

Atlanta, Georgia, USA  
March 24, 2025

**KNAV CPA LLP**

**Certified Public Accountants**

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2025-63-US

**HCL Lending Solutions, LLC**  
**Financial statements**  
December 31, 2024 and December 31, 2023

## **Financial statements**

## HCL Lending Solutions, LLC

### Balance sheets

(All amount are stated in USD, unless otherwise stated)

		As at	
	<u>Note</u>	<u>31 December 2024</u>	<u>31 December 2023</u>
<b>I. Assets</b>			
<b>Current assets</b>			
Cash	2	3,202,334	3,728,989
Accounts receivables, net	3	2,012,625	1,462,224
Prepaid expenses and other current assets	4	244,039	258,230
<b>Total current assets</b>		<b>5,458,998</b>	<b>5,449,443</b>
<b>Non current assets</b>			
Property and equipment, net	5	53,760	104,821
Security deposits		370,938	294,986
Operating lease right-of-use asset	8	2,928,363	4,238,980
Licenses	6	-	450,000
<b>Total non current assets</b>		<b>3,353,061</b>	<b>5,088,787</b>
<b>Total assets</b>		<b>8,812,059</b>	<b>10,538,230</b>
<b>II. Liabilities and member's equity</b>			
<b>Current liabilities</b>			
Accounts payable, accrued expenses and other current liabilities	7	1,016,120	1,106,779
Advances from related-party		-	2,533,387
Due to related parties		425,206	1,031,682
Operating lease liabilities, current	8	1,612,905	1,736,908
Deferred revenue		154,856	100,598
<b>Total current liabilities</b>		<b>3,209,087</b>	<b>6,509,354</b>
<b>Non current liabilities</b>			
Operating lease liabilities, non current	8	1,611,361	3,224,266
<b>Total non current liabilities</b>		<b>1,611,361</b>	<b>3,224,266</b>
<b>Total liabilities</b>		<b>4,820,448</b>	<b>9,733,620</b>
<b>Member's equity</b>		<b>3,991,611</b>	<b>804,610</b>
<b>Total liabilities and member's equity</b>		<b>8,812,059</b>	<b>10,538,230</b>

(The accompanying notes are an integral part of these financial statements)

## HCL Lending Solutions, LLC

### Statements of income and other comprehensive income

(All amount are stated in USD, unless otherwise stated)

		For the year ended	
	Note	31 December 2024	31 December 2023
<b>Revenue</b>	9	10,182,117	11,497,699
Less: cost of revenues (excluding depreciation and amortization)		8,630,275	10,929,296
<b>Gross profit</b>		<b>1,551,842</b>	<b>568,403</b>
<b>Cost and expenses</b>			
Selling general & administrative expenses		3,435,668	4,736,066
Depreciation, amortization and impairment expense	5 & 6	501,061	58,678
<b>Total cost and expenses</b>		<b>3,936,729</b>	<b>4,794,744</b>
Loss from operations		<b>(2,384,887)</b>	<b>(4,226,341)</b>
<b>Other income</b>			
Related-party income, net		46,697	47,781
Other income		531,920	940,242
Total other income		<b>578,617</b>	<b>988,023</b>
Net loss for the year		<b>(1,806,270)</b>	<b>(3,238,318)</b>

(The accompanying notes are an integral part of these financial statements)

## HCL Lending Solutions, LLC

### Statement of changes in member's equity

*(All amount are stated in USD, unless otherwise stated)*

	<b>Member's equity</b>
<b>Balance as at January 1, 2023</b>	4,042,928
Net loss for the year	(3,238,318)
<b>Balance as at December 31, 2023</b>	<u>804,610</u>
<b>Balance as at January 1, 2024</b>	804,610
Net loss for the year	(1,806,270)
Share based payment to employees	(6,729)
Capital contribution	5,000,000
<b>Balance as at December 31, 2024</b>	<u>3,991,611</u>

*(The accompanying notes are an integral part of these financial statements)*

## HCL Lending Solutions, LLC

### Statement of cash flows

(All amount are stated in USD, unless otherwise stated)

	For the year ended	
	31 December 2024	31 December 2023
<b>Cash flows from operating activities</b>		
Net loss for the year	(1,806,270)	(3,238,318)
<b>Adjustments for:</b>		
Depreciation, amortization and impairment expense	501,061	58,677
Gain on lease modification	(292,089)	(704,147)
Provision for expected credit loss	(4,876)	-
Loss on disposal of property and equipment	-	1,348
<b>Changes in assets and liabilities:</b>		
Accounts receivables, net	(545,525)	1,110,290
Prepaid expenses and other current assets	14,191	160,318
Security deposits	(75,952)	(5,581)
Due to related parties	-	11,012
Operating lease liabilities	(134,202)	(286,864)
Deferred revenue	54,258	(46,761)
Accounts payable, accrued expenses and other current liabilities	(3,230,522)	(880,951)
<b>Net cash used in operating activities</b>	<b>(5,519,926)</b>	<b>(3,820,977)</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	-	(4,795)
<b>Net cash used in by investing activities</b>	<b>-</b>	<b>(4,795)</b>
<b>Cash flows from financing activities</b>		
Capital contribution received	5,000,000	-
Share based payment to employees	(6,729)	-
<b>Net cash flow from financing activities</b>	<b>4,993,271</b>	<b>-</b>
<b>Net decrease in cash</b>	<b>(526,655)</b>	<b>(3,825,772)</b>
Cash at the beginning of the year	3,728,989	7,554,761
<b>Cash at the end of the year</b>	<b>3,202,334</b>	<b>3,728,989</b>
<b>Supplemental disclosure of cash flow information</b>		
Decrease to right-of-use lease assets due to lease modifications	-	19,060
Decrease to operating lease obligations due to lease modification	-	627,753

(The accompanying notes are an integral part of these financial statements)

## **HCL Lending Solutions, LLC**

### **Notes to the financial statements**

*(All amount are stated in USD, unless otherwise stated)*

#### **1. Nature of operations and summary of significant accounting policies**

##### **Nature of operations**

HCL Lending Solutions, LLC (the Company) is a Delaware limited liability company and is owned by HCL America Inc. (HCL). The Company is licensed by federal and state jurisdictions to act in the capacity of a service provider for mortgages. The Company's primary operations consisted of providing outsourced services to businesses in the mortgage industry. In 2024 and 2023, the Company provided third-party processing, underwriting and closing services for conventional and home equity line of credit mortgage loans originated and funded by the Company's clients.

##### **Basis of preparation**

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ('US GAAP'). The significant accounting policies are detailed below:

a. The accompanying financial statements are prepared under historical cost convention on the accrual basis of accounting in accordance with accounting and reporting requirements of US GAAP to reflect the financial position, results of operations and cash flows.

b. The financial statements are presented for the calendar years 2024 and 2023. All amounts are stated in United States Dollars ('USD'), unless specified otherwise.

##### **Cash**

The Company considers all highly liquid investments purchased with maturities of three months or less at the time of acquisition to be cash for financial statements purposes. Cash comprise of balance with banks and petty cash balances.

##### **Accounts receivable**

Accounts receivable are stated at outstanding balances, less an allowance for credit losses. The Company recognizes an allowance for credit losses for trade and other receivables to present the net amount expected to be collected as of the balance sheet date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on the Company's expectation as of the balance sheet date. Receivables are written off when the Company determined that such receivables are deemed uncollectible. The Company pools its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Company measures those receivables individually. The Company also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Company utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Company's historical loss experience. In determining its loss rates, the Company evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, the customer creditworthiness, changes in the terms of receivables, effect of other external forces such as competition, and legal and regulatory requirements on the level of estimated credit losses in the existing receivables. For receivables that are not expected to be collected within the normal business cycle, the Company considers current and forecasted direction of the economic and business environment. The allowance for credit losses was \$945,250 and \$950,125 as of December 31, 2024 and 2023 respectively.

## **HCL Lending Solutions, LLC**

### **Notes to the Financial Statements**

*(All amount are stated in USD, unless otherwise stated)*

#### **Property and equipment**

Property and equipment are recorded at cost. Repair and maintenance costs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives, of the related assets. Any gain or loss arising from the sale or disposal of assets is recognized in the income statement in the year the sale or disposal occurs.

#### **Leases**

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) lease assets and operating lease obligations on the Company's balance sheets.

ROU lease assets represent the Company's right to use an underlying asset for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease. ROU lease assets and obligations are recognized at the commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The lease asset also reflects any prepaid rent, initial direct costs incurred and lease incentives received. The Company's lease terms may include options to extend or terminate the lease. These options are included in the Company's calculations when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Company accounts for lease modifications in accordance with ASC 842. A lease modification is treated as a separate lease if it grants the lessee an additional right-of-use asset not included in the original lease and the lease payments increase commensurate with the standalone price for the additional asset. If a modification does not meet these criteria, the Company reassesses lease classification (operating or finance lease) as of the effective date, remeasures the lease liability using a revised discount rate, and adjusts the right-of-use (ROU) asset accordingly. For lease term reductions or partial terminations, the lease liability and ROU asset are reduced proportionally, with any resulting difference recognized as a gain or loss in the income statement.

#### **Carrying value of long-lived assets**

In accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 360, Accounting for Impairment or Disposal of Long-Lived Assets, the Company evaluates the carrying value of long-lived assets for potential impairment on an ongoing basis. If factors indicate that long-lived assets could be impaired, the Company will use an estimate of the related undiscounted future cash flows over the remaining life of the long-lived asset in measuring whether the long-lived asset is recoverable. If such an analysis indicates that impairment has occurred, the Company will adjust the book value of the long-lived asset to fair value.

#### **Licenses**

The Company accounts for this asset as an indefinite lived intangible asset and does not amortize the value of the asset. The Company intends to maintain the value of the asset at the acquisition price until there is an indicator of (1) impairment and/or (2) the asset has a finite life. Management reviews the asset for impairment annually or more frequently if indicators of impairment exist (a triggering event).

## **HCL Lending Solutions, LLC**

### **Notes to the Financial Statements**

*(All amount are stated in USD, unless otherwise stated)*

#### **Revenue from contracts with customers**

The majority of the Company's revenue is generated from providing fixed-fee services. In fixed-fee billing arrangements, the Company agrees to a pre-established fee for a predetermined set of services or performance obligations to be rendered. Fees are established based on estimates of the costs to render each item of service to be provided. All revenue is recognized when the Company satisfies its performance obligations under a contract (either implicit or explicit) by transferring the promised service to its customer. A performance obligation is a promise in a contract to transfer a distinct product or service to a customer.

The Company's performance obligations are generally satisfied over time. Revenue is recognized under fixed-fee billing arrangements using an input measure based upon a proportional performance approach, when material, which is based on estimates of work, completed to-date versus the total services to be rendered under the service agreement. A contract's transaction price is allocated to each distinct performance obligations.

The Company has elected to expense all contract costs as incurred as the amortization period would have been one year or less. These costs are recorded within salaries and employee benefits and taxes on the accompanying statements of operations.

#### **Contract balances**

The timing of revenue recognition, billings and cash collections results in billed trade receivables, contract assets (unbilled receivables), and contract liabilities (customer deposits and deferred revenue). Contract assets are recorded when the right to consideration is conditioned on something other than the passage of time. Contract assets are reclassified to trade receivables on the balance sheet when the rights become unconditional. Contract liabilities represent customer deposits and deferred revenue billed and/or received in advance of the fulfilment of performance obligations.

#### **Income taxes**

As a single member LLC, the Company is treated as a disregarded entity for federal and state income tax purposes. Generally, the income of an LLC is not subject to income tax at the entity level, but rather the members are required to include a pro-rata share of the entity's taxable income or loss in their business or personal income tax returns, irrespective of whether dividends have been paid. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

#### **Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The management's estimates for determination of useful lives for property and equipment, revenue recognition, accounting for leases and provision for expected credit loss represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates prospectively in the current and future periods.

## **HCL Lending Solutions, LLC**

### **Notes to the Financial Statements**

*(All amount are stated in USD, unless otherwise stated)*

#### **Fair value measurements and financial instruments**

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The estimated fair value of cash, accounts receivable, related party balance, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

#### **Share based payments**

Certain employee of the Company is covered under the RSU Plan 2021 of the ultimate holding company, HCL Technologies Limited (HCLT). The Plan is administered by the Nomination and Remuneration Committee (NRC) of HCLT through a controlled trust. Each RSU granted under the above plan entitles the holder to one equity share of HCLT at an exercise price of \$0.02 per share.

HCLT recharges to the Company such compensation costs based on expenses incurred by HCLT for RSUs granted to the Company participant. HCLT measures share-based compensation cost at grant date, based on the estimated fair value of the RSU with time-based vesting condition, as per the Black-Scholes Model. The Company is liable to pay the cost of secondary shares acquired by the controlled trust of HCLT from the open market for allotment of shares to the participants. The difference between the compensation cost recharged and the cost of secondary shares acquired is charged to equity.

## HCL Lending Solutions, LLC

### Notes to the Financial Statements

(All amount are stated in USD, unless otherwise stated)

#### 2. Cash

Cash include the following:

	As at	
	31 December 2024	31 December 2023
Balances in bank accounts	3,202,334	3,728,989
<b>Total</b>	<b>3,202,334</b>	<b>3,728,989</b>

Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$250,000 per financial institution per depositor at each financial institution, and the Company's non-interest-bearing cash balances may exceed federal insured limits.

#### 3. Accounts receivable , net

Accounts receivable as of December 31, 2024, and December 31, 2023, are stated net of provision for expected credit loss.

	As at	
	31 December 2024	31 December 2023
Accounts receivable	2,957,875	2,412,349
Less: Expected credit loss	(945,250)	(950,125)
	<b>2,012,625</b>	<b>1,462,224</b>

The movement in expected credit loss during the year was as follows:

	Year ended	
	31 December 2024	31 December 2023
<b>Balance at beginning of the year</b>	<b>950,125</b>	<b>950,125</b>
Add: Expected credit loss	-	-
Less: Provision written off during the year	(4,875)	-
<b>Balance at the end of the year</b>	<b>945,250</b>	<b>950,125</b>

#### 4. Prepaid expenses and other current assets

Prepaid expenses and other current assets include the following:

	As at	
	31 December 2024	31 December 2023
Prepaid expenses	60,170	242,668
Advances	183,869	15,561
<b>Total</b>	<b>244,039</b>	<b>258,229</b>

#### 5. Property and equipment

Property and equipment consist of the following at December 31, 2024 and 2023:

	As at	
	31 December 2024	31 December 2023
Furniture and fixtures	126,266	126,266
Equipment	314,701	314,701
Computers	596,166	596,166
Leasehold improvements	339,510	339,510
Less : Accumulated depreciation	(1,322,883)	(1,271,822)
<b>Property and equipment, net</b>	<b>53,760</b>	<b>104,821</b>

Depreciation expense was \$51,061 and \$58,678 for the years ended December 31, 2024 and 2023, respectively.

## HCL Lending Solutions, LLC

### Notes to the Financial Statements

(All amount are stated in USD, unless otherwise stated)

#### 6. Licenses

	As at	
	31 December 2024	31 December 2023
License	-	450,000
<b>Total</b>	<b>-</b>	<b>450,000</b>

During 2012, the Company, at that time a non-operating entity, changed ownership and the acquiring entity obtained the Company for its mortgage origination and mortgage broker licenses, as well as certain other mortgage, servicer and collections licenses, in various states. The amount assigned to these licenses of \$450,000 was the full purchase price of the business.

During the current year, management reviewed the asset and determined it was appropriate to fully impair the intangible asset. This decision was based on the grounds that the cost is not expected to be refundable or recoverable, but rather an expenditure necessary for conducting business.

#### 7. Accounts payable, accrued expenses and other current liabilities

	As at	
	31 December 2024	31 December 2023
Trade payables	62,316	146,403
Payroll liabilities	788,263	717,713
Accrued expenses	151,618	221,512
Advance from customers	13,923	21,151
<b>Total</b>	<b>1,016,120</b>	<b>1,106,779</b>

#### 8. Lease commitments

The Company leases office space under noncancelable operating leases expiring through April 2027. For all operating lease arrangements, the Company presents at the commencement date: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the provisions of ASC 842, the Company has elected to utilize the incremental borrowing rate for leases where the implicit rate is not readily determinable.

The Company has elected, as a practical expedient, not to apply lease recognition requirements to short-term lease arrangements, generally those with a lease term of less than 12 months, for all classes of underlying assets. In determination of the lease term, the Company considers the likelihood of lease renewal options and lease termination provisions.

The lease asset also reflects any prepaid rent, initial direct costs incurred and lease incentives received. The Company's lease terms include optional extension periods when it is reasonably certain that those options will be exercised. Leases with an initial expected term of 12 months or less are not recorded in the balance sheets and the related lease expense is recognized on a straight-line basis over the lease term.

The Company records operating lease expense using the straight-line method within operating expenses. For operating leases with step rent provisions whereby the rental payments increase over the life of the lease, and for leases with rent-free periods, the Company recognizes expense and income on a straight-line basis over the expected lease term, based on the total minimum lease payments to be made or lease receipts expected to be received.

Operating lease assets are reviewed for impairment based on an ongoing review of circumstances that indicate the assets may no longer be recoverable, such as properties that are no longer being utilized in current operations, and other factors. The Company calculates operating lease impairments using a discount rate to calculate the present value of estimated subtenant rentals that could be reasonably obtained for the property

## HCL Lending Solutions, LLC

### Notes to the Financial Statements

(All amount are stated in USD, unless otherwise stated)

#### 8. Lease commitments (Continued)

Operating lease expense was \$1,869,677 and \$2,098,275 for the years ended December 31, 2024 and 2023, respectively. At December 31, 2024 and 2023, the weighted-average remaining lease term and discount rate for these operating leases were 2.06 years and 7.16% and 2.90 years and 6.68%, respectively. During the year ended December 31, 2023, the Company modified one of its operating lease agreements. This modification resulted in gain of \$704,147 in 2023. Further, a modification gain of \$292,089 of previously modified lease arrangement has been accounted for in the year 2024, which have been included in other income in the statements of operations.

Future payments on the Company's operating leases for the years ending December 31 are as follows:

2025	1,784,996
2026	1,269,728
2027	423,163
<b>Total lease payments</b>	<b>3,477,887</b>
Less: amount representing interest	(253,621)
<b>Total</b>	<b>3,224,266</b>

#### 9. Revenue from contracts with customers

##### Disaggregated revenue information

	Year ended	
	31 December 2024	31 December 2023
<b>Type of goods or services</b>		
Service revenues	10,182,117	11,497,699
<b>Total</b>	<b>10,182,117</b>	<b>11,497,699</b>
<b>Timing of revenue recognition</b>		
Services transferred over time(service)	10,182,117	11,497,699
<b>Total</b>	<b>10,182,117</b>	<b>11,497,699</b>

##### Contract balances

The timing of revenue recognition, billing, and cash collection results in the recognition of accounts receivable and contract liabilities on the balance sheets.

Accounts receivable are non-interest bearing and are generally on terms of 45 to 90 days. As at December 31, 2024, the Company had \$945,250 (December 31, 2023, \$950,125) as provision for expected credit loss.

Differences between the timing of billings and the recognition of revenue on fixed-fee billing arrangements are recognized as deferred revenue in the accompanying balance sheets. At December 31, 2024 and 2023, \$154,856 and \$100,598, respectively, of contract liabilities were recorded in the accompanying balance sheets.

	As at	
	31 December 2024	31 December 2023
Accounts receivable, net (Note 3)	2,012,625	1,462,224
Deferred revenue	154,856	100,598

#### 10. Retirement plan

The Company offers a 401(k) defined contribution plan to eligible employees. The plan calls for matching contributions of employee contributions up to 100% of the first 3%, plus 50% of the next 2% of compensation. Total employer contributions to this plan made by the Company were \$128,715 and \$172,363 for the years ended December 31, 2024 and 2023, respectively.

## HCL Lending Solutions, LLC

### Notes to the Financial Statements

(All amount are stated in USD, unless otherwise stated)

#### 11. Concentrations

One customer accounted for 100% and 77% of total revenue for the years ended December 31, 2024 and 2023, respectively.

Company's one customer is making part of 100% of accounts receivable accounted for as of December 31, 2024 (100% as of December 31, 2023)

Cash deposits exceeded federal deposit insurance limits at various times throughout the year and are not otherwise collateralized. The Company has not experienced any losses in such accounts. Management has assessed the credit risk related to these deposits as minimal based on the strong credit rating of the financial institutions.

#### 12. Contingencies

In the normal course of business, the Company may encounter contingencies related to its customers, vendors and legal proceedings. Such matters are typically subject to various uncertainties. Liabilities are recorded when management is aware of the existence of such matters and, in its opinion, there is a probability of an unfavourable outcome and the amount of probable loss can be reasonably estimated.

#### 13. Related-party transactions

##### A. Ultimate Parent Company

1. HCL Technologies Limited (India)

##### B. Parent Company

1. HCL America Inc (USA) (100% membership interest holder)

##### C. Other related parties where common control exists

1. HCL Technologies Corporate Services Limited (affiliate company)
2. HCL Axon Solutions (Shanghai) Co., Limited (affiliate company)
3. HCL Technologies Shanghai Limited (affiliate company)
4. HCL Software Products Limited (affiliate company)

#### Transactions during the year and balances with related parties

	<u>31 December 2024</u>	<u>31 December 2023</u>
<b><u>HCL America Inc.</u></b>		
Expense incurred on behalf of the Company	3,078,757	4,306,117
Balance payable at end of the year	425,887	3,674,337
Expense incurred on behalf of HCL America Inc.	-	860,912
Balance receivable at end of the year	681	9,971
Net payable at the end of the year	425,206	3,664,366
Capital contribution	5,000,000	-
<b><u>HCL Technologies Limited (India).</u></b>		
ESOP charges during the year	11,536	-
Balance payable at end of the year	-	32,864
<b><u>HCL Axon Solutions (Shanghai) Co., Limited.</u></b>		
Expense incurred on behalf of HCL Axon Solutions (Shanghai) Co., Limited.	-	-
Balance receivable at end of the year	-	78,129

## HCL Lending Solutions, LLC

### Notes to the Financial Statements

(All amount are stated in USD, unless otherwise stated)

#### 13. Related-party transactions (Continued)

31 December 2024   31 December 2023

##### HCL Software Products Limited.

Expense incurred on behalf of HCL Software Products Limited.	-	-
Balance receivable at end of the year	-	441

##### HCL Technologies Shanghai Limited.

Expense incurred on behalf of HCL Technologies Shanghai Limited.	-	-
Balance receivable at end of the year	-	15,203

##### HCL Technologies Corporate Services Limited.

Expense incurred on behalf of HCL Technologies Corporate Services Limited.	46,697	47,781
Balance receivable at end of the year	-	38,388

#### 14. Share based payments

The total expense recognized for RSU Plan 2021 during the year was \$4,807 (\$17,701 for the year ended December 31, 2023), representing the reimbursement cost to HCLT for RSUs granted to Company employee under the plan. During the current year, all employee stock options were exercised. As a result, no share-based payment liability remains outstanding as of the reporting date (\$32,864 as of December 2023). The difference between the compensation cost recharged and the cost of secondary shares acquired, amounting to \$6,729, was recorded as an adjustment to equity during the year.

#### 15. Subsequent events

Subsequent events have been evaluated through the date these financial statements were available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements