B S R & Co. LLP
Chartered Accountants

Building No. 10, 12th Floor, Tower-C
DLF Cyber City, Phase - II
Gurugram - 122 002, India
Tel: +91 124 719 1000
Fax: +91 124 235 8613

Independent Auditor's Report

To the Board of Directors of HCL Technologies Greece Single Member P.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HCL Technologies Greece Single Member P.C.** ("the Company"), which comprise the Balance Sheet as at 31 December 2025, and the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes, comprising of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Board of Directors' for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines it is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters including Restriction on use

As explained in note 1(a), these financial statements are prepared for the use of the Company and the Ultimate Holding Company, HCL Technologies Limited to comply with the requirements of the Companies Act, 2013. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

RAKESH DEWAN
Digitally signed by RAKESH DEWAN
Date: 2026.05.06 19:45:33 +05'30'

Rakesh Dewan
Partner
Membership No. 092212
ICAI UDIN: 26092212YCZRIN8950

Place: Gurugram, India
Date: 06 May 2026

HCL Technologies Greece Single Member P.C.

Financial Statements as per IFRS

For the year ended 31 December 2025 and 31 December 2024

HCL Technologies Greece Single Member P.C.

Balance Sheet

(All amounts in thousands EUR except share data and as stated otherwise)

	Note No.	As at		
		December 31, 2025	December 31, 2024	January 01, 2024 (Refer Note 1(a))
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3.1	43	13	80
(b) Right-of-use assets	3.25	24	12	11
(c) Goodwill	3.2	299	299	80
(d) Other intangible assets	3.3	226	278	20
(e) Financial assets				
(i) Trade receivable-unbilled	3.4(a)	78	—	—
(ii) Others	3.5	15	10	13
(f) Deferred tax assets (net)	3.2	72	65	86
(g) Other non-current assets	3.6	6	3	4
Total non-current assets		**763**	**680**	**294**
(2) Current assets				
(a) Inventories	3.7	22	36	74
(b) Financial assets				
(i) Trade receivables				
Billed	3.4(b)	2,695	755	469
Unbilled	3.4(b)	301	132	211
(ii) Cash and cash equivalents	3.8	615	364	669
(iii) Others	3.5	10	56	68
(c) Other current assets	3.9	1,112	905	391
Total current assets		**4,755**	**2,248**	**1,882**
TOTAL ASSETS		**5,518**	**2,928**	**2,176**
II. EQUITY				
(a) Equity share capital	3.10	441	441	441
(b) Other equity		690	508	383
TOTAL EQUITY		**1,131**	**949**	**824**

HCL Technologies Greece Single Member P.C.

Balance Sheet

(All amounts in thousands EUR except share data and as stated otherwise)

		Note No.	As at December 31, 2025	December 31, 2024	January 01, 2024 (Refer Note 1(a))
III	**LIABILITIES**				
	(1) Non - current liabilities				
	(a) Financial liabilities				
	(i) Lease liabilities	3.25	9	3	5
	(b) Contract liabilities	3.11	125	—	3
	Total non-current liabilities		**134**	**3**	**8**
	(2) Current liabilities				
	(a) Financial liabilities				
	(i) Lease liabilities	3.25	15	6	8
	(ii) Trade payables	3.12			
	Billed		364	159	781
	Unbilled		2,403	978	319
	(iii) Others	3.13	74	70	—
	(b) Contract liabilities	3.11	963	586	171
	(c) Other current liabilities	3.14	358	128	64
	(d) Current tax liabilities (net)		76	49	1
	Total current liabilities		**4,253**	**1,976**	**1,344**
	TOTAL LIABILITIES		**4,387**	**1,979**	**1,352**
	TOTAL EQUITY AND LIABILITIES		**5,518**	**2,928**	**2,176**

The accompanying notes are an integral part of the financial statements

HCL Technologies Greece Single Member P.C.

Statement of Profit and Loss

(All amounts in thousands EUR except share data and as stated otherwise)

		Note No.	Year ended December 31, 2025	Year ended December 31, 2024
I	**Revenue**			
	Revenue from operations	3.15	4,312	2,423
	Other income	3.16	32	58
	Total income		**4,344**	**2,481**
II	**Expenses**			
	Purchase of stock-in-trade		88	102
	Changes in inventories of stock-in-trade	3.17	14	38
	Outsourcing costs		3,921	2,069
	Finance costs	3.18	4	4
	Depreciation and amortization expense		71	33
	Other expenses	3.19	42	38
	Total expenses		**4,140**	**2,284**
III	**Profit before tax**		**204**	**197**
IV	**Tax expense**			
	Current tax	3.20	28	51
	Deferred tax charge		(6)	21
	Total tax expense		**22**	**72**
V	**Profit for the year**		**182**	**125**
VI	**Other Comprehensive income (loss)**		**182**	**125**
	Earnings per equity share of EUR 1 each	3.22		
	Basic (in EUR)		0.41	0.28
	Diluted (in EUR)		0.41	0.28

HCL Technologies Greece Single Member P.C.

Statement of Cash Flows

(All amounts in thousands EUR except share data and as stated otherwise)

	Year ended December 31, 2025	Year ended December 31, 2024
A. Cash flows from operating activities		
Profit before tax	204	197
Adjustment for:		
Depreciation and amortization expense	71	33
Interest Income	(7)	(19)
Provision for doubtful debts/ bad debt written back (net)	(18)	(34)
Interest expense	–	–
	250	**177**
Net Change in		
Trade receivables	(2,169)	(173)
Inventories	14	38
Other financial assets and other assets	(175)	(498)
Trade payables	1,629	37
Other financial liablities, Contract liabilities and other liabilities	736	215
Cash generated from (used in) operations	**285**	**(204)**
Income taxes paid (net of refunds)	5	(3)
Net cash flow from (used in) operating activities (A)	**290**	**(207)**
B. Cash flows from investing activities		
Proceeds from sale of property,plant and equipment	(41)	50
Payments for business acquisition	–	(157)
Interest received	7	19
Net cash used in investing activities (B)	**(34)**	**(88)**
C. Cash flows from financing activities		
Payment of lease liabilities including interest	(5)	(10)
Interest paid	–	–
Net cash used in financing activities (C)	**(5)**	**(10)**
Net increase in cash and cash equivalents (A+B+C)	**251**	**(305)**
Cash and cash equivalents at the beginning of the year	**364**	**669**
Cash and cash equivalents at the end of the year (refer note 3.8)	**615**	**364**

HCL Technologies Greece Single Member P.C.

Statement of Changes in Equity

(All amounts in thousands EUR except share data and as stated otherwise)

	Equity share capital		Other equity	
	Number of shares	**Share capital**	**Reserves and Surplus**	**Total Equity**
Balance as at 01 January 2023	**441,000**	**441**	**360**	**801**
Profit for the year	–	–	23	23
Total comprehensive income for the year	**441,000**	**441**	**23**	**23**
Balance as at 31 December 2023	**441,000**	**441**	**383**	**824**
Balance as at 01 January 2024	**441,000**	**441**	**383**	**824**
Profit for the year	–	–	125	125
Total comprehensive income for the year	**–**	**–**	**125**	**125**
Balance as at 31 December 2024	**441,000**	**441**	**508**	**949**
Balance as at 01 January 2025	**441,000**	**441**	**508**	**949**
Profit for the year	–	–	182	182
Total comprehensive income for the year	**–**	**–**	**690**	**690**
Balance as at 31 December 2025	**441,000**	**441**	**690**	**690**

ORGANIZATION AND NATURE OF OPERATIONS

HCL Technologies Greece Single Member P.C. (hereinafter referred to as 'the Company') is a Business Transformation consultancy company aiming to provide medium and large size organizations with Business Transformation solutions that encompass all elements of Business Consulting, Solution Implementation, and ongoing Application Management. The Company was incorporated on 30 September 2014 in Greece with Registration Number 131925901000, having its registered office at 62 Kifissias Avenue, 15125 Maroussi, Athens.

The financial statements for the year ended 31 December 2025 were approved and authorized for issue by the Board of Directors on xxx 2026.

1 Material Accounting Policies

a) Basis of preparation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements up to and for the year ended 31 December 2024 were prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

These financial statements have been prepared for limited purpose for the use by the Company and the Ultimate Holding Company, HCL Technologies Limited. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for another purpose.

As these are the Company's first financial statements prepared in accordance with IFRS , IFRS 1, "First-time Adoption of International Financial Reporting Standards", has been applied. The financial statements are approved for issue by the Company's Board of Directors on [date].

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value:

a) Derivative financial instruments,
b) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),
c) Defined benefit plans

Explanation of transition to IFRS
The Company's first financial statements prepared in accordance with IFRS. For the year ended 31 December 2025, the Company prepared its financial statements in accordance with the International Financial Reporting Standards ('IFRS').

The accounting policies set out in Note 1 have been applied in preparing financial statements for the year ended December 2025, the comparative information for the year ended 31 December 2024 and the opening statement of financial position as at 01 January 2024 ('the Company's date of transition).

The Company has evaluated the requirements of IFRS 1 'First time adoption of IFRS' and other IFRS and determined that no adjustments were required to amounts reported previously in financial statements prepared in accordance with Previous GAAP and accordingly the opening IFRS statement of financial position disclosed as at 1 January 2024 is the same as that presented under Previous GAAP.
Further, no adjustments were required to the statement of profit and loss and statement of cash flows under Previous GAAP and accordingly, no explanations are required on how the transition from previous GAAP to IFRS affected the Company's financial position, financial performance and cash flows.

All assets and liablities have been classified as current and non current as per the company's normal operating cycle of 12 months.
The statement of cash flows has been prepared under indirect methods.

The functional currency of the company is EUR.

b) Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based upon management's best knowledge of current events, historical experience, actions that the company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made.

Significant estimates, judgements and assumptions are used for, but not limited to,

i. Accounting for costs expected to be incurred to complete performance under fixed price projects, and determination of stand-alone selling prices for each distant performance obligation in contracts involving multiple performance obligations, refer note 1(i).
ii. Allowance for uncollectible trade receivables, refer note 1(m)(i)
iii. Fair value of consideration transferred (including contingent consideration) and fair value of the assets acquired, and liabilities assumed, measured on provisional basis in case of business combination, refer note 1(h).
iv. Recognition of income and deferred taxes, refer note 1(l) and note 3.20
v. Useful lives of property, plant and equipment, refer note 1(e)
vi. Lives of intangible assets, refer note 1(f).
vii. Identification of leases and measurement of lease liabilities and right of use assets, refer note 1(k).
viii. Key assumptions used for impairment of goodwill, refer note 1(g) and note 3.2.
ix. Provisions and contingent liabilities, refer note 1(o).

c) Inventories

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of stock in trade procured for specific projects is assigned by identification of individual costs of each item. Cost of stock in trade, that are interchangeable and not specific to any project and cost of stores and spare parts are determined using the weighted average cost formula.

d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred measured at fair value at the acquisition date and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest in the acquiree at fair value. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as financial liability is measured at fair value with changes in fair value recognized in the statement of profit and loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, and any other previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognized as capital reserve after reassessing the fair values of the net assets.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the assets as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized

Property, plant and equipment under construction and cost of assets not ready for use before the year-end, are disclosed as capital work – in - progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

The management's estimates of the useful lives of following assets for computing depreciation are as follows: -

	Life (in years)
Plant and Equipments	10
Computers	3-5

The useful life as given above best represents the period over which the management expects to use these assets, based on technical assessment.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Subsequently, following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses if any.

Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The intangible assets are amortized over the estimated useful life of the assets as mentioned below.

	Life (in years)
Customer Contracts	1.5
Customer relationships	9-10

g) Impairment of non-financial assets

Goodwill

Goodwill is tested annually on December 31, for impairment, or sooner whenever there is an indicator that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the company cash generating units (CGU) expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in subsequent periods.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset.

h) Fair value measurement

The company records certain financial assets and liabilities at fair value on a recurring basis. The company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with IFRS 13, assets and liabilities are to be measured based on the following valuation techniques:

i. Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
ii. Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.
iii. Cost approach – Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. These assets consist primarily of non-financial assets such as goodwill and intangible assets. Goodwill and intangible assets recognized in business combinations are measured at fair value initially and subsequently when there is an indicator of impairment, the impairment is recognized.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

i) Revenue Recognition

Contracts involving provision of services and material.

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Time-and-material contracts/ volume based and transaction based

Revenue with respect to time-and-material, volume based and transaction based contracts is recognized as the related services are performed through efforts expended, volume serviced transactions are processed etc. that correspond with value transferred to customer till date which is related to our right to invoice for services performed.

Fixed Price contracts

Revenue related to fixed price contracts where performance obligations and control are satisfied over a period of time like technology integration, complex network building contracts, ERP implementations and Application development are recognized based on progress towards completion of the performance obligation using a cost-to cost measure of progress (i.e., percentage-of-completion (POC) method of accounting). Revenue is recognized based on the costs incurred to date as a percentage of the total estimated costs to fulfill the contract. Any revision in cost to complete would result in increase or decrease in revenue and such changes are recorded in the period in which they are identified. Provisions for estimated losses, if any, on contracts-in-progress are recorded in the period in which such losses become probable based on the current contract estimates. Contract losses are determined to be the amount by which the estimated incremental cost to complete exceeds the estimated future revenues that will be generated by the contract and are included in cost of revenues and recorded in other accrued liabilities.

Revenue related to other fixed price contracts providing maintenance and support services, are recognized based on our right to invoice for services performed for contracts in which the invoicing is representative of the value being delivered. If our invoicing is not consistent with value delivered, revenues are recognized as the service is performed based on the cost to cost method described above.
In arrangements involving sharing of customer revenues, revenue is recognized when the right to receive is established.

Revenue from product sales are shown net of applicable taxes, discounts and allowances. Revenue related to product with installation services that are critical to the product is recognized when installation of product at customer site is completed and accepted by the customer. If the revenue for a delivered item is not recognized for non-receipt of acceptance from the customer, the cost of the delivered item continues to be in inventory.

Proprietary Software Products

Revenue from distinct proprietary perpetual license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. In case of renewals of proprietary term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is agreed on signing of contracts. Revenue from support and subscription (S&S) is recognized over the contract term on a straight-line basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with one year of support and subscription either for perpetual or term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided. Revenue from these proprietary software products is classified under sale of services.

j) Foreign currency and translation

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expenses and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

k) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

Company is lessee in case of leasehold land, office space, accommodation for its employees & IT equipment. These leases are evaluated to determine whether it contains lease based on principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors as defined in IFRS 16.

Right-of-use asset represents the Company's right to control the underlying assets under lease and the lease liability is the obligation to make the lease payments related to the underlying asset under lease. Right-of-use asset is measured initially based on the lease liability adjusted for any initial direct costs, prepaid rent, and lease incentives. Right-of-use asset is depreciated based on straight line method over the lease term or useful life of right-of-use asset, whichever is less. Subsequently, right-of-use asset is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of lease liability.

The lease liability is measured at the lease commencement date and determined using the present value of the minimum lease payments not yet paid and the Company's incremental borrowing rate, which approximates the rate at which the Company would borrow, in the country where the lease was executed. The Company has used a single discount rate for a portfolio of leases with reasonably similar characteristics. The lease payment comprises fixed payment less any lease incentives, variable lease payment that depends on an index or a rate, exercise price of a purchase option if the Company is reasonably certain to exercise the option and payment of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease. Lease liability is subsequently measured by increase the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made and remeasuring the carrying amount to reflect any reassessment or modification, if any. The Company has elected to not recognize leases with a lease term of 12 months or less in the balance sheet, including those acquired in a business combination, and lease costs for those short-term leases are recognized on a straight-line basis over the lease term in the statement of profit and loss. For all asset classes, the Company has elected the lessee practical expedient to combine lease and non-lease components and account for the combined unit as a single lease component in case there is no separate payment defined under the contract.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the year in which they are earned or contingency is resolved.

Leases in which the Company transfers substantially all the risk and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivables at an amount equal to the present value of lease receivables. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance leases. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal cost, brokerage cost etc. are recognized immediately in the statement of profit and loss.

When arrangements include multiple performance obligations, the Company allocates the consideration in the contract between the lease components and the non-lease components on a relative standalone selling price basis.

l) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions, as well as the related interest.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable company and the same taxation authority.

m) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. **Financial assets:**

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date.

Cash and cash equivalents

Cash in the balance sheet comprise cash in banks, which is subject to an insignificant risk of change in value.

Financial instruments at amortized cost

A financial instrument is measured at the amortized cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, loans, unbilled revenue, trade and other receivables.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in statement of profit and loss.

ii. **Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, the recognition is at net of direct attributable transaction costs.

The Company's financial liabilities include trade payables, lease liabilities and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis to realize the assets and settle the liabilities simultaneously.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

o) Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

The company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

p) Recently issued accounting pronouncements

Amendments to IFRS 9 and IFRS 7 - Amendments to the classification and measurement of financial instruments

In May 2024, the IASB issued amendments in IFRS 9 and IFRS 7, to clarify, the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The company will evaluate the impact of this new standard on its financial statements. The amendment is effective for the fiscal year beginning 01 January 2026.

(All amounts in thousands EUR except share data and as stated otherwise)

IFRS 18 - Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued a new standard IFRS 18, 'Presentation and Disclosure in Financial Statements' which will replace IAS 1, "Presentation of Financial Statements" with a focus on updates to the presentation of statement of profit and loss. The Company will evaluate the impact of this new standard on its financial statements. The amendment is effective for the fiscal year beginning 01 January 2027.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures
In May 2024, the IASB issued a new standard IFRS 19, 'Subsidiaries without Public Accountability: Disclosures', which permits eligible subsidiaries to apply reduced disclosure requirements while continuing to apply the recognition and measurement principles of IFRS Accounting Standards. The objective of IFRS 19 is to reduce disclosure requirements for qualifying subsidiaries without compromising the quality of financial information provided to users.

In August 2025, the IASB issued amendments to IFRS 19, "Subsidiaries without Public Accountability:
Disclosures", providing additional clarification and disclosure relief for eligible subsidiaries applying the reduced disclosure framework. The amendments do not affect the recognition or measurement principles applied by entities reporting under IFRS Accounting Standards.

The Company will evaluate the applicability and impact of this new standard on its financial statements. IFRS 19 is effective for the fiscal year beginning 0
01 January 2027.

2. Acquisition

(i) Acquisition /arrangements during the previous year

During the previous year, in December 2024, company signed a definitive agreement to carve-out and acquire business related to certain customer relationships with global Communication Service Providers (CSPs) along with Engineering and R&D talent of Communications Technology Group (CTG) from HPE. The acquisition got consummated, post-regulatory approvals on 1 December 2024. The acquisition will enable company to gain a portfolio of service offerings that includes industry-leading IPs, solutions and systems integration around Business Support Systems (BSS), network applications, service cloudification and data intelligence.

The company had paid the purchase price of EUR 157 which has been allocated based on management estimates to the acquired assets and liabilities as follows:

	Amount
Customer Relationship	234
Customer Contracts	35
Goodwill	219
Deferred Revenue	(331)
Total purchase consideration	157

The resultant goodwill is non-tax deductible. The table shows the value and lives of intangible assets recognized on acquisition which will be amortized on straight line basis:

	Years
Customer Relationship	9
Customer Contracts	1.5

(All amounts in thousands EUR except share data and as stated otherwise)

3.1 Property, plant and equipment

The changes in the carrying value for the year ended 31 December 2025

	Plant and equipment	Computers	Total
Gross block as at 01 January 2025	2	83	85
Additions	—	41	41
Disposal/other adjustements	—	—	—
Gross block as at 31 December 2025	**2**	**124**	**126**
Accumulated depreciation as at 01 January 2025	—	72	72
Depreciation	—	11	11
Disposal/other adjustements	—	—	—
Accumulated depreciation as at 31 December 2025	**—**	**83**	**83**
Net block as at 31 December 2025	**2**	**41**	**43**

The changes in the carrying value for the year ended 31 December 2024

	Plant and equipment	Computers	Total
Gross block as at 01 January 2024	2	144	146
Additions	—	—	—
Disposal	—	61	61
Gross block as at 31 December 2024	**2**	**83**	**85**
Accumulated depreciation as at 01 January 2024	—	66	66
Depreciation	—	17	17
Disposal	—	11	11
Accumulated depreciation as at 31 December 2024	**—**	**72**	**72**
Net block as at 31 December 2024	**2**	**11**	**13**

(All amounts in thousands EUR except share data and as stated otherwise)

3.2 Goodwill

The following table presents that there is no changes in the carrying value of goodwill based on identified CGUs, for the year ended 31 December 2025

	Goodwill on acquisition of business	Total
Gross block as at 01 January 2025	**299**	**299**
Gross block as at 31 December 2025	**299**	**299**

The following table presents the changes in the carrying value of goodwill based on identified CGUs, for the year ended 31 December 2024

	Goodwill on acquisition of business	Total
Gross block as at 01 January 2024	**80**	**80**
Acquired through business combinations	219	219
Gross block as at 31 December 2024	**299**	**299**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) which benefit from the synergies of the acquisition.

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecasted for 5 years and then on perpetuity on the basis of certain assumptions which include revenue growth, earnings before interest and taxes, taxes, capital outflow and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

	As at	
	December 31, 2025	**December 31, 2024**
Revenue growth rate (average of next 5 to 6 years) (%)	Upto 5%	Upto 5%
Terminal revenue growth rate (%)	2.00 %	1.50 %
Pre tax discount rate (%)	6.25 %	4.84 %

As at 31 December 2025 and 31 December 2024, the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment was recognized. An analysis of the sensitivity of the computation to a change in key assumptions based on reasonable probability did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

(All amounts in thousands EUR except share data and as stated otherwise)

3.3 Other intangible assets

The changes in the carrying value for the year ended 31 December 2025

	Customer Contract	Customer relationship	Total
Gross block as at 01 January 2025	**35**	284	319
Disposals	—	—	—
Gross block as at 31 December 2025	**35**	**284**	**319**
Accumulated depreciation as at 01 January 2025	4	37	41
Amortization	21	31	52
Accumulated depreciation as at 31 December 2025	**25**	**68**	**93**
Net Block as at 31 December 2025	**10**	**216**	**226**

The changes in the carrying value for the year ended 31 December 2024

	Customer Contract	Customer Relationship	Total
Gross block as at 01 January 2024	—	50	50
Additions	35	234	269
Gross block as at 31 December 2024	**35**	**284**	**319**
Accumulated depreciation as at 01 January 2024	—	30	30
Amortization	4	7	11
Accumulated depreciation as at 31 December 2024	**4**	**37**	**41**
Net Block as at 31 December 2024	**31**	**247**	**278**

(All amounts in thousands EUR except share data and as stated otherwise)

3.4 Trade Receivables

(a) Non-Current

	As at		
	December 31, 2025	December 31, 2024	January 01, 2024
Unbilled receivable	78	–	–
	78	**–**	**–**

(b) Current

	As at		
	December 31, 2025	December 31, 2024	January 01, 2024
Billed			
Unsecured considered good (Refer note below)	2,708	754	472
Trade receivables - credit impaired	8	9	–
	2,716	**763**	**472**
Loss allowance for bad and doubtful debts	(21)	(8)	(3)
	2,695	**755**	**469**
Unbilled receivables (refer note below)	301	132	211
	2,996	**887**	**680**

Note: Trade receivable includes receivable from related party amounting to EUR 121 (31 December 2024 EUR 236) refer note 3.23.

(All amounts in thousands EUR except share data and as stated otherwise)

3.5 Other financial assets

	As at		
	December 31, 2025	**December 31, 2024**	**January 01, 2024**
Non Current			
Carried at amortized cost			
Finance lease receivables (refer note 3.25)	15	10	13
	15	**10**	**13**
Current			
Carried at amortized cost			
Finance lease receivables (refer note 3.25)	10	56	68
	10	**56**	**68**

3.6 Other non-current assets

	As at		
	December 31, 2025	**December 31, 2024**	**January 01, 2024**
Others			
Prepaid expenses	4	—	—
Deferred contract cost	2	3	4
	6	**3**	**4**

3.7 Inventories

	As at		
	December 31, 2025	**December 31, 2024**	**January 01, 2024**
Stock-in-trade	22	36	74
	22	**36**	**74**

3.8 Cash and cash equivalents

	As at		
	December 31, 2025	**December 31, 2024**	**January 01, 2024**
Cash and cash equivalents			
Balances with banks	615	364	669
	615	**364**	**669**

3.9 Other current assets

	As at		
	December 31, 2025	**December 31, 2024**	**January 01, 2024**
Others			
Prepaid expenses	4	—	4
Deferred contract cost (refer note 3.23)	1,108	816	387
Contract assets	—	89	—
	1,112	**905**	**391**

(All amounts in thousands EUR except share data and as stated otherwise)

3.10 Equity Share Capital

	As at		
	December 31, 2025	**December 31, 2024**	**January 01, 2024**
Authorized			
441,000 Equity shares of EUR 1 each	441	441	441
Issued, subscribed and fully paid up			
441,000 Equity shares of EUR 1 each	441	441	441

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of EUR 1/-. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year

	As at					
	December 31, 2025		**December 31, 2024**		**January 01, 2024**	
	No. of shares	**EUR in thousand**	**No. of shares**	**EUR in thousand**	**No. of shares**	**EUR in thousand**
Number of shares at the beginning	441,000	441	441,000	441	441,000	441
Number of shares at the end	441,000	441	441,000	441	441,000	441

Shares held by holding/ultimate holding Company and/or their subsidiaries/associates

	As at					
	December 31, 2025		**December 31, 2024**		**January 01, 2024**	
	No. of shares	**% of Holding**	**No. of shares**	**% of Holding**	**No. of shares**	**% of Holding**
Equity shares of EUR 1 each fully paid						
HCL Technologies UK Limited, Holding Company	441,000	100 %	441,000	100 %	441,000	100 %

As per the records of the Company, including its register of shareholders, the above shareholding represents both legal and beneficial ownership of shares. There are no bonus shares issued, no shares issued for consideration other than cash and no shares bought back immediately preceding the reporting date from date of incorporation.

Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing the shareholder value. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are generally met through operating cash flows generated.

(All amounts in thousands EUR except share data and as stated otherwise)

3.11 Contract liabilities

	As at		
	December 31, 2025	December 31, 2024	January 01, 2024
Non - current			
Contract liabilities (Refer note 3.15)	125	–	3
	125	**–**	**3**
Current			
Contract liabilities (Refer note 3.15)	963	586	171
	963	**586**	**171**

3.12 Trade payables- current

	As at		
	December 31, 2025	December 31, 2024	January 01, 2024
Trade payables	145	58	12
Trade payables-related party (refer note:3.23)	219	101	769
	364	**159**	**781**
Unbilled	167	69	41
Unbilled -related parties (refer note 3.23)	2236	909	278
	2403	**978**	**319**
	2767	**1137**	**1100**

3.13 Other financial liabilities

	As at		
	December 31, 2025	December 31, 2024	January 01, 2024
Current			
Others	74	70	–
	74	**70**	**–**

3.14 Other current liabilities

	As at		
	December 31, 2025	December 31, 2024	January 01, 2024
Advance received from customers	–	19	5
Withholding and other statutory dues	358	109	59
	358	**128**	**64**

3.15 Revenue from operations

	Year ended	
	December 31, 2025	December 31, 2024
Sale of services	4,246	2,396
Sale of hardware and software	66	27
	4,312	**2,423**

(All amounts in thousands EUR except share data and as stated otherwise)

Disaggregate revenue information

The disaggregated revenue from contracts with the customers by geography wise is as follows:

	Year ended	
	December 31, 2025	**December 31, 2024**
Geography wise		
America	11	84
Europe	3,945	2,331
India	356	—
Others	—	8
	4,312	**2,423**

Remaining performance obligations

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). As at 31 December 2025, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of IFRS 15 was EUR 4,755(31 December 2024, EUR 3,864) out of which, approximately 39%(31 December 2024, 49%) is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services performed and contracts where consideration is in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract balances

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in our balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivables represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due).

Contract liabilities : A contract liability arises when there is excess billing over the revenue recognized.

The below table discloses the movement in balances of contract liabilities :

	December 31, 2025	**December 31, 2024**
Balance as at beginning of the year	586	174
Additional amounts billed but not recognized as revenue	750	432
Deduction on account of revenues recognized during the year	(248)	(20)
Balance as at end of the year	**1,088**	**586**

Deferred contract cost: Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining the contract.

The below table discloses the movement in balance of deferred contract cost :

	Year ended	
	December 31, 2025	**December 31, 2024**
Balance as at beginning of the year	819	391
Additional cost capitalised during the year	536	453
Deduction on account of cost amortised during the year	(245)	(25)
Balance as at end of the year	**1,110**	**819**

The contracted price equals the revenue recognized since there is no reduction towards variable consideration component during the year.

(All amounts in thousands EUR except share data and as stated otherwise)

3.16 Other income

	Year ended	
	December 31, 2025	**December 31, 2024**
Interest income	7	19
Exchange differences (net)	(6)	–
Miscellaneous income	31	39
	32	**58**

3.17 Changes in inventories of stock in trade

	Year ended	
	December 31, 2025	**December 31, 2024**
Opening stock	36	74
Less : Closing stock	22	36
	14	**39**

3.18 Finance cost

	Year ended	
	December 31, 2025	**December 31, 2024**
Bank charges	4	4
	4	**4**

3.19 Other expenses

	Year ended	
	December 31, 2025	**December 31, 2024**
Legal and professional charges	27	29
Rates and taxes	2	–
Exchange Difference (net)	—	4
Provision for doubtful debts / bad debts written back(net)	13	5
	42	**38**

(All amounts in thousands EUR except share data and as stated otherwise)

3.20 Income taxes

	Year ended	
	December 31, 2025	**December 31, 2024**
Income tax charged to statement of profit and loss		
Current income tax charge	28	51
Deferred tax charge	(6)	21
	22	72

The reconciliation between the provision for income tax and amount computed by applying the statutory income tax rate is as follows:

	Year ended	
	December 31, 2025	**December 31, 2024**
Profit before income tax	204	197
Statutory tax rate	22 %	22 %
Expected tax expense	**44**	**43**
Permanent difference	—	2
Reversal of prior year provision	(23)	7
Others	—	20
Total taxes	21	72
Effective income tax rate	10.82 %	36.59 %

Components of deferred tax assets and liabilities as on 31 December 2025

	Opening balance	**Recognized in profit and loss**
Deferred tax assets		
Business losses	—	87
Provision for doubtful debts	2	3
Others	55	(93)
Provision for expenses	13	9
Depreciation and amortization	(5)	—
Gross deferred tax assets (A)	**65**	**6**
Deferred tax liabilities (B)	—	—
Deferred tax assets (A-B)	65	6

Components of deferred tax assets and liabilities as on 31 December 2024

	Opening balance	**Recognized in profit and loss**
Deferred tax assets		
Accumulated losses	—	92
Provision for expenses	7	—
Depreciation and amortization	6	—
Others	97	(95)
Gross deferred tax assets (A)	**110**	**(3)**
Deferred tax liabilities		
Gross deferred tax liabilities (B)	**—**	**—**
Net deferred tax assets (A-B)	**110**	**(3)**

(All amounts in thousands EUR except share data and as stated otherwise)

3.21 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available and their results are reviewed regularly by the chief operating decision maker (CODM), for allocation of resources and assessing performance.

The Company's ultimate holding company, HCL Technologies Limited's chief operating decision maker (CODM) reviews its results for allocation of resources and assessing performance by business segment comprising IT and Business Services, Engineering and R&D Services, and HCL Software. The ultimate Holding Company monitors the risk and returns of the Company's businesses on an entity level and evaluates the performance of the Company as one business segment. Hence there is only one reportable segment of the Company, as envisaged under IFRS 8 "Operating segments".

Revenue disagreegation as per geography is given in note 3.15.

3.22 Earnings per share (EPS)

	Year ended	
	December 31, 2025	**December 31, 2024**
Net Profit attributable to the owners of company	182	125
Weighted average number of equity shares outstanding in calculating Basic EPS	441,000	441,000
Weighted average number of equity shares outstanding in calculating Dilutive EPS	441,000	441,000
Nominal value of equity shares (in EUR)	441,000	441,000
Earning per equity share (in EUR)		
Basic	0.41	0.28
Diluted	0.41	0.28

3.23 Related party transactions

a) Related parties where control exists

Ultimate Holding company

HCL Technologies Limited

Holding company

HCL Technologies UK Limited

b) Related parties with whom transactions have taken place during the year

Ultimate Holding company

HCL Technologies Limited

Holding company

HCL Technologies UK Limited

(All amounts in thousands EUR except share data and as stated otherwise)

3.23 Related party transactions (Continued)

Fellow subsidiaries

HCL Technologies Corporate Services Limited
HCL Technologies (Thailand) Limited
HCL Hong Kong SAR Limited
HCL Japan Limited
HCL Technologies Malaysia SDN BHD
HCL Technologies Germany GmbH
HCL Technologies Romania s.r.l.
HCL Technologies (PTY) Limited
HCL America Solutions Inc.
HCL Technologies Norway AS
HCL Technologies B.V.
HCL Technologies Columbia S.A.S.
HCL Latin America Holding, LLC, Panama Branch
HCL Asia Pacific Pte Limited-Korea Branch
HCL Technologies Egypt Limited
HCL America Inc.
HCL Singapore Pte. Limited
HCL (Brazil) Technologia Da Informacao EIRELI
HCL (New Zealand) Limited
HCL Australia Services Pty. Limited
HCL Technologies South Africa (Proprietary) Limited
Filial Espanola De HCL Technologies S.L.
HCL Technologies Italy S.p.A.
HCL Canada Inc.-SD
HCL (Ireland) Information Systems Limited
HCL Technologies Sweden AB
C3i Europe Eood
HCL Argentina s.a.
HCL Hungary kft
HCL Technologies Lanka (Private) Limited
HCL Technologies Vietnam Company Limited
HCL Axon Solutions (Shanghai) Co., Limited Tianjin Branch
PT HCL Technologies Indonesia Limited
HCL Technologies Philippines, Inc
HCL Technologies Finland Oy
HCL istanbul Bilisim Teknolojileri Limited sirketi
HCL Technologies Middle East FZ-LLC
HCL Technologies (Taiwan) Limited
HCL Arabia LLC
HCL Technologies (Shanghai) Limited
HCL Technologies Czech Republic S.R.O.
HCL Technologies Lithuania UAB
HCL Technologies Chile SPA
HCL Poland sp. z o.o
HCL Technologies Costa Rica S.R.L.
HCL Technologies S.A.C.
HCL Latin America Holding, LLC, Costa Rica Branch
HCL Mexico S. de R.L.
Actian Corporation

c) Transactions with related parties

	Ultimate Holding company		**Fellow subsidiares**	
	Year ended		**Year ended**	
	December 31, 2025	**December 31, 2024**	**December 31, 2025**	**December 31, 2024**
Revenue from operations	356	–	260	289
Outsourcing costs	2,691	1,087	661	797

(All amounts in thousands EUR except share data and as stated otherwise)

d) Outstanding balances

	Ultimate Holding company			Holding company			Fellow subsidiares		
	Year ended			Year ended			Year ended		
	December 31, 2025	December 31, 2024	January 01, 2024	December 31, 2025	December 31, 2024	January 01, 2024	December 31, 2025	December 31, 2024	January 01, 2024
Trade payables- unbilled and accruals	2,106	562	277	—	—	—	130	347	1
Trade payables- billed	33	101	453	—	—	6	186	—	310
Deferred contract cost	1,110	816	387	—	—	—	—	—	—
Unbilled receivables	—	—	—	—	—	—	82	—	—
Trade receivables including unbilled	35	—	—	2	—	—	84	236	118

3.24 Financial instruments

(a) Financial assets and liabilities

The carrying value of Financial instruments by categories is as follows:

	December 31, 2025		December 31, 2024		January 01, 2024	
	Amortised cost	Total carrying value	Amortised cost	Total carrying value	Amortised cost	Total carrying value
Financial assets						
Trade receivables (including unbilled)	3,074	3,074	887	887	680	680
Cash and cash equivalents	615	615	364	364	669	669
Others (Refer note: 3.5)	25	25	66	66	81	81
Total	**3,714**	**3,714**	**1,317**	**1,317**	**1,430**	**1,430**
Financial liabilities						
Trade payables (including unbilled and accruals)	2,767	2,767	1,137	1,137	1,100	1,100
Lease liabilities	24	24	9	9	13	13
Others (Refer note: 3.13)	74	74	70	70	—	—
Total	**2,865**	**2,865**	**1,216**	**1,216**	**1,113**	**1,113**

(b) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company has a risk management policy to manage & mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company’s exposure to the risk of changes in exchange rates relates primarily to the Company’s operations.

The exchange rate risk primarily arises from assets and liabilities denominated in curriences other than functional curreny. An insignificant portion of the Company's revenue is in other foreign currency while a large portion of costs are in EUR. The fluctuation in exchange rates in respect to EUR may have insignificant impact on the statement of profit and loss and equity.

(All amounts in thousands EUR except share data and as stated otherwise)

Appreciation / depreciation of 1% in respective foreign currencies with respect to functional currency of the Company would result in immaterial change in the Company's profit before tax for the year ended 31 December 2025.

The rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company and its branches. The sensitivity analysis presented above may not be representative of the actual change.

Non-derivative foreign currency exposure as of 31 December 2025 and 31 December 2024and 31 December 2023 in major currencies is as below:

	Financial assets			**Financial liabilities**		
	Dec 31, 2025	**Dec 31, 2024**	**Dec 31, 2023**	**Dec 31, 2025**	**Dec 31, 2024**	**Dec 31, 2023**
USD/EUR	–	–	33	2	7	106
RUB/EUR	–	–	–	5	5	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's investments are primarily in fixed rate interest bearing instruments. Hence the Company is not significantly exposed to interest rate risk.

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled revenue, finance lease receivables. By their nature, all such financial instruments involve risks, including the credit risk of nonperformance by counterparties.

The allowance for lifetime expected credit loss on customer balances is as below:

	December,31, 2025	**December,31, 2024**
Balance at the beginning of the year	8	3
Additional provision during the year	13	5
Balance at the end of the year	**21**	**8**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1	**Year 2**	**Total**
As at 31st December 2025			
Trade payables (including unbilled and accruals)	2,767	–	2,767
Lease liabilities	15	9	24
Other financial liabilities	74	–	74
Total	**2,856**	**9**	**2,865**

(All amounts in thousands except share data and as stated otherwise)

	Year 1	Year 2	Total
As at 31st December 2024			
Trade payables (including unbilled and accruals)	1,137	–	1,137
Lease liabilities	6	3	9
Other financial liabilities	70	–	70
Total	**1,213**	**3**	**1,216**

	Year 1	Year 2	Total
As at 31st December 2023			
Trade payables (including unbilled and accruals)	1,100	–	1,100
Lease liabilities	8	5	13
Other financial liabilities	–	–	–
Total	**1,108**	**5**	**1,113**

3.25 Leases

(a) Company as a lessee

The Company's significant leasing arrangements are in respect of leases for IT equipments.

The details of right-of-use assets held by the company is as follows:

	Computers and networking equipments	Total
Balance as at 01 January 2023	**8**	**8**
Additions	8	8
Depreciation	5	5
Balance as at 31 December 2023	**11**	**11**
Balance as at 01 January 2024	11	11
Additions	6	6
Depreciation	5	5
Balance as at 31 December 2024	**12**	**12**
Balance as at 01 January 2025	12	12
Additions	20	20
Depreciation	8	8
Balance as at 31 December 2025	**24**	**24**

The reconciliation of lease liabilities is as follows:

	December 31, 2025	December 31, 2024	January 01, 2024
Balance as at beginning of the year	9	13	9
Additions	20	6	8
Payment of lease liabilities	5	10	4
Balance as at end of the year	**24**	**9**	**13**

The following table presents a maturity analysis of expected undiscounted cash flows for lease liabilities :

	December 31, 2025	December 31, 2024	January 01, 2024
Within one year	15	6	8
One to two years	9	3	5
Total lease payments	**24**	**9**	**13**
Imputed interest	—	—	—
Total lease liabilities	**24**	**9**	**13**

Certain lease agreements include options to terminate or extend the leases. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(b) Company as a Lessor

The Company has given IT equipments to its customers on a finance lease basis. The future lease receivables in respect of assets given on finance lease are as follows:

	Total minimum lease payments receivable	Interest included in minimum lease payments receivable	Present value of minimum lease payments receivable
As at 31 December 2025			
Not later than one year	11	1	10
Later than one year but not later than five years	15	—	15
	26	**1**	**25**

3.26 Subsequent events

The Company has evaluated all the subsequent events through xxxxxxxx, which is the date on which these financial statements were issued, and no events have occurred from the balance sheet date through that date except for matters that have already been considered in the financial statements.

3.27 Rounding off

The Company has presented its financial statements in "EUR in thousands" and accordingly, amounts less than EUR 0.50 thousands are rounded off to "-".