

# HCL Technologies Denmark ApS

Østerfælled Torv 3, 2100 København Ø

Company reg. no. 33 04 14 54

## Annual report

**1 January - 31 December 2023**

The annual report was submitted and approved by the general meeting on the 12 June 2024.

*Goutam Rungta*

Goutam Rungta (Jun 12, 2024 19:07 GMT+5.5)

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Goutam Rungta  
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

## Management's statement

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Today, the board of directors and the managing director have presented the annual report of HCL Technologies Denmark ApS for the financial year 1 January - 31 December 2023.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

København Ø, 12 June 2024

### Managing Director

  
Goutam Rungta (Jun 12, 2024 19:07 GMT+5.5)

Goutam Rungta

### Board of directors

  
Goutam Rungta (Jun 12, 2024 19:07 GMT+5.5)

Goutam Rungta

  
Shiv walia (Jun 12, 2024 14:37 GMT+1)

Shiv Kumar Walia

  
Bejoy George (Jun 12, 2024 18:28 GMT+5.5)

Bejoy Joseph George

  
Deepa Nittur (Jun 12, 2024 14:02 GMT+1)

Deepa Nittur



## **Independent auditor's report**

### **To the shareholder of HCL Technologies Denmark ApS**

#### **Opinion**

We have audited the financial statements of HCL Technologies Denmark ApS for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity, accounting policies and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.



## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 12 June 2024

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

## Company information

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<b>The company</b>	HCL Technologies Denmark ApS Østerfælled Torv 3 2100 København Ø
	Company reg. no. 33 04 14 54 Financial year: 1 January 2023 - 31 December 2023
<b>Board of directors</b>	Goutam Rungta Shiv Kumar Walia Bejoy Joseph George Deepa Nittur
<b>Managing Director</b>	Goutam Rungta
<b>Auditors</b>	KPMG P/S Dampfærgevej 28 2100 København Ø
<b>Bankers</b>	Citibank
<b>Parent company</b>	HCL Technologies Limited

## Financial highlights

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DKK in thousands.	<u>2023</u>	<u>2022*</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2019/20</u>
<b>Income statement:</b>					
Revenue	801.662	524.014	606.170	529.701	583.187
Gross profit	183.005	125.861	138.416	137.328	153.525
Profit from operating activities	39.534	27.678	33.221	30.381	30.151
Net financials	4.127	135	-274	-447	-989
Net profit or loss for the year	33.947	21.689	25.692	23.333	22.730
<b>Statement of financial position:</b>					
Balance sheet total	532.950	417.715	301.655	290.495	258.326
Investments in tangible fixed assets	123	0	0	703	1.120
Equity	191.649	157.701	136.012	110.320	86.987
<b>Employees:</b>					
Average number of full-time employees	148	151	114	100	122
<b>Key figures in %:</b>					
Gross margin ratio	22,8	24,0	22,8	25,9	26,3
Profit margin (EBIT margin)	4,9	5,3	5,5	5,7	5,2
Acid test ratio	159,1	164,3	192,6	169,7	151,8
Solvency ratio	36,0	37,8	45,1	38,0	33,7
Return on equity	19,4	14,8	20,9	23,7	30,1
Return on assets	6,6	6,6	10,4	10,4	11,7

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

\*The financial highlights for 2022 only comprise the period 01.04.2022 - 31.12.2022 (9 months).



## Financial highlights

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The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

<b>Gross margin ratio</b>	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
<b>Profit margin (EBIT margin)</b>	$\frac{\text{Operating profit or loss (EBIT)} \times 100}{\text{Revenue}}$
<b>Acid test ratio</b>	$\frac{\text{Current assets} \times 100}{\text{Short term liabilities other than provisions}}$
<b>Solvency ratio</b>	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
<b>Return on equity</b>	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$
<b>Return on assets</b>	$\frac{\text{Results from operating activities} \times 100}{\text{Assets in total, closing balance}}$

## **Management's review**

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### **The principal activities of the company**

1.To supply all kinds of IT solutions for software management services for remote infrastructure outsourcing of business processes and all related services.

2.To advise on and deliver services such as employee and management recruitment, training and internships, technical data analysis, signal processing, preparation of project reports, studies and analysis aimed at project implementation and processing review it, critical analysis, organizational and methodological studies and economic, mathematical, statistical, scientific and modern management techniques thereof and to establish and provide all consultancy and other services of professional and technical in nature and carry out projects, tasks and appointments.

3.To sell all types of assets within information technology, hardware, and equipment on credit on any terms or mode with or without security, including but not limited to financial and operational leasing, sale on deferred payment and/or under hire purchase to consumers, businesses and public authorities, and to enter into guarantees and all types of suretyships.

4.To hire or engage trained, skilled, professional and technical manpower and to allocate them to any business or commercial establishment and also to make available consultancy and expert services on various functions including Information Technology and Information Technology enabled services (IT & ITES), Business Process Outsourcing, Service & support engineering, Business Management, Accounting & Finance, Human Resource & other manpower support functions, execution of job work for other business entities.

5.To provide "Training course contents relating to but not limited to Information Technology, Information Technology enabled services (IT & ITES) and Business Process Outsourcing (including online access to our Intellectual Property / Methodologies/ Courseware), pedagogics, Training consultancy, Certification, to franchisees and other service providers including custom-er/end user organizations."

### **Unusual circumstances**

No unusual circumstances have affected the company's activities during the year.

### **Uncertainties about recognition or measurement**

The company has no uncertainty relating to recognition and measurement.

## Management's review

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### Development in activities and financial matters

Due to preponement of Annual General Meeting compliances as per companies act 2013 for the ultimate holding company, which is listed on Bombay Stock exchange and National Stock exchange, India, as per regulation 44 (5) of the SEBI (listing obligations and disclosure requirements ) Regulations 2015 in India, Management has changed the financial year of the Company in 2022 from March to December, so as to meet the compliance requirements. The Company has adopted this change from the previous financial year and accordingly, the current financial year is for twelve-month period from 1 January 2023 to 31 December 2023 and the previous financial year is for nine-month period from 1 April 2022 to 31 December, 2022. Accordingly, the figures for the current financial year are not comparable to those from the previous year.

The revenue for the year totals DKK 801.661.829 (12 months) against DKK 524.014.330 (9 months) for the period 1 April 2022 - 31 December 2022. Income or loss from ordinary activities after tax totals DKK 33.947.323 (12 months) against DKK 21.689.004 (9 months) for the period 1 April 2022 - 31 December 2022. Management considers the net profit for the year satisfactory.

### Special risks

The software industry is characterized by a dynamic and fiercely competing environment with rapid technological changes and innovations, which constantly challenges the existing and conventional business models. The Company is confronted with several business risks. The most important ones will be explained below:

#### *Dependencies/concentrations*

The group led by the ultimate parent company, HCL Technologies Ltd. in India, which HCL Technologies Denmark ApS belongs to, maintains a broad customer base to ensure the independence from individuals, clients, special services or geographical factors.

#### *People*

In line with the parent company, the company has approved an initiative under the name "Employee first". In combination with other measures, this initiative aims at making the company an attractive employer.

#### *Finance*

The company is exposed to some financial risks, e.g., exchange rate risks, credit risks and the risk of inability to pay. The company has established internal control mechanisms aiming at reducing these risks.

### Research and development activities

The research and development is done centrally by the ultimate parent company, HCL Technologies Ltd.

### Expected developments

The company expects a profit after tax at approx. 35 Mn. DKK for the coming year.

## Management's review

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The company expects a normal increase in revenue of approximately 5% keeping the Profit Before Tax intact similar to last year to arrive at expected profit after tax.

### Statements of corporate social responsibility

#### *Business model and engagement*

HCL Technologies Denmark ApS is the wholly owned subsidiary of HCL Technologies Austria GmbH., which is ultimately held by ultimate parent company HCL Technologies Limited. The business activities are related to IT-solutions within the area of software, management services, outsourcing services, consultancy services and related business activities. Specifically, HCL Technologies Denmark ApS helps enterprises reimagine their businesses for the digital age.

HCL Technologies Denmark ApS main impacts on society are related to social conditions amongst suppliers. In relation to HCL Technologies Denmark ApS own operations, the main impacts are related to labor conditions and environmental issues such as waste and energy use related to the office.

#### *Environmental issues – including climate change*

**Policy:** As a responsible company, HCL Technologies Denmark believe that we have a responsibility for the future. The company is therefore committed to reducing our impact on the environment and climate, including reducing our energy consumption. Therefore, we always consider multiple solutions in everything that we do and choose the one with the lowest energy consumption.

**Risks, actions and results:** HCL Technologies Denmark ApS has not identified any material risks related to environment. HCL Technologies Denmark ApS has continued to reduce the company's environmental impact in 2023 and has not registered any breaches of environmental legislation during the year.

Further, HCL Technologies Denmark ApS has identified energy consumption in the office and employee transportation to clients, as the main areas with risks of having a negative climate impact in terms of energy use and CO2 emissions.

#### *Social issues and employee issues*

**Policy:** HCL Technologies Denmark ApS recognizes our employees as the most valuable asset for the company. Therefore, the company is committed to providing a healthy work environment for all employees, as well as providing continuous education of our workforce to make sure their competencies stay up-dated and relevant. We aim to have an employee satisfaction rate of 100%.

**Risks, actions, and results:** With regards to labor conditions, HCL Technologies Denmark ApS has identified risks related to wellness, wellbeing and career development among employees. In 2023, the company continued an open dialogue with the employees to ensure their wellbeing. The company has different types of leave policy annual leave, vacation leave, paternity and maternity leave etc. for the wellbeing of employees. In 2023, out of total leave taken by employees around 16% percent sick leave were taken. We have one male employee who have availed parental leave in the last one year.

#### *Human rights*

## Management's review

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**Policy:** HCL Technologies Denmark ApS recognizes its social responsibility not only in relation to its own employees but also in relation to employees at suppliers. The company supports and respects the internationally recognized human rights as formulated in the UN Human Rights Declaration and the internationally recognized labor rights as specified in the International Labor Organization (ILO) core conventions.

**Risks, actions and results:** HCL Technologies Denmark has identified the risk of discrimination and harassment including sexual harassment at workplace. To provide a safe and healthy work environment free of any hassles and to prevent and redress the harassment complaints, the Company has in place Prevention and Redressal of Sexual Harassment at Workplace Policy. To mitigate the risks and to secure a satisfactory and healthy work environment, HCL Technologies Denmark ApS there is option to raise online complaint by raising Smart Service Desk requests or by writing to [hear@hcl.com](mailto:hear@hcl.com) / [secure@hcl.com](mailto:secure@hcl.com). However, no such incident has been reported.

### *Fighting corruption and bribery*

**Policy:** It is the policy of HCL Technologies Denmark to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice, wherever it operates throughout the world, of not engaging in bribery or corruption.

**Risks, actions, and results:** HCL Technologies Denmark has identified the most material risks associated with anti-corruption as related to giving improper benefits due to relationships between employees and customers. The company has online courses and encourages employees to undergo training on Business ethics and anti-corruption/bribery sessions. In 2023 total 113 employees attended these training programs.

Also, HCL Technologies Denmark ApS continued its practice of encouraging the employees to raise concerns about any issues or suspicion of malpractices at the earliest possible to the Reporting Manger and/or the Whistle Blower Committee via the whistleblower e- mail address. However, no such incident has been reported.

HCL Technologies Denmark ApS expect to continue its focus on environmental issues - including climate change, social issues and employee issues, human rights and fighting corruption and bribery in the coming year.

### **Target figures and policies for the underrepresented gender**

**Management:** It is HCL Technologies Denmark ApS policy that management positions must be occupied by the most suitable candidates while at the same time wishing to qualify female management talents. In order to follow the policy, at least one person of each gender should be among the last three candidates when recruiting for management positions.

**Management’s review**

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HCL Technologies Denmark ApS is step down wholly owned subsidiary of HCL Technologies Limited, based in Noida. It is engaged in provision of Information Technology services worldwide. The Company is determined to promote diversity and achieve sensible gender diversity based on desire to strengthen the overall decision making and competencies in the Company. The Company believes that gender balance has positive working environment.

It is the goal of the Board that its members should have competency in finance and business so that they can meet the company goals after understanding the business requirements. The nomination of the board members is done at the group level based on assessment of the competency of the candidate.

Presently the Board comprises of one female and three male Non- Executive Director. There was no rotation in board during the year. We reached an equal distribution of men and women.

	2023	2024	2025	2026	2027
<b>Top management body</b>					
Total number of members	4	-	-	-	-
Underrepresented gender in %	25%	-	-	-	-
<b>Other Management Level (Executive Board)</b>					
Total number of members	1	-	-	-	-
Underrepresented gender in %	0%	-	-	-	-

We are in compliance with section 99 b of the Danish Financial Statements Act. And will continue to comply with the local law regarding gender composition. In coming years, We will try to achieve equal gender composition, if required by law.

**Data Ethics Policy**

As business and technological opportunities grow so does the amount of data handled and stored. Data access and exchange is fundamental for us in order to run an efficient operation and in order to provide the best possible experience to our customers, employees and other partners.

It is deeply rooted in our company values that we run a tidy business, meaning that we act in a professional and reliable manner towards our customers and partners. Therefore, we are dedicated to following the legislation on data privacy. Beyond that we also handle vast amount of data that is essential to our daily operation. Data includes information about our customers and their customers, and we take our responsibility for keeping all data safe.

As we follow all rules and legislations related to data privacy we do not see the need for a separate formally written policy for data ethics currently. However, as the use of and storage of data is continuously increasing and becoming more and more critical, we will start formulating a formal policy around data ethics.

## **Accounting policies**

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The annual report for HCL Technologies Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (large enterprises).

The accounting policies are unchanged from the previous year, and the annual report is presented in DKK.

Pursuant to section 86 (4) of the Danish Financial Statements Act, no statement of cash flows for the enterprise has been prepared, as the relevant information is included in the consolidated financial statements of HCL Technologies Limited, India.

### **Recognition and measurement in general**

Revenues are recognized in the Income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the Income statement, including depreciation, amortization, write-downs and provisions.

Assets are recognised in the balance sheet when the company is likely to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at cost, thus recognising a constant effective interest over the term. Amortised cost is computed as original cost less deductions, if any, as well as additions/deductions of the difference between cost and nominal value.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

## **Income statement**

### **Revenue**

Revenue arises mainly from the sale of management services and IT consultancy fees.

## Accounting policies

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Revenue is recognized in accordance with IFRS 15.

To determine whether to recognise revenue, the company follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations, and then
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customers.

### **Time-and-material contracts**

Revenue for over-time contracts is recognised on a time-and-materials basis as services are provided and costs are expensed as incurred. Amounts remaining unbilled at the end of a reporting period are presented in the financial statements as accounts receivable if only the passage of time is required before payment of these amounts will be due or as contract assets if payment is conditional on future performance. Incremental revenue from existing contracts arising on future sales to the customers is recognized when it is earned and collectability is reasonably assured

### **Fixed Price contracts**

Revenue related to contracts providing maintenance and support services, is recognized over the term of the contract where the company has continuing obligation. Revenue from technology integration is recognized in accordance with the Percentage-Of-Completion (POC) method.

Under the POC method, progress towards completion is measured based on either achievement of specified contract milestones, cost incurred as a proportion of estimated total cost or other measures of progress when available. If circumstances arise that change the original estimates of revenues, costs, or extent of progress towards completion, revisions are made to the estimates. These revisions may result in increase or decrease in estimated revenues or costs, and such revisions are reflected in income in the year in which the circumstances that gave rise to the revision become known to the management. 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 cost estimates. Contract losses are determined to be the amount by which the estimated total cost to complete exceeds the estimated total revenue that will be generated by the contract and are included in cost of sales and classified in other accrued liabilities.

### **Cost of sales**

Cost of sales includes the cost of services used in generating the year's revenue.

### **Other external costs**

Other external costs comprise costs for distribution, sale, marketing, administration, premises, bad debts etc.



## Accounting policies

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### Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

### Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### Net financials

Net financials include interest income, interest expenses, gains and losses on exchange rates of foreign currencies, realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

### Tax on net profit or loss for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

## Statement of financial position

### Intangible assets

#### Concessions, patents, licenses, trademarks, and similar rights acquired

Other intangible assets include other acquired intangible rights, including software licenses and distribution rights. The estimated useful lives for intangible assets represent 3 years. The residual value represents 0 DKK.

#### Customer relationship

Customer relationship is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

### Property, plant, and equipment

Tangible fixed assets are measured at cost with deduction of accrued depreciation and write-down.

The basis of depreciation is cost. The amortisation period is determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

## Accounting policies

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	Useful life
Other fixtures and fittings, tools and equipment	4-5 years

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.

### **Impairment loss relating to non-current assets**

The book values of fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

### **Investments**

#### **Other financial instruments and equity investments**

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

#### **Deposits**

Deposits are measured at amortised cost and represent lease deposits, etc.

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realizable value and the carrying amount.

#### **Prepayments and accrued income**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

## **Accounting policies**

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### **Cash at Bank and in hand**

Cash at Bank and in hand comprise cash at bank.

### **Equity**

#### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

#### **Income tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

#### **Liabilities other than provisions**

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

#### **Accruals and deferred income**

Received payments concerning income during the following years are recognised under deferred income.

#### **Segmental statement**

Information is disclosed by activities and geographical markets. Segment information is based on the Company's accounting policies, risks and management control.

#### **Segment reporting**

The company evaluates its performance by business segment, IT and Business services, Engineering and R&D services and Products & Platforms.

Segment revenue from customers by geographical area based on geographical location of the customer. The principal geographical segments of the company have been classified as America, Europe, India and others.

## Income statement

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All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2023</u>	<u>1/4 - 31/12 2022</u>
1 Revenue	801.661.829	524.014.329
Costs of raw materials and consumables	-606.351.319	-392.079.162
Other external costs	-12.305.150	-6.074.507
<b>Gross profit</b>	<b>183.005.360</b>	<b>125.860.660</b>
2 Staff costs	-142.355.959	-97.312.936
Depreciation, amortisation, and impairment	-1.115.288	-869.713
<b>Operating profit</b>	<b>39.534.113</b>	<b>27.678.011</b>
3 Other financial income	6.294.477	928.805
Other financial costs	-2.167.358	-793.415
<b>Pre-tax net profit or loss</b>	<b>43.661.232</b>	<b>27.813.401</b>
4 Tax expense for the year	-9.713.909	-6.124.397
<b>5 Net profit or loss for the year</b>	<b>33.947.323</b>	<b>21.689.004</b>

## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>Assets</b>		
<b>Non-current assets</b>		
7 Concessions, patents, licenses, trademarks, and similar rights acquired	2.957	103.143
8 Customer relationship	3.795.310	4.790.332
Total intangible assets	<u>3.798.267</u>	<u>4.893.475</u>
9 Other fixtures and fittings, tools and equipment	121.034	18.072
Total property, plant, and equipment	<u>121.034</u>	<u>18.072</u>
10 Prepayments	0	3.242
11 Deposits	334.300	219.700
Total financial assets	<u>334.300</u>	<u>222.942</u>
<b>Total non-current assets</b>	<b><u>4.253.601</u></b>	<b><u>5.134.489</u></b>
<b>Current assets</b>		
Trade receivables	231.141.502	233.313.947
Receivables from group enterprises	141.148.821	89.202.863
12 Deferred tax assets	2.450.778	210.547
Income tax receivables	0	1.241.730
Other receivables	2.020.309	2.803.743
13 Prepayments	20.829.627	6.346.384
Total receivables	<u>397.591.037</u>	<u>333.119.214</u>
Cash at Bank and in hand	131.105.775	79.461.660
<b>Total current assets</b>	<b><u>528.696.812</u></b>	<b><u>412.580.874</u></b>
<b>Total assets</b>	<b><u>532.950.413</u></b>	<b><u>417.715.363</u></b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>31/12 2023</u>	<u>31/12 2022</u>
<b>Equity</b>			
14	Contributed capital	3.268.624	3.268.624
	Retained earnings	188.380.067	154.432.744
	<b>Total equity</b>	<b>191.648.691</b>	<b>157.701.368</b>
 <b>Liabilities other than provisions</b>			
15	Payables to group enterprises	1.889.232	1.086.214
16	Other payables	25.309	75.261
17	Deferred income	7.131.164	7.806.044
	Total long term liabilities other than provisions	9.045.705	8.967.519
	Trade payables	30.029.535	22.500.633
	Payables to group enterprises	198.906.803	155.250.933
	Corporate tax	5.556.655	0
	Other payables	53.904.968	60.598.303
18	Deferred income	43.858.056	12.696.607
	Total short term liabilities other than provisions	332.256.017	251.046.476
	<b>Total liabilities other than provisions</b>	<b>341.301.722</b>	<b>260.013.995</b>
	<b>Total equity and liabilities</b>	<b>532.950.413</b>	<b>417.715.363</b>

**6 Fees, auditor**

**19 Charges and security**

**20 Contingencies**

**21 Related parties**

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 April 2022	3.268.624	132.743.740	136.012.364
Profit for the year brought forward	<u>0</u>	<u>21.689.004</u>	<u>21.689.004</u>
Equity 1 January 2023	3.268.624	154.432.744	157.701.368
Profit for the year brought forward	<u>0</u>	<u>33.947.323</u>	<u>33.947.323</u>
	<b><u>3.268.624</u></b>	<b><u>188.380.067</u></b>	<b><u>191.648.691</u></b>

## Notes

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All amounts in DKK.

	1/1 - 31/12 2023	1/4 - 31/12 2022			
<b>1. Revenue</b>					
IT and Business services	718.568.894	488.913.055			
Engineering and R&D services	21.679.744	14.756.086			
Products & Platforms	61.413.191	20.345.188			
	<u>801.661.829</u>	<u>524.014.329</u>			
<b>Segmental statement</b>					
	<u>USA</u>	<u>EU</u>	<u>India</u>	<u>Others</u>	<u>Total</u>
Geographically (TDKK)	1.530	792.328	5.219	2.585	801.662
<b>2. Staff costs</b>					
Salaries and wages		136.695.996		93.409.005	
Pension costs		4.373.892		3.130.150	
Other costs for social security		1.286.071		773.781	
		<u>142.355.959</u>		<u>97.312.936</u>	
Average number of employees			148		151
By reference to section 98b(3), (II), of the Danish Financial Statements Act, remuneration to management is not disclosed					
<b>3. Other financial income</b>					
Interest receivable, group entities		1.249.149		928.805	
Other financial income		5.045.328		0	
		<u>6.294.477</u>		<u>928.805</u>	
<b>4. Tax expense for the year</b>					
Tax of the results for the year		11.954.139		6.913.522	
Adjustment for the year of deferred tax		-2.240.230		-789.125	
		<u>9.713.909</u>		<u>6.124.397</u>	



## Notes

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All amounts in DKK.

	1/1 - 31/12 2023	1/4 - 31/12 2022
<b>5. Proposed distribution of net profit</b>		
Transferred to retained earnings	33.947.323	21.689.004
<b>Total allocations and transfers</b>	<b>33.947.323</b>	<b>21.689.004</b>
<b>6. Fees, auditor</b>		
Total fee for KPMG P/S	149.500	130.000
Audit	149.500	130.000
	<b>149.500</b>	<b>130.000</b>
<b>7. Concessions, patents, licenses, trademarks, and similar rights acquired</b>		
Cost opening balance	3.318.799	3.318.799
<b>Cost end of period</b>	<b>3.318.799</b>	<b>3.318.799</b>
Amortisation and writedown opening balance	-3.215.656	-3.140.017
Amortisation for the year	-100.186	-75.639
<b>Amortisation and writedown end of period</b>	<b>-3.315.842</b>	<b>-3.215.656</b>
<b>Carrying amount, end of period</b>	<b>2.957</b>	<b>103.143</b>
<b>8. Customer relationship</b>		
Cost opening balance	9.327.014	9.327.014
<b>Cost end of period</b>	<b>9.327.014</b>	<b>9.327.014</b>
Amortisation and writedown opening balance	-4.536.682	-3.753.068
Amortisation for the year	-995.022	-783.614
<b>Amortisation and writedown end of period</b>	<b>-5.531.704</b>	<b>-4.536.682</b>
<b>Carrying amount, end of period</b>	<b>3.795.310</b>	<b>4.790.332</b>

## Notes

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All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>9. Other fixtures and fittings, tools and equipment</b>		
Cost opening balance	227.257	227.257
Additions during the year	<u>123.042</u>	<u>0</u>
<b>Cost end of period</b>	<b><u>350.299</u></b>	<b><u>227.257</u></b>
Depreciation and writedown opening balance	-209.185	-198.725
Depreciation for the year	<u>-20.080</u>	<u>-10.460</u>
<b>Depreciation and writedown end of period</b>	<b><u>-229.265</u></b>	<b><u>-209.185</u></b>
<b>Carrying amount, end of period</b>	<b><u>121.034</u></b>	<b><u>18.072</u></b>
<b>10. Prepayments</b>		
Prepayments consists of non-current accruals and deferred cost.		
<b>11. Deposits</b>		
Cost opening balance	219.700	219.700
Additions during the year	<u>114.600</u>	<u>0</u>
<b>Cost end of period</b>	<b><u>334.300</u></b>	<b><u>219.700</u></b>
<b>Carrying amount, end of period</b>	<b><u>334.300</u></b>	<b><u>219.700</u></b>
<b>12. Deferred tax assets</b>		
Deferred tax assets opening balance	210.547	-578.578
Deferred tax of the results for the year	<u>2.240.231</u>	<u>789.125</u>
	<b><u>2.450.778</u></b>	<b><u>210.547</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2023</u>	<u>31/12 2022</u>
<b>13. Prepayments</b>		
Prepaid expenses	18.078.138	5.318.445
Employee recoverables	313.712	799.635
Contract assets	<u>2.437.777</u>	<u>228.304</u>
	<b><u>20.829.627</u></b>	<b><u>6.346.384</u></b>

Out of total prepayments 14.751TDKK (2022: 4.592TDKK) are short term.

### 14. Contributed capital

The share capital consist of 439.205 shares, each with a nominal value of EUR 1, the equivalent value of DKK 3.268.624

### 15. Payables to group enterprises

<b>Total payables to group enterprises</b>	<b><u>1.889.232</u></b>	<b><u>1.086.214</u></b>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

### 16. Other payables

Capital lease obligation	<u>25.309</u>	<u>75.261</u>
	<b><u>25.309</u></b>	<b><u>75.261</u></b>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

### 17. Deferred income

Deferred income (long-term) consists of payments received from customers that cannot be recognised as revenue until in the subsequent financial year's. Out of total deferred income, 0 TDKK (2022: 0 TDKK) are due after 5 years.

### 18. Deferred income

Deferred income (short-term) consists of payments received from customers that cannot be recognised as revenue until in the subsequent financial year.

## Notes

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All amounts in DKK.

### 19. Charges and security

The Company has no pledges or collateral at 31 December 2023.

### 20. Contingencies

#### Contingent liabilities

Lease liabilities

The company has entered into rent agreement with a minimum obligation as of 31 December 2023 of 573.000 DKK (31 December 2022: 1.280.889 DKK).

### 21. Related parties

#### Controlling interest

Related party

HCL Technologies Austria GmbH

Vienna, Austria

Basis for control

Majority shareholder

#### Transactions

	1/1 - 31/12 2023	1/4 - 31/12 2022
Sale of services	78.435.042	43.191.455
Purchase of services	583.308.136	374.567.334
Interest on intermediate account with related parties (income)	1.197.962	907.261
Receivables from related parties	141.148.821	89.202.863
Debt to related parties	198.906.803	155.250.933
Other payables to related parties	1.889.232	1.086.214

#### Consolidated financial statements

The consolidated annual accounts for HCL Technologies Limited, India may be ordered by contacting the company at following address. HCL Technologies Limited 806, Sidharth 96, Nehru Place, New Delhi 110019, India.

HCL Technologies Denmark ApS is part of the consolidated financial statement of HCL Technologies Austria GmbH, (Address: Gußhausstraße 14/5, 1040 Vienna, Austria), Austria, and the consolidated financial statements of HCL Technologies Limited, (Address: HCL Technologies Ltd., Technology Hub, SEZ Plot No. 3A, Sector 126, Noida – 201304, India), India, which are the smallest and largest group, respectively, in which the Company is included as a subsidiary.