IAC AUDIT
& ASSURANCE

Laan van 's-Gravenmade 74
2495 AJ Den Haag
070-2192770

KvK Den Haag 77096134
BTW nr. NL 860898738B01

To: The shareholders and supervisory board of HFCL B.V.

Report on the audit of the consolidated interim financial statements as per 31st March 2026

Our opinion
We have audited the consolidated interim financial statement for the period ended 31st March 2026 which are part of the financial statements of HFCL B.V. based in Amsterdam.

In our opinion, the accompanying consolidated financial statement give a true and fair view of the financial position of HFCL B.V. as at 31st March 2026 and of its result in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated balance sheet at 31st March 2026;
2. the consolidated profit and loss account for the period 1st April 2025 to 31st March 2026;
3. the notes comprising material accounting policy information and other explanatory information.

Basis for our opinion
We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the consolidated financial statements' section of our report.

We are independent of HFCL B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

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

Scope of the group audit

HFCL B.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of HFCL B.V.

Consolidated financial statements as part of the (complete) financial statements

The financial statements include the consolidated financial statements and the company financial statements. For a proper understanding of the financial position and result the consolidated financial statements must be considered in connection with the company financial statements.

Report on the other information included in the annual report

The annual report contains other information, in addition to the consolidated financial statements and our auditor's report thereon.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the consolidated financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities regarding the consolidated financial statements

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the consolidated financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the consolidated financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the consolidated interim financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 consolidated financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's 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 auditor's report to the related disclosures in the consolidated 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 a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the consolidated financial statements, including the disclosures; and
- evaluating whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matter

This report is intended solely for information and use by the management of HFCL B.V., its stakeholders and the statutory auditors of the parent holding company of HFCL B.V.

The Hague, 29th April 2026

IAC Audit & Assurance B.V.

drs. S. Ramdas RA

HFCL B.V.

Amsterdam, The Netherlands

(Consolidated Annual accounts for the period 1st April 2025 to 31st March 2026)

Address	:	De entree 232, 1101EE Amsterdam
Chamber of Commerce	:	Amsterdam, The Netherlands
File Number	:	84 130 288

S.R.

Table of Contents:

Consolidated balance sheet as at 31st March 2026

(Before proposed result appropriation)

	Notes	31-Mar-26	31-Mar-25
		EUR	EUR
ASSETS			
Tangible Fixed assets	1	2,814	2,893
		2,814	2,893
Current assets			
Receivables, including prepayments	2	1,103,747	1,046,554
Cash and cash equivalents	3	259,438	204,811
		1,363,185	1,251,365
Short term liabilities	4	716,356	720,076
Balance of current assets less short-term liabilities		646,829	531,289
Balance of assets less short term-liabilities		**649,643**	**534,182**
Shareholders' equity	5		
Share capital		1	1
Retained earnings		534,338	380,026
Result for the period		111,477	149,919
Currency Translation Reserve		3,827	4,236
Total shareholders' equity		**649,643**	**534,182**

Consolidated profit and loss account for the period 1st April 2025 to 31st March 2026

	Notes	1 Apr 2025 to 31 Mar 2026 EUR	1 Apr 2024 to 31 Mar 2025 EUR
Revenue	6	1,484,109	2,191,914
Cost of sales	7	-	(458,126)
		1,484,109	**1,733,788**
Operating cost			
Employment costs	8	(1,032,824)	(1,237,725)
General and administrative expenses	9	(236,012)	(284,971)
Depreciation and amortization	10	(1,123)	(914)
Total operating result		**214,150**	**210,178**
Financial income/(expense)	11	(59,212)	(21,797)
Result before taxation		**154,938**	**188,381**
Corporate income tax	12	(31,599)	(38,462)
Loss on liquidation - HFCL Poland Sp.z.o.o		(11,862)	-
Net result for the period		**111,477**	**149,919**

General

HFCL B.V. (the Company) is a private limited liability company, incorporated under the laws of The Netherlands on 6th October 2021, and have its corporate seat in Amsterdam, with office at De entree 232, 1101EE Amsterdam, The Netherlands. The Company is registered at the Chamber of Commerce under number 84 130 288.

The Company qualified as a small-sized entity (prior year: small) under Dutch Law, therefore the Consolidated financial statements for the year 31st March, 2026 have been prepared as per the small entity's regime.

The sole shareholder is HFCL Limited, India.

Activities

The principal business activities of the Company consist mainly of manufacture and trade Optical Fiber, Optical Fiber Cables, Telecom and Networking Products and other allied activities, to incorporate, to participate in and to finance companies and enterprises, to collaborate with, to manage the affairs of and to provide advice and other services to companies and other enterprises.

Financial year

The financial year of the Company starts on 1st April and ends on 31st March of the immediate following year.

Reporting currency

The Consolidated financial statements of the Company are prepared and presented in EUR which is both presentation and functional currency of the Company.

Going concern

These Consolidated financial statements have been prepared on a going concern basis, which basis for valuation and determination of results assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Changes in estimate

The preparation of the Consolidated financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Legal Structure

HFCL B.V. is a wholly owned subsidiary of HFCL Limited, India.
HFCL B.V. has a 100% subsidiary, HFCL Canada Inc. in Canada.
HFCL B.V. has a 100% subsidiary, HFCL UK Limited, in UK.
HFCL B.V. has a 100% subsidiary, HFCL Pty Limited, in Australia.

Change in Group Structure

In the year 2025-26, the Group completed the liquidation of its 100%-owned subsidiary, HFCL Poland sp. z o.o. Control over the subsidiary was lost on 26 October 2025.

Disclosure of consolidation

The Company prepared consolidated financial statements in accordance with Dutch GAAP. These statements consolidated the financial information of HFCL B.V. itself, along with the following subsidiaries:

1. HFCL Canada Inc
2. HFCL UK Limited
3. HFCL Pty Limited

Principles of valuation of assets and liabilities

Accounting policies

The Consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands (Title 9, Book 2 of the Dutch Civil Code) and are denominated in Euro, which is the Company's functional currency.

Tangible fixed assets

Tangible fixed assets are valued at cost less depreciation and, if applicable, impairment. Depreciation of equipment is calculated based on cost, taking into account any residual value and charged on a straight-line basis over the estimated useful lives of the assets.

Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost. When a receivable is considered uncollectible, it is written off against the allowance account for receivables. If payment of there ceivableis postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank balances, remittance in transit and deposits. Cash and cash equivalents are stated at nominal value.

Current liabilities

The current liabilities concern the liabilities with a duration of shorter than one year. These liabilities are valued at nominal value unless stated otherwise.

Provisions

Provisions are formed for liabilities which are deemed probable or certain at the balance sheet date, but which are still unknown as to the amount or timing of outflow of funds.

Accounts payable

All accounts payable are stated at nominal value and are expected to be paid within one year after the balance sheet date.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as a part of the profit distribution.

The Company's ordinary shares are classified as equity instruments.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

Translation of foreign currencies

All monetary assets and liabilities denominated in foreign currencies have been translated into EUR at the rate of exchange ruling at the balance sheet date, where as non-monetary assets denominated in foreign currencies are translated at historical rate when transaction took place. All transactions denominated in foreign currencies made during the period under review are translated into EUR at rates of exchange ruling on or around the date of the transactions. Foreign exchange gains and losses arising as a result of the application of the above accounting policies are disclosed separately in the profit and loss account.

1 EUR at balance sheet date was equal to : Pound(£) 0.8683, USD($) 1.1498, CAD($) 1.6022, PLN(zł) 4.289, INR (₹) 107.88, (31st March 2025 Pound(£) 0.8354).

Related party transactions

An entity is considered as a related party if any of the following conditions prevail:

- The financial and operating activities are controlled by the Company or are controlled by the same party, which includes common control, joint control or significant influence.
- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Transaction with related parties were made on terms equivalent to those that prevail in arm's length transaction.

Principles for the determination of the result

The result is determined as the difference between the value of the goods delivered and the costs and other charges related to the period. Profits on transactions are recognized in the period in which they are realised, losses are taken into account as soon as they are foreseeable.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts.

Income and expenses denominated in foreign currencies are accounted for at the official rates of exchange prevailing on the date on which the transaction took place. Translation differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are recognized in the profit and loss account.

Tax on result will be calculated by applying the tax rate on the result for the financial year in the profit & loss account at year end. Tax expense comprises only current tax. Current tax is the expected tax payable on the taxable income for the year.

	31-Mar-26	31-Mar-25
	EUR	EUR
1. Tangible fixed assets		
Office equipment		
Balance as at Opening		
Purchase price	4,572	4,572
Accumulated depreciation	(1,679)	(765)
	2,893	3,807
Changes during the period		
Addition/(deletion)	1,044	-
Depreciation (20%)	(1,123)	(914)
Balance as at Closing		
Purchase price	5,616	4,572
Accumulated depreciation	(2,802)	(1,679)
	2,814	**2,893**
2. Receivables, including prepayments		
Accounts receivables	511,874	548,247
Other receivables	591,873	498,306
	1,103,747	**1,046,554**
Other receivables		
Advance paid to supplier	28,645	1,173
Advance to employees	-	3,170
Accrued income	379,109	-
Receivables from Michael James Robert Best	3,170	-
Prepaid expenses	12,331	12,336
Prepaid taxes	22,006	9,905
Security deposit	2,748	2,748
Sale tax receivables	30,059	23,575
Withholding Tax-India	113,805	445,400
	591,873	**498,306**
3. Cash and cash equivalents		
BMO Bank	37,048	46,982
Commonwealth Bank of Australia	8,890	-
SBI UK (EUR)	54	177
SBI UK (GBP)	5,491	9,590
Santander Bank 7693	-	557
TransferWise (EUR)	59,171	147,503
ICICI Bank	5	-
Cash in hand	2	2
Cheque in transit	148,777	-
	259,438	**204,811**

	31-Mar-26 EUR	31-Mar-25 EUR
4. Short term liabilities		
Accounts payables	452,366	465,628
Amounts due to group companies	130,270	123,808
Taxes and social security contributions	110,063	100,725
Pension premium payables	2,212	5,487
Salaries & wages payables	2,658	2,763
Accrued liabilities	18,765	21,643
Other payables	22	22
	716,356	**720,076**

Amounts due to group companies

	31-Mar-26 EUR	31-Mar-25 EUR
Loan received from Media Matrix (HK) limited	93,000	93,000
Interest payable - Media Matrix (HK) limited	14,857	6,952
Payable to HFCL Inc	22,413	23,856
	130,270	**123,808**

Taxes and social security contributions

	31-Mar-26 EUR	31-Mar-25 EUR
CIT payable	99,311	68,623
Social security tax payable	3,277	7,312
Payroll taxes payable	7,475	24,790
	110,063	**100,725**

5. Shareholders' equity

	Issued & paid-up capital	Currency Translation Reserve	Retained earnings	Result	Total
Balance as at 1st April 2025	1	4,236	380,026	149,919	534,182
Adjustments*	-	69	4,393	-	4,462
Movements during the period**	-	(478)	-	-	(478)
Allocation of result	-	-	149,919	(149,919)	-
Result for the period	-	-	-	111,477	111,477
Balance as at 31st March 2026	**1**	**3,827**	**534,338**	**111,477**	**649,643**

The issued and paid up share capital amounts to EUR 1 and consists of 1 ordinary shares with a nominal value of EUR 1 each.

*In the year 2025-26, the Group liquidated its wholly owned subsidiary, HFCL Poland sp. z o.o. Upon liquidation, the assets and liabilities of the subsidiary were derecognised from the consolidated balance sheet.

**The financial results of the Company's subsidiaries in Canada, the UK, and Australia have been translated into the Company's functional currency, EUR. This resulted in the creation of a currency translation reserve, which is reflected in the consolidated financial statements.

	1 Apr 2025 to 31 Mar 2026 EUR	1 Apr 2024 to 31 Mar 2025 EUR
6. Revenue		
Service income	1,484,109	1,688,000
Sale of goods	-	503,914
	1,484,109	**2,191,914**
7. Cost of sales		
Other direct cost	-	(458,126)
	-	**(458,126)**
8. Employment costs:-		
Salaries and wages	(835,575)	(979,260)
Holiday allowance	(1,542)	(3,855)
Social security expenses	(91,998)	(115,078)
Pension premium expenses	(48,179)	(63,215)
Bonus on salary	(55,530)	(76,318)
	(1,032,824)	**(1,237,725)**
9. General and administrative expenses		
Audit fees	(36,211)	(35,230)
Courier and postage	(154)	(15)
Insurance expense	(16,335)	(25,335)
Management fees	(3,000)	(3,000)
Office expenses	(60,164)	(58,318)
Office rent	(960)	(6,841)
Penalties and fines	(476)	(1,472)
Professional fees	(63,416)	(72,366)
Travelling expenses	(29,176)	(41,342)
Vehicle expenses	(19,877)	(16,704)
Legal expenses	(188)	(4,157)
Transportation charges	-	(4,080)
Warehouse charges	-	(16,110)
Quotation charges	(732)	-
Balance written off	(1,503)	-
Other expenses	(389)	-
Provision for debt	(3,431)	-
	(236,012)	**(284,971)**
10. Depreciation and amortization		
Depreciation	(1,123)	(914)
	(1,123)	**(914)**

	1 Apr 2025 to 31 Mar 2026	1 Apr 2024 to 31 Mar 2025
	EUR	EUR
11. Financial income/(expense)		
Currency exchange result	(62,760)	(10,779)
Interest on loan	(7,905)	(6,952)
Interest and bank charges	(5,717)	(4,066)
Interest income*	17,170	-
	(59,212)	**(21,797)**

*The interest income disclosed in the financial statements pertains to income earned in India on the refund of witholding taxes, subject to withholding tax under applicable Indian tax regulations. The Company has recognized the gross interest income in the statement of profit and loss. The taxes paid in India on such income have been disclosed as foreign taxes under corporate income tax in the financial statements.

12. Corporate income tax		
Provision for CIT	(30,734)	(38,462)
Foreign taxes	(865)	-
	(31,599)	**(38,462)**

Company Balance sheet as at 31st March 2026

(Before proposed result appropriation)

	Notes	31-Mar-26	31-Mar-25
		EUR	EUR
ASSETS			
Financial fixed assets	1	3	4,348
Tangible fixed assets	2	2,814	2,892
		2,817	7,241
Current assets			
Receivables, including prepayments	3	1,101,090	1,031,139
Cash and cash equivalents	4	213,498	157,270
		1,314,588	1,188,409
Short term liabilities	5	653,654	653,299
Balance of current assets less short-term liabilities		660,934	535,110
Balance of assets less short term-liabilities		**663,751**	**542,351**
Shareholders' equity	6		
Share capital		1	1
Retained earnings		543,695	382,435
Currency transalation reserve		(308)	(176)
Result for the period		120,363	160,091
Total shareholders' equity		**663,751**	**542,351**

Company Profit and loss account for the period 1st April 2025 to 31st March 2026

	Notes	1 Apr 2025 to 31 Mar 2026	1 Apr 2024 to 31 Mar 2025
		EUR	EUR
Revenue	7	1,484,109	2,117,432
Cost of sales	8	-	(419,886)
		1,484,109	**1,697,546**
Operating cost			
Employment Costs	9	(1,032,824)	(1,237,725)
General and administrative expenses	10	(221,141)	(256,695)
Depreciation and amortization	11	(1,123)	(914)
Total operating result		**229,021**	**202,212**
Financial income/(expense)	12	(59,404)	(8,703)
Result before taxation		**169,617**	**193,509**
Corporate income tax	13	(33,183)	(36,767)
Result after taxation		**136,434**	**156,742**
Result from participation	14	(16,071)	3,349
Net result for the period		**120,363**	**160,091**

General

HFCL B.V. (the Company) is a private limited liability company, incorporated under the laws of The Netherlands on 6th October 2021, and have its corporate seat in Amsterdam, with office at De entree 232, 1101EE Amsterdam, The Netherlands. The Company is registered at the Chamber of Commerce under number 84 130 288.

The Company qualified as a small-sized entity (prior year: small) under Dutch Law, therefore the financial statements for the period 31st March, 2026 have been prepared as per the small entity's regime.

The sole shareholder is HFCL Limited, India.

Activities

The principal business activities of the Company consist mainly of manufacture and trade Optical Fiber, Optical Fiber Cables, Telecom and Networking Products and other allied activities, to incorporate, to participate in and to finance companies and enterprises, to collaborate with, to manage the affairs of and to provide advice and other services to companies and other enterprises.

Financial year

The financial year of the Company starts on 1st April and ends on 31st March of the immediate following year.

Reporting currency

The financial statements of the Company are prepared and presented in EUR which is both presentation and functional currency of the Company.

Going concern

These financial statements have been prepared on a going concern basis, which basis for valuation and determination of results assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Changes in estimate

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure.

The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

Principles of valuation of assets and liabilities

Accounting policies

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands (Title 9, Book 2 of the Dutch Civil Code) and are denominated in Euro, which is the Company's functional currency.

S.R.

Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholder's equity as a part of the profit distribution.

The Company's ordinary shares are classified as equity instruments.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognized in the profit and loss as financial income or expense.

Translation of foreign currencies

All monetary assets and liabilities denominated in foreign currencies have been translated into EUR at the rate of exchange ruling at the balance sheet date, where as non-monetary assets denominated in foreign currencies are translated at historical rate when transaction took place. All transactions denominated in foreign currencies made during the period under review are translated into EUR at rates of exchange ruling on or around the date of the transactions. Foreign exchange gains and losses arising as a result of the application of the above accounting policies are disclosed separately in the profit and loss account.

1 EUR at balance sheet date was equal to : Pound(£) 0.8683, USD($) 1.1498, CAD($) 1.6022, PLN(zł) 4.289, INR (₹) 107.88, (31st March 2025 Pound(£) 0.8354).

Related party transactions

An entity is considered as a related party if any of the following conditions prevail:

- The financial and operating activities are controlled by The Company or are controlled by The same party, which includes common control, joint control or significant influence.
- The entity and the reporting entity are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

Transaction with related parties were made on terms equivalent to those that prevail in arm's length transaction.

Principles for the determination of the result

The result is determined as the difference between the value of the goods delivered and the costs and other charges related to the period. Profits on transactions are recognized in the period in which they are realised, losses are taken into account as soon as they are foreseeable.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, rebates and discounts.

Income and expenses denominated in foreign currencies are accounted for at the official rates of exchange prevailing on the date on which the transaction took place. Translation differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are recognized in the profit and loss account.

Tax on result will be calculated by applying the tax rate on the result for the financial year in the profit & loss account at year end. Tax expense comprises only current tax. Current tax is the expected tax payable on the taxable income for the year.

Financial fixed assets

Investments in which the Company has significant influence are stated at net asset value. Significant influence applies when the Company owns more than 20% of the voting rights of the investment.

If any, the overvalue between purchase price and first net asset value will be recorded as goodwill.

In case of net deficit value of an investment the carrying amount is minimally stated at Euro 1, unless the Company has incurred obligations or guaranteed obligations in respect of the investment. In that case a provision will be formed.
When investments accounted at net asset value which are denominated in currencies other than the euro, their net asset value is converted to euros using the exchange rate prevailing on the balance sheet date. Any resulting currency translation gains or losses are recorded within the equity fund of the Company.

All other investments are valued at cost. When a permanent impairment in value occurs in the investment valued at cost, the carrying amount is written down to its estimated recoverable amount but not less than Euro 1.

Tangible fixed assets

Tangible fixed assets are valued at cost less depreciation and, if applicable, impairment. Depreciation of equipment is calculated based on cost, taking into account any residual value and charged on a straight-line basis over the estimated useful lives of the assets.

Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost. When a receivable is considered uncollectible, it is written off against the allowance account for receivables. If payment of there receivables postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, bank balances, remittance in transit and deposits. Cash and cash equivalents are stated at nominal value.

Current liabilities

The current liabilities concern the liabilities with a duration of shorter than one year. These liabilities are valued at nominal value unless stated otherwise.

Provisions

Provisions are formed for liabilities which are deemed probable or certain at the balance sheet date, but which are still unknown as to the amount or timing of outflow of funds.

Accounts payable

All accounts payable are stated at nominal value and are expected to be paid within one year after the balance sheet date.

1. Participations in Subsidiaries

	Name and place	*Ownership*	*Valuation Method*	31-Mar-26 EUR	31-Mar-25 EUR
i)	HFCL Canada Inc (Canada)	100%	NAV	1	4,345
ii)	HFCL Poland Sp.z.o.o. (Poland)	100%	NAV	-	1
iii)	HFCL UK Limited (UK)	100%	NAV	1	1
iv)	HFCL Pty Ltd (Australia)	100%	NAV	1	1
				3	**4,348**

i) *HFCL Canada Inc*

Movements in participations are as follows:

	31-Mar-26 EUR	31-Mar-25 EUR
Balance at Opening	4,345	1
Investment	-	-
Share in result	(4,209)	4,518
Currency translation reserve	(135)	(174)
Balance at closing	**1**	**4,345**

On November 2, 2023, the Company invested CAD 1 (equivalent to EUR 0.69) in the share capital of HFCL Canada Inc., Canada and holds 100% shares of the subsidiary. According to the balance sheet of HFCL Canada Inc as at 31th March 2026, the subsidiary reported loss of CAD 15,595 (equivalent in EUR 9,734) and had a negative NAV of CAD 8,772 (equivalent in EUR 5,475), thus participation has been shown as EUR 1.

ii) *HFCL Poland Sp.z.o.o. (Poland)*

Movements in participations are as follows:

	31-Mar-26 EUR	31-Mar-25 EUR
Balance at Opening	1	-
Investment	-	1,173
Share in result	-	(1,169)
Disposal	(1)	-
Currency translation reserve	-	(3)
Balance at closing	**-**	**1**

On May 17, 2024, the Company invested PLN 5,000 (equivalent to EUR 1,173) in the share capital of HFCL Poland sp. z.o.o, Poland, and holds 100% shares of the subsidiary.

During the year ended 31 March 2026, the Company completed the liquidation of its wholly owned subsidiary, HFCL Poland sp. z o.o. Control over the subsidiary was lost on 26 October 2025. Upon liquidation, the investment in the subsidiary and other receivables from the subsidiary were derecognised from the balance sheet of the Company, resulting in a loss of EUR 11,862, which has been recognised within result from participating interests in the statement of profit and loss.

iii) *HFCL UK Limited*

Movements in participations are as follows:

	31-Mar-26 EUR	31-Mar-25 EUR
Balance at Opening	1	-
Investment	-	1
Share in result	-	-
Currency translation reserve	-	-
Balance at closing	**1**	**1**

On July 5, 2024, the Company invested GBP 1 (equivalent to EUR 1) in the share capital of HFCL UK Limited, and holds 100% shares of the subsidiary company.

	31-Mar-26	31-Mar-25
	EUR	EUR
iv) *HFCL PTY LTD*		
Movements in participations are as follows:		
Balance at Opening	1	-
Investment	-	1
Share in result	-	-
Currency translation reserve	-	-
Balance at closing	**1**	**1**

On October 28, 2024, the Company invested AUD 1 (equivalent to EUR 0.61) in the share capital of HFCL PTY LTD, Australia and holds 100% shares of the subsidiary Company. According to the balance sheet of HFCL PTY LTD as at 31st March 2026, the subsidiary reported loss of AUD 5,976 (equivalent to EUR 3,408) and had a negative NAV AUD 14,407 (equivalent in EUR 8,631), thus participation has been shown as EUR 1.

2. Tangible Fixed assets

	31-Mar-26	31-Mar-25
Office equipment		
Balance as at Opening		
Purchase price	4,572	4,572
Accumulated depreciation	(1,679)	(765)
	2,892	3,807
Changes during the period		
Addition/(deletion)	1,044	-
Depreciation (20%)	(1,123)	(914)
Balance as at Closing		
Purchase price	5,616	4,572
Accumulated depreciation	(2,802)	(1,679)
	2,814	**2,892**

3. Receivables, including prepayments

	31-Mar-26	31-Mar-25
Accounts receivables	502,399	527,971
Receivables from group companies	8,653	6,374
Other receivables	590,038	496,794
	1,101,090	**1,031,139**
Receivables from group companies		
Receivables from HFCL Canada Inc.	200	200
Receivables from HFCL Pty Ltd	8,453	2,328
Receivables from HFCL Poland sp. z.o.o.	-	3,846
	8,653	**6,374**
Other receivables		
Advance paid to supplier	28,645	1,173
Advance to employees	-	3,170
Accrued income	379,109	-
Receivables from Michael James Robert Best	3,170	-
Prepaid expenses	12,331	12,336
Prepaid taxes	22,006	9,905
Security deposit	2,748	2,748
VAT receivables	28,224	22,062
Withholding Tax-India	113,805	445,400
	590,038	**496,794**

		31-Mar-26	31-Mar-25
		EUR	EUR
4. Cash and cash equivalents			
SBI UK (EUR)		54	177
SBI UK	GBP 4,768	5,491	9,590
ICICI Bank	INR 531	5	-
TransferWise		59,171	147,503
Cheque in transit		148,777	-
		213,498	**157,270**
5. Short term liabilities			
Accounts payables		415,496	426,733
Amounts due to group companies		115,846	108,446
Taxes and social security contributions		110,063	99,095
Pension premium payable		2,212	5,487
Salaries & wages payable		2,658	2,763
Accrued liabilities		7,357	10,753
Other payables		22	22
		653,654	**653,299**
Amounts due to group companies			
Loan received from Media Matrix (HK) limited		93,000	93,000
Interest payable - Media Matrix (HK) limited		14,857	6,952
Payable to HFCL Inc		7,989	8,494
		115,846	**108,446**
Taxes and social security contributions			
Corporate Income tax payables		99,311	66,993
Social security tax payable		3,277	7,312
Payroll taxes payable		7,475	24,790
		110,063	**99,095**

6. Shareholders' equity

	Issued & paid-up share capital	Retained earnings	Currency translation reserve*	Result	Total
Balance as at 1st April 2025	1	382,435	(176)	160,091	542,351
Allocation of result	-	160,091	-	(160,091)	-
Movement	-	1,169	(132)	-	1,037
Result for the period	-	-	-	120,363	120,363
Balance as at 31st March 2026	**1**	**543,695**	**(308)**	**120,363**	**663,751**

The issued and paid up share capital amounts to EUR 1 and consists of 1 ordinary shares with a nominal value of EUR 1 each.

*The net asset value of the Company's subsidiaries in Canada, the UK, and Australia has been incorporated into the Company's financial statements in accordance with the NAV method. As these subsidiaries maintain their accounts in foreign currencies, translation of their net assets into euros at the reporting date has resulted in a currency translation difference. This difference is recognized in a currency translation reserve, which is reflected in the equity section of the financial statements.

	1 Apr 2025 to 31 Mar 2026 EUR	1 Apr 2024 to 31 Mar 2025 EUR
7. Revenue		
Service income	1,484,109	1,688,000
Sale of goods	-	429,432
	1,484,109	**2,117,432**
8. Cost of sales		
Other direct cost	-	(419,886)
	-	**(419,886)**
9. Employment costs		
Salaries and wages	(835,575)	(979,260)
Bonus on salary	(55,530)	(76,318)
Holiday allowance	(1,542)	(3,855)
Social security expenses	(91,998)	(115,078)
Pension premium expenses	(48,179)	(63,215)
	(1,032,824)	**(1,237,725)**
10. General and administrative expenses		
Audit fees	(24,960)	(24,856)
Courier and postage	(154)	(15)
Insurance expense	(16,335)	(25,335)
Management fees	(3,000)	(3,000)
Office expenses	(60,163)	(58,318)
Office rent	(960)	(6,629)
Penalties and fines	(476)	(1,472)
Professional fees	(63,416)	(72,361)
Travelling expenses	(29,176)	(41,342)
Vehicle expenses	(19,877)	(16,704)
Warehouse charges	-	(6,662)
Quotation charges	(732)	-
Balance written off	(1,503)	-
Other expenses	(389)	-
	(221,141)	**(256,695)**
11. Depreciation and amortization		
Depreciation	(1,123)	(914)
	(1,123)	**(914)**
12. Financial income/(expense)		
Currency exchange result	(63,694)	1,664
Interest on loan	(7,905)	(6,952)
Interest and bank charges	(4,975)	(3,415)
Interest income*	17,170	-
	(59,404)	**(8,703)**

*The interest income disclosed in the financial statements pertains to income earned in India on the refund of withholding taxes, subject to withholding tax under applicable Indian tax regulations. The Company has recognized the gross interest income in the statement of profit and loss. The taxes paid in India on such income have been disclosed as foreign taxes under corporate income tax in the financial statements.

	1 Apr 2025 to 31 Mar 2026 EUR	1 Apr 2024 to 31 Mar 2025 EUR
13. Corporate income tax		
Provision for CIT	(32,318)	(36,767)
Foreign taxes	(865)	-
	(33,183)	(36,767)
14. Results from participation		
Loss on liquidation - HFCL Poland Sp.z.o.o	(11,862)	-
Share in result - HFCL Poland Sp.z.o.o	-	(1,169)
Share in result - HFCL Canada Inc	(4,209)	4,518
	(16,071)	3,349

15. Average number of employees

During the financial year, the Company has six employees (previous year : seven).

16. Director

During the financial year, the Company has two directors (previous year: two) and one of them receive remuneration.

17. Post balance sheet date events

Since balance sheet date no events occurred, which would change the financial position of the Company and which would require adjustments of or disclosure in the financial statements now presented.

Signed on, 4/29/2026

DocuSigned by:
Harshwardhan Pagay
333F245CA835481...

Mr. Harsh Wardhan Pagay
Director

S Mishra

Ms. Sadhana Mishra
Director

Other Information

Auditor's requirement.

The Company has utilized the exemption from an audit by virtue of Article 396, paragraph 7, Title 9, Book 2 of the Netherlands Civil Code. However, it has been decided by the management to conduct the voluntary audit quarterly review of the financials.

Statutory provision on appropriation of result

According to the Articles of Association of the Company the result shall be appropriated by the General Meeting of Shareholders.