

FINANCIAL STATEMENTS

as of December 31st, 2017

Hexaware Technologies GmbH

Frankfurt am Main

Auditor's Certificate and Final Remarks

I have audited the financial statements, the company's books and the management's report of Hexaware Technologies GmbH for the fiscal year 01/01/ – 12/31/2017 and have issued an unqualified opinion:

"I have audited the annual financial statement, together with the bookkeeping systems and the management report of the Hexaware Technologies GmbH for the business year from 01/01/ to 12/31/2017.

The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German Commercial Code (HGB) and supplementary provisions in the articles of incorporation agreement are the responsibility of the Company's management. My responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on my audit.

I conducted my audit of the annual financial statements in accordance with § 317 HGB (German Commercial Code) and the generally accepted standards for the audit of financial statements published by the Institut der Wirtschaftsprüfer (IDW). These standards require that I plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. I believe that my audit provides a reasonable basis for my opinion.

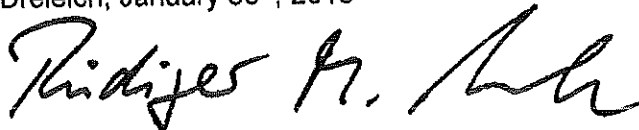
The audit has not led to any reservations.

In my opinion, the annual financial statements agree to the laws applicable, the articles of association and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. On the whole, the management report provides a suitable understanding of the Company's position and suitably presents the risks of future development."

The audit report has been prepared in accordance with the generally accepted principles for audit reports (IDW PS 450) published by the Institute of Chartered Accountants.

I refer to § 328 HGB (German Commercial Code).

Dreieich, January 30th, 2018

A handwritten signature in black ink, appearing to read 'Rüdiger M. Klönk', written in a cursive style.

Rüdiger M. Klönk

Certified Public Auditor

Profit and Loss Statement
for the period:

01.01. - 31.12.2017

Hexaware Technologies GmbH, Frankfurt am Main

	2017	2016
	€	€
1. Sales	9.277.176,83	11.572.332,77
2. Decrease of work in process (prior year: decrease)	-28.530,98	-278.530,72
3. Other income thereof loss from exchange rate differences € 219.154,23 (prior year: income € 47.456,22)	-219.154,23	47.423,20
4. Cost of purchased services	3.638.638,50	4.663.875,17
5. Payroll expenses		
a) Salaries and wages	3.815.217,87	4.855.255,12
b) social security	<u>606.085,36</u>	<u>752.994,91</u>
6. Depreciation		
a) on fixed assets	10.484,15	12.910,26
7. Other operating expenses	<u>656.758,14</u>	<u>652.225,71</u>
8. Interest income	302.307,60	403.960,08
9. Taxes on income	0,00	1,06
10. Net income after tax	<u>109.000,00</u>	<u>125.000,00</u>
11. Other taxes	193.307,60	278.961,14
12. Profit for the year	<u>0,00</u>	<u>17.042,16</u>
	<u>193.307,60</u>	<u>261.918,96</u>

Hexaware Technologies GmbH, Frankfurt am Main

Notes on the Financial Statements 2017

1. Application of the Accounting Directives Law (BiRiLiG)

The annual financial statements of our company have been prepared in compliance with the Accounting Law Modernization Act, applicable since May 29th, 2009.

In 2010 the law has been applied for the first time.

The prior year's figures have not been reclassified.

We are a medium-sized private limited company according to § 267 (2) HGB.

To improve clarity, all legal comments on the balance sheet as well as on the profit and loss account positions are given in the notes on the financial statement.

2. Accounting Principles and Valuation Methods

Intangible assets acquired are valued at original costs, less scheduled depreciation. They are written down within 3 years using the linear method.

The valuation of tangible assets is based on acquisition or manufacturing costs.

The scheduled amortisation of fixed assets is charged over the anticipated useful life of 3 to 5 years for other assets, using the straight line method.

Additions to movable fixed assets were depreciated on a pro rata temporis basis.

Low value items are written off over a period of five years.

In case of receivables and other assets, valuation is based in principle on nominal amounts.

Risks, which were recognizable up to the balance sheet completion date and possible liabilities, were taken into account by adequate provisions.

In general, liabilities have been stated at the amount repayable.

Receivables and liabilities in foreign currencies are converted at the spot rate of the business transaction date.

As of December 31st, 2017 receivables were capitalized at their lowest value on the basis of the buying rate, and liabilities at their highest value on the basis of the selling rate of the balance sheet date.

3. Explanations and details on particular positions of the Annual Report.

Fixed Assets:

The development of fixed assets is presented in the following summary:

Analysis of fixed assets 01.01.-31.12.2017

for

Hexaware Technologies GmbH, Frankfurt am Main

	at cost		accumulated depreciation				net book value			
	balance	disposal	balance	addition	disposal	balance	31.12.2017	31.12.2016		
	01.01.2017	31.12.2017	01.01.2017	31.12.2017	31.12.2017	31.12.2017	31.12.2017	31.12.2016		
€	€	€	€	€	€	€	€			
I. Intangible Assets	68.682,42	820,90	0,00	69.503,32	62.959,87	4.246,15	0,00	67.206,02	2.297,30	5.722,55
II. Tangible Assets										
1. Land, land rights and buildings - including buildings on third-party	32.000,00	0,00	0,00	32.000,00	32.000,00	0,00	0,00	32.000,00	0,00	0,00
2. Office equipment, furniture, fixtures	82.627,91	3.455,81	0,00	86.083,72	74.293,68	5.944,00	0,00	80.237,68	5.846,04	8.334,23
	<u>114.627,91</u>	<u>3.455,81</u>	<u>0,00</u>	<u>118.083,72</u>	<u>106.293,68</u>	<u>5.944,00</u>	<u>0,00</u>	<u>112.237,68</u>	<u>5.846,04</u>	<u>8.334,23</u>
	2.500,00	0,00	0,00	2.500,00	0,00	0,00	0,00	0,00	2.500,00	2.500,00
III. Financial Assets										
Total	<u>185.810,33</u>	<u>4.276,71</u>	<u>0,00</u>	<u>190.087,04</u>	<u>169.253,55</u>	<u>10.190,15</u>	<u>0,00</u>	<u>179.443,70</u>	<u>10.643,34</u>	<u>16.556,78</u>

Breakdown of accruals:

	T€
Vacation	215
Incentives	200
Legal and consultancy fees	49
Others	<u>443</u>
	<u>907</u>

The balance sheet item Liabilities affiliated companies includes trade payables to the amount of k€ 34.

Other liabilities include tax liabilities of k€ 238 and social security liabilities of k€ 1.

4. Significant events after 12/31/2017

None

5. Other information

Number of employees

Employees on average in 2017: 49

Other financial obligations 2018 - 2020: Rent T€ 434

General Management:

Mr. Peruvemba Ramachandran Chandrasekar, engineer

Mr. Amrinder Singh, engineer

Mr. Alexander Müller-Herbst, engineer, since May 2017

Name and corporate domicile of the parent company, which issues the consolidated financial statements for the biggest affiliated group:

Hexaware Technologies Ltd., Mumbai, India

The consolidated statements are published in Mumbai.

Frankfurt am Main, January 29th, 2018

The Management

2. Cash flow statement

The cash flow statement shows major financing transactions and the cash flow for the fiscal year ending December 31st, 2017.

	<u>2017</u> k€	<u>2016</u> k€
<u>I. Cash Flow</u>		
1. <u>Cash -Flow</u>		
Profit for the year	193	262
+ Depreciation on fixed assets	10	13
+ Increase of accruals	172	-162
= <u>Cash flow for the year</u>	<u>375</u>	<u>113</u>
2. <u>Modification of funds from operating activities</u>		
+ Increase of receivables and other assets (prior year decrease)	-488	513
+ Increase of liabilities (prior year decrease) except accruals	425	-269
	<u>-63</u>	<u>244</u>
<u>Cash flow from operating activities</u>	<u>312</u>	<u>357</u>
<u>II. Investments in fixed assets</u>		
- Additions to fixed assets	-4	-5
	<u>-4</u>	<u>-5</u>
<u>III. Cash position</u>		
Cash at the beginning of the business year	2.393	2.041
+ Changes of cash position (Total I und II)	308	352
= <u>Cash at the end of the business year</u>	<u>2.701</u>	<u>2.393</u>

BALANCE SHEET accounts

as of 31.12.2017

ASSETS

A. Fixed Assets

<u>Account</u>	<u>31.12.2017</u> €	<u>31.12.2016</u> €
<u>I. Intangible Assets</u>		
1. Software		
0027 Computer Software	<u>2.297,30</u>	<u>5.722,55</u>
<u>II. Tangible Assets</u>		
1. Office equipment, furnitures, fixtures		
0400 Computer & Printer	1.061,43	1.935,67
0410 Office Equipment	985,11	2.199,11
0485 Small Value Items Pool 2014	320,65	641,31
0486 Small Value Items Pool 2015	2.372,10	3.558,14
0487 Small Value Items Pool 2017	1.106,75	0,00
	<u>5.846,04</u>	<u>8.334,23</u>
<u>III. Financial Assets</u>		
1. Shares in affiliated companies		
0502 Investment in affiliates	<u>2.500,00</u>	<u>2.500,00</u>
<u>B. Current Assets</u>		
<u>I. Inventories</u>		
3970 Work in process	<u>202.541,67</u>	<u>231.072,65</u>

<u>Account</u>	<u>31.12.2017</u> €	<u>31.12.2016</u> €	
<u>II. Receivables and other assets</u>			
1. Accounts receivable trade			
1400	Accounts receivable	2.421.251,84	1.797.542,42
0998	Doubtful debts	-50.867,56	-33.647,56
		<u>2.370.384,28</u>	<u>1.763.894,86</u>
2. Receivables from affiliated companies			
0715	Hexaware Tech. Ltd.- Chennai	0,00	67.219,14
0717	Hexaware Tech. Inc.- USA	0,00	12.443,01
		<u>0,00</u>	<u>79.662,15</u>
3. Other assets			
1501	Allianz Insurance Payable	6.593,15	15.043,59
1530	Receivable from personnel	17.675,49	30.990,78
1540	Tax overpayments 2017	45.460,81	0,00
1541	Tax overpayments 2014	0,00	79,73
1542	Tax overpayments 2015	0,00	12.556,00
1543	Tax overpayments 2016	57.584,13	57.584,13
1600	A/P trade (Sollposten)	207,10	50,14
		<u>127.520,68</u>	<u>116.304,37</u>
<u>III. Bank deposit</u>			
1210	Dresdner Bank -Kto 91294300	1.015.707,70	956.132,21
1215	Commerzbank Kto 91294301 US\$	1.669.449,08	1.421.800,95
1230	Dresdner Bank Kto. 912 943 84	15.618,87	15.618,87
		<u>2.700.775,65</u>	<u>2.393.552,03</u>
<u>C. Prepaid expenses</u>			
0980	Accrued income	<u>16.860,94</u>	<u>33.483,64</u>

SHAREHOLDER'S EQUITY AND
LIABILITIES

<u>Account</u>	<u>31.12.2017</u> €	<u>31.12.2016</u> €
<u>A. Shareholder's equity</u>		
<u>I. Share capital</u>		
0800 Paid-up capital	<u>180.900,00</u>	<u>180.900,00</u>
<u>II. Profit carried forward</u>		
0860 Retained earnings prior year	<u>3.453.678,42</u>	<u>3.191.759,46</u>
<u>III. Profit for the year</u>		
Profit for the year	<u>193.307,60</u>	<u>261.918,96</u>
Total amount shareholder's equity:	<u>3.827.886,02</u>	<u>3.634.578,42</u>
<u>B. Accruals</u>		
<u>1. Other accruals</u>		
0966 Provision for duty to retain records	5.000,00	0,00
0970 Provision for Other Expenses	643.504,62	314.627,00
0971 Provision for Vacation	214.530,20	397.849,69
0977 Provision for B/S & Audit fees	43.500,00	22.800,00
	<u>906.534,82</u>	<u>735.276,69</u>
<u>C. Liabilities</u>		
<u>1. Customer advances</u>		
1719 Advance billings	<u>329.849,87</u>	<u>21.925,75</u>
<u>2. Accounts payable trade</u>		
1600 A/P trade	89.916,20	68.233,77
1702 AP personnel	1.846,66	9.972,64
	<u>91.762,86</u>	<u>78.206,41</u>

<u>Account</u>	<u>31.12.2017</u>	<u>31.12.2016</u>
	€	€
<u>3. Liabilities, affiliated companies</u>		
0701 Hexaware Tech. Ltd.- Mexico	4.114,76	0,00
0715 Hexaware Tech. Ltd.- Chennai	-4.690,61	0,00
0716 Hexaware Tech. Ltd.- Mumbai	26.715,00	1.881,01
0719 Hexaware Tech. Ltd.- Pune	7.302,25	10.454,33
0721 Hexaware Tech. Ltd.- UK	763,32	0,00
	<u>34.204,72</u>	<u>12.335,34</u>
<u>4. Other liabilities</u>		
1741 Wage tax payable	67.585,62	93.556,67
1743 AP Soc.Security	806,93	817,59
1548 VAT Deductable following year	-6.295,47	-3.532,35
1571 VAT Deductable -7%	-869,61	-967,57
1576 VAT Deductable -19%	-161.785,71	-103.583,72
1577 VAT Deductable § 13b UStG 19%	-605.457,21	-891.207,10
1588 Import VAT	-216,63	-327,03
1776 VAT Collected -19%	1.803.541,80	2.151.271,17
1780 VAT Prepayment	-1.278.243,66	-1.767.814,89
1781 VAT Deposit -1/11	-186.035,00	-217.216,00
1787 VAT § 13b UStG 19%	605.457,21	891.207,10
	<u>238.488,27</u>	<u>152.203,87</u>

Summary of profit and loss accounts

01.01. - 31.12.2017

<u>Account</u>	<u>2017</u> €	<u>2016</u> €
<u>1. Sales</u>		
8000 Advance Billings	-307.924,12	103.574,77
8336 Non taxable other services	144.421,15	181.435,02
8338 Non taxable turnover third countries	120.092,73	147.331,89
8400 Sales Revenue -19% VAT	9.503.492,51	11.367.331,59
8721 Revenue deductions VAT 19%	-182.905,39	-227.340,38
8736 Cash discounts, granted	-0,05	-0,12
	<u>9.277.176,83</u>	<u>11.572.332,77</u>
<u>2. Increase or decrease in work in process</u>		
8970 Change work in progress	<u>-28.530,98</u>	<u>-278.530,72</u>
<u>3. Other income</u>		
2660 Difference-in-Exchange(Gain/Loss)	<u>-219.154,23</u>	<u>47.423,20</u>
	<u>-219.154,23</u>	<u>47.423,20</u>
<u>4. Cost of purchased services</u>		
3100 Outside Services	254.520,00	396.307,30
3101 Outside Services- Endata	717.222,74	134.878,81
3123 Outside Services EU 19%	18.721,00	0,00
3125 Outside Services- HTL (§ 13b)	2.648.174,76	4.132.640,00
3736 Received cash discount 19% VAT	0,00	-0,20
3850 Customs charges	0,00	49,26
	<u>3.638.638,50</u>	<u>4.663.875,17</u>
<u>Account</u>	<u>2017</u> €	<u>2016</u> €
<u>5. Payroll expenses</u>		
<u>a) Salaries and wages</u>		
4120 Salaries	4.040.307,46	4.623.461,47
4121 Bonus/ Provision	-225.089,59	227.289,67
4145 Voluntary S.Sec. contrib. wage tax	0,00	4.503,98
	<u>3.815.217,87</u>	<u>4.855.255,12</u>

<u>Account</u>	<u>2017</u> €	<u>2016</u> €
<u>b) Social security</u>		
4130 Employer Cont. -S. Security	588.041,84	729.232,21
4138 Employer's Liability contribution	17.220,50	22.752,98
4140 Voluntary S. Sec. contrib. wage tax free	823,02	1.009,72
	<u>606.085,36</u>	<u>752.994,91</u>
Total of payroll expenses	<u>4.421.303,23</u>	<u>5.608.250,03</u>
<u>6. Depreciation</u>		
<u>a) on fixed assets</u>		
4830 Depreciation	8.504,31	11.403,56
4855 Imm. Write off low value assets	294,00	0,00
4862 Depreciation Pool	1.685,84	1.506,70
	<u>10.484,15</u>	<u>12.910,26</u>
<u>7. Other business expenses</u>		
<u>a) Room expenses</u>		
4210 Rent	63.202,53	55.503,10
4240 Gas, current, water	1.933,74	2.328,20
4250 Cleaning Expenses	3.356,14	3.265,98
	<u>68.492,41</u>	<u>61.097,28</u>
<u>b) Insurance premiums, fees and contributions</u>		
4139 Compensation charge SchwerbehindertenG	11.200,00	5.754,00
4360 Insurances	11.113,38	9.872,17
4380 Subscriptions	64.795,61	68.924,63
4396 Deductable default fines/ penalty payments	0,00	283,23
4397 Non Deductable default fines/ penalty payments	0,00	750,00
	<u>87.108,99</u>	<u>85.584,03</u>
<u>c) Repair and maintenance</u>		
4805 Repairs office equipment	331,22	0,00
4806 Maintenance cost for hard & software	5.602,68	6.322,24
	<u>5.933,90</u>	<u>6.322,24</u>

<u>Account</u>	<u>2017</u>	<u>2016</u>
	€	€
<u>d) Selling expenses</u>		
4600 Marketing Expenses	13.077,06	38.064,93
4630 Presents up to value of € 35	722,27	0,00
4635 Presents non deductible	0,00	150,00
4653 Business courtesies	29.737,64	180,89
4654 Entertainment costs- non deductible	6.379,12	38.280,07
4655 Business expenses- non deductible	4.431,36	6.610,17
4660 Travel Expenses	173.062,57	200.884,27
4661 Travel Exp. Sales people & support staff	8.650,87	22.016,92
	<u>236.060,89</u>	<u>306.187,25</u>
<u>e) Distribution costs</u>		
4730 Outgoing freights	1.394,71	1.983,80
	<u>1.394,71</u>	<u>1.983,80</u>
<u>f) Various operating expenses</u>		
2451 Doubtful debts	0,00	1.504,80
2660 Difference-in-Exchange(Gain/Loss)	0,00	0,00
4142 Recruitment expenses	24.675,00	8.375,00
4900 Other operating expenses	1.038,38	3.246,60
4910 Post/Courier	144,50	867,43
4920 Telephone	29.443,51	41.254,38
4925 Fax and internet costs	807,44	1.266,70
4930 Office Expenses	1.905,67	992,91
4931 Printing charges	0,00	360,14
4940 Newspapers, Books	283,99	0,00
4944 Training fees	808,30	1.869,48
4950 Legal and Consultancy Exp.	85.318,87	18.445,65
4951 Translation Expenses	0,00	14.340,91
4955 Bookkeeping Costs	33.600,00	39.397,40
4956 Payroll expenses	7.568,60	0,00
4957 Audit expenses	25.462,00	25.948,00
4964 Expenses for licences	11.312,65	21.877,06
4970 Bank Charges	10.962,33	11.308,65
	<u>233.331,24</u>	<u>191.055,11</u>
<u>g) Losses on write-downs or on disposals of current assets and transfers to valuation allowances on receivables</u>		
2451 Doubtful debts	24.436,00	0,00
Total of other business expenses	<u>656.758,14</u>	<u>652.229,71</u>

<u>Account</u>	<u>2017</u> €	<u>2016</u> €
<u>8. Interest income</u>		
2650 Interest Income	<u>0,00</u>	<u>1,06</u>
<u>9. Taxes on income</u>		
2200 Corporate income tax	31.144,00	57.646,00
2203 Income taxes prior years	0,00	0,00
2208 Solidarity surcharge	0,00	0,00
4320 Trade tax	<u>77.856,00</u>	<u>67.354,00</u>
	<u>109.000,00</u>	<u>125.000,00</u>
<u>10. Extraordinary expenses</u>		
2285 Tax payments prior years, other taxes	<u>0,00</u>	<u>17.042,18</u>