Cigniti Technologies Canada Inc.

For the years ended March 31, 2018 and March 31, 2017

(Presented in Canadian dollars)

Independent Auditors' Report

MNP LLP

To the Shareholder of Cigniti Technologies Canada Inc.:

We have audited the accompanying financial statements of Cigniti Technologies Canada Inc., which comprise the statement of financial position as at March 31, 2018, March 31, 2017 and April 1, 2016 and the statements of income (loss) and comprehensive income (loss), statements of changes in deficit and statement of cash flows for the years ended March 31, 2018 and March 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cigniti Technologies Canada Inc. as at March 31, 2018, March 31, 2017 and April 1, 2016 and the results of its operations and its cash flows for the years then ended March 31, 2018 and March 31, 2017 in accordance with International Financial Reporting Standards.

Restriction on Use

This report is intended solely for use of the management of Cigniti Technologies Canada Inc. and Cigniti Technologies Limited, and of S.R. Batliboi & Associates LLP, in its capacity as the group auditor of Cigniti Technologies Limited and should not be used for any other purpose.

MNP LLP

Toronto, Ontario

May 10, 2018

Chartered Professional Accountants

Licensed Public Accountants

Cigniti Technologies Canada Inc.

Statement of Financial Position
As at March 31, 2018, March 31, 2017 and April 1, 2016
(Presented in Canadian dollars)

	Note		March 31, 2018		March 31, 2017		April 1, 2016
Assets							
Current assets:							
Cash		$	82,865	$	45,326	$	464
Accounts receivable			1,260,445		719,945		85,999
Income taxes recoverable			-		-		4,352
Prepaid expenses and deposits			76,545		7,830		-
Due from related company	6		-		14,988		35,621
		$	1,419,855	$	788,089	$	126,436
Liabilities and shareholders' deficit							
Current liabilities:							
Accounts payable and accrued liabilities	5	$	660,087	$	267,581	$	88,502
			660,087		267,581		88,502
Due to related companies	6		953,466		727,763		211,907
			1,613,553		995,344		300,409
Shareholder's deficit:							
Share capital	7		1		1		1
Deficit			(193,699)		(207,256)		(173,974)
			(193,698)		(207,255)		(173,973)
		$	1,419,855	$	788,089	$	126,436

Approved on behalf of the Board

C.V. Subramanyam

Ventaka Subramanyam Chakkilam
Director

The accompanying notes are an integral part of these financial statements.

Cigniti Technologies Canada Inc.

Statement of Income (Loss) and Comprehensive Income (Loss)
For the year ended March 31, 2018 and 2017
(Presented in Canadian dollars)

	Note	March 31, 2018	March 31, 2017
Revenue		**$ 5,163,315**	**$ 1,482,777**
Operating expenses			
Salaries and employee benefits	8	**2,897,932**	**1,086,630**
Subcontractor fees	8	**1,169,463**	**237,467**
Consulting fees		**736,901**	**81,176**
Insurance		**117,330**	**27,738**
Professional fees		**66,782**	**23,165**
Rent	8	**72,625**	**24,727**
Office and general		**34,652**	**13,749**
Foreign exchange loss (gain)		**22,868**	**(219)**
Travel		**11,380**	**11,394**
Telephone, fax and internet		**9,245**	**6,004**
Interest and bank charges		**7,135**	**2,247**
Meals and entertainment		**3,445**	**1,981**
		5,149,758	**1,516,059**
Net income (loss) and comprehensive income (loss)		**$ 13,557**	**$ (33,282)**

The accompanying notes are an integral part of these unaudited financial statements.

Cigniti Technologies Canada Inc.

Statement of Changes in Deficit
For the years ended March 31, 2018 and March 31, 2017
(Presented in Canadian dollars)

	Note	Number of common		Share capital		Accumulated deficit		Total
Balance as at April 1, 2016	7	100	$	1	$	(173,974)	$	(173,973)
Net loss and comprehensive loss for the year		-		-		(33,282)		(33,282)
Balance at March 31, 2017		**100**	**$**	**1**	**$**	**(207,256)**	**$**	**(207,255)**
Net income and comprehensive income for the year		-		-		13,557		13,557
Balance at March 31, 2018		**100**	**$**	**1**	**$**	**(193,699)**	**$**	**(193,698)**

The accompanying notes are an integral part of these financial statements.

Cigniti Technologies Canada Inc.
Statement of Cash Flows
For the years ended March 31, 2018 and 2017
(Presented in Canadian dollars)

	Note		March 31, 2018		March 31, 2017
Cash flows used in operating activities:					
Net income (loss) and comprehensive income (loss)		$	13,557	$	(33,282)
Changes in non-cash working capital:					
Accounts receivable			(540,500)		(633,946)
Prepaid expenses and deposits			(68,715)		(7,830)
Income taxes recoverable			-		4,352
Accounts payable and accrued liabilities	5		392,506		179,079
			(203,152)		(491,627)
Cash flows from financing activities:					
Advances from related company	6		225,703		515,856
			225,703		515,856
Cash flows from investing activities:					
Due from related company	6		14,988		20,633
			14,988		20,633
Change in cash			37,539		44,862
Cash, beginning of year			45,326		464
Cash, end of year		$	82,865	$	45,326

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

Cigniti Technologies Canada Inc. (the "Company") was incorporated on February 6, 2013 under the laws of the Province of British Columbia. The Company provides software testing services.

The address of the Company's office is 2425 Matheson Boulevard East, Suite 7, Mississauga, Ontario, L4W 5K4.

These statements are separate financial statements and are used in preparation of the consolidated financial statements of the ultimate parent company, Cigniti Technologies Limited. The Company is a wholly owned subsidiary of the parent company.

The financial statements were approved for issuance by the Company's Board of Directors on May 2, 2018.

2. Basis of preparation

Statement of Compliance

These financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These are the Company's first financial statements reported under IFRS. Accordingly, *IFRS 1 – First-time Adoption of IFRS* ("IFRS 1") has been applied. Prior to the adoption of IFRS, the Company was reporting under Canadian Accounting Standards for Private Enterprises. As these financial statements are the Company's first annual financial statements prepared in accordance with IFRS, disclosure of the Company's elected transition exemptions is provided in Note 13 to these financial statements.

The significant accounting policies described in Note 3 have been applied consistently to all periods presented, including the opening statement of financial position as at April 1, 2016 (IFRS transition date).

Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value as described in the significant accounting policies.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional and presentational currency.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

Revenue Recognition

Revenue is billed at the end of each month and is recognized based on the hours incurred at customer approved hourly rates when persuasive evidence of an arrangement exists and the Company is reasonably assured of collection.

3. Significant accounting policies *(continued from previous page)*

Income taxes

Income tax expense is comprised of current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss. Current income tax expense represents the amount of income taxes payable based on tax law that is enacted or substantially enacted at the reporting date, and is adjusted for changes in estimates of tax expense recognized in prior periods. A current tax liability or asset is recognized for income tax payable, or paid but recoverable in respect of all periods to date.

The Company uses the deferred tax method of accounting for income taxes. Accordingly, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities, and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the statement of earnings (loss) and comprehensive earnings (loss) in the period in which the enactment or substantive enactment occurs. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available to utilize such amounts. Deferred tax assets are reviewed at each reporting date and are adjusted to the extent that it is no longer probable that the related tax benefits will be realized. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and the Company intends to settle its deferred tax assets and liabilities on a net basis.

Financial instruments

All financial instruments are initially recognized at fair value on the statements of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in the statements of (loss) and comprehensive (loss). Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive (loss), net of tax.

Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest method. The Company's financial assets and liabilities are recorded and measured as follows:)

Asset or Liability	Category	Measurement
Cash	FVTPL	Fair value
Accounts receivable, due from related company and income taxes recoverable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities and due to related companies	Other liabilities	Amortized cost

3. Significant accounting policies *(continued from previous page)*

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets is directly reduced by the impairment loss. Changes in the carrying amount of the allowance account are recognized in the statement of income (loss) and comprehensive income (loss).

With the exception of available for sale ("AFS") equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Foreign Currency Translation

Transactions in foreign currencies are initially recorded at the exchange rate in effect at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the reporting date.

3. Significant accounting policies *(continued from previous page)*

Transactions in foreign currencies are initially recorded by the Company at the exchange rate in effect at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Differences arising on settlement or translation of monetary items are recognized in the statement of income (loss) and comprehensive income (loss).

Future accounting pronouncements

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This list is of standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

IFRS 9, Financial Instruments, ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective as at January 1, 2018. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 9 will have on the Company's financial statements.

IFRS 15, Revenue from Contracts and Customers ("IFRS 15") was issued by the IASB on May 28, 2014, and will replace IAS 18, revenue, IAS 11, construction contracts, and related interpretations on revenue. IFRS 15 sets out the requirements for recognizing revenue that apply to all contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 uses a control based approach to recognize revenue which is a change from the risk and reward approach under the current standard. Companies can elect to use either a full or modified retrospective approach when adopting this standard and it is effective for annual periods beginning on or after January 1, 2018. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 15 will have on the Company's financial statements.

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016. The Company will be required to adopt IFRS 16 in its financial statements for the annual period beginning on December 1, 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 16 will have on the Company's financial statements.

(Presented in Canadian dollars)

4. Significant accounting judgements, estimates and assumptions

Critical accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Critical accounting estimates are as follows:

(i) Recoverability of accounts receivable:

Determining whether accounts receivable is recoverable requires management to exercise judgement and consider factors such as the customers credit profile, history of payments and any other factors which may indicate doubt as to recoverability.

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is harmonized sales taxes payable of $408,704 (March 31, 2017 - $170,590, April 1, 2016 - $64,154).

6. Due (to) from related companies

	March 31, 2018	March 31, 2017	April 1, 2016
Cigniti Technologies Limited	$ (695,131)	$ (727,763)	$ 35,621
Cigniti Technologies Inc., USA	(258,335)	14,988	(34,525)
Cigniti Technologies Limited - Branch, USA	-	-	(177,382)
	$ (953,466)	$ (712,775)	$ (176,286)

The amounts owed to Cigniti Technologies Limited, the Company's parent, are unsecured, non-interest bearing and have no fixed terms of repayment. The related party has agreed not to demand repayment in the twelve-month period ending March 31, 2019.

The amounts owed to Cigniti Technologies Inc., USA, a company under common control, are unsecured, non-interest bearing and have no fixed terms of repayment. The related party has agreed not to demand repayment in the twelve-month period ending March 31, 2019.

(Presented in Canadian dollars)

7. Share capital

Issued and authorized common shares:

		March 31, 2018		March 31, 2017		April 1, 2016
100 Common shares	$	1	$	1	$	1

8. Related party transactions

During the year ended March 31, 2018, the Company had the following transactions with related parties:

		March 31, 2018		March 31, 2017
Cigniti Technologies Inc, USA				
Subcontractor fees	$	338,756	$	-
Cigniti Technologies Limited				
Subcontractor fees	$	830,707	$	237,467

9. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective rate is as follows:

		March 31, 2018		March 31, 2017
Income (loss) before income taxes	$	13,557	$	(33,282)
Statutory income tax rate		26.50%		26.50%
Expected recovery at statutory income tax rate		3,593		(8,820)
Reconciling items:				
Non-deductible expenses		457		263
Change in tax benefits not recognized		(4,050)		8,557
	$	-	$	-

As at March 31, 2018, the Company has non-capital losses of approximately $178,400 (March 31, 2017 - $183,700, April 1, 2016 - $161,400) available to offset future taxable income. These losses expire between 2036 and 2038.

(Presented in Canadian dollars)

10. Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At March 31, 2018, the Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related companies, and capital lease obligations. The fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to relatively short-term maturity. The Company classifies its financial instruments as outlined in Note 3. The fair value of cash is based on level 1 inputs of the fair value hierarchy.

In the normal course of its business, the Company is exposed to a number of financial risks that can affect its operating performance. These risks, and the actions taken to manage them, are as noted below.

Concentration of credit risk and economic dependence

The Company is exposed to credit risk with respect to the collectability of its customer accounts receivable. Credit risk is concentrated as two customers represented 88% (March 31, 2017 - two customers represented 85%, April 1, 2016 – two customers represented 93%) of the Company's accounts receivable balance. Contracts with two customers accounted for 78% of revenue for the year ended March 31, 2018 (March 31, 2017 - three customers accounted for 80% of revenue).

The Company performs regular credit assessments of its customers' accounts receivable where appropriate and provides allowances for potentially uncollectable accounts receivable balance.

		March 31, 2018		March 31, 2017		April 1, 2016
Accounts receivable not past due	$	566,311	$	495,073	$	40,825
Accounts receivable past due and not impaired						
1 to 30 days		600,267		22,871		39,319
31 to 60 days		74,681		191,820		5,855
61 to 90 days		-		10,181		-
Over 90 days		19,186		-		-
Accounts receivable	$	1,260,445	$	719,945	$	85,999

(Presented in Canadian dollars)

10. Financial Instruments *(continued from previous page)*

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. Liquidity risk is also measured by reviewing the Company's future net cash flows for the possibility of a negative cash flow. The Company manages liquidity risk resulting from accounts payable and accrued by ensuring sufficient cash is on hand from cash flows from operating activities.

The following are the contractual maturities of financial liabilities and other commitments as at March 31, 2018:

Maturity		< 1 year		> 1 year		Total
Accounts payable and accrued liabilities	$	660,087	$	-	$	660,087
Due to related companies	$	-	$	953,466	$	953,466

Interest Rate Risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Company is exposed to interest rate risk through the impact of changes in market interest rates on the fair value of its financial instruments. The exposure to interest rate risk relates to the Company's due to related companies balances as they are non-interest bearing. Other financial instruments are not exposed to significant interest rate risk.

11. Capital Risk Management

Capital is comprised of the Company's shareholders' deficit and any debt it may issue. As of March 31, 2018, the Company's shareholders' deficit was $193,698 (March 31, 2017 - $207,255, April 30, 2016 – $173,973). The Company's objective is to maintain a capital structure that supports its long-term growth strategy, maintains creditor and customer confidence, and maximizes shareholder value. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. No changes were made in the objectives, policies or processes of capital management during the years ended March 31, 2018 and March 31, 2017.

The Company is dependent on cash flows generated from its operations and from related party financing to funds its activities. The Company is not subject to any externally imposed capital requirements.

12. Commitments

The Company has entered into a lease agreement for its premises with estimated minimum annual payments as follows:

2019	$	43,366
2020		50,244
2021		61,898
2022		62,853
2023		37,444
Total	$	**255,805**

13. IFRS 1 Transition

The Company adopted IFRS effective April 1, 2016. Prior to the adoption of IFRS, the Company prepared financial statements in accordance with ASPE. The Company's transition date is April 1, 2016. Accordingly, the Company has made an unreserved statement of compliance with IFRS (Note 2) and the financial statements have been prepared in accordance with the accounting policies described in Note 3.

Fair Value Measurement of Financial Assets or Financial Liabilities

The Company has elected not to reassess whether a financial asset or financial liability has a day one gain or loss transaction under IAS 39. Such a gain or loss would occur if fair value at initial recognition differs from the transaction price.

Hence, the Company has not reassessed financial assets and liabilities that occurred prior to April 1, 2016.

Estimates

Estimates must reflect conditions at the date of initial adoption (April 1, 2016) and be consistent with estimates made for the same date under ASPE. They cannot reflect conditions that arose after that date of transition unless there is objective evidence that the initial estimates were in error.

Reconciliation between ASPE and IFRS

In preparing the interim financial statements, the Company has not adjusted amounts reported previously on the financial statements in accordance with ASPE. The adoption of IFRS did not have an impact on the Company's statement of financial position, statement of income (loss) and comprehensive income (loss), statements of changes in equity and cash flows.