WIPRO GALLAGHER SOLUTIONS, LLC

FINANCIAL STATEMENTS

Year Ended March 31, 2019

WIPRO GALLAGHER SOLUTIONS, LLC
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March 31, 2019

Williams Overman Pierce, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Member of
Wipro Gallagher Solutions, LLC

We have audited the accompanying special purpose financial statements of Wipro Gallagher Solutions, LLC, which comprise the balance sheet - special purpose as of March 31, 2019, and the related statements of operations and member's equity - special purpose, and cash flows - special purpose for the year then ended, and the related notes to the special purpose financial statements.

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with Note 1 B.a. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose 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 special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special purpose 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 special purpose 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose 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 special purpose financial statements referred to above present fairly, in all material respects, the financial position of Wipro Gallagher Solutions, LLC as of March 31, 2019, and results of its operations and its cash flows for the year then ended, on the basis of accounting described in Note 1 B.a.

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Basis of Accounting

We draw attention to Note 1 B.a. of the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared on the basis of accounting discussed in Note 1 B.a., which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of the member and management of Wipro Gallagher Solutions, LLC, and for Wipro Limited, its ultimate holding company, for the purpose of meeting the requirements of consolidation with the consolidated financial statements of Wipro Limited and is not intended to be and should not be used by anyone other than these specified parties.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the special purpose financial statements as a whole. The schedule on page 15 is presented for purposes of additional analysis of the special purpose financial statements and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Williams Overman Pierce, LLP

Raleigh, North Carolina
June 14, 2019

WIPRO GALLAGHER SOLUTIONS, LLC
BALANCE SHEET - SPECIAL PURPOSE
MARCH 31, 2019

Assets		
Current assets:		
Cash and cash equivalents	$	4,026,438
Accounts receivable, less allowance for doubtful accounts of $28,945		6,924,039
Unbilled revenues		3,120,131
Due from affiliates		9,598,851
Advance income tax		2,422,422
Prepaid expenses and other current assets		200,756
		26,292,637
Property and equipment, net		242,556
Other assets:		
Investment in subsidiaries		49,306,839
Deferred tax assets		669,339
		49,976,178
Total assets	$	76,511,371
Liabilities and Member's Equity		
Current liabilities:		
Loan payable - related party	$	7,500,000
Accounts payable and accrued expenses		2,453,710
Due to affiliates		5,913,520
Employee benefits payable		328,582
Deferred revenue		1,225,224
		17,421,036
Commitments and contingencies		
Member's equity		59,090,335
Total liabilities and member's equity	$	76,511,371

See accompanying notes to special purpose financial statements.

WIPRO GALLAGHER SOLUTIONS, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY - SPECIAL PURPOSE
FOR THE YEAR ENDED MARCH 31, 2019

Revenues:		
Software license and support fees	$	52,279,850
Reimbursements		367,223
Total revenues		52,647,073
Cost of revenues		37,250,460
Gross profit		15,396,613
Expenses:		
Depreciation and amortization		650,623
Interest expense		992,875
Selling, general and administrative		2,038,618
		3,682,116
Income from operations		11,714,497
Other income:		
Interest income		192,780
Other income		294,258
		487,038
Income before provision for income taxes		12,201,535
Provision for income taxes, net		2,066,700
Net income		10,134,835
Member's equity - beginning of year		28,955,500
Contributions		20,000,000
Member's equity - end of year	$	59,090,335

See accompanying notes to special purpose financial statements.

WIPRO GALLAGHER SOLUTIONS, LLC
STATEMENT OF CASH FLOWS - SPECIAL PURPOSE
FOR THE YEAR ENDED MARCH 31, 2019

Cash flows from operating activities:		
Net income	$	10,134,835
Adjustments to reconcile net income to net cash provided by operating activities:		
Allowance for doubtful accounts		262,596
Depreciation and amortization		650,623
Impairment of investments		274,772
(Increase) decrease in:		
Accounts receivable		(1,630,058)
Unbilled revenues		456,024
Due from affiliates		(1,073,797)
Advance income tax		(444,070)
Prepaid expenses and other current assets		63,986
Deferred tax assets		2,579,167
Increase (decrease) in:		
Accounts payable and accrued expenses		325,523
Due to affiliates		(9,238,262)
Employee benefits payable		147,118
Deferred revenue		(656,921)
Net cash provided by operating activities		1,851,536
Cash flows from investing activities:		
Purchase of property and equipment		(149,472)
Loan to affiliate		(1,100,000)
Net cash used in investing activities		(1,249,472)
Cash flows from financing activities:		
Contributions		20,000,000
Repayment of loan		(27,500,000)
Proceeds from loan from affiliate		7,500,000
Net cash used in financing activities		-
Net increase in cash and cash equivalents		602,064
Cash and cash equivalents:		
Beginning of year		3,424,374
End of year	$	4,026,438
Supplemental disclosures of cash flow information:		
Cash paid for interest	$	710,940

See accompanying notes to special purpose financial statements.

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF BUSINESS

Wipro Gallagher Solutions, LLC (the "Company"), a Florida limited liability company is owned by Wipro LLC, a wholly-owned subsidiary of Wipro Limited, a company traded on the New York Stock Exchange.

The Company develops, markets, and supports personal computer-based software products, both stand-alone and networked, for mortgage brokers, banks, credit unions and savings institutions throughout the United States ("U.S."), Australia, South America, and New Zealand. The Company's product lines encompass all major components of the loan production process and portfolio management.

The Company operates a branch in India which is included with the U.S. operations for reporting purposes.

The Company converted from a corporation to a limited liability company on March 31, 2018.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying special purpose financial statements is as follows:

a. Basis of Accounting

The special purpose financial statements of the Company have been prepared using a basis of accounting other than accounting principles generally accepted in the United States of America ("U.S. GAAP") as the accompanying special purpose financial statements do not include the results of all wholly-owned subsidiaries. The financial position, results of operations, and cash flows of Opus Capital Markets Consultants, LLC and Wipro Promax Analytics Solutions Americas LLC, have not been consolidated with the Company as required by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, Consolidation. Additionally, the Company is not accounting for its investment in subsidiaries in accordance with FASB ASC 323, Investments – Equity Method and Joint Ventures. Instead, the Company has elected to account for its investment in subsidiaries at cost, less any impairments, which approximates fair value at March 31, 2019. The special purpose financial statements include only the results of the Company as of and for the year ended March 31, 2019 prepared on the accrual basis. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The special purpose financial statements have been prepared for the purpose of meeting the requirements of consolidation with the consolidated financial statements of Wipro Limited, the Company's ultimate holding company.

These special purpose financial statements have been prepared on a going concern basis, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. These special purpose financial statements have been presented in U.S. Dollars, which is the functional and reporting currency of the Company.

b. Use of Estimates

The preparation of these special purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that these estimates are reasonable. Actual results could differ from those estimates.

c. Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity date of three months or less at the time of purchase to be cash equivalents. Cash and cash equivalents are stated at cost, which approximate fair value, based on quoted market prices as of March 31, 2019.

d. Concentrations

Credit Risk

The Company maintains cash balances with various major financial institutions located in the United States. Accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation up to $250,000. The Company's management does not believe cash is exposed to significant credit risk. The Company periodically evaluates the relative credit standings of the financial institutions with which they do business.

Major Customers

The Company recognized revenues of $25,634,757 from the top three customers who have contributed individually more than 10% of total revenue for the year ended March 31, 2019. The accounts receivable balances outstanding from these three customers as of March 31, 2019 totaled $3,124,086.

e. Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are uncollateralized customer obligations due under normal trade terms and include amounts earned and billed but uncollected. Management assesses each customer’s balance based on historical experience and future economic conditions to determine its best estimate of the portion that will not be collected.

f. Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation is recorded on a straight-line basis over the assets estimated useful lives.

Maintenance and repairs are charged to expense as incurred. Major renewals and enhancements are capitalized. When property and equipment is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in operations. Property and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. There were no impairment charges for the year ended March 31, 2019.

The useful lives of property and equipment is as follows:

Computers	2-3 years
Office equipment	3-10 years
Furniture and fixtures	3-10 years
Plant and machinery	5-21 years

Leasehold improvements are amortized over the life of the lease, or the estimated useful life of the asset, whichever is shorter.

g. Investment in Subsidiaries

Investment in subsidiaries includes the Company's investments in its wholly-owned subsidiaries, Opus Capital Markets Consultants, LLC and Wipro Promax Analytics Solutions Americas, LLC ("Promax"). The Company has elected to account for its investment in subsidiaries at cost, less any impairments, which approximates fair value at March 31, 2019. The carrying amount of the investments are reviewed annually for potential impairment or when changes in circumstances indicate the carrying amount of the investments may not be recoverable. During the year ended March 31, 2019, the Company recorded an impairment charge of $274,772 which is included in selling, general and administrative in the accompanying statement of operations and member's equity.

h. Fair Value of Financial Instruments

The carrying amount of financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, approximate fair value at March 31, 2019.

i. Revenue Recognition

Software license fees are recognized when the software is shipped, installed and customer acceptance has occurred or the acceptance period has lapsed. Software support fees are deferred until such time that customer acceptance has occurred at which point the fees are recognized to the extent that the service period has elapsed, with the remaining balance amortized on a straight-line basis over the life of the related service contract. Under the Company's standard licensing agreements, software support fees are charged separately on an annual, quarterly or monthly basis. In the initial year of contract, software support fees are unbundled and recognized over the software support period, once acceptance has occurred.

Custom programming, consulting and training fees are included in service revenue in the accompanying statement of operations and member's equity – special purpose. These fees are billed to customers on a time incurred and materials used basis and are recognized when the related service is provided.

Fees generated from fixed-fee contracts are recognized on the percentage-of-completion method of accounting based on the ratio of costs incurred to total estimated costs, which may not coincide with certain billing milestones in the contracts. Provisions for estimated losses on uncompleted fixed-fee contracts are made on a contract-by-contract basis and are recognized in the period in which such losses are determined.

Interest is recognized based on the rates implicit in the related agreements.

Unbilled revenues represent cost and earnings in excess of billings at the end of the reporting period. Deferred revenue represents billings in excess of revenue recognized.

j. Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using 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 income in the period the change is enacted.

The Company files consolidated income tax returns with its parent company in the U.S. federal jurisdiction and various states, whenever applicable, and records its share of the consolidated federal tax liability on a parent-company-down approach. The Company regularly reviews the likelihood of additional tax assessments and adjusts its reserves as additional information or events require. The Company believes that its tax positions comply with applicable tax law and that the Company has adequately provided for applicable tax matters as of March 31, 2019.

k. Uncertain Tax Positions

The Company evaluates all significant tax positions in accordance with FASB ASC 740-10, Accounting for Uncertainty in Income Taxes. The Company recognizes the financial statement effects of an uncertain income tax position when it is more likely than not, based on the technical merits, that the position will not be sustained upon examination. The Company accrues for other tax contingencies when it is probable that a liability to a taxing authority has been incurred and the amount of the contingency can be reasonably estimated.

As of March 31, 2019, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

l. Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred. For the year ended March 31, 2019, these expenses totaled $6,624.

m. Recent Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers ("Topic 606"), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The effective date of ASU No. 2014-09 was amended by ASU No. 2015-14. Therefore, the ASU will be effective for the Company for the year ended March 31, 2020 with earlier adoption permitted for annual periods beginning after December 15, 2016. Further ASUs (ASU No. 2016-08, 2016-10) have been issued to clarify Topic 606 for principal and agent considerations and performance obligations and licensing implementation guidance. The Company is assessing the potential effects on future financial statements.

In January 2016, the FASB issued ASU No. 2016-01, Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. The new guidance is intended to improve the recognition and measurement of financial instruments. The ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2018. The Company is assessing the potential effects on future financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. This ASU is effective for fiscal years and interim periods within those years beginning after December 15, 2019. The Company is assessing the potential effects on future financial statements.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31, 2019:

Computers	$ 6,559,454
Office equipment	123,721
Furniture and fixtures	936,297
Plant and machinery	274,973
Leasehold improvement	247,292
	8,141,737
Less: Accumulated depreciation and amortization	(7,899,181)
	$ 242,556

Depreciation and amortization expense related to property and equipment totaled $650,623 for the year ended March 31, 2019.

NOTE 3 – RELATED PARTY LOAN PAYABLE

In March 2019, the Company entered into an unsecured loan of $7,500,000 with Wipro LLC. The loan is payable on demand and bears interest at a rate equal to the prevailing 12-month U.S. Dollar LIBOR rate on the original date of the loan plus 200 basis points. Payments of principal are allowed at any time. At March 31, 2019, the outstanding balance of the related party loan payable was $7,500,000.

NOTE 4 – RELATED PARTY TRANSACTIONS

In December 2016, the Company loaned $500,000 to Promax. The loan bears interest at a rate equal to the 12-month U.S. Dollar LIBOR rate plus 200 basis points. Interest payments are due as and when principal payments are made. At March 31, 2019, $546,016 is outstanding related to this loan and is included in due from affiliates on the accompanying balance sheet – special purpose. The loan is repayable on demand.

In April 2017, the Company loaned $500,000 to Promax. The loan bears interest at a rate equal to the 12-month U.S. Dollar LIBOR rate plus 200 basis points. Interest payments are due as and when principal payments are made. At March 31, 2019, $542,037 is outstanding related to this loan and is included in due from affiliates on the accompanying balance sheet – special purpose. The loan is repayable on demand.

In May 2017, the Company loaned $2,000,000 to Promax. The loan bears interest at a rate equal to the 12-month U.S. Dollar LIBOR rate plus 200 basis points. Interest payments are due as and when principal payments are made. At March 31, 2019, $2,163,079 is outstanding related to this loan and is included in due from affiliates on the accompanying balance sheet – special purpose. The loan is repayable on demand.

In December 2018, the Company loaned $1,100,000 to Promax. The loan bears interest at a rate equal to the 12-month U.S. Dollar LIBOR rate plus 200 basis points. Interest payments are due as and when principal payments are made. At March 31, 2019, $1,113,576 is outstanding related to this loan and is included in due from affiliates on the accompanying balance sheet – special purpose. The loan is repayable on demand.

Throughout the year, the Company has participated in various transactions with its sister and parent companies. These transactions were either in the form of cash transfers or expenses paid on behalf of the Company. Additionally, the Company subcontracted work to affiliated companies. These advances are payables back to the related parties on demand and do not bear any interest. As of March 31, 2019, intercompany payables aggregated to $5,913,520 and intercompany receivables aggregated to $5,234,143.

NOTE 5 – INCOME TAXES

The Company files its federal tax return as a member of a consolidated group and records its share of the consolidated federal tax liability on a parent-company-down approach. Under this approach, the Company allocated deferred tax expense to its subsidiaries based on their pro-rata share as calculated in the consolidated group tax return. The Company's provision for income taxes for the year ended March 31, 2019 consisted of the following:

Current income tax benefit	$ (512,467)
Deferred income tax expense	2,579,167
Total income tax provision	$ 2,066,700

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. Differences are primarily attributable to net operating loss carryforwards, depreciation and amortization of assets, deferred revenue and accrued liabilities.

NOTE 6 – EMPLOYEE BENEFIT PLAN

The Company's employees participate in Wipro Limited's defined contribution profit sharing plan (the "Plan"). Employer contributions to the Plan are made at the sole discretion of the Company. There were no contributions made to the Plan by the Company during the year ended March 31, 2019.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Leasing Arrangements

The Company occupies office space in Franklin, Tennessee which expires in June 2021. The lease is in the name of Wipro Limited, the Company's ultimate parent. Monthly rental payments for this lease range from $47,049 to $48,217 per month during the year ended March 31, 2019. Total rent expense for the year ended March 31, 2019 was $648,048.

Future minimum rental commitments under the above lease is summarized as follows:

Years Ending March 31:	
2020	$ 589,424
2021	604,145
2022	151,962
	$ 1,345,531

Legal Matters

From time to time, the Company may be involved in various litigation matters in the ordinary course of business. The Company is currently unaware of any litigation, pending or threatened, against them.

NOTE 8 – FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs consist of unobservable inputs and have the lowest priority.

The Company uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Company measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The Company's investment in subsidiaries were measured at fair value using Level 3 inputs. To determine fair value, the estimated future cash flows were discounted to their present value using the weighted average cost of capital. There were no changes to the valuation approach used by the Company in the current year. At March 31, 2019, the fair value of investment in subsidiaries was $49,306,839.

A reconciliation of the investment in subsidiaries balance, using significant unobservable inputs (Level 3) is as follows:

Opening balance, March 31, 2018	$ 49,581,611
Impairment charge	(274,772)
Ending balance, March 31, 2019	$ 49,306,839

NOTE 9 – SUBSEQUENT EVENTS

Management of the Company has evaluated subsequent events through June 14, 2019, the date the special purpose financial statements were available to be issued. No significant subsequent events have been identified by management.

SUPPLEMENTARY INFORMATION

WIPRO GALLAGHER SOLUTIONS, LLC
SCHEDULE OF EXPENSES - SPECIAL PURPOSE
FOR THE YEAR ENDED MARCH 31, 2019

Cost of revenues:		
Software development costs	$	21,089,674
Payroll and subcontracting costs		11,646,607
Consulting fees		4,261,263
Travel		185,915
Communications		63,606
Subscriptions and licenses		3,395
	$	37,250,460

Selling, general and administrative:		
Rent	$	648,048
Professional fees		281,146
Recovery of bad debts		(258,141)
Repairs and maintenance		54,070
Office expenses		964,026
Meetings and conferences		12,689
Bank charges		27,255
Miscellaneous		28,129
Impairment of investments		274,772
Advertising and promotion		6,624
	$	2,038,618