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**Certified after DIN EN ISO 9001**

**Report  
About the Audit of the  
Annual Financial Statement as of  
31<sup>st</sup> March 2019**

NIIT Technologies GmbH  
Bockenheimer Landstraße 51-53

60325 Frankfurt am Main

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## List of Abbreviations

BilRUG	Bilanzrichtlinie-Umsetzungsgesetz = German Accounting Directives Implementation Act of 17th July 2015
BGB	Bürgerliches Gesetzbuch = German Civil Code
CHF	Swiss Francs
EGHGB	Introductory Act to the Commercial Code
EStG	Einkommensteuergesetz = Income Tax Act
EUR	Euro
GmbH	Limited Liability Company
GmbHG	German Limited Liability Company Act
GuV	Gewinn- und Verlustrechnung = Profit and Loss Statement
HGB	Handelsgesetzbuch = Commercial Code
HR	Handelsregister = Trade Register
[i. d. F.]	n/a
[i. S. d.]	n/a
IDW	Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf = Association of auditors in Germany, Düsseldorf
IDW PS 400 n.F.	IDW Prüfungsstandard = IDW Examination Standard: Principles of the correct wording of auditor's reports in audits, new version (as of 30/11/2017)
IDW PS 450 n.F.	IDW Prüfungsstandard = IDW Examination Standard: Generally accepted reporting principles for audits of Annual Financial Statement, new version (as of 15/09/2017)
IKS	Internes Kontrollsystem = Internal Control System
PoC	Percentage of Completion
TCHF	Thousand Swiss Francs
TEUR	Thousand Euros
TUS-\$	Thousand American Dollars
UmwG	Umwandlungsgesetz = German Transformation Act
UR-Nr.	Urkundenrollen-Nummer = Notarial Register Number

# I. Audit Assignment

The General Assembly of 18<sup>th</sup> June 2018 of the company

**NIIT Technologies GmbH, Frankfurt am Main**

(hereinafter also referred to as "Company")

chose us to be their auditors according to s.318 paragraph 1 HGB for the business year from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019. Thereupon, the executive board of the company engaged us to examine the **Annual Financial Statement of 31<sup>st</sup> March 2019** under inclusion of the company's accounting records which it was based on, in accordant application of the principles customary in the profession, and to submit a written report on the results of our examination. The letter of acceptance from 11<sup>th</sup> February 2019 has been signed by the executive board.

According to the size parameters described in s.267(1) HGB, the company is classified as a **small company limited by shares** and therefore, according to s.316 seqq. HGB, the company is under **no obligation to have an audit done**.

As the company has undergone the audit voluntarily, the examination report has been addressed to the examined company itself.

There is no legal obligation to set up **Consolidated Accounts** and a **Group Management Report** for the member group of the company, as it does not fulfil the size criterions defined in s.293 HGB.

We confirm pursuant to s.321(4)(a) HGB that we have observed the applicable regulations on independence when we were doing this audit.

The following report also includes details on the method and extent of our examination, as well as on its results. The report has been prepared according to the generally accepted reporting principles for audits of annual financial statements (IDW PS 450, new version).

The execution of the audit and its results have been described in detail in **Parts III and IV**. The unqualified auditor's opinion issued subsequent to the audit can be found in **Part V**.

We have enclosed to our report the audited Annual Financial Report, consisting of the Balance Sheet (**Schedule 1**), the Profit and Loss Statement (**Schedule 2**) and the Annex (**Schedule 3**). **Schedule 4** includes the assignment of the unqualified auditor's opinion.



The execution of the engagement and our responsibilities – also in relation to third parties – was based on the “General Terms of Engagement for Public Auditors and Auditing Firms from 1<sup>st</sup> January 2017”, as agreed on and added as an **Schedule** to this report.

The present auditor’s report is addressed to the examined company.

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to be a name.

## II. Subject, Method and Extent of the Audit

Subject of our examination were the **bookkeeping** and the **annual financial statement as of 31<sup>st</sup> March 2019** (Schedules 1 to 3) as well as the compliance with the applicable German legal regulations for accounting and the supplementary provisions of the articles of incorporation.

The executive board of the company is responsible for the accounting, the internal controls established for this purpose as well as the information provided to us. Our task is to assess the documentation and the information presented by the executive board within the frame of our dutiful examination.

We have executed the **auditing procedures** – with interruptions – in the month of April 2019 in the office rooms of the company in Monheim and in our office. After that, we have completed the audit report.

Starting point for our examination was the **annual financial statement of the previous year as of 31<sup>st</sup> March 2018**, which we had examined and provided with an unqualified auditor's opinion on 11<sup>th</sup> April 2018. It was approved without any changes on 18<sup>th</sup> June 2018.

The **audited documents** were the accounting records, receipts, bank certificates as well as the company's files and correspondence.

All **information, clarifications and pieces of evidence** which we asked for were readily provided to us by the executive board.

In addition to that, the executive board has confirmed to us in writing, in the form of the customary management representation letter, that all assets, obligations, ventures and limitations which must be considered in the preparation of the balance sheet were accounted for, all expenses and income were included, all required information was provided and all existing guarantees and other commitments were disclosed in the accounting and the financial report which are the subject of this audit.

During the **execution of our audit**, we followed the provisions of the commercial law pursuant to s.316 seqq. HGB and the **generally accepted auditing principles** laid down in the Examination Standards of the IDW. According to these, our audit focussed on problem areas – however, without specifically searching for any cases of embezzlement – and we designed it in such a way that we would be able to unmistakably detect any irregularities and violations of the legal provisions that could significantly affect the accurate presentation of the actual situation with regard to the company's assets, finances and earnings.



The examination was based on the **planning of the focus points of the audit** under consideration of our preliminary assessment of the situation of the company and of the estimated effectiveness of the internal accounting control system (IKS). The estimates were mainly based on information about the legal and economic frame conditions. We were familiar with the risks of the industry, the corporate strategy and the resulting business risks from the examination of previous year's financial statement as well as from conversations with the executive board and with employees of the company.

Our audit did not extend to assure the company's continuance of operation or the effectiveness of the executive board .

According to the risk areas determined in the course of the planning of the examination, we chose to place the **main emphasis of the examination** on:

- Review of the Percentage-of-Completion method (PoC method) with respect to contracts for work and services that continue after the date of the annual report
- Risks of using the PoC method
- Review of leasing contracts classified as "finance lease"
- Provisions
- Intrinsic value of claims
- Going concern

Starting out from an assessment of IKS, we then determined the further **auditing procedures** after the principles of significance and economy. Both the method and extent of the analytical auditing procedures as well as the examination steps leading to statements were therefore performed under consideration of the significance of the examined areas and the organisation of the accounting. The selection took into account the economic significance of the individual items of the annual financial statement and enabled us to examine whether the legal regulations for accounting had been sufficiently complied with.





We have performed mainly the **auditing procedures** listed below:

- We have checked the additions and deductions of the **tangible fixed assets** and the **intangible assets** by means of the original invoices as well as the depreciation rates.
- We have verified the actual existence of the **trade accounts payable and receivable** by random requests for presentation of proof showing the current balances. Further, we have checked their intrinsic value by comparing them with the open accounts at the time of the audit.
- **Accounts payable and accounts receivable** were verified by means of the original documents. The valuation was checked. Set-off accounts with affiliated companies were compared with each other.
- The **liquid funds** were verified by means of cash registers and bank account statements. Bank confirmations were obtained for the period up to 31<sup>st</sup> March 2019.
- The **accruals and deferrals** were made by entering the income and expense records into the books already in the course of the year. We have checked the calculation of the monthly amount. Within the frame of the plausibility check of the Profit and Loss Statement we examined whether there is a need for further adjustments.
- In the **area of the reserves**, we have viewed the relevant documents and checked the mathematical calculations. We have consulted lawyers.
- We have checked the **Profit and Loss Statement** for its plausibility, correct delimitation of the year, completeness and documentation. We have requested and viewed individual documents.
- We have checked the **Notes** for their completeness and compliance with the Balance Sheet as well as with the Profit and Loss Statement.

We have documented the method, extent and results of the individual auditing procedures in our **exposure drafts**.



### III. Findings and Explanations to the Accounting

#### 1. CORRECTNESS OF ACCOUNTING

##### 1.1. ACCOUNTING RECORDS AND OTHER EXAMINED DOCUMENTATION

The company's accounting (**financial accounting and asset management accounting**) is based on their own EDP equipment using SAP R/3 software developed by SAP AG.

The company prepares the **asset management accounting and the payroll administration** and processes it by means of SAP AG software or, respectively, DATEV software.

The **internal accounting control system (IKS)** which the company has established is based on regulations appropriate to the purpose and extent of the business and provides efficient control of the organisation and performance of work procedures.

The **organisation of the accounting** and the internal control system based on the dates of invoicing, allow a complete, correct, timely and orderly registration and entry of all business operations. The **account plan** is sufficiently structured, the **evidence files** are laid out clearly and easy to find. The books had been started correctly with the figures from the previous annual balance which we had checked. For the whole period of the business year, the bookkeeping has complied with the generally accepted accounting principles.

The information derived from **other examined documentation** supported an orderly reflection of the company's situation in the accounting records and the annual financial statement.

Altogether, based on our findings, we believe that **the accounting records and other examined documentation** (including the document system, internal control system, cost accounting and budgeting) comply with the legal regulations, including the generally accepted accounting principles and the supplementary provisions of the articles of incorporation.



## 1.2. ANNUAL FINANCIAL STATEMENT

On the reporting date, the company is to be classified as a **small company limited by shares** within the meaning of s.267(1) HGB. The annual financial statement as of 31<sup>st</sup> March 2019 has been set up in accordance to the applicable legal regulations, including the regulations specific to the legal structure of the company and the supplementary provisions of the articles of incorporation.

Changes have been taken into account which were introduced by the **Accounting Directives Implementation Act from 17<sup>th</sup> July 2015 (BilRUG)**.

The company has made partial use of the **easements** depending on the company size when setting up the annual financial statement (s.274a, 276 and 288 HGB).

The Balance Sheet and the Profit and Loss Statement have been properly based on the accounting records and the other examined documentation. The structure of the **Balance Sheet (Schedule 1)** follows the scheme after s.266(2) and (3) HGB. The **Profit and Loss Statement (Schedule 2)** has been set up after the procedures of total costs according to s.275(2) HGB. As far as the law allows **choices for the presentation** of the Balance Sheet or the Profit and Loss Statement, the respective explanations have been mostly given in the Annex.

In the **Annex (Schedule 3)**, the company has sufficiently explained the balancing and valuation methods used for the set-up of the Balance Sheet and the Profit and Loss Statement. All legally required individual details as well as the optional information in the Annex regarding the Balance Sheet as well as the Profit and Loss Statement, are complete and correct.

Therefore, according to our findings, the annual financial statement complies with the legal regulations, including the generally accepted accounting principles and the supplementary provisions of the articles of incorporation.

## 1.3. MANAGEMENT REPORT

The preparation of a management report has been waived of pursuant to s.264(1.4) HGB.



## 2. OVERALL RESULT OF THE ANNUAL FINANCIAL STATEMENT

### 2.1. NOTES ON THE OVERALL RESULTS OF THE ANNUAL FINANCIAL STATEMENT

According to s.321(2.3) HGB, the audit shall state whether the **overall annual financial statement** has been prepared in accordance to the generally accepted accounting principles and whether it reflects the actual situation of the assets, finances and income situation of the company. What is to be assessed is the overall picture presented by the combination of the individual components, which are the Balance Sheet, the Profit and Loss Statement as well as the Annex.

Our examination has shown that **s.264(2) HGB** has been complied with, and that the annual financial statement has been prepared in accordance to the generally accepted accounting principles and accurately reflects the actual situation of the assets, finances and income of the company.

**Part 2.2.** explains how the general interpretation of the annual financial statement "in accordance to the generally accepted accounting principles" is influenced by legitimate decisions concerning the balancing and the valuation.

### 2.2. SIGNIFICANT FEATURES FOR THE ASSESSMENT AND THEIR CHANGES

#### 1. Handling of Leasing Agreements

From the report year 2008 / 2009 on, new leasing agreements are classified, according to the guidelines of the parent company, as either:

- Finance lease; or
- Operating lease.

Correspondingly - in essence, also with the fiscal leasing enactments - leasing agreements are classified as **finance lease** if this condition is present:

- All and any risks and titles of the proprietor have been transferred to the lessor.

The leasing object is capitalised and depreciated. At the same time, a liability of the same amount is entered on the liabilities side. The leasing payments are divided in an interest and repayment portion. Per 31<sup>st</sup> March 2019, **no** agreements were capitalised. The leasing liabilities were valued at TEUR 0 on 31<sup>st</sup> March 2019. In the business year 2018 / 2019, **no** new leasing agreements classified as finance lease were entered into.



## IV. Rendition of the Auditor's Report and Conclusion

After the final result of my examination I have provided the annual financial statement of 31<sup>st</sup> March 2019 (Schedules 1 to 3) of NIIT Technologies GmbH, Frankfurt am Main with the below unqualified audit opinion on 9<sup>th</sup> April 2019, according to **Schedule 4**, with this wording:

### "INDEPENDENT AUDITOR'S REPORT

To the NIIT Technologies GmbH, Frankfurt am Main

#### *Opinion*

I have audited the annual financial statements of NIIT Technologies GmbH, Frankfurt am Main, which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of profit and loss for the financial year from 01<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In my opinion, on the basis of the knowledge obtained in the audit,

the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31<sup>st</sup> March 2019 and of its financial performance for the financial year from 01<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 in compliance with German Legally Required Accounting Principles.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], I declare that my audit has not led to any reservations relating to the legal compliance of the annual financial statements.

#### *Basis for the Opinion*

I conducted my audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). My responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of my auditor's report.



I am independent of the Company in accordance with the requirements of German commercial and professional law, and I have fulfilled my other German professional responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the annual financial statements.

*Responsibilities of the Executive Directors for the Annual Financial Statements*

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

*Auditor's Responsibilities for the Audit of the Annual Financial Statements*

My objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes my opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements.



I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 controls.
- Obtain an understanding of internal control relevant to the audit of the annual 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 these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my respective opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.”

I prepare this audit report in accordance with the legal requirements and in accordance with the German principles of the proper reporting of final audits (IDW PS 450, new version).

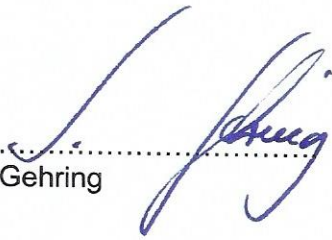




Any use of the above auditor's report outside of this audit report requires my prior approval. In the event that the annual financial statements are published and/or forwarded in a form different from the confirmed version (including its translation into other languages), it is necessary to obtain a new statement from me beforehand, if my auditor's report is cited or referred to within; to this end, reference is made to § 328 HGB.

Baden-Baden, 09<sup>th</sup> April 2019

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Sabine Gehring  
Auditor



## **Schedules**

**NIIT Technologies GmbH, Frankfurt am Main**

**BALANCE SHEET**

**ASSETS**

	31.03.2019 EUR	31.03.2019 EUR	31.03.2018 EUR
<b>A. FIXED ASSETS</b>			
<b>I. Intangible assets</b>			
1. Industrial property rights and similar rights and privileges as well as licenses based on such rights and values		1,056.17	6,057.89
<b>II. Tangible assets</b>			
1. Other assets, fixtures and fittings		43,036.23	45,065.84
<b>B. CURRENT ASSETS</b>			
<b>I. Accounts receivable and other assets</b>			
1. Trade accounts receivable	1,180,766.59		1,141,138.70
2. Claims against affiliated companies	71,129.57		5,464.30
3. Other assets	2,180.50		88,123.42
		1,254,076.66	1,234,726.42
<b>II. Cash balance, bank deposits</b>		1,491,642.77	1,583,604.03
<b>C. ACCOUNT ADJUSTMENTS</b>		119,248.76	118,631.83
		<b>2,909,060.59</b>	<b>2,988,086.01</b>



**Profit and Loss Statement**  
for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019

	01.04.2018 - 31.03.2019 EUR	01.04.2017 - 31.03.2018 EUR
1. <b><u>Sales revenue</u></b>	6,722,898.70	5,970,006.86
2. <b>Other business income</b>	299,090.05	64,133.63
	7,021,988.75	6,034,140.49
3. <b>Material expenditures</b>		
a) Expenses for received services	./.	./.
	2,968,528.39	2,390,935.78
4. <b><u>Gross result</u></b>	4,053,460.36	3,643,204.71
5. <b>Expenses for staff</b>		
a) Wages and salaries	./.	./.
	2,656,188.23	2,167,983.32
b) Social contributions and payments for old-age pension insurance and for support; thereof for old-age pension EUR 8,674.86 (Previous year: EUR 12,458.55)	./.	./.
	448,595.74	371,220.21
6. <b>Depreciation</b>		
a) On intangible fixed assets and tangible assets	./.	./.
	12,256.43	11,043.03
7. <b>Other business expenses</b>	./.	./.
	704,538.49	560,754.89
8. <b><u>Result from business operation</u></b>	231,881.47	532,203.26
9. <b>Earned interest and similar income</b>	8,787.41	0.00
10. <b>Paid interest and similar expenses</b>	./.	./.
	537.21	4,104.26
11. <b><u>Financial result</u></b>	8,250.20	./.
12. <b><u>Result from ordinary business operation</u></b>	240,131.67	528,099.00
13. <b>Taxes on income and profit</b>	./.	./.
	75,554.83	167,274.95
14. <b><u>Annual surplus</u></b>	164,576.84	360,824.05
15. <b>Profit carried forward from the previous year</b>	97,150.64	13,673.41
16. <b><u>Balance profit</u></b>	<b>261,727.48</b>	<b>347,150.64</b>

**Annex for the Business Year 2018 / 2019**

**S.284 HGB seqq.**

**A. General Information**

NIIT Technologies GmbH is headquartered in **Frankfurt am Main** and is registered with the Commercial Register at the **Frankfurt am Main Local Court** with the register number **HRB 96968**.

The **annual financial statement** has been set up based on the legal regulations after s.238 seqq. HGB, as amended by the **Accounting Directive Implementation Act (BiIRUG)**.

The **supplementary regulations** for publicly listed companies after s.264 HGB seqq. have been adhered to. At the reporting date, the company has a size classifying it as a **small company limited by shares** according to s.267 paragraph 1 HGB. The company has made partly use of the size-dependent easements after s.288 HGB.

**B. Information on the Balancing and Valuation Methods**

The **applied balancing and valuation methods** are, by principle, based on the regulations of the commercial law and, as far as possible, of the tax law. This applies to the following principles and methods:

**Assets**

The **intangible assets as well as the tangible assets** are valued with their original cost of acquisition or production and are, if they are subject to wear and tear, reduced by the **scheduled depreciation** rate in accordance to their useful life. The useful life of the individual assets is estimated on the basis of the minimum values in the depreciation tables used for fiscal purposes, unless the expected useful life differs.

All assets are depreciated linearly. The depreciation of additions to the tangible assets is calculated month by month, starting with the month of the addition.

**Accounts receivable and other assets** are, by principle, shown with their nominal value. To already recognisable risks, accounting responds with adjustments of individual values.

The **liquid funds** have been given with their nominal value.

The **accruals and deferrals on the asset side** include prepayments for future periods delimited pro rata temporis.

### **Liabilities**

The **tax reserves and other reserves** have been reasonably considered with recognisable risks and uncertain liabilities as well as possibly impending losses from pending transactions in mind. They have been established with their appropriate settlement amounts as necessary after reasonable economic assessment (i.e. including future increases of cost and prices).

All the **liabilities** have been given with their settlement rates.

The **accruals and deferrals on the liabilities side** include received prepayments on delimited pro rata temporis.

### **Leasing Liabilities**

Payments under leasing agreements are generally recognised as expenses. Leasing agreements classified as **finance lease** are entered on the assets side and, at the same time, a leasing liability is entered on the liabilities side. The asset is depreciated according to its time of use. Leasing payments are split up in a repayment portion and an interest portion.

### **Asset and Liability Items**

**Assets and liabilities in foreign currencies** are, by principle, converted according to the mean spot foreign exchange rate on the balance date. If the remaining period is more than one year, the realisation principle - s.252(1)(4) HGB - and the historical cost principle – s.253(1) HGB – are being observed.

### C. Information on the Balance Sheet

The **Balance Sheet** is structured in account form according to s.266 (2) and (3) HGB.

The development of the fixed assets in the business year 2018 / 2019 is illustrated in the **Table of Assets** - s.268(2) HGB. It has been enclosed hereto as a Schedule.

The **claims against affiliated companies** are trade accounts receivable.

The **balance profit** includes losses carried forward of TEUR 97 (previous year: losses carried forward TEUR 14).

The **other reserves** are mainly for liabilities resulting from pending invoices, holiday claims, incentive payments, contributions to the employers' liability insurance association and auditing costs.

The **liabilities** include liabilities with a remaining period of up to one year in an amount of TEUR 1,070 (previous year: TEUR 543). The **liabilities to affiliated companies** include liabilities of TEUR 986 (previous year: TEUR 198) from trade accounts payable as well as TEUR 200 (previous year: TEUR 200) from a granted loan. The liabilities to affiliated companies in the amount of TEUR 372 (previous year: TEUR 93) are **liabilities to shareholders**.

The **other financial obligations** within the meaning of s.285(3) HGB as of 31<sup>st</sup> March 2019 amount to TEUR 103 (previous year: TEUR 103) for the upcoming business year. For the business years after that, the financial obligations amount to TEUR 60 (previous year: TEUR 86).

### D. Information on the Profit and Loss Statement

The **Profit and Loss Statement** has been set up according to s.275(2) HGB after the total cost procedure. Beside this, the company does not balance expenditures against earnings.



## E. Other Mandatory Information

On the average, the company employed 33 employees (previous year: 30) throughout the business year.

### Executive Board

Throughout the past business year, the **executive board** was represented by:

Mr Neeraj Kumar Mathur                      Senior Vice President – Head Continental Europe  
(from 28 July 2017)

Mr Ashok Kumar Talwar                      -                      Merchant

The company's annual financial statement will be incorporated in the Group's Consolidated Annual Financial Statements of NIIT Technologies Limited, New Delhi/India (parent company) as of 31<sup>st</sup> March 2019 (smallest and largest consolidation circle). The Group's Consolidated Annual Financial Statements are published in India in the Companies Register of New Delhi as well as on the website NIIT.com.

### Supplementary Report

After the end of the financial year 2018 / 2019 no events of particular significance have occurred.

### Appropriation of Earnings

The annual financial report has been set up in consideration of the complete appropriation of earnings. The financial year 2018 / 2019 ends with an annual surplus in the amount of TEUR 164.

Frankfurt am Main, on 8<sup>th</sup> April 2019

The Executive Board



.....  
Neeraj Kumar Mathur

	01.04.2018		31.03.2019		01.04.2018		31.03.2019		31.03.2019		31.03.2018	
	€	€	€	€	€	€	€	€	€	€	€	€
<b>I. Intangible assets</b>												
1. Industrial property rights and similar rights and privileges as well as licenses based on such rights and values	56.479,29	0,00	56.479,29	0,00	50.421,40	5.001,72	55.423,12	0,00	0,00	1.056,17	6.057,89	
2. Goodwill of the business	257.737,57	0,00	257.737,57	0,00	257.737,57	0,00	257.737,57	0,00	0,00	0,00	0,00	
	314.216,86	0,00	314.216,86	0,00	308.158,97	5.001,72	313.160,69	0,00	0,00	1.056,17	6.057,89	
	102.847,40	5.363,32	108.210,72	0,00	57.781,56	7.254,71	65.036,27	7.006,15	0,00	43.036,23	45.065,84	
<b>II. Tangible assets</b>												
1. Other assets, fixtures and fittings	417.064,26	5.363,32	422.427,58	0,00	365.940,53	12.256,43	378.196,96	7.006,15	0,00	44.092,40	51.123,73	

**INDEPENDENT AUDITOR'S REPORT**

To the NIIT Technologies GmbH, Frankfurt am Main

*Opinion*

I have audited the annual financial statements of NIIT Technologies GmbH, Frankfurt am Main, which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of profit and loss for the financial year from 01<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, and notes to the financial statements, including the presentation of the recognition and measurement policies.

In my opinion, on the basis of the knowledge obtained in the audit,

the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31<sup>st</sup> March 2019 and of its financial performance for the financial year from 01<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 in compliance with German Legally Required Accounting Principles.

Pursuant to § [Article] 322 Abs. [paragraph] 3 Satz [sentence] 1 HGB [Handelsgesetzbuch: German Commercial Code], I declare that my audit has not led to any reservations relating to the legal compliance of the annual financial statements.

*Basis for the Opinion*

I conducted my audit of the annual financial statements in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). My responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements" section of my auditor's report. I am independent of the Company in accordance with the requirements of German commercial and professional law, and I have fulfilled my other German professional responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the annual financial statements.

*Responsibilities of the Executive Directors for the Annual Financial Statements*

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

*Auditor's Responsibilities for the Audit of the Annual Financial Statements*

My objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes my opinion on the annual financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements.

I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual 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 these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my respective opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Baden-Baden, 09<sup>th</sup> April 2019

.....  
Sabine Gehring  
Auditor



# General Engagement Terms

for

## Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

DokID:

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: The German term "*Textform*" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer: Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.