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 balance sheet as at March 31, 2017, and the statements of loss and deficit and cash flows for the year then ended, 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 Canadian accounting standards for private enterprises, 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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Toronto, Ontario

May 11, 2017

Cigniti Technologies Canada Inc.
Balance Sheet
As at March 31, 2017

	2017	*2016*
Assets		
Current		
Cash	**45,326**	464
Accounts receivable	**719,945**	85,999
Income taxes recoverable	**-**	4,352
Prepaid expenses and deposits	**7,830**	-
Due from related company *(Note 4)*	**14,988**	35,621
	788,089	126,436
Liabilities		
Current		
Accounts payable and accrued liabilities *(Note 3)*	**267,581**	88,502
Due to related company *(Note 4)*	**727,763**	211,907
	995,344	300,409
Shareholder's Deficit		
Share capital *(Note 5)*	**1**	1
Deficit	**(207,256)**	(173,974)
	(207,255)	(173,973)
	788,089	126,436

Approved on behalf of the Board

11 May 2017

The accompanying notes are an integral part of these financial statements

Cigniti Technologies Canada Inc.
Statement of Loss and Deficit
For the year ended March 31, 2017

	2017	2016
Revenue	**1,482,777**	525,156
Operating expenses		
Salaries and employee benefits	**1,086,630**	447,140
Subcontractor fees *(Note 7)*	**237,467**	205,062
Professional fees	**104,341**	16,259
Insurance	**27,738**	8,800
Rent	**24,727**	20,682
Office and general	**13,749**	8,278
Travel	**11,394**	-
Telephone, fax and internet	**6,004**	-
Interest and bank charges	**2,247**	6,336
Meals and entertainment	**1,981**	-
Foreign exchange (gain) loss	**(219)**	1,664
	1,516,059	714,221
Loss before income taxes	**(33,282)**	(189,065)
Recovery of income taxes	**-**	(4,300)
Net loss	**(33,282)**	(184,765)
Retained earnings, beginning of year	**(173,974)**	10,791
Deficit, end of year	**(207,256)**	(173,974)

The accompanying notes are an integral part of these financial statements

Cigniti Technologies Canada Inc.
Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Net loss	**(33,282)**	(184,765)
Changes in working capital accounts		
Accounts receivable	**(633,946)**	82,008
Income taxes recoverable	**4,352**	(8,652)
Prepaid expenses and deposits	**(7,830)**	-
Accounts payable and accrued liabilities	**179,079**	(12,225)
	(491,627)	(123,634)
Financing activities		
Advances from related companies	**515,856**	211,907
Investing activities		
Repayment of (advances to) related companies	**20,633**	(111,231)
Change in cash	**44,862**	(22,958)
Cash, beginning of year	**464**	23,422
Cash, end of year	**45,326**	464

The accompanying notes are an integral part of these financial statements

1. Incorporation and operations

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

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") set out in Part II of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board ins Canada and include the following significant accounting policies:

Revenue recognition

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

Measurement uncertainty

The preparation of financial statements in conformity with ASPE 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 year.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accounts payable and accrued liabilities include amounts that are based on estimates.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in net loss in the years in which they become known. Actual results could differ from these estimates.

Income taxes

The Company accounts for income taxes using the future income taxes method. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

Financial instruments

The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

At initial recognition, the Company may irrevocably elect to subsequently measure any financial instrument at fair value. The Company has not made such an election during the year. All financial instruments are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net loss. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Company assesses impairment of all its financial assets measured at cost or amortized cost. The Company groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. When there is an indication of impairment, the Company determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Company reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year net loss.

The Company reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net loss in the year the reversal occurs.

3. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is harmonized sales taxes payable of $170,589 (2015 - $64,154).

4. Due from (to) related companies

	2017	*2016*
Cigniti Technologies Limited	**(727,763)**	35,621
Cigniti Technologies Inc., USA	**14,988**	(34,525)
Cigniti Technologies Limited - Branch, USA	**-**	(177,382)
	(712,775)	(176,286)

The amounts owing 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, 2018.

The amounts due from Cigniti Technolgies Inc., USA, a company under common control, are unsecured, non-interest bearing and have no fixed terms of repayment.

5. Share capital

	2017	*2016*
Issued and outstanding		
Common shares		
100 Common shares	**1**	1

6. Economic dependence

The Company's primary source of income is software testing services. Contracts with one customer accounted for 63% (2015 - three customers accounted for 92%) of revenue for the year. The Company's ability to continue viable operations is dependent upon renewal of these contracts.

7. Related party transactions

During the year, the Company paid subcontractor fees of $237,467 (2015 - $205,062) to its parent company. The transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Financial instruments

The Company, as part of its operations, carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

As at March 31, 2017, two customers accounted for 85% (2015 - two customers accounted for 93%) of the accounts receivable. The Company believes that there is no unusual exposure associated with the collection of these receivables. The Company performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable, for which, no allowance was recorded at year-end.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Company is exposed to the interest rate price risk with respect to amounts due to/from related parties (Note 4) which are non-interest bearing.