IDBI capital

IDBI Capital Markets & Securities Ltd.
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STRICLTY CONFIDENTIAL

Ref: Inv. Bk/M&A/GD/21-22/012

July 9, 2021

The Board of Directors
Expleo Solutions Limited
6A, Sixth Floor, Prince Infocity II,
No.283/3 & 283/4
Rajiv Gandhi Salai (OMR),
Kandanchavadi,
Chennai–600 096

Dear Members on the Board,

Subject: Fairness Opinion on the Share Swap Ratio for the Proposed Scheme of Amalgamation of Expleo India Infosystems Private Limited, Expleo Technologies India Private Limited, Expleo Engineering India Private Limited, Silver Software Development Centre Private Limited and Expleo Solutions Limited.

This is with reference to our appointment vide letter dated April 26, 2021 ("**Appointment Letter**") wherein Expleo Solutions Limited (hereinafter referred to as the "**Transferee Company**" or "**ESL**") had engaged IDBI Capital Markets & Securities Limited ("**IDBI Capital**") to provide Fairness Opinion to the Board of Directors of ESL on the Share Swap Ratio determined by BDO Valuation Advisory LLP (the "**Valuer**") appointed by ESL for the proposed scheme of amalgamation of Expleo India Infosystems Private Limited, Expleo Technologies India Private Limited, Expleo Engineering India Private Limited, Silver Software Development Centre Private Limited and Expleo Solutions Limited, vide a scheme of amalgamation under the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 ("**Proposed Scheme**").

1. Company Background and Scope of Engagement:

Expleo Solutions Limited is a public listed company having its registered office at 6A Sixth Floor, Prince Infocity II, No.283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096. The

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Transferee Company is part of Expleo Group, focusing exclusively on business assurance, quality assurance and software testing for the banking, insurance and financial services industries. The equity shares of the Transferee Company are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). 56.17% shares of the Transferee Company are held by Expleo Technology Germany GmbH as on June 30, 2021.

Expleo India Infosystems Private Limited (hereinafter referred to as the "**Transferor Company 1**" or "**EIIPL**") is incorporated as a private limited company and has its registered office at Plot No.25/1, Rajiv Gandhi Infotech Park, MIDC Phase III, Hinjewadi, Pune – 411057. The Transferor Company 1 is primarily engaged in the business of software testing. The Company is registered under Special Economic Zone scheme of the government. 100% shares of the Transferor Company 1 are held by Expleo Technology Germany GmbH along with its nominees.

Expleo Technologies India Private Limited (hereinafter referred to as the "**Transferor Company 2**" or "**ETIPL**") is incorporated as a private limited company and has its registered office at Unit No 201(2A), XYLEM, Plot No. 4 & 4A, 2nd Floor, Dyavasandra Industrial Area, ITPB Main Road, Mahadevapura, Bangalore – 560048. The Transferor Company 2 is primarily engaged in the business of providing software development and engineering consultancy services with areas of focus in the field of Aerospace, Automobiles, Defence and Rail. 100% shares of the Transferor Company 2 are held by Transferor Company 1 along with its nominees.

Expleo Engineering India Private Limited (hereinafter referred to as the "**Transferor Company 3**" or "**EEIPL**") is incorporated as a private limited company and has its registered office at XYLEM, 2nd Floor, Plot No. 4 & 4A, Unit No.201(2A), Dyavasandra Industrial Area, Mahadevapura Post, ITPB Main Road, Bangalore - 560048. The Transferor Company 3 was registered with Software Technology Park Scheme upto 3rd June, 2018 and it was incorporated to provide engineering consultancy services to its clients. 100% shares of the Transferor Company 3 are held by Transferor Company 1 along with its nominees.

Silver Software Development Centre Private Limited (hereinafter referred to as the "**Transferor Company 4**" or "**SSDCPL**") is incorporated as a private limited company and has its registered office at Unit No 201(2A), XYLEM Plot No. 4 & 4A, 2nd Floor, Dyavasandra Industrial Area, ITPB Main Road, Mahadevapura Bangalore - 560048. The Transferor Company 4 was primarily incorporated to engage in the business of software development. 100% shares of the Transferor Company 4 are held by Transferor Company 2 along with its nominees.

"**Transferor Companies**" collectively means Transferor Company 1, Transferor Company 2, Transferor Company 3, and Transferor Company 4;

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"**Entities**" collectively means Transferee Company, Transferor Company 1, Transferor Company 2, Transferor Company 3, and Transferor Company 4;

For the purpose of proposed amalgamation of Transferee Company and Transferor Company 1 and Transferor Company 2 and Transferor Company 3 and Transferor Company 4 (the "Transaction"), the Company has appointed the Valuer to determine the Share Swap Ratio (as defined below) and has in terms of the Appointment Letter requested IDBI Capital to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Swap Ratio ("**Fairness Opinion**") as per the requirements of the relevant SEBI circulars ("**SEBI Circular**"). This fairness opinion is being provided solely to the Board of Directors of Expleo Solutions Limited and strictly within this context and is not intended to represent the valuation at which such a transaction is carried out, and does not address Expleo Solutions Limited (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the proposed scheme of amalgamation.

As per the Valuation Report dated July 9, 2021, the valuers have recommended the Share Swap Ratio of 459 (Four Hundred and Fifty Nine) equity shares of Expleo Solutions Limited of INR 10/- each fully paid up for every 10 (ten) equity shares of Expleo India Infosystems Private Limited of INR 10/- each fully paid up ("**Share Swap Ratio**").

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For the avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in Expleo Solutions Limited to any person.

2. Brief Background of the Proposed Scheme

Brief Background

The Transferor Companies and the Transferee Company are part of the Expleo Group. Expleo Technology Germany GmbH holds 56.17% shares of the Transferee Company. The business of the Transferor Companies is synergistic to the business of the Transferee Company and will enhance business focus, improve synergies and focus on long term value creation and will simplify the Corporate Structure. In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed Scheme of Amalgamation under the provisions of

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Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Proposed Scheme

Amalgamation of Transferor Company 1 with the Transferee Company

- Part B of the Proposed Scheme deals with the amalgamation of the Transferor Company 1 with the Transferee Company.
- Upon Part B of the Proposed Scheme becoming effective and upon the amalgamation of Transferor Company 1 with the Transferee Company in terms of Proposed Scheme, the Transferee Company shall issue and allot, on a proportionate basis to each shareholder of the Transferor Company 1 or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, fully paid-up equity share of INR 10 (Indian Rupees Ten) each of the Transferee Company by virtue of and in the manner provided in Proposed Scheme.

Amalgamation of Transferor Company 2 & Transferor Company 3 with the Transferee Company

- Part C of the Proposed Scheme deals with the amalgamation of the Transferor Company 2 & Transferor Company 3 with the Transferee Company.
- Upon Part B of the Proposed Scheme becoming effective, the Transferor Company 2 and Transferor Company 3 shall become wholly-owned subsidiaries of the Transferee Company. Since the entire issued, subscribed and paid-up share capital of the Transferor Company 2 and Transferor Company 3 would be held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation. Accordingly, there shall be no issue of shares by the Transferee Company upon coming into effect of Part C of the Proposed Scheme, and the shares of the Transferor Company 2 and Transferor Company 3, whether held in physical form or in electronic form, shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter, or thing in the manner provided in Proposed Scheme.

Amalgamation of Transferor Company 4 with the Transferee Company

- Part D of the Proposed Scheme deals with the amalgamation of the Transferor Company 4 with the Transferee Company.
- Upon Part C of Proposed Scheme becoming effective, the Transferor Company 4 shall become a wholly-owned subsidiary of the Transferee Company. Since the entire issued, subscribed and paid-up share capital of the Transferor Company 4 would be held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation. Accordingly, there

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shall be no issue of shares by the Transferee Company upon coming into effect of Part D of the Scheme, and the shares of the Transferor Company 4, whether held in physical form or in electronic form, shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter, or thing in the manner provided in Proposed Scheme.

As per Proposed Scheme, upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved without winding-up, without any further act or deed.

3. Source of Information:

In arriving at the opinion set forth below, we have relied on the following:

a) Valuation Report dated July 9, 2021 prepared by BDO Valuation Advisory LLP;

b) Draft Scheme of Amalgamation;

c) Historical financial information as on March 31, 2021 for the Entities;

d) Share Purchase Agreements Between -

i. EIIPL, Venkataramana Mantha, Silver Atena Limited, Venkataramana Mantha and ETIPL dated June 28, 2021 ("**Share Purchase Agreement A**");

ii. EIIPL, Venkataramana Mantha, Expleo International, Expleo Germany Holding GmbH and EEIPL dated June 28, 2021 ("**Share Purchase Agreement B**");

e) Necessary confirmations from the representatives of Expleo Solutions Limited;

f) Additional information provided at the data room. Information including but not limited to those mentioned hereinabove.

4. Scope Limitations and Disclaimers:

- This Fairness Opinion is being provided solely to and from the perspective of Board of Directors of Expleo Solutions Limited and only in connection with the Proposed Scheme.
- This Fairness Opinion is confidential and is provided pursuant to and subject to the terms of our appointment and terms of business.
- It is being made available for information purposes only and on a confidential basis.
- This Fairness Opinion is for the exclusive use of Board of Directors of Expleo Solutions Limited and it may be disclosed to such persons and authorities as may be required under Law.
- This Fairness Opinion must not be copied, reproduced, distributed or passed, in whole or in part, to any other person at any time without our prior written consent.

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Each recipient acknowledges that some or all of the information contained in the Fairness Opinion is or may be inside information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each recipient undertakes not to use any information contained in the opinion for any unlawful purpose.

This Fairness Opinion does not constitute an offer or invitation or a solicitation of any offer or invitation for the sale or purchase of securities or of any of the assets, business or undertaking of Expleo Solutions Limited. In addition, it is not intended to form the basis of or act as an inducement to enter into any contract or investment activity, and should not be considered as a recommendation by us, Expleo Solutions Limited or any other person in relation to Expleo Solutions Limited.

The information used for this opinion, which does not purport to be comprehensive, has been provided to us by Expleo Solutions Limited and its advisors and/or obtained from publicly available sources. We have assumed the accuracy of the information so received and this has not been verified by us. No representation or warranty, express or implied, is or will be given by us or our respective directors, officers, employees or advisers or any other person as to the accuracy or completeness of this opinion and, so far as permitted by law, no responsibility or liability is accepted for the accuracy or sufficiency thereof, or for any errors, omissions or misstatements, negligent or otherwise, relating thereto.

In particular, but without limitation, (subject as aforesaid) no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts and nothing in this opinion is or should be relied on as a promise or representation as to the future. Accordingly, (subject as aforesaid) neither us, nor any of our respective directors, officers, employees or advisers, nor any other person, shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement in or omission from this opinion or any other written or oral communication with the recipient or its advisors in connection with its evaluation of Expleo Solutions Limited and (save in the case of fraudulent misrepresentation or wilful non-disclosure) any such liability is expressly disclaimed.

The receipt of this opinion by any person is not to be taken as constituting the giving of investment opinion by us to any such person, nor to constitute such person our client.

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For avoidance of any doubts, it is clarified that fees payable to IDBI Capital by Expleo Solutions Limited is not in any way contingent upon nature of opinion provided to Expleo Solutions Limited.

5. Conclusion:

In our opinion, in the given circumstances, based on all relevant factors, information and subject to the scope limitations & disclaimers on the date hereof, and to the best of our knowledge and belief, we are of the opinion that the Share Swap Ratio as recommended by the Valuer, is fair and reasonable.

6. Distribution of the Fairness Opinion

The Fairness Opinion is addressed only to the Board of Directors of Expleo Solutions Limited. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to other third party without IDBI Capital's prior written consent.

However, Expleo Solutions Limited may provide a copy of the Fairness Opinion if required / called upon by any regulatory authorities of India subject to Expleo Solutions Limited promptly intimating IDBI Capital in written about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality & not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than to whom it is addressed or for any purpose than the purpose stated hereinabove, then, we will not be liable for any consequences thereof & shall not take any responsibility for the same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement documents given to third parties. In no circumstances however, will IDBI Capital or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of IDBI Capital accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours Faithfully,

For and on behalf of

IDBI Capital Markets & Securities Limited

Authorised Signatory

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