

(Convenience translation into English from the original  
previously issued in Portuguese)

**WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.**

**Independent auditor's report**

**Financial statements**

**As at December 31, 2020**

**WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.**

**Financial statements  
As at December 31, 2020**

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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the  
Shareholders and Management of  
**Wipro do Brasil Serviços de Tecnologia Ltda.**  
Barueri - SP

### Opinion on the financial statements

We have audited the financial statements of **Wipro do Brasil Serviços de Tecnologia Ltda.** (“**Company**”), which comprise the statements of financial position as at December 31, 2020, and the respective statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Wipro do Brasil Serviços de Tecnologia Ltda.** as at December 31, 2020, its financial performance and its cash flows for the year then ended, in accordance with Brazilian accounting practices applicable to small and medium-sized companies.

### Basis for opinion on the financial statements

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Company in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Association of Accountants (CFC), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis

#### High level of dependence

Without modifying our opinion, we draw attention to Note 1 to the financial statements, considering that the Company has a high level of dependence on a single client. Thus, its financial performance should be analyzed considering this situation. Our opinion is not modified in respect of this matter.

### Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Brazilian accounting practices, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it either intends to liquidate the Company and its controlled companies or to cease operations, or has no realistic alternative but to do so.

The Company's Management is responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect a material misstatement when it exists. 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 that are taken based on these financial statements.

As part of an audit in accordance with Brazilian standards and ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 our 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 controls relevant to the audit 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 Company's and its controlled companies' internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management;
- Conclude about the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may cast significant doubt on the Company's and its controlled companies' ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its controlled companies to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.



We 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 controls that we identify.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 25, 2021.



**BDO RCS Auditores Independentes SS**  
**CRC 2 SP 013846/O-1**

  
**Henrique Herbel de Melo Campos**  
**Accountant CRC 1 SP 181015/O-3**

# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Statements of financial position As at December 31, 2020 and 2019 (In Brazilian Reais)

Assets				Liabilities and equity			
	Note	12/31/2020	12/31/2019		Note	12/31/2020	12/31/2019
<b>Current</b>				<b>Current</b>			
Cash and cash equivalents	4	100,010	5,815	Trade accounts payable	10	20,889,046	7,824,297
Accounts receivable	5	82,418,079	53,313,442	Loans and financing	9	3,327,095	8,030,269
Recoverable taxes	6	2,388,250	30,168	Social charges	11	14,894,183	9,398,298
Other receivables		1,957,809	1,420,623	Tax liabilities	12	625,147	1,041,228
		<b>86,864,148</b>	<b>54,770,048</b>	Other accounts payable		201,536	91,743
						<b>39,937,007</b>	<b>26,385,834</b>
<b>Noncurrent</b>				<b>Noncurrent</b>			
Other accounts		-	43,428	Related-party transactions	19	30,034,166	8,337,712
Court deposits	13	115,069	119,661	Provision for legal claims	13	1,145,038	1,863,024
Fixed assets	7	10,738,941	4,384,589	Other provisions	14	-	863,786
Intangible assets	8	178,192	202,575			<b>31,179,204</b>	<b>11,064,522</b>
		<b>11,032,202</b>	<b>4,750,253</b>				
				<b>Equity</b>			
				Capital stock	15	14,762,828	14,762,828
				Retained earnings		12,017,311	7,307,118
						<b>26,780,139</b>	<b>22,069,946</b>
<b>Total assets</b>		<b>97,896,350</b>	<b>59,520,302</b>	<b>Total liabilities and equity</b>		<b>97,896,350</b>	<b>59,520,302</b>

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

# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Statements of income

For the years ended December 31, 2020 and 2019

(In Brazilian Reais)

	<u>Note</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Net operating revenue	16	151,955,965	115,620,535
Cost of services rendered	17	<u>(131,061,629)</u>	<u>(89,394,648)</u>
Gross profit		<u>20,894,337</u>	<u>26,225,887</u>
<b>Operating expenses</b>			
General, selling and administrative expenses	17	(10,891,776)	(10,885,936)
Other expenses		(1,621,566)	(821,712)
Net financial income (loss)	18	(1,682,710)	(1,142,449)
<b>Income before Income and Social Contribution taxes</b>		<u>6,698,284</u>	<u>13,375,791</u>
Income and Social Contribution taxes	12 (a)	(1,988,091)	(3,801,530)
<b>Net income for the year</b>		<u>4,710,193</u>	<u>9,574,261</u>
Number of outstanding shares at year end		14,762,828	14,762,828
<b>Net earnings per share - in Brazilian Reais</b>		<u>0.32</u>	<u>0.65</u>

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

# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Statements of comprehensive income For the years ended December 31, 2020 and 2019 (In Brazilian Reais)

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	<u>12/31/2020</u>	<u>12/31/2019</u>
Net income for the year	4,710,193	9,574,261
Other comprehensive income	-	-
Total comprehensive income	<u>4,710,193</u>	<u>9,574,261</u>

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

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# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Statements of changes in equity (In Brazilian Reais)

	Capital stock	Retained earnings (accumulated losses)	Total
Balances as at December 31, 2018	14,762,828	(2,267,143)	12,495,685
Net income for the year	-	9,574,261	9,574,261
Balances as at December 31, 2019	14,762,828	7,307,118	22,069,946
Net income for the year	-	4,710,193	4,710,193
Balances as at December 31, 2020	14,762,828	12,017,311	26,780,139

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

# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Statements of cash flows

For the years ended December 31, 2020 and 2019

(In Brazilian Reais)

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Cash flows from operating activities</b>		
Net income for the year	4,710,193	9,574,261
<b>Adjustments to reconcile income (loss) for the year with funds from operating activities</b>		
Depreciation and amortization	1,621,566	818,307
Write-off of fixed and intangible assets	-	7,521
Provision for (reversal of) legal claims	(717,986)	883,994
Allowance for doubtful accounts	155,131	41,727
	<u>5,768,904</u>	<u>11,325,810</u>
<b>Net increase/(decrease) in assets</b>		
Accounts receivable	(29,259,768)	(25,430,128)
Recoverable taxes	(2,358,082)	269,472
Other accounts	(493,757)	(839,896)
Court deposits	4,592	(6,513)
	<u>(32,107,016)</u>	<u>(26,007,066)</u>
<b>Net increase/(decrease) in liabilities</b>		
Trade accounts payable	13,064,749	4,123,756
Social charges and tax obligations	5,079,804	2,842,882
Other noncurrent liabilities	(753,993)	(1,213,738)
	<u>17,390,561</u>	<u>5,752,899</u>
<b>Net cash from operating activities</b>	<u>(8,947,551)</u>	<u>(8,928,357)</u>
<b>Cash flows from investing activities</b>		
Additions to fixed and intangible assets	(7,951,535)	(1,034,751)
<b>Net cash from investing activities</b>	<u>(7,951,535)</u>	<u>(1,034,751)</u>
<b>Cash flows from financing activities</b>		
Related-party transactions, net	21,696,454	87,856
Loans and financing	(4,703,174)	7,801,321
<b>Net cash from financing activities</b>	<u>16,993,281</u>	<u>7,889,177</u>
<b>Increase/(decrease) in cash and cash equivalents, net</b>	<u>94,195</u>	<u>(2,073,931)</u>
Cash and cash equivalents at beginning of year	5,815	2,079,746
Cash and cash equivalents at end of year	100,010	5,815
<b>Increase/(decrease) in cash and cash equivalents, net</b>	<u>94,195</u>	<u>(2,073,931)</u>

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

**Notes to the financial statements  
As at December 31, 2020  
(In Brazilian Reais)**

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**1. Operations**

Wipro do Brasil Serviços de Tecnologia Ltda. (“Company”), nowadays located in the city of Barueri, was originally established on May 10, 1995, and is engaged in the following activities: information technology consulting, technical support, maintenance and other information technology services, licensing of noncustomizable computer programs, sales of IT equipment and inputs, lease of goods, commercial representation, and IT training.

Currently, Banco Bradesco S.A. and Bradesco Seguros S.A represent approximately 78% of the Company’s revenue. Thus, we work hard to diversify our customer base by developing new product lines and by increasing recurring revenue based on allocations.

**1.1. Impacts of the Coronavirus outbreak (Covid-19)**

In March 2020, the World Health Organization (WHO) classified the Covid-19 outbreak as a pandemic. As the virus spreads, impacts on companies and on the financial market are observed all over the world.

It is an event that affects people’s lives in general, as well as the daily routine of companies and of the financial market. Through Decree No. 6, of March 20, 2020, the Brazilian Congress recognized the state of public calamity as a result of the Covid-19 pandemic.

The Coronavirus pandemic and its resulting health crisis did not directly affect Wipro’s operations.

The Company opted not to adopt the federal measure to reduce salaries and working hours for a period of 120 days, maintaining full salaries and benefits during this period.

Despite the pandemic and health crisis scenario, the Company’s net revenue increased by 31%, and it hired 313 new employees, an increase of 43% compared to 2019.

**2. Basis of preparation**

**a. Statement of compliance**

The financial statements were prepared in accordance with Brazilian accounting practices applicable to small and medium-sized companies (NBC TG 1000) - CPC PME R1, issued by the Brazilian Federal Association of Accountants (CFC).

Notes to the financial statements  
As at December 31, 2020  
(In Brazilian Reais)

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The issue of these financial statements was authorized by Management on March 25, 2021.

**b. Functional and reporting currency**

The Company's functional currency is the Brazilian Real. The financial statements are presented in compliance with section 30 of CPC PMEs (Effects of changes in exchange rates and translation on financial statements).

**c. Use of estimates and judgment**

The financial statements have been prepared in accordance with several valuation bases used for accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors and Management's judgment to determine the proper fair value to be recorded in the financial statements.

Significant items subject to these estimates and assumptions include determining the useful lives of fixed assets and their recoverability from operations, valuing financial assets at fair value and discounting them to present value, analyzing the customer's credit standing to determine the allowance for doubtful accounts, and assessing other risks to determine other provisions, including for contingencies.

Due to their inherent inaccuracy, transaction settlement involving these estimates may result in amounts significantly different from those recorded in the financial statements. The Company periodically reviews its estimates and assumptions, in no more than a year. The Company has adopted all standards issued by the Committee of Accounting Pronouncements for Small and Medium-sized Companies in effect as at December 31, 2020.

As there was no type of manifestation on the part of CPC PME concerning the adoption of the new standards issued by CPC, the Company did not adopt them.

The financial statements have been prepared taking into consideration historical cost as base value.

Notes to the financial statements  
As at December 31, 2020  
(In Brazilian Reais)

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**3. Main accounting policies**

**a. Cash and cash equivalents**

Cash and cash equivalents include balances of cash and financial investments with original maturity of three months or less as from the hire date, which are subject to an insignificant risk of change in value and used to manage short-term obligations. Financial investments are stated at cost, plus income earned through the reporting dates.

**b. Trade accounts receivable and allowance for doubtful accounts**

Trade accounts receivable are recorded in the statement of financial position at their nominal value, less the allowance for doubtful accounts set up according to an analysis of all notes overdue for more than 180 days, regarding the following: i) customer's reason for delay; ii) renegotiation and/or installment payment of the note; iii) actual possibility of receipt; and iv) customer's history. Loss is estimated considering notes whose likelihood of collection is possible or remote.

These amounts are not discounted to present value because they mature in the short term and do not have material effect on the financial statements.

Additionally, pursuant to the revenue reversal policy adopted by the Company's new Management, it recognizes the reversal of unbilled projects according to type: fixed-price projects - reversal after 180 days of recognition; service support projects - reversion after 90 days of recognition; and allocation projects - reversal after 60 days of recognition.

**c. Fixed assets**

Fixed assets are recorded at acquisition, formation or construction cost, less accumulated depreciation and impairment losses (value in use), if applicable. Depreciation or amortization is calculated under the straight-line method at rates that take into account the estimated useful lives of assets.

**d. Intangible assets**

Intangible assets are stated at acquisition cost, less accumulated amortization and impairment charges, when applicable. Intangible assets consist of software usage licenses and rights and expenses on the registration of trademarks and patents. Amortization is calculated under the straight-line method.

Notes to the financial statements  
As at December 31, 2020  
(In Brazilian Reais)

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**e. Other current and noncurrent assets**

Other current and noncurrent assets are carried at the lower of cost or realizable value, including, when applicable, earnings and monetary variations.

**f. Other current and noncurrent liabilities**

Current and noncurrent liabilities are stated at known or estimated amounts, plus related charges, exchange rate gains (losses) and/or monetary changes incurred through the reporting date, when applicable. Where applicable, current and noncurrent liabilities are stated at present value, transaction by transaction, according to interest rates reflecting each transaction's term, currency and risk.

**g. Provisions**

A provision is recognized, as a result of past events, if the Company has a legal or constructive obligation that can be reliably estimated and it is probable that funds are required to settle it.

Provisions are recorded based on the best risk estimates involved.

Provisions for legal claims are recognized in amounts considered sufficient to cover losses on lawsuits, as stated in Note 13.

**h. Financial revenue and expenses**

Financial revenue mainly comprises interest gains from financial investments. Revenue from interest is recognized in the statement of income under the effective interest rate method.

Financial expenses mainly comprise bank fees and interest on loans.

**i. Income and Social Contribution taxes**

The provision for Income Tax was calculated at the rate of 15% on taxable income, plus a surtax of 10%, according to prevailing legislation. The provision for Social Contribution Tax was calculated at the rate of 9% of income before Income Tax, both calculated based on the year's results.

**j. Revenue recognition**

Revenue is the fair value of the consideration received or receivable for trading products over the Company's normal course of activities. It is stated net of taxes, returns, rebates and discounts. The Company recognizes revenue when:

Notes to the financial statements  
As at December 31, 2020  
(In Brazilian Reais)

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- The amount can be reliably measured;
- It is probable that future economic benefits will flow to the Company.

**k. Financial instruments**

Nonderivative financial instruments include financial investments, contributions receivable and other receivables, cash and banks, as well as trade accounts payable, accounts payable and other debts.

**Nonderivative financial assets**

The Company initially recognizes amortized cost on the date it is originated. All other financial assets are initially recorded on the negotiation date, in which the Company becomes a party to the contractual provisions of the instrument.

The Company no longer recognizes a financial asset when the contractual rights to its cash flows expire, or when they are transferred in a transaction involving virtually all risks and benefits of ownership of the asset. Occasional interest created or withheld in financial assets is recognized as an individual asset or liability.

**Nonderivative financial liabilities**

Financial liabilities are initially recognized on the date when they are originated. After initial recognition, they are measured at amortized cost under the effective interest rate method.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Company is legally entitled to offset the amounts and has the intention to settle them on a net basis or simultaneously realize the asset and settle the liability.

**Derivative financial assets and liabilities**

As at December 31, 2020 and 2019, the Company did not hold derivatives.

**4. Cash and cash equivalents**

	<u>2020</u>	<u>2019</u>
Bank checking accounts	100,010	5,815
	<u>100,010</u>	<u>5,815</u>

The balances of cash and cash equivalents are basically represented by bank checking accounts held at top-tier Brazilian financial institutions.

Notes to the financial statements  
As at December 31, 2020  
(In Brazilian Reais)

5. Trade accounts receivable

a. Breakdown

	<u>2020</u>	<u>2019</u>
Accounts receivable	16,415,224	11,796,915
Trade accounts receivable to bill (*)	66,200,223	41,558,764
(-) Allowance for doubtful accounts	(197,368)	(42,237)
	<u>82,418,079</u>	<u>53,313,442</u>

(\*) Recognition of revenue from services rendered, with certain stages already approved by customers, but not yet billed. Unbilled services may refer to the development of programs and systems, allocation of direct labor and technical support, development being the most representative in the provision due to its particularities concerning performance time and stages. This type of service depends on a project that is usually divided into stages, by the end of which the project is submitted to customers for analysis, test and approval. After this phase, the project goes through the bureaucratic billing authorization process.

b. Aging of the balance of trade accounts receivable

	<u>2020</u>	<u>2019</u>
Falling due	11,536,612	10,836,992
Up to 90 days overdue	4,541,054	846,674
Overdue for more than 90 days	337,558	113,248
	<u>16,415,224</u>	<u>11,796,915</u>

The policy on the allowance for doubtful accounts is based on days overdue, 100% when over 365 days and 35% when up to 181 days.

6. Recoverable taxes

	<u>2020</u>	<u>2019</u>
Corporate Income Tax	1,456,848	-
Social Contribution Tax	844,229	-
Other taxes	87,173	30,168
	<u>2,388,250</u>	<u>30,168</u>

Income and Social Contribution tax balances refer to withholding of invoices issued to customers in 2020.



# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Notes to the financial statements As at December 31, 2020 (In Brazilian Reais)

### 7. Fixed assets

#### a. Breakdown

	Depreciation rates (%) p.a.	2020			2019
		Historical cost	Accumulated depreciation	Net	Net
Furniture and fixtures	10%	1,103,167	(486,361)	616,806	286,453
Vehicles	20%	150,000	-	150,000	-
Machinery and equipment	10%	719,951	(144,642)	575,309	244,853
IT equipment	20%	8,525,322	(2,904,423)	5,620,899	2,310,133
Leasehold improvements	16%	4,598,122	(822,194)	3,775,927	1,443,200
		<u>15,096,561</u>	<u>(4,357,620)</u>	<u>10,738,941</u>	<u>4,284,639</u>
Construction in progress		-	-	-	99,950
		<u>15,096,561</u>	<u>(4,357,620)</u>	<u>10,738,941</u>	<u>4,384,589</u>

#### b. Changes in fixed assets

Changes in fixed assets in 2020 were as follows:

	Depreciation rates (%) p.a.	2019				2020
		Net	Additions	Transfers	Depreciation	Net balance
Furniture and fixtures	10%	286,453	385,830	-	(55,477)	616,806
Vehicles	20%	-	150,000	-	-	150,000
Machinery and equipment	10%	244,853	399,176	-	(68,720)	575,309
IT equipment	20%	2,310,133	4,277,079	-	(966,313)	5,620,899
Leasehold improvements	16%	1,443,200	2,739,450	99,950	(506,672)	3,775,927
		<u>4,284,639</u>	<u>8,051,485</u>	<u>99,950</u>	<u>(1,597,182)</u>	<u>10,738,941</u>
Construction in progress		99,950	-	(99,950)	-	-
		<u>4,384,589</u>	<u>8,051,485</u>	<u>-</u>	<u>(1,597,182)</u>	<u>10,738,941</u>

### 8. Intangible assets

#### a. Breakdown

	Depreciation rates (%) p.a.	2020			2019
		Historical cost	Accumulated amortization	Net	Net
Trademarks and patents	10%	53,676	-	53,676	53,676
Software	20%	592,340	(467,824)	124,516	148,899
		<u>646,016</u>	<u>(467,824)</u>	<u>178,192</u>	<u>202,575</u>

## WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

### Notes to the financial statements As at December 31, 2020 (In Brazilian Reais)

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#### b. Changes in intangible assets

Changes in intangible assets in 2020 were as follows:

	Depreciation rates (%) p.a.	2019		2020	
		Net	Amortization	Net balance	
Trademarks and patents	10%	53,676	-	53,676	
Software	20%	148,899	(24,383)	124,516	
		<u>202,575</u>	<u>(24,383)</u>	<u>178,192</u>	

#### 9. Loans and financing

Financial institution	Finance charges	2020	2019
Banco Bradesco S.A.	CDI + 0.45% p.m.	3,327,095	8,030,269
Current		<u>3,327,095</u>	<u>8,030,269</u>

The loan agreement entered into with Banco Bradesco S.A. as at December 31, 2020, of R\$ 3,327,095, refers to a bank credit note with overdraft protection, No. 4272871, with limit of R\$ 13,000,000 and maturing on January 28, 2020, and it is automatically renewed every 120 days. As there are no recognized guarantees, Banco Bradesco S.A. evaluates our credit according to the volume of receivables that the Company holds with the bank itself.

#### 10. Trade accounts payable

These are represented by rendering of services contracted:

	2020	2019
Trade accounts payable	5,547,381	6,192,338
* Related-party transactions	15,341,665	1,631,959
	<u>20,889,046</u>	<u>7,824,297</u>

- **Trade accounts payable:** Amounts accounted for in this caption are nearly all related to trade accounts payable (partners), in line with the progress and approval of unbilled trade accounts receivable referring to services already rendered and approved by customers.

\* Related-party transactions refer to subcontracting services and reimbursement of expenses payable to another company in Brazil (Wipro do Brasil Tecnologia Ltda.), as follows: subcontracting service costs between the entities in the amount of R\$ 12,056,818 and reimbursement of expenses in the amount of R\$ 3,284,847.

# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Notes to the financial statements As at December 31, 2020 (In Brazilian Reais)

### 11. Social charges

	2020	2019
Provision for vacation pay and charges	7,531,968	5,068,428
Social Security Tax (INSS) payable	2,115,432	1,556,115
Severance Pay Fund (FGTS) payable	1,050,716	487,684
Withholding Income Tax (IRRF) payable	2,213,817	1,218,009
Other social charges	1,982,250	1,068,062
	<u>14,894,183</u>	<u>9,398,298</u>

### 12. Tax liabilities

	2020	2019
Tax on Services (ISS) payable	376,767	288,979
Contribution to the Social Integration Program (PIS) payable	12,249	39,480
Contribution for Social Security Funding (COFINS) payable	56,593	182,216
Income Tax (IRPJ) payable	-	385,913
Social Contribution Tax (CSL) payable	-	15,025
Other tax liabilities	179,538	129,615
	<u>625,147</u>	<u>1,041,228</u>

#### (a) Reconciliation of Income and Social Contribution taxes

	2020	2019
<b>Book income before taxation</b>	<u>6,698,284</u>	<u>13,375,791</u>
Expected Income and Social Contribution tax expenses - combined statutory rate of 34%	2,277,417	4,547,769
Add-backs and deductions	(674,058)	374,327
<b>Tax basis for Income and Social Contribution taxes</b>	<u>6,024,226</u>	<u>13,750,118</u>
(-) 30% tax loss carryforwards	-	(2,296,436)
Current Income and Social Contribution tax expenses	(1,988,091)	(3,801,530)
<b>(X) Effective rate (%)</b>	<u>30%</u>	<u>28%</u>

### 13. Provision for legal claims

In the ordinary course of conducting its business, the Company is involved in labor, civil, criminal and tax lawsuits. Management, relying on the opinion of its legal counselors or that of other specialists given on the same date, when applicable, evaluates the possible outcome of ongoing lawsuits, and the need for setting up provisions for contingencies arising from them.

As at December 31, 2020, the Company has recorded R\$ 1,145,038 for covering risks considered probable, as follows:

Description	2020	Changes	2019
Labor	1,145,038	(717,986)	1,863,024
	<u>1,145,038</u>	<u>(717,986)</u>	<u>1,863,024</u>

## WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

### Notes to the financial statements As at December 31, 2020 (In Brazilian Reais)

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As at December 31, 2020, the Company had other ongoing labor claims amounting to approximately R\$ 1,813,723, whose likelihood of loss, according to legal counselors, is considered possible, and for which the Company's Management understands that recognition of provision for possible loss is not necessary.

#### Court deposits

Description	2020	Changes	2019
Labor deposit	13,513	(4,592)	18,105
Other deposits	101,556	-	101,556
	<u>115,069</u>	<u>(4,592)</u>	<u>119,661</u>

#### 14. Other provisions

As at December 31, 2019, the amount of R\$ 863,786.01 refers to the provision for bonus known as Management Incentive Program (MIP), which is part of the sale and purchase agreement of Infoserver for employees of the commercial department and strategic positions. The program remained valid for a period of 3 years, from 2017 to 2019, and was measured based on retention of these employees and financial indicators. In May 2020, the provision was written off according to the payment and expiration of this bonus policy.

#### 15. Equity

##### Capital stock

As at December 31, 2020, capital stock amounted to R\$ 14,762,828, represented by shares with par value of R\$ 1.00 each, distributed as follows: 14,381,947 shares to Wipro Information Technology Netherlands BV and 380,881 shares to Wipro Portugal S.A.

##### Allocation of retained earnings

Earnings will be either distributed to shareholders, in proportion or not to their ownership percentage, or placed in a reserve of the Company, at their discretion. None of the shareholders will be entitled to any portion of net earnings until express decision on their allocation.

#### 16. Sales revenue

	2020	2019
Revenue from rendering of services	167,354,940	127,027,512
(-) Taxes on sales and other deductions	(15,398,975)	(11,406,977)
	<u>151,955,965</u>	<u>115,620,535</u>

# WIPRO DO BRASIL SERVIÇOS DE TECNOLOGIA LTDA.

## Notes to the financial statements As at December 31, 2020 (In Brazilian Reais)

### 17. Expenses by nature and function

	<u>2020</u>	<u>2019</u>
Payroll	53,196,979	38,072,606
Social charges	11,146,835	8,277,098
Vacation pay	7,641,716	5,502,155
Year-end bonus	5,306,765	3,753,785
Benefits	10,488,953	6,440,022
Electricity	96,788	117,620
Maintenance	110,350	82,903
Services rendered	38,541,360	25,512,357
Other expenses	15,423,659	12,522,038
	<u><b>141,953,405</b></u>	<u><b>100,280,583</b></u>
	<u>2020</u>	<u>2019</u>
Costs of services rendered	131,061,629	89,394,648
General, administrative and selling expenses, net	10,891,776	10,885,936
	<u><b>141,953,405</b></u>	<u><b>100,280,583</b></u>

### 18. Net financial income (loss)

	<u>2020</u>	<u>2019</u>
<b>Financial revenue</b>		
Returns on financial investments	129	2,823
Discounts obtained	6,178	6
Interest gains	905	12,519
Exchange rate gains	-	-
	<u>7,212</u>	<u>15,349</u>
<b>Financial expenses</b>		
Exchange rate losses	(19,451)	(1)
Interest losses	(1,434,356)	(927,255)
Tax on Financial Transactions (IOF)	(147,676)	(92,031)
Other expenses	(88,439)	(138,511)
	<u><b>(1,689,922)</b></u>	<u><b>(1,157,799)</b></u>
<b>Financial revenue/(expenses), net</b>	<u><b>(1,682,710)</b></u>	<u><b>(1,142,449)</b></u>

### 19. Related-party transactions

	<u>2020</u>	<u>2019</u>
<b>Noncurrent liabilities</b>		
Wipro do Brasil Tecnologia Ltda.	30,034,166	8,337,712

Related-party transactions refer to loan agreements with another company in Brazil (Wipro do Brasil Tecnologia Ltda.). The amount of R\$ 30,034,166 comprised loans of R\$ 3,550,000 in 2017, R\$ 4,000,000 in 2018, and R\$ 21,000,000 in 2020, and the impact of interest on income for the year was R\$ 696,454, corresponding to an average interest rate of 4.9%.

Notes to the financial statements  
As at December 31, 2020  
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**20. Financial instruments**

The Company works with financial instruments, mainly cash and cash equivalents, trade accounts receivable, and related-party payables.

The amounts recorded in current assets and liabilities have immediate liquidity or maturity, mostly with terms shorter than three months. Considering the term and features of these financial instruments, which are systematically renegotiated, their book values approximate their fair values. The Company does not have transactions with derivatives.

**Fair value of financial instruments**

The classification of financial instruments is shown in the table below, according to the assessment carried out by the Company's Management:

**Classification**

<b>Financial assets</b>	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>Amortized cost</b>		
Cash and cash equivalents	100,010	5,815
Accounts receivable	<u>82,418,079</u>	<u>53,313,442</u>
	<u><b>82,518,089</b></u>	<u><b>53,319,257</b></u>
<b>Financial liabilities</b>		
<b>Amortized cost</b>	<u>12/31/2020</u>	<u>12/31/2019</u>
Trade accounts payable	5,547,381	6,192,338
Loans and financing	3,327,095	8,030,269
Related-party transactions	<u>45,375,831</u>	<u>9,969,671</u>
	<u><b>54,250,307</b></u>	<u><b>24,192,278</b></u>

**Credit risk**

The Company may incur losses on receivables arising from the billing of merchandise. To reduce this risk, the credit standing of customers is constantly analyzed.

**Interest rate risk**

Interest rate risks are due to the possibility of the Company incurring losses on interest rate fluctuations that may increase financial expenses on loans and financing raised in the market.

Management understands that interest rate risk is not relevant, considering the overdraft protection held by the Company as at December 31, 2020. Therefore, it considers unnecessary to present a sensitivity analysis for such risk.

Notes to the financial statements  
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**Market risk**

Exposures to market risks are constantly monitored, mainly risk factors related to interest rates that may potentially affect the value of financial assets and liabilities and future cash flows.

The Company has financial assets and liabilities classified as financial instruments in its statement of financial position, stated at their book values, which approximate their market values, considering the adjustment criteria contracted.

Accounting practices adopted to value financial assets and liabilities were such that book values did not differ from market values and were reported on the corresponding notes.

**21. Insurance coverage**

The Company takes out insurance coverage for assets exposed to risks at amounts considered sufficient by Management to cover any contingent events.

The amounts of insurance coverage as at December 31, 2020, are as follows:

<u>Item</u>	<u>Type of coverage</u>	<u>Amount insured</u>
Operating structure	Material damages to buildings, facilities, machinery and equipment, including robbery	5,778,036

Given the nature of risk assumptions adopted, they are not part of the scope of an audit of financial statements and therefore were not audited by our independent auditors.