

MASTEK ARABIA SYSTEMS EGYPT "L.L.C"

**Financial Statements
And Auditor's Report
For the Year Ended 31 December 2023**

**Ashraf Shawky Battah
Certified Accountant**

MASTEK ARABIA SYATEMS EGYPT “L.L.C”

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Auditor's Report

To: MASTEK ARABIA SYATEMS EGYPT "L.L.C"

Report on the Financial Statements

We have audited the accompanying financial statements of *MASTEK ARABIA SYATEMS EGYPT "THE Company"* which comprise the balance sheet as of 31 December 2023, related statements of income, comprehensive income statement, cash flows statement and changes in Shareholder's equity for the fiscal year ended and a summary of significant accounting policies and other explanatory notes.

Company's Management Responsibility for the Financial Statements

Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and with the requirements of applicable Egyptian laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's 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 to 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company at 31 December 2023, its operation and cash flows for the period ended in accordance with Egyptian Accounting Standards and applicable Egyptian laws and regulations.

Report on Other Legal and Regulatory Requirements

The company maintains proper financial records, which includes all that is required by the law and the company's statute, and the accompanying financial statements are in agreement therewith, the company applies a proper costing system and the inventory counts were taken in accordance with recognized practices.

The financial statements at the report of the company's manager prepared in accordance with Law No. 159 for the year 1981 and its executive regulations are in accordance with what is stated in the company's books.

Ashraf Shawky Battah



Legal accountant
Certified account no 8661
Member of the Egyptian Tax Association



Cairo 23 Apr 2024 , "attached"

MASTEK ARABIA SYATEMS EGYPT "L.L.C"
Balance Sheet at 31 December 2023

(all amounts in EGP)	Notes	31 December 2023	31December2022
Non-Current Assets			
Fixed Assets (net)	(3)	401 553	992 998
Total of Non-current Assets		401 553	992 998
Current Assets			
Receivables and other debit balance	(4)	11 761 399	8 261 342
Cash and Bank	(5)	1 154 104	1 086 280
Total of Current Assets		12 915 503	9 347 622
Total Assets		13 317 056	10 340 620
Owners' Equity			
Paid in capital		5 000	5 000
Legal reserve		2 500	2 500
Retained Earnings		7 874 055	3 063 340
Net profit for the year		1 737 421	4 810 715
Total of owners' equity		9 618 976	7 881 555
Non-Current Liabilities			
Deferred tax		40 455	122 009
Total Non-Current Liabilities		40 455	122 099
Current Liabilities			
Payables and other credit balances	(6)	3 657 625	2 337 056
Total Current Liabilities		3 657 625	2 337 056
Total liabilities		3 698 080	2 459 065
Total owners' equity and liability		13 317 056	10 340 620

The accompanying notes on pages No (6) to page No (10) form an integral part of these financial statements.

Auditor Report issue dated 23 Apr 2024, "attached"



Wafaa Tahtawi

General Manager

Wafaa Tahtawi

MASTEK ARABIA SYATEMS EGYPT “L.L.C”
Income Statement for the year ended 31 December 2023

(all amounts in EGP)	Notes	31December 2023	31 December 2022
Revenue		29 244 016	29 823 242
Less:			
Cost of revenue	(7)	(26 127 979)	(25 285 798)
Gross Profit		3 116 037	4 537 444
Less:			
General and administrative expenses	(8)	152 945	130 383
Operating profit		2 693 093	4 407 060
Add/(Less):			
Foreign exchange gain		1 819 621	2 289 547
Depreciation of fixed assets		(591 445)	(384 608)
Others		(1 431 527)	
Solidarity Share		-	(2 428)
Social contribution		(77 659)	(80 282)
Net profit before taxes		2 682 082	6 229 290
Deferred Tax		81 554	(13 795)
Income Tax		(1 026 215)	(1 404 780)
Net profit after taxes		1 737 421	4 810 715

The accompanying policies and the notes on page (6) to page (10) form an integral part of these financial statements.

MASTEK ARABIA SYATEMS EGYPT "L.L.C
Comprehensive Income Statement for the year ended 31 December 2023

(all amounts in EGP)	Notes	<u>December 2023</u>	<u>31 December 2022</u>
Net profit for the year after taxes		1 737 421	4 810 715
Other Comprehensive Income		-	-
Net profit for the year after taxes		<u>1 737 421</u>	<u>4 810 715</u>

The accompanying policies and notes on page (6) to page (10) form an integral part of these financial statements.

MASTEK ARABIA SYATEMS EGYPT "L.L.C."
Statement of Changes in Equity for the year ended 31 December 2023

(all amounts in EGP)	Capital	Legal reserve	Retained Earnings	Net Profit of the year	Total
Balance at 31 December 2021	5 000	2 500	1 314 909	1 748 431	3 070 840
Closing of 2021 profit in retained earnings	-	-	1 748 431	(1 748 431)	-
Net profit for the year 2022	-	-	-	4 810 715	4 810 715
Balance at 31 December 2022	5 000	2 500	3 063 340	4 810 715	7 881 555
Closing of 2021 profit in retained earnings	-	-	4 810 715	(4 810 715)	-
Net profit for the year 2023	-	-	-	1 737 421	1 737 421
Balance at 31 December 2023	5 000	2 500	7 874 055	1 737 421	9 618 976

the accompanying policies and notes on page (6) to page (10) form an integral part of these financial statements

MASTEK ARABIA SYATEMS EGYPT “L.L.C”
Statement of Cash Flows for the year ended 31 December 2023

(all amounts in EGP)	31 December 2023	31 December 2022
Cash flows from operating activities:		
Net profit for the year	2 682 082	6 229 290
Adjustments for:		
Fixed assets depreciation	591 445	384 608
Foreign exchange Loss	(1 819 621)	(2 289 547)
Net profit before changing in working capital	1 435 906	4 324 351
Change in :		
Change in Account Receivable and Other Debtors	(3 500 057)	(5 565 547)
Change in Account payable and other creditors	1 320 569	143 530
Net Cash provided from operating activities	(725 582)	(1 097 666)
Income tax payment	(1 026 215)	(437 077)
Net Cash used in operating activities	1 751 797	(1 534 743)
Cash flows from investing activities:		
Acquisition of plant, property & equipment	-	(259 200)
Net Cash (used in) investing activities	-	(259 200)
Net change in cash and equivalents	(1 751 797)	(1 793 943)
Cash & Cash equivalents at the beginning of the year	1 086 280	590 676
Foreign currency exchange difference	1 819 621	2 289 547
Cash & Cash equivalents at the end of the year	1 154 104	1 086 280

The accompanying policies and notes on page (6) to page (10) form an integral part of these financial statements.

MASTEK ARABIA SYATEMS EGYPT “L.L.C”

Note to the Financial Statements – for the year ended 31 December 2023

MASTEK ARABIA SYATEMS EGYPT “L.L.C”

1. About the company

1/1 Legal Entity and activity

MASTEK ARABIA SYATEMS EGYPT – limited liability company- was established according to law no 159 for year 1981 and its executive regulations.

1/2 Purpose of the company

The company purpose is the produce and develop programs and applications, and to establish databases, electronic information systems, operate and train on them according to the provisions of laws, regulations and standard decisions and the company should obtain all the necessary licenses to operate.

1/3 Company duration

25 years starting from 1/10/2014 to 30/9/2039

1/4 Company Headquarters

37 Ali Amer Street, Markam Ebeid First Nasr City, Cairo.

2. Basis of preparation of financial statement

2/1: Accounting policies

Financial statements have been prepared in accordance with Egyptian Accounting Standards (EAS's) and applicable laws and regulations. During 2015 a modified version of the Egyptian Accounting Standards has been issued that includes some new accounting standards and amendments to certain existing standards that are effective from the beginning of 1 January 2016. Early application of these standards is not allowed.

2/2: Foreign currencies

The financial statements are presented in Egyptian pounds, which is the company's functional and presentation currency.

MASTEK ARABIA SYATEMS EGYPT “L.L.C”

Note to the Financial Statements – for the year ended 31 December 2023

2/3 Usage of estimates and personal judgment

The preparation of financial statements in conformity with ESA requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities. The estimates and judgements are based on previous experience. The actual results may differ from those estimates.

The estimates and assumptions are reviewed regularly.

The change in an accounting estimate is admitted in the period which the estimate is changed, if the change affects only that period, or the period of change and future periods if the change affects both.

2/4 Fair value measurement

The fair value of financial assets or liabilities with maturity date less than one year is assumed to approximate their carrying value. The fair value of financial liabilities, for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

1. Fixed Assets

Fixed assets are recorded according to historical cost plus any direct cost related to the acquisition of the asset until it is ready to use

The fixed asset is depreciated on a straight-line basis at annual rates:

Furniture	20%
Computers	25%

MASTEK ARABIA SYATEMS EGYPT "L.L.C"
Note to the Financial Statements – for the year ended 31 December 2023

Note 3: Fixed Assets (Net)

For the year ended 31 December 2023

(all amounts in EGP)	Computer	Furniture and Supplies	Total
<u>Cost:</u>			
Cost at the beginning of the year 2023	1 396 078	53 164	1 449 242
Additions during the year	259 200	-	259 200
Cost at 31 December 2023	1 655 278	53 164	1 708 442
<u>Accumulated depreciation:</u>			
Accumulated depreciation at the beginning of the year 2023	665 083	50 361	715 444
Depreciation of the year	588 644	2 802	591 446
Balance as at December 31,2023	1 253 725	53 163	1 306 899
Net book value at December 31,2023	401 553	1	401 553
Net book value at December 31,2022	990 195	2 803	992 998

For the year ended 31 December 2022

(all amounts in EGP)	Computer	Furniture and Supplies	Total
<u>Cost:</u>			
Cost at the beginning of the year 2022	1 396 078	53 164	1 449 242
Additions during the year	259 200	-	259 200
Cost at 31 December 2022	1 655 278	53 164	1 708 442
<u>Accumulated depreciation:</u>			
Accumulated depreciation at the beginning of the year 2022	281 295	49 541	330 836
Depreciation of the year	383 788	820	384 608
Balance as at December 31,2022	665 083	50 361	715 444
Net book value at December 31,2022	990 195	2 803	992 998
Net book value at December 31,2021	1 114783	3 623	1 118 406

MASTEK ARABIA SYATEMS EGYPT "L.L.C"**Note to the Financial Statements – for the year ended 31 December 2023****Note 4: Receivables and other debit balances**

(all amounts in EGP)	<u>31 December 2023</u>	<u>31 December 2022</u>
Sundry debtors (from related party)	11 688 593	8 105 797
Prepaid Expenses	58 806	136 739
Deposit with others -Office	14 000	14 000
VAT receivable	-	4 806
Total	<u>11 761 399</u>	<u>8 261 342</u>

Note 5: Cash and Bank balances

(all amounts in EGP)	<u>31 December 2023</u>	<u>31 December 2022</u>
Bank – foreign currency	1 034 324	920 254
bank (EGP)	113 165	106 332
Cash in hand	6 615	59 694
Total	<u>1 154 104</u>	<u>1 086 280</u>

Note 6: payables and other Credit balances

(all amounts in EGP)	<u>31 December 2023</u>	<u>31 December 2022</u>
Income tax	1 026 215	1 404 780
Accrued salaries	458 938	302 719
Accrued payroll tax	282 500	292 723
Social insurance	78 356	139 562
Social contribution	77 659	80 282
Others	1 409 005	-
Accrued professional fees	268 405	67 962
Liability for expenses	56 547	49 028
Total	<u>3 657 625</u>	<u>2 337 056</u>

MASTEK ARABIA SYATEMS EGYPT "L.L.C"**Note to the Financial Statements – for the year ended 31 December 2023****Note 7: Cost of Revenues**

	<u>31 December 2023</u>	<u>31 December 2022</u>
Salaries	22 219 505	22 435 673
Social insurance	977 353	1 120 555
Consultancy Exp	1 368 364	619 814
Travel & Transportation	404 536	229 879
Office Rent	201 420	184 500
Professional fees	356 378	104 993
maintenance charges	14 568	16 175
Staff Welfare	585 855	-
Medical insurance & others	-	574 209
Total	<u>26 127 979</u>	<u>25 285 798</u>

Note 8: General and Administrative expenses

	<u>31 December 2023</u>	<u>31 December 2022</u>
Others	43 815	15 788
Phone & fax	19 594	12 310
Stationery	6 787	6 142
Electricity and water	4 266	4 185
Lawyer fees	55 671	40 220
Bank Expenses	3 763	2 426
Computer expenses	7 048	11 727
Recruitment expense	12 000	37 585
Total	<u>152 945</u>	<u>130 383</u>