Mastek Information Technology Company
(Foreign Limited Liability Company)
Riyadh – Saudi Arabia
Financial Statements and
Independent Auditor's Report
For the year ended March 31, 2026

Mastek Information Technology Company
(Foreign Limited Liability Company)
Riyadh – Saudi Arabia
Financial Statements and Independent Auditor's Report
for the year ended March 31, 2026

Table of Contents

Mastek Information Technology Company
(Foreign Limited Liability Company)
Statement of Financial Position
as of March 31, 2026
(All Amounts in Saudi Riyal)

	Note	2026	2025 Reclassified Note 19
Assets			
Non-current assets:			
Property and equipment, net	5	**90,051**	242,056
Deferred tax asset	14	**4,496,952**	3,207,365
Total non-current assets		**4,587,003**	3,449,421
Current assets:			
Accounts receivable, net	6	**33,096,871**	41,150,813
Contract assets	7	**17,619,430**	25,336,024
Prepayments and other receivables	8	**673,406**	1,962,092
Advance to supplier		**346,933**	805,394
Loan to a related party	12-C	**600,377**	566,004
Advance income tax	14	**2,524,476**	1,158,349
Cash and cash equivalents	9	**12,162,625**	2,744,421
Total current assets		**67,024,118**	73,723,096
Total assets		**71,611,121**	77,172,517
Partners' Equity and Liabilities			
Partners' equity:			
Share Capital	10	**500,000**	500,000
Statutory reserve		**150,000**	150,000
Retained earnings		**17,475,365**	22,633,723
Total partners' equity		**18,125,365**	23,283,723
Liabilities:			
Non-current liabilities:			
Employees' benefit obligation	11	**2,745,226**	2,647,453
Total non-current liabilities		**2,745,226**	2,647,453
Current liabilities:			
Accounts payable		**1,509,389**	2,366,416
Contract liabilities – advances from customer		**1,120,866**	1,891,668
Due to related parties	12-A	**25,274,759**	23,245,642
Loan from a related party	12-B	**14,250,959**	13,459,371
Accruals and other payables	13	**8,584,557**	10,278,244
Income tax provision	14	-	-
Total current liabilities		**50,740,530**	51,241,341
Total liabilities		**53,485,756**	53,888,794
Total partners' equity and liabilities		**71,611,121**	77,172,517

Mastek Information Technology Company
(Foreign Limited Liability Company)
Statement of Profit or Loss and Other Comprehensive Income
for the year ended March 31, 2026
(All Amounts in Saudi Riyal)

	Note	2026	2025 Reclassified Note 19
Revenues	15	**85,187,990**	118,286,805
Cost of revenues	16	**(81,240,430)**	(96,992,453)
Gross income		**3,947,560**	21,294,352
General and administrative expenses	17	**(10,106,666)**	(12,347,991)
Expected credit (losses) / reversal on financial and contract assets	18	**299,052**	(10,222,445)
Operating loss		**(5,860,054)**	(1,276,084)
Finance cost	12	**(701,750)**	(871,082)
Other income		**34,070**	27,005
Net loss before income tax		**(6,527,734)**	(2,120,161)
Income tax charge	14	**-**	(515,268)
Deferred tax		**1,305,546**	923,264
Net loss for the year		**(5,222,188)**	(1,712,165)
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain/(loss) from re-measurement of employees' benefit obligation	11	**79,789**	(54,861)
Deferred tax expense	14	**(15,959)**	10,973
Total comprehensive loss for the year		**(5,158,358)**	(1,756,053)

The accompanying notes from 1 to 23 are an integral part of these financial statements

Mastek Information Technology Company
(Foreign Limited Liability Company)
Statement of Changes in Partners' Equity
for the year ended March 31, 2026
(All Amounts in Saudi Riyal)

	Capital	Statutory reserve	Retained earnings	Total
2025				
Balance as of March 31, 2025	500,000	230,156	24,309,620	25,039,776
Net loss for the year	-	-	(1,712,165)	(1,712,165)
Other comprehensive loss	-	-	(43,888)	(43,888)
Transferred to retained earnings		(80,156)	80,156	-
2026				
Balance as of March 31, 2025	500,000	150,000	22,633,723	23,283,723
Net loss for the year	-	-	**(5,222,188)**	**(5,222,188)**
Other comprehensive income	-	-	**63,830**	**63,830**
Balance as of March 31, 2026	**500,000**	**150,000**	**17,475,365**	**18,125,365**

The accompanying notes from 1 to 23 are an integral part of these financial statements

Mastek Information Technology Company
(Foreign Limited Liability Company)
Statement of Cash Flows
for the year ended March 31, 2026
(All Amounts in Saudi Riyal)

	2026	2025
Operating Activities:		
Net loss for the year before income tax	**(6,527,734)**	(2,120,161)
Adjustments to reconcile net income for the year before income tax to net cash flows generated from operating activities:		
Depreciation	**152,750**	202,541
Employees' benefit obligation cost	**799,981**	696,694
Provision for expected credit losses	**(299,052)**	4,044,275
	(5,874,055)	2,823,349
Changes in components of working capital:		
Contract assets	**7,110,990**	6,299,027
Accounts receivable	**8,958,598**	2,062,006
Advance to supplier	**458,461**	(805,394)
Prepayments and other receivables	**1,288,686**	1,345,204
Accounts payable	**(857,027)**	1,089,133
Accruals and other payables	**(1,693,689)**	(2,061,174)
Contract liabilities	**(770,802)**	(2,955,449)
Due to related parties	**2,029,117**	(1,883,956)
Employees' benefit obligation paid	**(622,419)**	(124,651)
Income tax paid	**(1,366,127)**	(2,253,622)
Net cash flows generated from operating activities	**8,661,733**	3,534,473
Investing Activities:		
Additions of property and equipment	**(744)**	(165,152)
Cash flows used in investing activities	**(744)**	(165,152)
Financing Activities:		
Net changed in related party loans	**757,215**	(4,058,735)
Net cash flows generated from / (used in) financing activities	**757,215**	(4,058,735)
Net cash generated / (used) during the year	**9,418,204**	(689,414)
Cash and cash equivalents balances at the beginning of the year	**2,744,421**	3,433,835
Cash and cash equivalents balances at the end of the year	**12,162,625**	2,744,421

1- Legal Status and Activities

Mastek Information Technology Company (“the Company”) is a Foreign Limited Liability Company incorporated in Riyadh, Kingdom of Saudi Arabia under National Unified. No. 7001752687 dated 24 Shawal, 1433H (corresponding to September 11, 2012G).

During the year, the company formally changed its official name from Evolutionary Systems Saudi Company to Mastek Information Technology Company. The name change was approved by the Ministry of Trade and Investment, and all relevant legal formalities, including the issuance of updated government licenses and formal letters, were duly completed. The change has been reflected in all statutory records, and accordingly, the financial statements for the current year have been prepared under the new name, Mastek Information Technology Company.

The main activities of the company are to engage in implementation of contracts for installation and operations, maintenance and design, software development and provide information technology services, provide solutions and the related technical support.

2- Basis of Preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with the ‘International Financial Reporting Standard (“IFRS”).

These financial statements are prepared using historical cost convention except for the accrual basis of accounting. For employees’ terminal and other benefits, actuarial present value calculation is used. The measurement rules will be more fully described in the accounting policies in note 4.

The preparation of financial statements in accordance with the ‘International Financial Reporting Standard (“IFRS”) requires the use of certain significant accounting estimates and requires management to exercise judgment in the application of the Company's accounting policies. The significant judgments and estimates in the preparation of the financial statements are disclosed in note 3.

Functional and presentation currency

The financial statements are presented in Saudi Riyals (SR) which is also the functional currency of the Company. All values are presented in Saudi Riyals, except when otherwise indicated.

3- Significant Accounting Estimates’ Assumptions and Judgments

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material carrying amounts of assets and liabilities within the financial year include.

Going concern basis

The management of the Company has no doubt about its ability to continue. Accordingly, the financial statements have been prepared on a going concern basis.

3- Significant Accounting Estimates' Assumptions and Judgments (continued):

Provisions

Provisions are based on estimates and assessments and if they meet the recognition criteria, including estimates of the probability of cash outflows. The provision for litigation is based on cost estimates in consider the legal advice and other information readily available. The provision for uncertainties involves management's best estimate of whether cash outflows are likely to occur.

Provision of expected credit losses:

The provision of expected credit losses is determined through many factors to ensure that the accounts receivable balances are not overstated as a result of un-collectability, including quality and aging of the accounts receivables and other consideration of un-collectability though continuous credit evaluation of the financial positions of the customers and guarantees required from the customers in certain circumstances.

Actuarial evaluation for obligation of end of services benefits for employees:

An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions. All assumptions are reviewed at each reporting date.

Measurement of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in these financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting year.

Fair value measurement for unquoted available for sale financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation, are evaluated on a periodic basis.

For the of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4- Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

Property and equipment

Property and equipment are recognized initially at cost. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.

The Company adds to the carrying amount of an item of property and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The percentage of annual depreciation is as follows:

Furniture and fixtures	16.66%
Tools and equipment	10%
Computer software	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income in the statement of profit or loss and other comprehensive income.

The Company applies the cost model to measure all classes of property and equipment. After recognition as an asset, an item of property and equipment is stated at cost less any accumulated depreciation and impairment losses, if any.

Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Contract assets and contract liabilities

A contract asset is the Company's right to consideration in exchange for services transferred to the customer when that right is conditioned on something other than the passage of time (for example, the Company's future performance), and represents revenue recognised that has not yet been billed. Contract assets are subject to the impairment requirements of IFRS 9.

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration, or an amount of consideration is due, from the customer. Where a customer is billed or pays consideration before the related services are transferred, the amount is presented as a contract liability. Contract liabilities are recognised as revenue when the Company performs under the contract.

4- Summary of Significant Accounting Policies (continued):

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Classification and subsequent measurement of financial assets

Debt instruments are measured subsequently at amortised cost where the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company currently carries cash and cash equivalents, trade accounts receivable, loan to a related party and other receivables at amortised cost. All other financial assets are measured subsequently at fair value through profit or loss; the Company currently holds no such assets.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on trade receivables and contract assets. The Company always measures the loss allowance at an amount equal to lifetime ECL using the simplified approach. Expected credit losses are estimated using a provision matrix based on the Company's historical credit-loss experience, adjusted for factors specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of the financial instrument.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full, and in any event when the asset is more than a defined number of days past due, unless reasonable and supportable information demonstrates that a more lagging default criterion is appropriate. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, for example when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities; any subsequent recoveries are recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The Company's financial liabilities comprise accounts payable, accruals and other payables, amounts due to related parties and a loan from a related party.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another party. Financial liabilities are derecognised when the Company's obligations are discharged, cancelled or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a currently enforceable legal right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4- Summary of Significant Accounting Policies (continued):

Accounts receivable

Trade accounts receivable are amounts due from customers for services rendered in the ordinary course of business. They are recognised initially at the transaction price and are subsequently measured at amortised cost less a loss allowance for expected credit losses determined in accordance with the impairment policy above.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid for goods and services received, whether or not billed to the Company, and are measured at amortised cost. They are classified as current liabilities when payment is due within twelve months; otherwise they are presented as non-current liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are subject to the impairment requirements of IFRS 9.

Income tax and deferred tax

Current income tax

The Company is subject to income tax in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia, on the basis of its foreign ownership. The income tax charge is based on the adjusted taxable income for the year and is recognised in profit or loss. Additional amounts, if any, that become due on finalisation of an assessment are accounted for in the year in which the assessment is finalised.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available. Deferred tax is measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

Withholding tax

The Company withholds tax on certain payments made to non-resident parties in the Kingdom of Saudi Arabia, as required under the Saudi Arabian income tax law, and remits these amounts to ZATCA.

Value added tax

Revenues, expenses and assets are recognised net of value added tax, except where the value added tax incurred is not recoverable from the taxation authority, in which case it is recognised as part of the cost of the asset or expense. The net amount of value added tax recoverable from, or payable to, the taxation authority is included within receivables or payables in the statement of financial position.

Related party transactions

Related parties comprise the partners, entities under common control or common ownership, key management personnel and their close family members. Transactions with related parties are carried out on terms approved by the Company's management. Balances and transactions with related parties are disclosed in the notes to these financial statements.

4- Summary of Significant Accounting Policies (continued):

Employees' benefit obligations

Employees' benefit liabilities payable to employees are eliminated for periods of their services accrued at the statement of financial position date in accordance with the Saudi Labor Law.

The cost of employee benefits is determined under the defined unfunded remuneration program, which is measured by an independent actuarial expert. The actuarial valuation includes several assumptions that may differ from actual developments in the future. These assumptions include determining the discount rate, future salary increases, employee behavior, and turnover. Given the complexity of the evaluation and its long-term nature, the specific unfunded bonus obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed once or more per year when necessary.

Actuarial gains and losses are recognized to other comprehensive income in the period in which they arise.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Contingencies

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

Revenue recognition

Revenue is recognised in accordance with IFRS 15 Revenue from Contracts with Customers. Revenue is measured at the transaction price agreed with the customer, being the consideration to which the Company expects to be entitled in exchange for transferring services, net of value added tax, discounts and rebates. The Company recognises revenue by applying the five-step model: identifying the contract; identifying the performance obligations; determining the transaction price; allocating the transaction price to the performance obligations; and recognising revenue when (or as) each performance obligation is satisfied.

The Company's revenue arises from information technology implementation, software development and related support contracts, and is recognised as follows:

Fixed-price contracts

Revenue from fixed-price contracts is recognised over time using the input (cost-to-cost) method, measured by the proportion of contract costs incurred for work performed to date relative to the total estimated contract costs, where the Company's performance creates an asset with no alternative use and the Company has an enforceable right to payment for performance completed to date. Where these criteria are not met, revenue is recognised at the point in time at which control of the service transfers to the customer. Billing milestones stated in the contract represent a settlement schedule and do not, of themselves, determine the amount of revenue recognised. Anticipated losses on contracts are recognised in profit or loss immediately when it is probable that total contract costs will exceed total contract revenue.

Time-and-material and support arrangements

Revenue from time-and-material and support arrangements is recognised over time as the services are rendered, measured on the basis of the hours or effort delivered, which corresponds to the value transferred to the customer.

4- Summary of Significant Accounting Policies (continued):

Cost of revenue

Cost of revenue comprises subcontracting costs, salaries and other benefits of delivery personnel, and other costs directly attributable to the rendering of services under customer contracts. Cost of revenue is recognised in profit or loss in the period in which the related revenue is recognised.

General and administrative expenses:

General and administrative expenses include expenses related to management and not related to production or sales activities as required under generally accepted accounting principles.

(All Amounts in Saudi Riyal)

5- Property and Equipment, net

	Furniture and Fixture	**Tools and equipment**	**Computer and software**	**Total**
Cost				
Balance as of March 31, 2025	85,511	8,964	905,532	1,000,007
Additions	-	732	-	
Balance as of March 31, 2026	**85,511**	**9,696**	**905,544**	**1,000,751**
Accumulated depreciation				
Balance as of March 31, 2025	(78,651)	(5,434)	(673,866)	(757,951)
Charge for the year	(3,065)	(2,279)	(147,405)	(152,749)
Balance as of March 31, 2026	**(81,716)**	**(7,713)**	**(821,271)**	**(910,700)**
Book value:				
As of March 31, 2026	**3,795**	**1,983**	**84,273**	**90,051**
As of March 31, 2025	6,860	3,530	231,666	242,056

(All Amounts in Saudi Riyal)

6- Account Receivables, net

	2026	2025
Accounts receivables	**40,442,800**	49,753,846
Less: Provision of doubtful debts	**(7,345,929)**	(8,603,033)
	33,096,871	41,150,813

The average credit period on rendering of services is 30 days (2025: 30 days). No interest is charged on trade receivables.

Movement in the allowance for expected credit losses

	2026	2025
Balance at the start of the year	**8,603,033**	7,306,393
Provided during the year	**(904,656)**	1,592,197
Write-off during the year	**(352,448)**	(295,557)
Balance at the end of the year	**7,345,929**	8,603,033

Credit risk and expected credit losses

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (“ECL”) using the simplified approach. The accounting policies relating to impairment of trade receivables are disclosed in note 4. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables based on the Company’s provision matrix. As the Company’s historical credit-loss experience does not show a significantly different loss pattern for different customer segments, the allowance for doubtful debts based on past-due status is not further distinguished between the Company’s different customer types

31 March 2026

	0–60 SR	61–90 SR	91–180 SR	181–365 SR	366–730 SR	Over 730 SR	Total SR
Expected credit loss rate	0.0%	0.5%	2.5%	25.0%	100.0%	100.0%	
Gross carrying amount subject to lifetime ECL	19,118,984	4,634,984	5,598,566	5,209,969	2,914,116	2,966,182	40,442,800
Lifetime ECL	–	**23,175**	**139,964**	**1,302,492**	**2,914,116**	**2,966,182**	**7,345,929**

Trade receivables are written off when there is no reasonable expectation of recovery.

7- Contract Assets

	2026	2025
Contract asset	**19,992,425**	30,122,357
Less: Provision of doubtful debts	**(2,372,995)**	(4,786,333)
	17,619,430	25,336,024

(All Amounts in Saudi Riyal)

7- Contract Assets(continued)

	2026	2025
Balance at the beginning of the year	**30,122,357**	33,402,253
Addition during the year	**13,775,017**	15,229,712
Invoices raised during the year	**(23,904,949)**	(18,509,608)
Balance at the end of the year	**19,992,425**	30,122,357

The movement in the allowance for expected credit losses is as follows:

	2026	2025
Balance at the start of the year	**4,786,333**	2,038,698
Provided during the year	**605,604**	8,630,248
Write-off during the year	**(3,018,942)**	(5,882,613)
Balance at the end of the year	**2,372,995**	4,786,333

8- Prepayments and Other Receivables

	2026	2025
Bank guarantees margin deposits	**15,000**	1,138,190
Prepaid expenses	**572,197**	728,693
Others	**86,209**	95,209
	673,406	1,962,092

9- Cash and Cash Equivalents

	2026	2025
Cash in hand	**32,984**	24,714
Cash at banks	**12,129,641**	2,719,707
	12,162,625	2,744,421

10- Share Capital

The Company's share capital of SR 500,000 is divided into 5,000 equity shares of SR 100 each fully paid and divided among partners as follows:

	No. of shares	Value per share	Amount
Mastek Arabia FZ LLC	2,500	100	250,000
Evolutionary Systems Private Limited	2,500	100	250,000
	5,000		**500,000**

11- Employees' Benefit Obligation

	2026	2025
Balance at the beginning of the year	**2,647,453**	2,020,549
Provided during the year	**799,981**	696,694
Actuarial (Gain) / loss	**(79,789)**	54,861
Payments during the year	**(622,419)**	(124,651)
Balance at the end of the year	**2,745,226**	2,647,453

The following represent the assumptions used in actuarial valuation:

	2026	2025
Discount rate	**5.32%**	5.42%
Rate of salary increase	**4%**	4%
Retirement age	**60 years**	60 years

(All Amounts in Saudi Riyal)

12- Balances and Transactions with Related Parties

A- Due to related parties	Relationship	Balance 2026	Balance 2025
Evolutionary Systems Consultancy LLC	Affiliate	**309,445**	76,225
Mastek Arabia FZ LLC	Partner	**12,394,925**	11,280,160
Mastek Enterprise Solutions Private Limited	Partner	**-**	10,025,225
Mastek Limited India	Affiliate	**11,123,569**	198,096
Evolutionary Systems Company Limited (UK)	Affiliate	**883,978**	883,978
Mastek Arabia Systems Egypt LLC	Affiliate	**562,842**	781,958
		25,274,759	23,245,642

B- Loan from a related party	Relationship	Balance 2026	Balance 2025
Mastek Arabia FZ LLC	Partner	**5,227,759**	4,945,251
Evolutionary Systems Company Limited (UK)	Affiliate	**9,023,200**	8,514,120

C- Loan to a related party	Relationship	Balance 2026	Balance 2025
Evolutionary Systems Consultancy LLC	Partner	**600,377**	566,004

During the year, the Company has conducted transactions with the above related parties that include financing and trading transactions. These transactions were conducted at an arms' length and approved by the partners.

The significant transactions with related parties during the year are as follows:

	Relationship	Nature of transactions	March 2026	March 2025
Mastek Limited	Affiliate	Employee stock compensation expenses	**12,484**	128,453
Mastek Arabia FZ LLC	Holding Company	Professional fees	**870,900**	607,228
		Interest on borrowings	**279,859**	588,055
Mastek Enterprise Solutions Private Limited	Holding Company	Professional fees	**-**	26,369,829
Evolutionary Systems Consultancy LLC	Affiliate	Professional fees	**839,957**	1,583,896
		Interest income on loan	**34,070**	3,360
Mastek Systems Company Limited	Affiliate	Interest on borrowings	**421,891**	210,739
Mastek Arabia Systems Egypt LLC	Affiliate	Professional fees	**513,777**	1,253,211
Mastek Inc.	Affiliate	Professional fees	**-**	877,596
Mastek Limited	Affiliate	Professional fees	**21,979,047**	195,439
Mastek Systems (Malaysia) SDN BHD.	Affiliate	Interest on borrowings	**-**	50,046
Mastek Systems Bahrain WLL	Affiliate	Interest on borrowings	**-**	22,242

13- Accruals and Other Payables

	2026	2025
Accrued subcontractors' cost	**3,188,645**	5,522,709
Accrued expenses	**1,252,966**	1,707,913
Accrued salaries	**2,735,590**	1,669,767
Value added tax payable	**904,776**	902,656
Due to employees	**200,263**	302,826
Withholding taxes	**185,676**	12,002
Accrued social security	**116,641**	160,371
	8,584,557	10,278,244

(All Amounts in Saudi Riyal)

14- Income Tax Provision

Net adjusted income method:	**2026**	**2025**
Net (loss) / income for the year before income tax		(2,120,161)
Expected credit losses		10,222,445
Depreciation differences		80,181
Employees benefit obligation provision		696,694
Net adjusted income		8,879,159
Employees benefit obligation paid		(124,651)
Expected credit losses write-off		(6,178,170)
Income tax base (taxable income)		2,576,338
Income tax charge @ 20%		515,268

B) The movement in (advance) / provision for Income tax is as follows:

	2026	**2025**
Balance at the beginning of the year		580,005
Charge for the year		515,268
Paid during the year		(2,253,622)
Advance income tax		1,158,349
Balance at the end of the year		-

C) Deferred Tax Assets:

	2026	**2025**
Balance at the beginning of the year		2,273,128
Charge		934,237
		3,207,365

D) Income tax status:
The Company has obtained its income tax certificate for the year 2021 from Zakat, Tax and Custom Authority ("ZATCA"). The Company has not received any income tax assessment from ZATCA till the date of these financial statements.

The Company have submitted all monthly value added tax returns for the year ended March 31, 2026. The Company have not received any VAT assessment up to the date of these financial statements.

15- Revenues

	2026	**2025**
Fixed Bid Contract	**57,355,083**	94,922,861
Time and Material	**27,832,907**	23,363,944
	85,187,990	118,286,805

16- Cost of Revenues

	2026	**2025**
Subcontracting expenses	**63,298,880**	76,087,574
Salaries, wages, and other benefits	**12,321,917**	14,765,674
Purchases and related expenses	**5,619,633**	6,139,205
	81,240,430	96,992,453

17- General and Administrative Expenses

	2026	2025
Salaries, wages and other benefits	**3,396,074**	3,686,272
Insurance	**2,134,096**	2,000,962
Government charges	**1,352,996**	1,809,942
Travel and transportation expenses	**785,555**	1,169,196
Employees' benefit obligation	**799,981**	696,694
Rent	**498,133**	559,839
Legal and professional fee	**217,424**	330,556
Depreciation	**152,750**	202,541
Bank Charges	**29,880**	35,247
Maintenance	**7,128**	20,450
Foreign exchange loss	**220,749**	3,554
Other expenses	**511,900**	1,832,738
	10,106,666	12,347,991

18- Expected credit (losses) / reversal on financial and contract assets

	2026	2025
(Reversal) / Charge of loss allowance – trade receivables	**(904,656)**	1,592,197
Charge for loss allowance – contract assets	**605,604**	8,630,248
Net (reversal)/charge for the year	**(299,052)**	10,222,445

19- Reclassification of Comparative Figures

The following comparative amounts as at 31 March 2025 have been reclassified between accounts receivable and contract assets to conform with the presentation adopted in the current year. Amounts previously presented within accounts receivable, net of provision for expected credit losses, have been reclassified to contract assets, as they represent unbilled amounts (revenue recognised over time but not yet billed) rather than billed trade receivables. The comparative figures have been restated accordingly.

Statement of Financial Position	Before Reclassification	Reclassification	After Reclassification
Contract assets	**22,590,768**	**2,745,256**	**25,336,024**
Accounts receivable, net	**43,896,069**	**(2,745,256)**	**41,150,813**

The reclassification affects only the presentation of current assets. It had no effect on total current assets, total assets, net assets, equity, or profit or loss for any period presented. The reclassified balance comprises a gross unbilled receivable of SR 3,019,209 and its related loss allowance of SR 273,953, both transferred from accounts receivable to contract assets.

20- Financial Instruments and Risk Management

Fair value:
The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transactions. As the Company's financial instruments are compiled under the historical cost method, differences can arise between the book amounts and the fair value estimates.

Management believes that fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

20- Financial Instruments and Risk Management(continued)

Liquidity risk:

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's management monitors liquidity requirements on a regular basis and ensures that sufficient funds are available to meet any future commitments.

Credit risk:

The risk is that one party will fail to discharge an obligation to the financial instruments and cause the other party to incur a financial loss. Cash is placed with national and multinational banks with good credit ratings. Credit risk on trade receivables is stated net of provision for doubtful debts.

21- Subsequent Events

In the opinion of management, there have been no significant subsequent events since the reporting date that would require disclosure or adjustment in these Special Purpose financial statements.

22- Contingent Liabilities

The company has contingent liability in a form of letter of guarantee as of March 31, 2026 amounting of SR… (March 31, 2025: SR 1,138,190). The company has full amount margin deposit against these bank guarantee.

23- Approval of the Financial Statements

These financial statements have been approved by the General Manager on ……..2026