ROTHSCHILD & CO FINANCIAL ADVISORY COMPANY

(A Limited Liability Company)

Financial Statements and
Independent Auditor's Report
For the period from 24 January 2024 to
31 December 2024

ROTHSCHILD & CO FINANCIAL ADVISORY COMPANY
(A Limited Liability Company)
FINANCIAL STATEMENTS
For the period from 24 January 2024 to 31 December 2024

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KPMG Professional Services Company
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholder of Rothschild & Co Financial Advisory Company

Opinion

We have audited the financial statements of Rothschild & Co Financial Advisory Company (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in shareholder's equity and cash flows for the period from 24 January 2024 to 31 December 2024, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the period from 24 January 2024 to 31 December 2024 in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia (the "Code"), that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مقفلة مسجلة في المملكة العربية السعودية، رأس مالها (١١٠،٠٠٠،٠٠٠) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية خاصة محدودة بالضمان.

Independent Auditor's Report (continued)

To the Shareholder of Rothschild & Co Financial Advisory Company (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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 control.
- Obtain an understanding of internal control 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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 control that we identify during our audit of Rothschild & Co Financial Advisory Company ("the Company").

KPMG Professional Services Company

Saleh Mohammed S Mostafa
License Number 524

Riyadh: 26 Ramadan 1446H
Corresponding to: 26 March 2025

كي بي إم جي للإستشارات المهنية
ترخيص رقم ٤٦
س.ت ١٠١٠٤٢٥٤٩٤
Lic No. 46
C.R. 1010425494
R : 2
KPMG
KPMG Professional Services

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	31 December 2024
ASSETS		
Non-current assets		
Property and equipment	5	**63,572**
Total non-current assets		**63,572**
Current assets		
Trade receivables	6	**1,100,347**
Prepayments and other receivables	7	**747,895**
Cash and cash equivalents	8	**6,967,359**
Total current assets		**8,815,601**
Total assets		**8,879,173**
EQUITY AND LIABILITIES		
Equity		
Share capital	9	**9,375,000**
Accumulated loss		**(2,683,463)**
Total equity		**6,691,537**
Non-current liabilities		
Employees' end-of-service benefits	11	**76,685**
Total non-current liabilities		**76,685**
Current liabilities		
Due to related parties	10	**1,609,091**
Accrued expenses		**501,860**
Total current liabilities		**2,110,951**
Total liabilities		**2,187,636**
Total equity and liabilities		**8,879,173**

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Nasser Alissa

Statement of Profit or Loss and Other Comprehensive Income
For the period from 24 January 2024 to 31 December 2024

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the period from 24 January 2024 to 31 December 2024
Gross fee from advisory services		**1,445,203**
Less: Cost of services		**(192,545)**
Net fee from advisory services		**1,252,658**
Salaries and employee related expenses	12	**(2,420,314)**
Rent expense on short term leases		**(577,881)**
Legal and professional expenses		**(575,961)**
Training expenses		**(292,922)**
Depreciation	5	**(11,221)**
Other general and administration expenses		**(57,822)**
Total expenses		**(3,936,121)**
Loss before tax for the period		**(2,683,463)**
Income tax expense	13	**-**
Loss after tax for the period		**(2,683,463)**
Other comprehensive income		-
Total comprehensive loss for the period		**(2,683,463)**

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Nasser Alissa

Statement of Changes in Shareholders' Equity
For the period from 24 January 2024 to 31 December 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Accumulated loss	Total
Transaction with owners			
Issuance of shares	9,375,000	-	9,375,000
Loss for the period	-	(2,683,463)	(2,683,463)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(2,683,463)	(2,683,463)
As at 31 December 2024	9,375,000	(2,683,463)	6,691,537

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Nasser Alissa

Statement of Cash Flows
For the period from 24 January 2024 to 31 December 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the period from 24 January 2024 to 31 December 2024 SR
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax for the period		**(2,683,463)**
Adjustments for:		
Provision for employees' end-of-service benefits	11	**76,685**
Depreciation of property and equipment	5	**11,221**
		(2,595,557)
Changes in operating assets and liabilities:		
Trade receivables	6	**(1,100,347)**
Prepayments and other receivables	7	**(747,895)**
Due to related parties	10	**1,609,091**
Accrued expenses		**501,860**
		262,709
Income tax paid		**-**
Net cash used in operating activities		**(2,332,848)**
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property and equipment	5	**(74,793)**
Net cash used in investing activity		**(74,793)**
CASH FLOWS FROM FINANCING ACTIVITY		
Issuance of shares		**9,375,000**
Net cash generated from financing activity		**9,375,000**
Increase in cash and cash equivalents		**6,967,359**
Cash and cash equivalents at the beginning of the period		**-**
Cash and cash equivalents at the end of the period	8	**6,967,359**

The accompanying notes from 1 to 19 form an integral part of these financial statements.

Nasser Alissa

1. INCORPORATION AND ACTIVITIES

Rothschild & Co Financial Advisory Company (the "Company") is a Limited Liability Company established in accordance with the Companies law and the Company's articles of association. The Company is registered with the Capital Market Authority ("CMA") under license number 23275-30. It operates in the Kingdom of Saudi Arabia under commercial registration number 1010976458 dated 12 Rajab, 1445H (corresponding to 24 January 2024). The registered office is located at 1st floor, building No. 13, Laysen Valley, Riyadh, Kingdom of Saudi Arabia.

The Company is authorized by CMA to conduct the activities of arranging and advising in securities business. The Company is a 100% subsidiary of Rothschild & Co Continuation Holdings AG (the "Parent Company") which is engaged in advising on mergers and acquisitions and other related advisory services. The ultimate parent company of the Company is "Rothschild & Co SCA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

2.2 Basis of measurement and presentation

These financial statements have been prepared on a going concern basis under the historical cost basis of accounting, except for the employee's end of service benefit measured at present value of future obligations using projected unit credit method.

2.3 Functional and presentation currency

These financial statements are presented in Saudi Riyal (SR), which is the Company's functional currency.

2.4 Financial year

In accordance with the Articles of Association of the Company, the first financial year begins from the date of the commercial registration which is 12 Rajab 1445H (corresponding to 24 January 2024), therefore these financial statements covered the period from 24 January 2024 to 31 December 2024.

2.5 Use of estimates and Judgments

The preparation of these financial statements in conformity with IFRS as endorsed in KSA requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

2. BASIS OF PREPARATION (CONTINUED)

2.5 Use of estimates and Judgments (continued)

(a) Employees' end-of-service benefits

The liabilities relating to employees' end-of-service benefits are determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of annual reporting year. The method involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these benefits, such estimates are subject to certain uncertainties. Significant assumptions used to carry out the actuarial valuation have been disclosed in note 11 to these financial statements.

3. NEW STANDARDS NOT YET EFFECTIVE AND NOT EARLY ADOPTED

The International Accounting Standard Board (IASB) has issued the following accounting standards, interpretation and amendments, which were effective from periods on or after 1 January 2024. The Company did not opt for early adoption of these pronouncements and do not expect the adoption to have a significant impact on the financial statements of the Company. Standards, interpretations, and amendments issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt these standards when they become effective.

Standard/ interpretation	Description	Effective from periods beginning on or after
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026

3. NEW STANDARDS NOT YET EFFECTIVE AND NOT EARLY ADOPTED (CONTINUED)

Standard/ interpretation	Description	Effective from periods beginning on or after
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below:

4.1 Financial instruments

(a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. The Company's financial assets and liabilities as mentioned in note 17 are classified at amortised cost.

(b) Classification and subsequent measurement

A financial asset is measured at amortised cost only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (continued)

- the contractual terms of the financial asset give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in note 4.3 - Impairment. Interest income from these financial assets is included in “interest income” using the effective interest method.

The Company’s financial assets include trade and other receivables and cash and cash equivalents. All these financial assets are measured at amortised cost.

(c) Business Model assessment

The Company makes an assessment of the business model in which an asset is held at portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, the Company considers whether management’s strategy focuses on earning interest revenue, maintaining a particular interest profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets; or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated, e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reason for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company’s stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed on a fair value basis are measured at FVTPL.

(d) Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g., non-recourse features).

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Financial instruments (continued)

(d) Assessment whether contractual cash flows are solely payments of principal and interest (continued):

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

(e) Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4.2 Cash and cash equivalents

Cash and cash equivalents include balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant credit risk, and are used by the Company in the management of its short-term commitments.

4.3 Impairment

The Company recognises loss allowances for Expected Credit Loss (ECL) on the following financial instrument that are not measured at FVTPL:

(a) Credit risk and provisioning stages

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit impaired. See below for a description of how the Company determines when a SICR has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of the lifetime ECL that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on ECL on a lifetime basis. See below for a description of inputs, assumptions and estimation techniques used in measuring the ECL.

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are disclosed below.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Impairment (continued)

(a) Credit risk and provisioning stages (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Financial instruments are often considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments. For client receivable by the advisory business, the Company has rebutted this presumption, and it considers that a

significant increase is experienced only after 90 days past due. This rebuttal is based on historical experience of payments under this business as it is the usual market trend that the fee will take till 90 days past due to get recovered.

During the current period, the Company have not recognised any provision for the ECL in these financial statements as majority of the balance of the financial assets held with reputable and high credit rating institutions and hence the impact of expected credit loss is negligible and hence not disclosed in these financial statements.

(b) Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

(c) Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(d) Write-off

The Company writes off financial assets (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.4 Foreign currencies translations

Transactions denominated in foreign currencies are translated to Saudi Riyal ("SR") and recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into SR at exchange rates ruling on the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated into SR at exchange rates ruling on the date of the transaction. Realised and unrealised gains and losses have been recorded in the statement of profit or loss and other comprehensive income.

4.5 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.6 Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company has been recognising the lease payments associated with the leases as an expense on a straight-line basis over the lease term.

4.7 Revenue from contracts with customers

The Company earns fee income from a range of services it provides to clients. Fee income generated by the Company can be categorised into the two broad categories below, depending upon the timing of the relevant service.

(a) Point in time services

These fees are earned from providing services for which revenue is earned only when the service has been completed, i.e. once a performance obligation has been satisfied. Examples include a payment for advisory services that will only be made after the successful completion of a mandate, or an asset management performance fee that relies on meeting a specified return over a specified period. Revenue is recognised when it is highly probable that there will not be a significant reversal of the revenue in future. To minimise subjectivity and enhance comparability from year to year, the revenue is only recognised by the Company when a performance obligation has been contractually met.

(b) Services provided over time

These are fees earned from services when the services are delivered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has concluded that it is the principal in its revenue arrangements.

4.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.8 Taxation (continued)

(a) Current tax (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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 to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in statement of comprehensive income ("OCI") or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and the Company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(c) Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(All amounts in Saudi Riyals unless otherwise stated)

5. PROPERTY AND EQUIPMENT

	Computer & office equipment	Total
Cost:		
Addition	**74,793**	**74,793**
At 31 December 2024	**74,793**	**74,793**
Accumulated depreciation:		
Charge for the period	**11,221**	**11,221**
At 31 December 2024	**11,221**	**11,221**
Net book value:		
At 31 December 2024	**63,572**	**63,572**

6. TRADE RECEIVABLES

This represents invoices billed to the customers based on the services provided to the customers.

Below is the ageing of the trade receivables:

	31 December 2024
Not yet due	**487,500**
1-30 days past due	**612,847**
	1,100,347

7. PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2024
Prepaid expenses	**300,603**
Prepaid allowance to staff	**239,848**
Prepaid rent for short term lease	**98,708**
Other receivable	**108,736**
	747,895

8. CASH AND CASH EQUIVALENTS

	31 December 2024
Cash at bank	**6,967,359**
	6,967,359

The bank balances are carried in a current account at a local bank having a long-term and short-term issuer default rating of A and A-1 respectively by S&P.

9. SHARE CAPITAL

The authorized, issued and paid-up share capital consists of 9,375 shares of SR 1,000 each, which are 100% owned by Rothschild & Co Continuation Holding AG.

(All amounts in Saudi Riyals unless otherwise stated)

10. DUE TO RELATED PARTIES

	31 December 2024
Rothschild & Co Middle East Limited (a related party)	**1,364,096**
N.M. Rothschild & Sons Limited (a related party)	**229,879**
Rothschild & Co SCA (ultimate parent entity)	**15,116**
	1,609,091

11. EMPLOYEES' END OF SERVICE BENEFITS

The Company provides end of service benefits to its employees, calculated in accordance with KSA Labor law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Provisions made during the period to cover the above obligation relating to the employees' terminal benefits are charged to the statement of profit or loss and other comprehensive income.

The company have performed internal valuation using the projected unit credit method to calculate the provision to be recognised for the purpose of employee end of service benefits.

The principal assumptions used for the purposes of the actuarial valuation were as follows:

	31 December 2024
Discount rate	**5.1%**
Rate of salary increases	**2.5%**

Sensitivity analysis

The sensitivity analysis presented below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. A positive amount represents an increase in the liability whilst a negative amount represents a decrease in the liability. The sensitivity analyses may not be representative of an actual change in the employees' end-of-service benefits as it is unlikely that changes in assumptions would occur in isolation from one another.

	31 December 2024
Increase in discount rate of 1%	**(63,439)**
Decrease in discount rate of 1%	**93,641**
Increase in rate of salary increase of 1%	**93,953**
Decrease in rate of salary increase of 1%	**(63,018)**

No benefit payments are expected to be made in the next 12 months.

(All amounts in Saudi Riyals unless otherwise stated)

12. SALARIES AND EMPLOYEE RELATED EXPENSES

	For the period from 24 January 2024 to 31 December 2024
Salaries and employment related benefits	**1,975,817**
Employees' end of service benefits	**76,685**
Other staff expenses	**367,812**
	2,420,314

13. INCOME TAX EXPENSE

As per the Income Tax Law, the Company is required to make the provision at 20% of the taxable profits. Differences between the financial and taxable profit are mainly due to provisions and certain expenses which are disallowed for tax purposes. During the period, the Company have losses and hence, no provision for income tax payable has been recognised in the financial statements.

Reconciliation of tax adjustable and the accounting profit multiplied by KSA's domestic tax rate of 20% is as follows:

	31 December 2024
Accounting loss before income tax	**(2,683,463)**
Add: Non-deductible expenses for tax purposes	**78,531**
Adjusted loss for income tax calculation	**(2,604,932)**
Tax on losses carried forward	**(520,986)**

Deferred Tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The Company has not recognised any deferred tax at the reporting date in the financial statements.

If the Company was able to recognize all unrecognized deferred tax assets, loss for the period would have decreased by SR 520,986 and equity as at 31 December 2024 would have increased by SR 520,986.

OECD Pillar II - Global Minimum Tax

The Company operates in Saudi Arabia, which has not yet enacted any legislation to implement the global minimum top-up tax applicable under OECD Pillar II. The Company's ultimate parent entity located in France, which has implemented Pillar II rules. Therefore, the impact of Pillar II rules on the Company must be considered.

However, as no legislation has been enacted or substantively enacted in Saudi Arabia, there is no current tax impact for the year ended 31 December 2024.

(All amounts in Saudi Riyals unless otherwise stated)

14 FINANCIAL INSTRUMENTS AND FAIR VALUE

	31 December 2024	
	Carrying value	Fair Value
	SAR	SAR
Financial assets		
Trade receivables	**1,100,347**	**1,100,347**
Other receivables	**83,000**	**83,000**
Cash and cash equivalents	**6,967,359**	**6,967,359**
	8,150,706	**8,150,706**
Financial liabilities		
Due to related parties	**1,609,091**	**1,609,091**
Accrued expenses	**501,860**	**501,860**
	2,110,951	**2,110,951**

The carrying value of all financial assets and liabilities reflected in the financial statements approximates their fair value due to their short term in nature.

15. RELATED PARTY

Related parties represent shareholder, directors, key management personnel of the Company, associates and any other entities controlled, jointly controlled or significantly influenced by them. Transactions with related parties are approved by senior management.

15.1 The following are the details of the significant transactions with related parties during the period:

Related party	**Relationship**	**Nature of transaction**	**For the period from 24 January 2024 to 31 December 2024**
Rothschild & Co Middle East Limited	Fellow subsidiary	Expenses paid on behalf of the Company	**1,364,095**
N.M. Rothschild & Sons Limited (a related party)	Fellow subsidiary	Cost of services	**192,544**
		Expenses paid on behalf of the Company	**37,334**
Rothschild & Co SCA	Ultimate parent entity	Expenses paid on behalf of the Company	**15,116**
Key management personnel	Key management personnel	Salaries and employee related benefits	**850,000**

(All amounts in Saudi Riyals unless otherwise stated)

15. RELATED PARTY (CONTINUED)

15.2 The following are the outstanding balances arising as a result of transactions with related parties unless already disclosed in these financial statements:

Related party	**Relationship**	**Nature of balance**	**31 December 2024**
Key management personnel	Key management personnel	End of service payable	**30,918**

16. CONTINGENCIES AND COMMITMENTS

The Company had no contingencies and commitments outstanding at the reporting date.

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

17.1 The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	31 December 2024
Financial assets at amortised cost:	
Trade receivables	**1,100,347**
Other receivables	**83,000**
Cash and cash equivalents	**6,967,359**
	8,150,706

	31 December 2024
Financial liabilities at amortised cost:	
Due to related parties	**1,609,091**
Accrued expenses	**501,860**
	2,110,951

Management has conducted a review as required by IFRS 9. Based on such assessment, there is no need for any significant impairment against the carrying values of cash and cash equivalents and trade receivables.

All above financial assets are expected to be settled within one year from the reporting date. Therefore, carrying amount approximates the fair value as at the reporting date.

The Company's financial liabilities comprise due to related parties and accrued expenses. The main purpose of these financial liabilities is to finance the Company's operations as the group companies have paid the expenses on the Company's behalf. The Company's financial assets include cash and cash equivalents and trade receivables. The Company's management oversees the management of market risks, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(All amounts in Saudi Riyals unless otherwise stated)

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

17.2 Financial risk management

17.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to two types of risk: interest rate risk, and currency risk. Financial instruments affected by market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any financial asset or financial liability at the reporting date for which it was exposed to interest rate risk. Consequently, no interest rate sensitivity analysis has been presented.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company did not have any significant foreign currency denominated monetary assets or liabilities at the reporting date for which it was exposed to foreign currency fluctuations. Consequently, no foreign currency sensitivity analysis has been presented.

17.2.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss.

The table below shows the Company's maximum exposure to credit risk for components of the statement of financial position.

	31 December 2024
Trade receivables	**1,100,347**
Other receivables	**83,000**
Cash and cash equivalents	**6,967,359**
	8,150,706

17.2.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(All amounts in Saudi Riyals unless otherwise stated)

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

17.2 Financial risk management (continued)

17.2.3 Liquidity risk (continued)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

31 December 2024	Within 3 Months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Due to related parties	1,609,091*	-	-	-	1,609,091
Accrued expenses	501,860	-	-	-	501,860
	2,110,951	-	-	-	2,110,951

*These are the balances repayable on demand

18. SUBSEQUENT EVENTS

There were no subsequent events after the statement of financial position date which require adjustments to / or disclosure in the financial statements.

19. APPROVALS OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized to issue by the Board of Directors on 25 March 2025 (corresponding to 25 Ramadan 1446H).