

DENOVO PARTNERS FINANCE (ONE PARTNER)
(A LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024
WITH
INDEPENDENT AUDITORS' REPORT

DENOVO PARTNERS FINANCE (ONE PARTNER)
(A LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED 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 92876
الرياض 11663
المملكة العربية السعودية
سجل تجاري رقم 1010425494
المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholder of deNovo Partners Finance (One Partner)

Opinion

We have audited the financial statements of **deNovo Partners Finance (One Partner)** ("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 equity and cash flows for the period from 15 January 2024 (incorporation) to 31 December 2024 ("the period"), 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 then ended 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, 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, Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

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 مسجلة في المملكة العربية السعودية، رأس مالها (110,000,000) 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.

DENOVO PARTNERS FINANCE (ONE PARTNER)
(A LIMITED LIABILITY COMPANY)

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	<u>Notes</u>	<u>31 December 2024</u>
<u>ASSETS</u>		
Non-current assets		
Equipment	6	2,435
Total non-current assets		<u>2,435</u>
 Current assets		
Prepayments and other current assets	7	247,638
Cash and cash equivalents	11	986,121
Total current assets		<u>1,233,759</u>
Total assets		<u>1,236,194</u>
 <u>EQUITY AND LIABILITIES</u>		
Equity		
Share capital	8	1,700,000
Accumulated losses		<u>(1,259,626)</u>
Total equity		<u>440,374</u>
 Current liabilities		
Trade and other payable	10	72,069
Due to related party	12	710,785
Total current liabilities		<u>782,854</u>
 Non-current liabilities		
Employees defined benefit obligations	9	12,966
Total non-current liabilities		<u>12,966</u>
Total liabilities		<u>795,820</u>
Total equity and liabilities		<u>1,236,194</u>

The accompanying notes 1 through 16 on pages 7 to 19 form an integral part of these financial statements.



Director

DENOVO PARTNERS FINANCE (ONE PARTNER)
(A LIMITED LIABILITY COMPANY)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 15 JANUARY 2024 (INCORPORATION) TO 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	Notes	For the period from 15 January 2024 (incorporation) to 31 December 2024
General and administrative expenses	5	(1,259,626)
Loss before zakat		(1,259,626)
Zakat for the year		-
Loss for the period		(1,259,626)
Other comprehensive income		-
Total comprehensive loss for the period		(1,259,626)

The accompanying notes 1 through 16 on pages 7 to 19 form an integral part of these financial statements



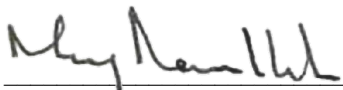
Director

DENOVO PARTNERS FINANCE (ONE PARTNER)
(A LIMITED LIABILITY COMPANY)

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 15 JANUARY 2024 (INCORPORATION) TO 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

	<u>Notes</u>	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total</u>
Issue of share capital	8	1,700,000	-	1,700,000
Loss for the period		-	(1,259,626)	(1,259,626)
Balance at 31 December 2024		<u>1,700,000</u>	<u>(1,259,626)</u>	<u>440,374</u>

The accompanying notes 1 through 16 on pages 7 to 19 form an integral part of these financial statements.



Director

DENOVO PARTNERS FINANCE (ONE PARTNER)
(A LIMITED LIABILITY COMPANY)

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 15 JANUARY 2024 (INCORPORATION) TO 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

		For the period from 15 January 2024 (incorporation) to 31 December 2024
	<u>Notes</u>	
Cash flow from operating activities		
Loss before Zakat		(1,259,626)
<i>Adjustment for:</i>		
Depreciation of equipment	6	940
Employees defined benefit obligations provision	9	12,966
		(1,245,720)
<i>Changes in:</i>		
Prepayments and other current assets		(247,638)
Trade and other payable		72,069
Due to Related Party		710,785
Cash used in operating activities		(710,504)
Zakat paid		-
Net cash used in operating activities		(710,504)
 Cash flow from investing activities		
Purchase of equipment	6	(3,375)
Net cash used in investing activities		(3,375)
 Cash flow from financing activities		
Share capital contribution	8	1,700,000
Net cash generated from financing activities		1,700,000
 Net increase in cash and cash equivalents		986,121
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	11	986,121

The accompanying notes 1 through 16 on pages 7 to 19 form an integral part of these financial statements.



Director

DENOVO PARTNERS FINANCE (ONE PARTNER)
(A LIMITED LIABILITY COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024
(All amounts in Saudi Riyals unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

deNovo Partners Finance (One Partner) (the "Company") is a limited liability company registered in the Kingdom of Saudi Arabia in the city of Riyadh, under Commercial Registration number 1010972970 dated 03 Shawal 1445H (corresponding to 15 January 2024). The registered address of the company is 7027 al-rayyad 12244-2455 7027, Riyadh, Kingdom of Saudi Arabia.

The Company is owned 100% by deNovo Partners (DIFC) Limited (the "Parent Company"). The ultimate controlling party is PJT Partner Inc. which is listed on New York Stock Exchange. The Company is registered with capital market authority in Kingdom of Saudi Arabia. The Company's principal activities include Arranging in Financial Securities and Managing Investments in Financial Securities.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These financial statements are prepared by the Company 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

These financial statements have been prepared on a going concern basis, applying a historical cost convention, except as otherwise disclosed elsewhere in these financial statements.

2.3. Functional and presentation currency

These financial statements are presented in Saudi Riyals ("SR") which is the Company's functional currency. All financial information presented in Saudi Riyals have been rounded to the nearest Saudi Riyal, unless otherwise stated.

2.4. Going concern basis of accounting

The Company has incurred a net loss of SR 1,259,626 during the period. Moreover, the Company has accumulated losses of SR 1,259,626 as at 31 December 2024, which exceeded 50% of the Company's share capital. The ability of the Company to continue as a going concern is dependent upon the Parent Company continued adequate financing and profitable future operations. The Parent Company have resolved to continue the Company's operations and to provide all financial support to the Company. The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern and accordingly, do not include any adjustment that might result, should the Company not be able to continue as a going concern.

2.5. Use of estimates and judgements

In preparation of these financial statements management has made judgments, 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 prospectively.

Judgements made by management in the application of IFRS does not have any significant effect on the financial statements and there is no management estimates which could have a significant risk of material adjustment in the future years.

DENOVO PARTNERS FINANCE (ONE PARTNER)
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(All amounts in Saudi Riyals unless otherwise stated)

3. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards are effective for annual periods beginning after 15 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements.

a) IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

b) Other accounting standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Lack of Exchangeability (Amendments to IAS 21).
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

The following are the new currently effective requirements for annual periods beginning on 15 January 2024, which did not have a significant impact of the Company's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (noncurrent liability with covenants)
- Amendments to IFRS 16 Leases– Lease liability in a sale and leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 15 January 2024 and early adoption is permitted; however, the Company has not early adopted the new or amended standards in these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application:

New and amended standards not effective and not yet adopted by the Company	Effective date
Lack of Exchangeability – Amendments to IAS 21	<i>1 January 2025</i>
Classification and Measurement of Financial Instruments – Amendment to IFRS 9 and IFRS 7	<i>1 January 2026</i>
IFRS 18 – Presentation and Disclosure in Financial Statements	<i>1 January 2027</i>
IFRS 19 – Subsidiaries without Public Accountability Disclosures	<i>1 January 2027</i>
Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 23	<i>Optional</i>

DENOVO PARTNERS FINANCE (ONE PARTNER)
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4. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the accounting policies to period presented in these financial statements. Following are the material accounting policies applied by the Company in preparing its financial statements:

4.1 Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The term of the liability that could at the option of counterparty, result in its settlement by the issue of equity instruments, do not affect its classification. The Company classifies all other liabilities as non-current.

4.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

i. Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Initial Recognition

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial Instruments (continued)

i. Financial assets (continued)

Financial assets – Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a 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. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows 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 the financial assets held within that 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 of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – 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).

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial Instruments (continued)

i. Financial assets (continued)

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets measured at cost or amortized cost.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Presentation of allowance for ECL in the statement of financial position

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

Write off

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is sufficient evaluation that collection will not be possible, for example when counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in statement of profit or loss.

ii. Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.2 Financial Instruments (continued)

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Fair value measurement

A number of the Company accounting policies and disclosures require the measurement of fair value, both financial and non-financial assets and liabilities. 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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of

unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is 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

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 at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the assets or liabilities and the level of the fair value hierarchy as explained above. The Company engages external valuer for valuation of the Company's investment properties. Each property is considered a separate asset class based on its unique nature characteristics and risk.

4.3 Zakat and Value Added Tax (VAT)

Zakat

The Company is subject to zakat in accordance with the Regulations of the Zakat, Tax and Customs Authority ('ZATCA') in the Kingdom of Saudi Arabia. The zakat charge is calculated based on the higher of the zakat base or adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Zakat and Value Added Tax (VAT)

Zakat (continued)

the accrual is cleared. The zakat charge in the financial statements represents the Company's zakat accounted for on the accrual basis.

Value added tax (VAT)

Assets and expenses are recognised net of amount of VAT, except that when VAT incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

4.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less, net of outstanding bank overdrafts which are subject to an insignificant risk of changes in value. The statement of cash flows is prepared using the indirect method.

4.5 Provisions and Contingencies

Provision

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable, they are recorded in the statement of financial position under accounts payable and accruals. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

4.6 Equipment

Equipment is initially stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of other assets as follows:

	Years
Equipment	3

Equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is the higher of an asset's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Expenditure incurred to replace a component of an item of equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

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4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.6 Equipment (Continued)

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.7 Share Capital

Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity.

4.8 Employees' end of service benefits

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws and workman laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The post-employment benefits plans is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognized immediately in the statement of profit or loss while unwinding of the liability at discount rates used are recorded in the statement of profit or loss and other comprehensive income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income and transferred to accumulated deficit in the statement of changes in shareholders' equity in the period in which they occur.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor law of Saudi Arabia.

4.9 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to SAR at the foreign exchange rate ruling at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated into SAR using the exchange rates at the date of the transaction. Foreign exchange differences arising on translation are recognized in the statement of profit or loss.

4.10 Accrued expenses and other liabilities

Accrued expenses and liabilities are recognized for amounts to be paid in the future for goods and services received, whether billed by the supplier or not.

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5. GENERAL AND ADMIN EXPENSE

	For the period from 15 January 2024 (incorporation) to 31 December 2024
Salaries, wages and other benefits	431,022
Leasing and Professional Fees	437,449
Business Development	180,466
Business License, Permits & Visa	161,667
Dues & Subscriptions	1,265
Depreciation & Amortization	940
Other Expenses	46,817
	1,259,626

6. EQUIPMENT

	Equipment
Cost	
As at 15 January 2024	-
Additions	3,375
As at 31 December 2024	3,375
Accumulated Depreciation	
As at 15 January 2024	-
Charge of the period	940
As at 31 December 2024	940
Carrying Value	
31 December 2024	2,435

7. PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2024
Deposits	118,703
Prepayments	101,821
VAT receivable	27,114
	247,638

8. SHARE CAPITAL

The Company's authorized, issued and paid-up share capital is SR 1,700,000.

	Percentage	Shares	31 December 2024
Shareholders:			
Denovo Partners (DIFC) Limited	100%	1,700	1,700,000

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9. EMPLOYEES DEFINED BENEFIT OBLIGATIONS

	31 December 2024
As at 15 January 2024	-
Charge for the year	12,966
Closing	12,966

10. TRADE AND OTHER PAYABLE

	31 December 2024
Trade payables	22,747
Accrued liability	41,322
Other Payables	8,000
	72,069

11. CASH AND CASH EQUIVALENTS

	31 December 2024
Cash in bank	986,121
	986,121

12. RELATED PARTIES TRANSACTIONS AND BALANCES

The Company, in the normal course of business, enters into transactions with other business enterprises that fall within the definition of a related party contained in International Accounting Standard 24 Related Party Disclosures. These transactions are carried out at terms mutually agreed between the related parties and the Company. Related parties comprise entities under common ownership and control; their partners and key management personnel.

Due to related party

Related party	Nature of Relationship	31 December 2024
deNovo Partners (DIFC) Limited	Parent company	710,785
		710,785

Related Party transactions: Below are the transactions are with parent company:

	31 December 2024
Expenses paid by parent company	710,785

Compensation of key management personnel

The remuneration of members of key management during the year were as follows:

	31 December 2024
Salaries, wages and other benefits	177,745

13. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk, credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the board of directors.

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13. FINANCIAL RISK MANAGEMENT (CONTINUED)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's senior management are responsible for developing and monitoring the Company's risk management policies and report regularly to the owner on their activities.

The Company's risk management policies (both formal and informal) are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's principal financial liabilities comprise of trade and other payables and amounts due to a related party. The Company's principal financial assets include cash in banks and other receivables.

Categories of financial instruments

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities.

	31 December 2024	
	Carrying Amount	Fair Value
Financial assets:		
Amortized cost		
Deposit	118,703	118,703
Cash and cash equivalents	986,121	986,121
	1,104,824	1,104,824
Financial liabilities:		
Amortized cost		
Trade and other payable	72,069	72,069
Due to Related Party	710,785	710,785
	782,854	782,854

Credit risk

Credit risk represents the inability of a party to meet its liability for a financial instrument, resulting in the other party having a financial loss. The Company's credit risk arises from cash in banks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2024
Financial assets	
Deposit	118,703
Cash and cash equivalents	986,121
	1,104,824

Cash in banks

Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposure. The Company considers that its cash and cash equivalents have low credit risk based on the external credit rating of counterparties. Funds are placed with banks having good credit ratings and therefore are not subject to significant credit risk.

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13. FINANCIAL RISK MANAGEMENT (CONTINUED)

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns to investors.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company has no significant exposure to foreign currency risk. For the reporting year, all the Company's transactions were denominated in either SR, AED or U.S. Dollars as the SR is pegged against U.S. Dollars and AED.

Interest rate risk

Interest rate risk is the risk that the value of any financial instrument will fluctuate because of changes in market interest rate. As the Company has no significant interest-bearing assets or liabilities, the Company's income and operating cash flows are therefore substantially independent of changes in market interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity through Parent Company support by additional funding to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity based on their contractual maturities. This includes non-derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows.

31 December 2024

	Upto one year	More than one year and upto 5 years	More than 5 years	Total
Trade and other payable	72,069	-	-	72,069
Due to Related Party	710,785	-	-	710,785
	782,854	-	-	782,854

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14. CONTINGENT LIABILITIES AND COMMITMENTS

The Company has no contingent liabilities and commitments other than disclosed elsewhere in the financial statements as at 31 December 2024.

15. SUBSEQUENT EVENTS

Subsequent to the reporting date, on 30th January 2025, the Parent Company, deNovo Partners (DIFC) Limited, invested SR 8,300,000 as an additional capital contribution to the Company, and the Articles of Association will be amended accordingly. Furthermore, on 10 March 2025, the Parent Company changed its name from deNovo Partners (DIFC) Limited to PJT deNovo Partners Ltd.

Except for the above, there have been no significant subsequent events since the year ended 31 December 2024 till the date of authorization of these financial statements that require either an adjustment or disclosure in these financial statements.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 19 Ramadan 1446H corresponding to 19 March 2025.