



**Greenstone Saudi Arabia
Board Report**

Year 2024



1. INTRODUCTION

Greenstone Saudi Arabia (Single Shareholder) Mixed Joint Stock Company ("**Greenstone Saudi Arabia**" or the "**Company**") is licensed by the Capital Market Authority ("**CMA**") of the Kingdom of Saudi Arabia (the "**Kingdom**") to undertake the Securities Activities of "Managing Investments and Operating Funds ", "Arranging" and "Advising" as defined in Article 2 of the Securities Business Regulations issued by the CMA ("**SBR**").

On 22 January 2020, the CMA issued its approval to the Company to commence business under the Arranging and Advising activities.

On 28th January 2024, the CMA issued its approval to the Company to commence business under the Managing Investments and Operating Funds ("**MIOF**") activity.

Since inception, the Company's primary business has been the offer of securities in foreign companies, foreign limited partnerships, foreign funds or other foreign-incorporated vehicles (each a "**Foreign Investment Vehicle**") to investors in the Kingdom of Saudi Arabia ("**KSA-based investors**") within the Kingdom under either Part 3 of the CMA's Rules on the Offer of Securities and Continuing Obligations (the "**ROSCO**") or Part 6 of the CMA's Investment Fund Regulations (the "**IFRs**") as applicable. During 2024, Greenstone expanded its services to include, the registration, offering, management and operation of a local fund under the scope of its MIOF license.

A summary of the services provided by the company during the period 1 January 2024 to 31 December 2024 (the "**Reporting Period**") is as follows:

1.1. ARRANGING

Registration of one Foreign Investment Vehicle under the ROSCO was active during the Reporting Period. The offer period for the vehicle ended on 29 February 2024. No further business or activity was conducted under the scope of the Arranging license during the period.

1.2. ADVISING

No business or activity was conducted under the scope of the Advising license during the Reporting Period

1.3. MANAGING INVESTMENTS AND OPERATING FUNDS

(a) Offering of Securities issued by Foreign Funds (in accordance with Part 6 of the IFRs)

Various foreign funds were registered under the IFRs, which include funds investing in the health, education, technology, and real estate sectors.

- 17 registrations for foreign funds under IFRs ("Registrations") were active at the start of the Reporting Period.
- 58 new Registrations were approved by the CMA during the Reporting Period.
- 7 Registrations were cancelled or expired during the Reporting Period.

(b) Offer of Units in a Private Fund (in accordance with Part 5 of the IFRs)

- The offering of a local private closed-end fund, the Saudi Premier Real Estate Investment Fund (the "SPREF"), was approved by the CMA on 30 July 2024. The Saudi Premier Real Estate Investment Fund, a private, closed-ended real estate investment Shariah- compliant fund. The SPREF's main objective is to provide current income to unit holders and to develop capital over medium and long term, through investing in real estate development projects and income-generating properties.

2. FORMATION OF THE BOARD OF DIRECTORS

Greenstone Saudi Arabia's Board of Directors is composed of (5) members as the following:

Name	Classification
Mr. Paul Francesco Loiacono	Independent board member (Chairman)
Mr. Stephen Latham	Non-executive board member (Vice Chairman)
Mr. Kunal Bhasin	Independent board member
Mr. Tugrul Diri	Independent board member
Mrs. Yasemin Fakioglu	Non-executive board member

3. OTHER COMPANIES IN WHICH A MEMBER OF THE BOARD OF DIRECTORS IS A MEMBER OF ITS BOARD OF DIRECTORS

The additional memberships of the Board of Directors inside the Kingdom of Saudi Arabia and outside are as follows:

Name	Board of Directors Memberships
Mr. Paul Francesco Loiacono	Independent board member, Lyst Technologies, Manama, Bahrain (2017- Present) Board member, Blocsport.one, Switzerland (2019-Present)
Mr. Stephen Latham	Board member, Greenstone Equity Partners Financial Products Promotion LLC, United Arab Emirates ("UAE") (2016 – Present) Board member, Greenstone QFC LLC, the State of Qatar ("Qatar"), (2017– Present) Geminian Holdings Limited, Cayman Islands (2023 – Present)
Mr. Kunal Bhasin	Board member, 1 West Finance New York, USA, (2017- Present)
Mr. Tugrul Diri	Board member, Dora Kimya Sanayi ve Ticaret Anonim Sirketi, Istanbul, Turkiye (2014- Present)
Ms. Yasemin Fakioglu	Board member, Istanbul Consulting LLC, Parsippany, New Jersey, USA, (2018- Present)

4. AFFILIATED COMPANIES

Greenstone Saudi Arabia is part of the Greenstone group of companies. The Company is a wholly owned subsidiary of Greenstone Group FZ-LLC ("GSG"). Details of GSG and other entities which are wholly owned by GSG ("**Greenstone Affiliates**") as of the end of the Reporting Period are as follows:

Company Name: Greenstone Group FZ-LLC

Share Capital: 130 Ordinary Shares (Voting) of AED1,000 each; and 72,666,246 Ordinary Shares (Non-Voting) of AED 0.0120 each

% ownership by Greenstone Saudi Arabia: 0%

License Activity: Marketing Management

Regulatory Authority: N/A

Country of Operations: UAE

Country of Establishment: Ras Al Khaimah Economic Zone ("RAKEZ"), UAE

Company Name: Greenstone Equity Partners Financial Products Promotion LLC

Share Capital: AED 2,500,000

License Activity: Financial Products Promotion, Foreign Securities Promotion, Managing Investments and Operating Funds

Regulatory Authority: UAE Securities and Commodities Authority

Country of Operations: UAE

Country of Establishment: The Department of Economy & Tourism in Dubai ("DED"), UAE

Company Name: Greenstone QFC LLC

Share Capital: QAR 900,000

% ownership by Greenstone Saudi Arabia: 0%

License Activity: Management and Business Consulting

Regulatory Authority: None (although currently awaiting license approval from the QFCRA to perform arranging and advising activities)

Country of Operations: Qatar

Country of Establishment: Qatar Financial Centre, Qatar

Company Name: Greenstone Placement Management FZ-LLC

Share Capital: AED 10,000

% ownership by Greenstone Saudi Arabia: 0%

License Activity: Marketing Management

Regulatory Authority: N/A

Country of Operations: UAE

Country of Establishment: RAKEZ, UAE

Company Name: Greenstone Kuwait Investment Advisors K.S.C.C. (under liquidation)

Share Capital: KWD 100,000

% ownership by Greenstone Saudi Arabia: 0%

License Activity: Investment Advisory (not operating)

Regulatory Authority: Capital Market Authority

Country of Operations: The State of Kuwait

Country of Establishment: the State of Kuwait

Additionally, a Special Purpose Vehicle was established by the custodian of the SPREF in order to register the real estate assets for the benefit of the SPREF.

Company Name: Altamyez Fund Investment Company (One Person LLC)

Share Capital: 1000 SAR

% ownership by Greenstone Saudi Arabia: 0%

License Activity: Special Purpose Vehicle

Regulatory Authority: N/A

Country of Operations: Saudi Arabia
Country of Establishment: Saudi Arabia

5. A DESCRIPTION OF THE PLANS AND IMPORTANT DECISIONS OF A CAPITAL MARKET INSTITUTION (INCLUDING STRUCTURAL CHANGES, EXPANSION OF BUSINESS, OR SUSPENSION OF OPERATIONS), AND FUTURE EXPECTATIONS OF THE BUSINESS OF THE CAPITAL MARKET INSTITUTION.

During the Reporting Period, Mr. Syed Adil Rehman was appointed as CEO for the Company.

The Company also expanded the scope of services offered to include the registration, offering, management and operation of local funds under the scope of its MIOF license and received approval from the CMA to offer its first local fund, the SPREF, on 30 July 2024. There are no current plans to launch any additional local funds, however the Company remains open to such and continues to explore opportunities.

The Company plans to continue business as usual as it relates to the offering of Foreign Investment Vehicles in Saudi Arabia during 2025.

The Company has not performed any services under its Advising license to date. Given the additional expense and personnel requirements in order to maintain this license, it has been proposed to the Board of Directors (the "Board") by senior management to submit an application to the CMA to cancel the Advising license, since it is not required.

6. BOARD OF DIRECTORS MEETINGS

Greenstone Saudi Arabia is committed to applying the principles of corporate governance in its practices. The Board meets at least four times each year upon invitation from the Chairman of the Board. The Chairman of the Board shall also hold a meeting if requested by two members of the Board of Directors, the external auditor, or the owner of the capital. A quorum for Board of Directors meetings shall be achieved by the presence of at least three of its members. A member of the Board of Directors shall have the right to appoint another member to attend the meeting on his behalf. The meetings of the Board held during the Reporting Period were as follows:

Name/ Meeting date	1 st meeting	2 nd meeting	3 rd meeting	4 th meeting
	31 May 2024	18 Sep 2024	16 Dec 2024	16 Dec 2024
Mr. Paul Francesco Loiacono	Attended	Unable to attend	Unable to attend	Unable to attend
Mr. Stephen Latham	Attended	Attended	Attended	Attended
Mr. Kunal Bhasin	Attended	Attended	Attended	Attended
Mr. Tugrul Diri	Unable to attend	Attended	Attended	Attended
Ms. Yasemin Fakioglu	Attended	Attended	Attended	Attended

7. THE COMMITTEES AFFILIATED WITH THE BOARD OF DIRECTORS

Greenstone Saudi Arabia is committed to applying the principles of corporate governance in its practices, and committees affiliated with the Board were formed (Audit Committee, Nominations Committee, Remuneration Committee). It was decided that the meetings of these committees would be held at least annually.

- (c) The Audit Committee is responsible for monitoring the company's activities and verifying the integrity and honesty of its reports, financial statements, and internal control systems. The Audit Committee was formed by (3) members as follows:

Name	Classification
Mr. Alex Gemici	Chairman
Mr. Stephen Latham	Member
Mr. Wasim Akram	Member

- (d) The Nomination Committee is responsible for nominating new members to join the Board in the event that the Board's term ends or any seat on the Board becomes vacant, ensuring the independence of independent members of the Board. The Nominations Committee was formed by (4) members as follows:

Name	Classification
Mr. Kunal Bhasin	Chairman
Mr. Alex Gemici	Member
Mr. Stephen Latham	Member
Mr. Wasim Akram	Member

- (e) The Remuneration Committee is responsible for developing a remuneration policy for Board members, its committees and executive management as applicable to the Company and periodically reviewing and assessing such policy. The Remuneration Committee was formed by (4) members as follows:

Name	Classification
Mr. Kunal Bhasin	Chairman
Mr. Alex Gemici	Member
Mr. Stephen Latham	Member
Mr. Wasim Akram	Member

8. REMUNERATIONS AND COMPENSATIONS PAID TO MEMBERS OF THE BOARD OF DIRECTORS AND THE SENIOR EXECUTIVES, ACCORDING TO THE TABLE BELOW:

Statement	Executive Board Members	Non-Executive Board Members	Independent Board Members
Allowance for attendance of the board sessions of directors'	-	-	-

Allowance for attendance of the committees' sessions	-	-	-
Periodic and annual remunerations	-	-	-
Incentive plans	-	-	-
Any compensations or other in-kind benefits paid monthly or annually	-	-	-
Total:	-	-	-

Statement	the senior executives who received the highest remunerations and compensations in addition to the CEO and CFO, if they are not among them
Salaries and wages	SAR 11,645
Allowances	-
Periodic and annual remunerations	-
Incentive plans	-
Commissions	-
Any compensations or other in-kind benefits paid monthly or annually	-
Total	SAR 11,645

9. ARRANGEMENT OR AGREEMENT TO WAIVE ANY REMUNERATIONS AND COMPENSATIONS.

Each of the members of the Board have waived their remuneration in relation to their appointments to the Board and/or committees during the year 2024.

10. PENALTY, SANCTION, PRECAUTIONARY MEASURE, OR PRECAUTIONARY RESTRICTION IMPOSED.

No penalty, sanction, precautionary measure, or precautionary restrictions were imposed on the Company by the Authority or from any supervisory, regulatory, or judicial body during the Reporting Period.

11. RESULTS OF THE AUDIT REPORT OF THE COMPANY SYSTEM AND CONTROLS, IN ADDITION TO THE AUDIT COMMITTEE'S OPINION ON THE ADEQUACY OF THE INTERNAL AUDIT SYSTEM.

The Company maintains an effective internal control system with clear procedures and policies in place. The Audit Committee finds that the procedures and policies in place are sufficient. Greenstone did not appoint an internal auditor for the year 2024, however, since the Company has expanded the scope of its business operations at the end of the Reporting Period, it has been proposed by senior management to appoint an internal auditor for 2025.

12. RISKS FACED BY THE COMPANY, AND THE POLICY FOR MANAGING AND MONITORING THESE RISKS.

The Company's risk management framework encompasses the identification, assessment, and mitigation of risks that could negatively impact the Company's financial health, operations and reputation. It requires managing exposure to various financial risks to minimize potential losses while aligning with the Company's risk appetite. From this perspective, the Company's risk management policy is a systematic and responsible approach. The Company conducted a reassessment of its risks to ensure a robust risk management strategy was in place prior to expanding its business operations to include fund management activities.

13. THE AUDITOR'S REPORT RESERVATION TO THE ANNUAL FINANCIAL STATEMENTS.

There are no reservations on the financial statements in the Auditor's Report for the year 2024.

14. SUMMARY OF THE COMPANY ASSETS, LIABILITIES, AND OPERATING RESULTS FOR THE LAST FIVE YEARS.

	2020	2021	2022	2023	2024
Total Revenue	1,636,749	2,247,982	1,992,747	1,280,092	3,086,287
Total Expenses	1,558,810	2,182,611	1,896,798	1,944,036	1,664,718
Net Income	57,909	35,105	72,742	(665,014)	1,203,338
Total Assets	2,354,986	2,409,722	20,557,453	19,905,436	21,558,369
Total Liabilities	284,653	304,284	379,273	392,270	841,865
Shareholders' Rights	2,070,333	2,105,438	20,178,180	19,513,166	20,716,504

**All amounts in the above table are denominated in Saudi Riyals (SAR)*

15. CLARIFICATION OF ANY MATERIAL DIFFERENCES IN THE OPERATING RESULTS FROM THE RESULTS OF THE PREVIOUS FINANCIAL YEAR,

There are no material differences in the operating results of the Company for the Reporting Period in comparison to the previous financial year.

16. A DESCRIPTION OF ANY INTEREST, CONTRACTUAL SECURITIES AND RIGHTS ISSUE BELONGING TO THE MEMBERS OF THE BOARD OF DIRECTORS OF THE CAPITAL MARKET INSTITUTION, THE SENIOR EXECUTIVES AND THEIR RELATIVES IN THE SHARES OR DEBT INSTRUMENTS OF THE CAPITAL MARKET INSTITUTION OR ANY OF ITS AFFILIATES, AND ANY CHANGE IN THAT INTEREST, THOSE SECURITIES OR RIGHTS DURING THE LAST FINANCIAL YEAR.

Neither the members of the Board, senior management or relatives of such hold shares or debt instruments in the Company.

Mr. Stephen Latham, is an ultimate beneficial owner of the Company and the Greenstone Affiliates, holding an ultimate interest of 33.3327%. There was no change to his percentage ownership during the Reporting Period.

17. INFORMATION RELATED TO ANY LOANS ON THE COMPANY.

There were no loans on the company during the Reporting Period.

18. TRANSACTIONS CONCLUDED BETWEEN THE COMPANY AND A CONNECTED PERSON.

The Company has related party agreements with the below-listed related parties.

- Greenstone Group FZ-LLC (Parent)
- Greenstone Placement Management FZ-LLC (Affiliate)
- Billions Global LTD (Affiliate)

The below transactions took place between the Company and its related parties during the Reporting Period.

Related Party	Nature of Relationship	Type of Transaction	Amount
Greenstone Group FZ-LLC	Parent Company	Service Income	1,466,250
		Collections & Others	132,800
Greenstone Placement Management FZ-LLC	Affiliate Company	Interest Income	1,375,472
		Collections	1,387,621

19. BUSINESS OR CONTRACTS TO WHICH THE COMPANY IS A PARTY, OR IN WHICH IT HAS AN INTEREST FOR ONE OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY OR FOR SENIOR EXECUTIVES OR FOR ANY PERSON RELATED TO ANY OF THEM, SO THAT IT INCLUDES THE NAMES OF THOSE INVOLVED IN THE BUSINESS OR CONTRACTS AND THE NATURE OF THESE BUSINESS OR CONTRACTS, THEIR TERMS, DURATION AND AMOUNT AND IN THE ABSENCE OF ANY SUCH BUSINESS OR CONTRACTS, THE COMPANY MUST PROVIDE an acknowledgment thereof.

With the exception of employment contracts between executive director and senior management of the Company and Greenstone entities, there was no business undertaken or contracts entered into by the Company in which any member of the Board, senior management or any related person to such were a party during the Reporting Period.