

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Greenstone Saudi Arabia Company
(Single Shareholder Mixed Closed Joint Stock Company)
Riyadh, Saudi Arabia

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Greenstone Saudi Arabia Company (“the Company”) (Single Shareholder Mixed Closed Joint Stock Company), which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended December 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-Sized Entities 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 (ISAs) as adopted in KSA. 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 ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Saudi Arabia, and we have fulfilled our other ethical responsibilities in accordance with these 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 International Financial Reporting Standards for SMEs that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA and Regulations for Companies and the Company’s Bylaws 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 Shareholder, is responsible for overseeing the Company’s financial reporting process.

Auditors’ 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholder of
Greenstone Saudi Arabia Company


Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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, 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.

Baker Tilly MKM & Co
Certified Public Accountants


Majed Moneer AlNemer
(License No. 381)
Riyadh on Ramadan 11, 1445H
Corresponding to March 21, 2024



GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

(Expressed in Saudi Riyals)

	Notes	2023	2022
ASSETS			
Non-current assets			
Equipment	5	26,295	34,734
Total non-current assets		26,295	34,734
Current assets			
Cash at bank		451,211	8,463,850
Due from related party	6	19,279,903	11,976,358
Prepayments and other receivables	7	148,027	82,511
Total current assets		19,879,141	20,522,719
TOTAL ASSETS		19,905,436	20,557,453
EQUITY AND LIABILITIES			
Equity			
Share capital	8	20,000,000	20,000,000
Statutory reserve	9	17,817	17,817
(Accumulated losses)/ retained earnings		(504,651)	160,363
Total equity		19,513,166	20,178,180
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	10	85,970	92,912
Total non-current liabilities		85,970	92,912
Current liabilities:			
Trade payables		2,701	8,000
Accrued expenses & other payables	11	303,599	255,154
Income tax	12	-	23,207
Total current liabilities		306,300	286,361
Total liabilities		392,270	379,273
TOTAL EQUITY AND LIABILITIES		19,905,436	20,557,453

The accompanying notes form an integral part of these financial statements

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyals)

	Note	2023	2022
Service income	6	191,357	1,992,747
General and administrative expenses	13	<u>(1,938,579)</u>	<u>(1,896,475)</u>
(Loss) / income from operation		(1,747,222)	96,272
Interest income	6	1,088,735	-
Other expense		<u>(5,457)</u>	<u>(323)</u>
Net (loss) / income before tax		(663,944)	95,949
Income tax	12	<u>(1,070)</u>	<u>(23,207)</u>
Net (loss) / income for the year		(665,014)	72,742
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income for the year		<u>(665,014)</u>	<u>72,742</u>

The accompanying notes form an integral part of these financial statements

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyals)

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>(Accumulated losses)/ retained earnings</u>	<u>Total equity</u>
<u>For the year ended December 31, 2022</u>				
As of January 1, 2022	2,000,000	10,543	94,895	2,105,438
Net income for the year	-	-	72,742	72,742
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	72,742	72,742
Increase in share capital	18,000,000	-	-	18,000,000
Transfer to statutory reserve	-	7,274	(7,274)	-
Balance at December 31, 2022	<u>20,000,000</u>	<u>17,817</u>	<u>160,363</u>	<u>20,178,180</u>
<u>For the year ended December 31, 2023</u>				
As of January 1, 2023	20,000,000	17,817	160,363	20,178,180
Net loss for the year	-	-	(665,014)	(665,014)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(665,014)	(665,014)
Balance at December 31, 2023	<u>20,000,000</u>	<u>17,817</u>	<u>(504,651)</u>	<u>19,513,166</u>

The accompanying notes form an integral part of these financial statements

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in Saudi Riyals)

	Note	2023	2022
Cash flows from operating activities			
Net (loss) / income before tax		(663,944)	95,949
Adjustments for non-cash items			
Depreciation of property and equipment	5	8,439	7,462
Provision for employees' end of service benefit	10	7,439	20,082
Changes in operating assets and liabilities			
Account payables		(5,299)	8,000
Prepayments and other receivables		(65,516)	344,016
Accrued expenses and other payables		48,445	53,966
Income tax paid	12	(24,277)	(30,266)
Employees end of service benefit paid	10	(14,381)	-
Net cash flows (used in) / generated from operating activities		(709,094)	499,209
Cash flow from investment activities			
Purchase of equipment	5	-	(42,196)
Net cash flows used in investment activities		-	(42,196)
Cash flow from financing activities			
Loan provided to related party		(7,303,545)	(10,215,388)
Proceeds from increase in share capital	8	-	18,000,000
Net cash flows (used in) / generated from financing activities		(7,303,545)	7,784,612
Net change in cash at bank		(8,012,639)	8,241,625
Cash at bank at beginning of the year		8,463,850	222,225
Cash at bank at end of the year		451,211	8,463,850

The accompanying notes form an integral part of these financial statements

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

1. ORGANIZATION AND ACTIVITIES:

Greenstone Saudi Arabia Company ("the Company") is a Single Shareholder Mixed Closed Joint Stock Company. The Company is licensed under foreign investment license number 10211391184152 issued by the Ministry of Investment (previously "the Saudi Arabian General Investment Authority") on 13 Thul-Qi'dah 1439H (corresponding to July 26, 2018), and operating in the Kingdom of Saudi Arabia under commercial registration number 1010565842 issued in Riyadh dated 12 Rajab 1440H (corresponding to March 19, 2019).

The Company is mainly engaged in the arrangement and advisory of financial securities business under license number 18190-30 dated 27 Jumada I 1441H (corresponding to January 22, 2020) issued by Capital Market Authority ("CMA"). The Company's operations are conducted principally in Saudi Arabia.

The Company's principal place of business is located at King Fahad Branch Rd, Al Muhammadiyah District 5000, Office No 305, Riyadh 12361 – 6858, Kingdom of Saudi Arabia.

2. BASIS OF PREPARATION:

The financial statements of the Company for the year ending December 31, 2023 have been prepared in accordance with the 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements adopted by the Saudi Organization for Certified Public Accountants. Details of the Company's significant accounting policies are disclosed in note (4).

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Saudi Riyals which is also the functional currency of the Company and all values are rounded to the nearest Saudi Riyal (SR), except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies applied by the Company:

CURRENT VERSUS 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 Company classifies all other liabilities as non-current.

Equipment

Equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the costs directly attributable to bring an asset to the location in the necessary status to be operatable in the intended method by the management. When significant parts are required to be replaced on intervals, the company recognizes those parts as individual parts with a specific useful life and depreciates accordingly. All other repair and maintenance costs are recognized in profit or loss when they incurred.

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

	<u>Useful life</u>
Furniture and office equipment	5 years
Improvement to leased buildings	5 years

FOREIGN CURRENCIES

Transactions and balances

Transactions in foreign currencies are initially recorded at the spot rate ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the reporting date. Differences arising on settlement or transactions of monetary items are recognized in the statement of comprehensive income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated at original amount less allowance made for amounts which, in the opinion of the management, are uncollectable. Bad debts are written off when identified and approved by the management.

GREENSTONE SAUDI ARABIA COMPANY
(Single Shareholder Mixed Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNTS PAYABLE AND ACCRUALS

Liabilities are recognized for amounts to be paid in the future for goods/services when risks and rewards attributable to goods are transferred to the Company or services are received, whether or not billed to the Company.

PROVISIONS

Provisions are recognised when the Company has a present obligations (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in statement of comprehensive income net of any reimbursement.

EMPLOYEES' END OF SERVICE BENEFITS

The employee end of service benefits of the Company cannot be calculated using the projected unit credit method without undue cost or effort. Therefore, the provision is made for amounts payable under the Saudi Arabian labor law applicable to employees' accumulated periods of service at the statement of financial position date.

REVENUE

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

Revenue is recognised when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

EXPENSES

Expenses related to operations are allocated on a consistent basis to General and administrative expenses in accordance with consistent allocation factors.

TAX

Income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to ZATCA.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax. Receivables and payables are stated with the amount of value added tax included.

GREENSTONE SAUDI ARABIA COMPANY
 (Single Shareholder Mixed Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

5. EQUIPMENT

	Furniture and office equipment	Improvement to leased office	Total
	SR	SR	SR
Cost:			
As of January 1, 2023	16,446	25,750	42,196
Additions during the year	-	-	-
Balance as of December 31, 2023	16,446	25,750	42,196
Accumulative depreciation:			
As of January 1, 2023	2,741	4,721	7,462
Charged during the year	3,289	5,150	8,439
Balance as of December 31, 2023	6,030	9,871	15,901
Net carrying amount:			
As of December 31, 2023	10,416	15,879	26,295
As of December 31, 2022	13,705	21,029	34,734

6. RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties of the Company include the shareholder and the companies where the shareholder control, jointly control, or have significant influence.

The terms of transactions with the related parties have been approved by the Company's management. The transactions with related parties are within the ordinary course of the Company's business. These balances are expected to be paid in the ordinary course of business.

6.1 Significant related party transactions during the year and balances arising at the end of the year are described below:

Related party	Nature of relationship	Type of transactions	2023	2022
			SR	SR
Greenstone Placement Management FZ-LLC	Affiliate	Loan payment	7,408,778	9,697,500
		Interest income	1,088,735	-
Greenstone Group FZ LLC	Parent	Service income	191,357	1,992,747
		Capital increase	-	18,000,000
		Collections	2,278,858	1,773,772

6.2 Key Management Personnel Compensation

	2023	2022
	SR	SR
Total key management compensations	231,875	372,403

GREENSTONE SAUDI ARABIA COMPANY
 (Single Shareholder Mixed Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

6. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

6.3. Amounts due from a related party

<u>Related party</u>	<u>2023</u>	<u>2022</u>
	SR	SR
Greenstone Placement Management FZ-LLC (6.3.1)	19,279,903	9,697,500
Greenstone Group FZ LLC	-	2,278,858
	<u>19,279,903</u>	<u>11,976,358</u>

6.3.1 On January 1, 2023, the company signed a loan agreement with Greenstone placement Management FZ-LLC with a limit of SR 22.5 million which is repayable on demand. The loan accrues interest at rate of SOFR plus two (2%) percent per annum.

7. PREPAYMENTS AND OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
	SR	SR
VAT receivable	62,297	-
Prepaid licenses	41,667	41,667
Prepaid medical insurance	18,928	15,709
Security deposit	12,835	12,835
Prepaid rent	12,300	12,300
	<u>148,027</u>	<u>82,511</u>

8. SHARE CAPITAL

The share capital of the Company comprises of 20,000 shares stated at SR 1,000 per share owned as follows:

<u>Shareholder Name</u>	<u>Nationality</u>	<u>2023</u>	<u>2022</u>
		SR	SR
Greenstone Group FZ LLC	United Arab Emirates	20,000,000	20,000,000
		<u>20,000,000</u>	<u>20,000,000</u>

9. STATUTORY RESERVE

In accordance with the Company Bylaws, the Company is required to transfer 10% of the profit for the year to a statutory reserve until it equals to 30% of its share capital. This reserve is not available for distribution to the shareholder of the Company.

10. EMPLOYEES' END OF SERVICE BENEFITS

The movement in the employees' end of service benefits during the year ended December 31, 2023, is as follows:

	<u>2023</u>	<u>2022</u>
	SR	SR
Balance at January 1	92,912	72,830
Provision during the year	7,439	20,082
Payment during the year	(14,381)	-
Balance at December 31	<u>85,970</u>	<u>92,912</u>

GREENSTONE SAUDI ARABIA COMPANY
 (Single Shareholder Mixed Closed Joint Stock Company)
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

11. ACCRUED EXPENSES AND OTHER PAYABLES

	<u>2023</u>	<u>2022</u>
	SR	SR
General accrued expenses	171,457	129,725
Employee related accruals	78,658	22,594
Social insurance	53,484	56,967
VAT payable	-	45,868
	<u>303,599</u>	<u>255,154</u>

12. INCOME TAX

	<u>2023</u>	<u>2022</u>
	SR	SR
Balance at January 1	23,207	30,266
Provisions	1,070	23,207
Payments	<u>(24,277)</u>	<u>(30,266)</u>
Balance at December 31	<u>-</u>	<u>23,207</u>

The Company has received the income tax certificates for the years through 2022. The ZATCA has not finalized the Company's income tax assessments since inception.

13. GENERAL AND ADMINISTRATIVE EXPENSES

		<u>2023</u>	<u>2022</u>
	Note	SR	SR
Employees cost		895,583	988,671
Legal and professional fee		302,756	333,119
Government and license fees		183,753	101,500
Rent		147,603	177,013
Social insurance		52,605	59,507
Consultancy		39,258	124,000
Medical insurance		31,297	25,035
Depreciation	5	8,439	7,462
End of service benefits	10	7,439	20,082
Others		269,846	60,086
		<u>1,938,579</u>	<u>1,896,475</u>

14. SUBSEQUENT EVENTS

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

15. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Company for issuance on Ramadan 11, 1445H (corresponding to March 21, 2024).