

GreenSaif Pipelines Bidco S.à r.l.

Société à responsabilité limitée

Financial Statements for the year ended 31 December 2022

Address of the registered office:

6, rue Eugène Ruppert

L-2453 Luxembourg

R.C.S. Luxembourg: B248400

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Société à Responsabilité Limitée
Financial statements

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MANAGEMENT REPORT

Principal activity and review of business

GreenSaif Pipelines Bidco S.à r.l. (the "Company") was incorporated on 29 October 2020 and is organised under the laws of Luxembourg as a "Société à responsabilité limitée" for an unlimited period. The Company's objective is the acquisition of investments, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those investments.

On 6 December 2021 the Company entered into the share sale and purchase agreement with Saudi Arabian Oil Company ("Aramco"), in order to obtain a 49% interest in Aramco Gas Pipelines Company ("AGPC"). The usage rights for the pipeline were obtained through an equity contribution agreement and Usage Lease Agreement ("ULA") with Aramco, whereby Aramco contributed the usage rights to the pipelines (existing and future) for a period of 20 years to AGPC. Simultaneously, AGPC entered into Transportation, Operation and Maintenance Agreement ("TOMA") with Aramco, in which AGPC granted Aramco the exclusive right to use, transport through, operate and maintain the pipelines, associated with the transportation of gas in exchange for a quarterly tariff payment based on actual volumes and agreed tariff rates, over a period of 20 years. Aramco is the only user of the pipelines and is also responsible for the operations and maintenance of the pipelines.

The Company's sole investment is in AGPC which recognises its financial assets at fair value through profit and loss. The management of AGPC in turn value AGPC's investment at fair value using a discounted cash flows ("DCF") model by reference to the key considerations such as the actual quantity of gas transported through the Pipeline, the minimum/maximum throughput quantity and agreed tariff rates over a period of 20 years. The discount rate used by AGPC for the valuation of this financial asset is 6.60%.

Future Developments

The Managers expect the Company to continue its current principal activities and business.

Results and distributions

The financial results for the year to 31 December 2022 are shown on pages 6 & 8.

Managers

On 30 September 2022, Laura Butler resigned and Christian Synetos was appointed as a Manager of the Company.

Managers' interest in shares

The Managers had no beneficial interest in the share capital of the Company as at the date of appointment at the end of the year to 31 December 2022, or at any time during the financial year.

Political and charitable donations

The Company did not make any political or charitable donations during the financial year.

Employees

The Company has no direct employees. Services are provided by Intertrust Luxembourg (the "Administrator"). Due to the nature of the services provided it is not possible to separately ascertain specific employee numbers.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the year to 31 December 2022.

Distributions received and paid by the Company

During the year to 31 December 2022 the Company received an amount of \$241,985,905 as a distribution received from AGPC. Subsequently, the Company made a distribution of share premium to its sole shareholder GreenSaif Pipelines Midco S.a.r.l amounting to \$180,924,522.

Acquisition of own shares

The Company did not purchase its own ordinary shares during the financial year.

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Adequate account records

The Managers ensure that proper books and accounting records are kept by engaging Intertrust Luxembourg who employs accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. Those books of accounts and accounting records are maintained at the registered office at 6, Eugène Ruppert, L-2453 Luxembourg, Grand-Duchy of Luxembourg.

On behalf of the Board of Managers

Manager:

Date:

To the Board of Managers of
GreenSaif Pipelines Bidco S.à r.l.
6, Rue Eugène Ruppert,
L-2453 Luxembourg
Grand Duchy of Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Opinion

We have audited the financial statements of GreenSaif Pipelines Bidco S.à r.l. (the “Company”), which comprise the statement of financial position as at 31 December 2022 and the related statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “*Commission de Surveillance du Secteur Financier*” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “*réviseur d’entreprises agréé*” for the Audit of the Financial Statements” section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The corresponding figures as at and for the period ended 31 December 2021 presented in the financial statements have not been audited.

Other information

The Board of Managers of the Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers of the Company for the Financial Statements

The Board of Managers of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers of the Company 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, the Board of Managers of the Company 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 the Board of Managers of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Financial Statements

The objectives of our audit 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 a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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 the Board of Managers of the Company.
- Conclude on the appropriateness of the Board of Managers of the Company 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". 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.

For Deloitte Audit, *Cabinet de révision agréé*

Alberto Maria Meriggio, *Réviseur d'entreprises agréé*

Partner

1 June 2023

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Statement of comprehensive income

| <i>in USD</i> | Notes | 1 January 2022 to 31 December 2022 | 1 January 2021 to 31 December 2021 (Unaudited) |
|---|-------|---|---|
| Administrative expenses | 9 | (8,838,429) | (10,151) |
| Legal fees | | (11,218) | - |
| Finance income | 6 | 381,328 | - |
| Finance costs | 7 | (306,971,552) | - |
| Net changes in fair value of financial instruments at fair value through profit or loss | 8 | 2,440,409,271 | - |
| Net foreign exchange loss | | (13,592) | (647) |
| Other taxes | | (1,126) | - |
| Results before income tax | | 2,124,954,682 | (10,798) |
| Income tax expense | 10 | (591,390,860) | - |
| Results for the year | | 1,533,563,822 | (10,798) |
| Other comprehensive income | | - | - |
| Total comprehensive income/ (loss) | | 1,533,563,822 | (10,798) |

The accompanying notes are an integral part of these financial statements.

Statement of financial position

| <i>in USD</i> | Notes | As at 31 December 2022 | As at 31 December 2021 (Unaudited) | As at 1 January 2021 (Unaudited) |
|---|-------|---------------------------|--|--|
| ASSETS | | | | |
| Non-current assets | | | | |
| Financial assets at fair value through profit or loss | | 17,385,282,361 | - | - |
| - Equity instruments | 11 | 14,661,392,410 | - | - |
| - Derivative financial assets | 5.4 | 2,723,889,951 | - | - |
| Total non-current assets | | 17,385,282,361 | - | - |
| Current assets | | | | |
| Cash and cash equivalents | 15 | 6,482,049 | 13,247 | 14,505 |
| Other receivables and prepayments | | 51,191 | 236 | - |
| Total current assets | | 6,533,240 | 13,483 | 14,505 |
| TOTAL ASSETS | | 17,391,815,601 | 13,483 | 14,505 |
| Shareholders' equity | | | | |
| Share capital | 12 | 50,000 | 14,200 | 14,200 |
| Share premium | 12 | 2,183,263,657 | - | - |
| Retained earnings/(Cumulative losses) | | 1,533,553,132 | (10,690) | 108 |
| Total Shareholders' equity | | 3,716,866,789 | 3,510 | 14,308 |
| Non-current liabilities | | | | |
| Financial liability at amortised cost | 13 | 13,083,237,476 | - | - |
| Deferred tax liability | 10 | 591,390,860 | - | - |
| Total non-current liabilities | | 13,674,628,336 | - | - |
| Current liabilities | | | | |
| Other payables and accruals | 14 | 320,476 | 9,973 | 197 |
| Total current liabilities | | 320,476 | 9,973 | 197 |
| TOTAL EQUITY AND LIABILITIES | | 17,391,815,601 | 13,483 | 14,505 |

The accompanying notes are an integral part of these financial statements.

Statement of changes in equity

| <i>in USD</i> | | Share capital | Share premium | Retained earnings/ (Cumulative losses) | Total equity |
|---|------|------------------|----------------------|---|----------------------|
| Balance at 1 January 2022 (Unaudited) | | 14,200 | - | (10,690) | 3,510 |
| Issue of share capital | 12.1 | 36,500 | - | - | 36,500 |
| Capital contributions | 12.2 | - | 2,364,188,035 | - | 2,364,188,035 |
| Distribution of share premium | 12.2 | - | (180,924,522) | - | (180,924,522) |
| Change in the currency denomination of shares from EUR to USD | | (700) | 144 | - | (556) |
| Transactions with owners | | 35,800 | 2,183,263,657 | - | 2,183,299,457 |
| Result for the year | | - | - | 1,533,563,822 | 1,533,563,822 |
| Total comprehensive income | | - | - | 1,533,563,822 | 1,533,563,822 |
| Balance at 31 December 2022 | | 50,000 | 2,183,263,657 | 1,533,553,132 | 3,716,866,789 |

| <i>in USD</i> | | Share capital | Share premium | Retained earnings/ (Cumulative losses) | Total equity |
|--|--|------------------|------------------|---|-----------------|
| Balance at 1 January 2021 (Unaudited) | | 14,200 | - | 108 | 14,308 |
| Issue of share capital | | - | - | - | - |
| Capital contribution | | - | - | - | - |
| Transactions with owners | | - | - | - | - |
| Result for the year | | - | - | (10,798) | (10,798) |
| Total comprehensive loss | | - | - | (10,798) | (10,798) |
| Balance at 31 December 2021 (Unaudited) | | 14,200 | - | (10,690) | 3,510 |

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

| <i>in USD</i> | Notes | 1 January 2022 to 31 December 2022 | 1 January 2021 to 31 December 2021 (Unaudited) |
|---|-------|---------------------------------------|--|
| Cash flows from/ (used in) operating activities | | | |
| Results for the period | | 1,533,563,822 | (10,798) |
| Finance costs | 7 | 306,971,552 | - |
| Net foreign exchange loss | | 13,592 | 647 |
| Net changes in fair value of financial instruments at fair value through profit or loss | 8 | (2,440,409,271) | - |
| Income tax expense | 10 | 591,390,860 | - |
| <i>Working capital adjustments</i> | | | |
| Increase in other payables and accruals | 14 | 310,503 | 9,776 |
| Increase in other receivables and prepayments | | (50,955) | (236) |
| Net cash flows used in operating activities | | (151,036,847) | (611) |
| Cash flows used in investing activities | | | |
| Acquisition of investment | 11 | (15,500,000,000) | - |
| Payment of transaction fees on investment in an associate | 11 | (20,000,000) | - |
| Distribution received from associate | 11 | 241,985,905 | - |
| Net cash flows used in investing activities | | (15,278,014,095) | - |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | 12.1 | 36,500 | - |
| Proceeds from capital contributions | 12.2 | 2,364,188,035 | - |
| Proceeds from borrowings | 13 | 13,264,393,002 | - |
| Distribution of share premium | 12.2 | (180,924,522) | - |
| Repayment of borrowings | 13 | (241,633,720) | - |
| Interest paid | | (142,826,950) | - |
| Interest received on interest rate swaps | 8 | 333,141,005 | - |
| Payment of transaction fees on borrowings | 13 | (103,666,408) | - |
| Net cash flows from financing activities | | 15,435,533,892 | - |
| Net increase/(decrease) in cash and cash equivalents | | 6,482,950 | (611) |
| Cash and cash equivalents at the beginning of the period | | 13,247 | 14,505 |
| Effect of foreign exchange rate changes | | (14,148) | (394) |
| Cash and cash equivalents at the end of the period | | 6,482,049 | 13,500 |

The accompanying notes are an integral part of these financial statements.

NOTE 1 - GENERAL INFORMATION

GreenSaif Pipelines Bidco S.à r.l. (hereafter the "Company") was incorporated on 29 October 2020 and is organised under the laws of Luxembourg as a "Société à responsabilité limitée" for an unlimited period.

The Company is registered with the Trade and Companies Register of Luxembourg with the number B248400 and has its registered office established at 6, rue Eugene Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

The Company's objective is the acquisition of investments, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those investments. The Company may in particular acquire, by subscription, purchase and exchange or in any other manner, any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and, more generally, any securities and financial instruments issued by any public or private equity. It may participate in the creation, development, management and control of any company or enterprise. Further, it may invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin.

The Company may borrow in any form. It may issue notes, bonds and any kind of debt and equity securities. It may lend funds, including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies. It may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over some or all of its assets to guarantee to own obligations and those of any other company, and, generally, for its own benefit and that of any other company or person.

The Company may use any techniques, legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency, exchange exposure, interest rate risks and other risks.

The Company may carry out any commercial, financial or industrial operation and any transaction with respect to real estate or movable property which, directly or indirectly, favours or relates to its corporate object.

These financial statements were authorised for issue by the Board of Managers on 1 June 2023.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") issued and effective or issued and early adopted as at 31 December 2022.

2.2 Going concern

The Board of Managers has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

2.3 Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

For the previous period, the Company prepared its financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements (Lux GAAP). The Company transitioned to IFRS on 1 January 2021 and these financial statements, including the comparative information, consider the application of IFRS 1, First Time Adoption of International Reporting Standards ("IFRS 1"). Nevertheless, no differences between IFRS and Lux GAAP have been noted while presenting the comparative information of the Company. The Company has not used any of the optional exemptions included in IFRS 1.

During the first interim reporting period - 30 June 2022 the Company adopted the IFRS for the first time, where investment in associate was accounted under the equity method. As at 31 December 2022 the Company has changed accounting method of the equity investment to fair value through profit or loss. The basis of the change is that the Board of Managers considers fair value through profit or loss method more favoured method of accounting to evaluate the performance of the entity of this nature. The change does not have an impact on the financial statements.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

These financial statements present the statement of cash flows using the indirect method.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period in which the assumptions changed. The Managers believe that the underlying assumptions are appropriate and that the financial statements therefore present the financial position and its results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

The financial statements are presented in United States Dollars (“USD”).

2.4.2 Foreign currency transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive Income under ‘Net foreign exchange gain/(loss)’.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates prevailing at the dates the fair value was determined and recognised in the Statement of comprehensive income under ‘Net changes in fair value of financial instruments at fair value through profit or loss’.

2.5 Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be 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.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Classification and subsequent measurement

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Statement of comprehensive income. This category includes equity instrument and derivative instruments.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuers' net assets. Equity instruments include basic ordinary shares.

The Company holds equity shares in associate. An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Where an entity holds 20% or more of the voting power (directly or through subsidiaries) of an investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case. In the case of AGPC, the Company's 49% ownership interest, Board seats and policymaking input confirm that the Company has significant influence, however, it does not have control. With a 51% ownership interest, the majority of the Board seats and existing management in place, Saudi Aramco maintains control of the company.

IAS 28 provides an exemption to utilize FVTPL accounting on an acquisition when the acquirer is considered as "venture capital, mutual funds or similar entities" and is supported by IFRS 9, as long as this election is made at the initial recording. Management believes that it meets the exemption because the investment is managed on a Fair value (FV) basis, the nature of the investments is equity, and the expected returns are from FV increase and dividend payments. There is no intent to own/operate the asset for the long term. Influence will only be utilized to the extent necessary to preserve the value of our investment. Additionally, this method will provide the best clarity of the value of the underlying equity investment to the users of our financial statements. Therefore, using FVTPL accounting treatment for AGPC is the best method, as the Company is holding the asset only with the intent to liquidate it in the future.

Gains and losses in equity investments at FVTPL are included as "Net changes in fair value of financial instruments at fair value through profit or loss" in the statement of profit or loss. Dividends and distributions received from financial assets measured FVTPL are recognised as other income in profit or loss when the right to receive payment is established.

De-recognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risk and reward of ownership, or (ii) the Company neither transfers nor retains substantially all the risk and rewards of ownership and the Company has not retained control. The Company may enter into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to another entity and transfers substantially all of the risk and rewards. These transactions are accounted for as a 'pass through' transfer that results in de-recognition if the Company:

- i) has no obligation to make payments unless it collects equivalent amounts from the assets;
- ii) is prohibited from selling or pledging the assets; and
- iii) has an obligation to remit any cash it collects from the assets without material delay.

Derivative instruments

The Company enters into a derivative financial instrument to manage its exposure to interest rate risk, including interest rate swaps. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately under 'Net changes in fair value of financial instruments at fair value through profit or loss'.

During the year, the Company has not designated any derivative as a hedging instrument. Derivatives are only used for economic hedging purposes and not as speculative investments.

A derivative embedded in a hybrid contract with a financial asset host is not separated and the entire hybrid contract is measured at fair value through profit or loss. A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment of an embedded derivative only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative with a positive fair value is recognised in the statement of financial position as a financial asset under 'financial assets at fair value through profit or loss' whereas a derivative with a negative fair value is recognised as a financial liability under 'financial liabilities at fair value through profit or loss'.

Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- i) they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- ii) the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's cash and cash equivalents and other receivables have been classified under this category.

2.6 Financial liabilities

Borrowings

Classification and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the settlement amount is recognised in profit or loss over the period of the borrowings using the effective interest rate ("EIR") method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. The EIR amortisation and commitment fee on the undrawn facility is included in finance costs in the Statement of comprehensive income.

De-recognition

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Modification to the terms of a financial liability

When the terms of a borrowing are modified, the Company needs to consider if the modification is qualitatively and/ or quantitatively substantial. A qualitative modification is a substantial change in the terms and conditions of the borrowing such that it requires immediate de-recognition.

Quantitatively, a modification to the terms of a borrowing is substantial if the net present value of the cash flows under the modified terms, including any fees paid net of any fees received, and discounted at the original EIR, is a least 10 percent different from the carrying amount of the original debt.

If the modification is non-substantial, a modification gain or loss, which is equal to the difference between the present value of the cash flows under the original and modified terms discounted at the original EIR, is recognised immediately in the profit or loss. If the modification is substantial, the original borrowing is de-recognised, and the new financial liability is recognised.

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.8 Share premium

Share premium represents the amount by which the proceeds for shares issued exceeded the par value of USD 0.01 per share.

Proceeds received without the corresponding shares issuance have been included in share premium.

2.9 Other payables and accruals

Other payables and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Other payables and accruals payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Income tax

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted where the company operate by the end of the reporting year.

Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income tax

Deferred income tax assets and liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, with the following exceptions:

- (a) Where the temporary difference arises from the initial recognition of goodwill, or of an asset, or liability in a transaction that is not a business combination that at the time of the transaction affects neither the accounting nor taxable income or loss;
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- (c) Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the related asset is realised or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

2.11 Fair value estimation

The Company measures financial instruments such as equity instruments and derivatives at fair value at each balance sheet date.

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 principal or the most advantageous market must be accessible by the Company.

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 by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

For assets and liabilities that are recognised 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.

2.12 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.14 Segment reporting

The Board of Managers considers the business to have a single operating segment. The Board of Managers' asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Those estimates and assumptions which entail a significant risk of substantive adjustments in the book value of assets and liabilities over the next 12 months pertain to the following.

In particular, significant areas of estimation, uncertainty, and critical judgments in applying accounting policies (that have the most significant effect on the amount recognised in the financial statements) are as follows:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages either internal valuation teams or third-party qualified valuers to perform the valuation. The Company management works closely with the qualified internal and external valuers to establish the appropriate valuation techniques and inputs to the model.

The valuations of derivative financial assets are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets of those amounts to changes in unobservable inputs are provided in Note 5.4.

3.1 Fair value of investments

The Company has invested in Aramco Gas Pipelines Company ("AGPC"), a subsidiary of Saudi Arabian Oil Company ("Aramco"), through a purchase of 49% stake in the former's equity interest. The fair value of investment is determined by using valuation techniques which refers to unobservable inputs. The fair value of the Company's investment in AGPC is determined using the Net Asset Value (NAV) method, which is based on the net value of the underlying assets of the investee. The NAV method requires management to estimate the value of the underlying assets and liabilities of the investee, as well as apply any appropriate discounts or premiums based on market conditions and other relevant factors. The valuation of the investment using the NAV method is a significant estimate due to the subjective nature of the inputs and assumptions involved. Changes in the underlying asset values, liabilities, or market conditions could materially impact the fair value of the investment.

The fair value hierarchy of financial assets is presented in Note 5.4.

The Board has also assessed the potential impact of climate related matters and has determined that the climate related matters have no impact on these financial statements. Furthermore, the Board of Managers is not aware of any material uncertainties that may result in a change in this assessment.

3.2 Deferred tax

The Company has determined to recognize the deferred tax liabilities arising from the fair value changes of the interest rate swaps.

NOTE 4 – ADOPTION OF NEW AND REVISED IFRS

The Company has adopted all IFRS that are currently applicable and endorsed by the European Union.

At the date of authorisation of these financial statements, the following Standards and Interpretations applicable to the Company which have not been applied in these financial statements were in issue but not yet effective:

- IAS 1 Presentation of Financial Statements- Amendments regarding the classification of Liabilities as Current or Non- Current (issued 23 January 2020 and 15 July 2020) effective 1 January 2024;
- Amendment to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) effective 1 January 2023;
- Amendment to IAS 8 Accounting policies, changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) effective 1 January 2023.
- Amendment to IAS12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction: The scope of the initial recognition exception under IAS 12.

The Company has finalised the evaluation of any impact on financial result or position from these amendments and concluded that they will not have a significant impact.

NOTE 5 - FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance. The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices. Financial risk management is carried out under policies approved by the Board of Managers.

5.1 Market risk

The Company takes on exposure to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the volatility of market prices or prices such as interest rates, credit spreads and foreign exchange rates.

Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk on financial assets and liabilities that are denominated in a currency other than the functional currency, primarily the Euro ("EUR"). The liabilities in foreign currency as of 31 December 2022 and 31 December 2021 are EUR 274,197 and EUR 7,530 respectively.

A 10 percent increase or decrease represents management's assessment of a reasonable possible change in foreign exchange rates.

As at 31 December 2022, the currency risk is shown in the table below:

| Effect in USD | Movement on EUR/USD exchange rate | |
|------------------------------|-----------------------------------|----------|
| | 10% | -10% |
| Financial liabilities | | |
| Other payables and accruals | 29,246 | (29,246) |

As at 31 December 2021, the currency risk is shown in the table below:

| Effect in USD | Movement on EUR/USD exchange rate | |
|------------------------------|-----------------------------------|-------|
| | 10% | -10% |
| Financial liabilities | | |
| Other payables and accruals | 853 | (853) |

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 the market interest rates. The Bridge loan facility bears a floating-rate interest equal to the secured overnight financing rate (SOFR) plus a margin, which is reset at specified intervals. During the year, the SOFR floated in the range of 0.05% - 4.34%. In order to manage the exposure to variable interest rate, the Company enters into the interest rate swap agreements with different counterparties. Please refer to the Note 13 for the details of the total exposure of the Bridge loan facility.

A movement of SOFR of +/- 4.00% from year end, SOFR would have the following impact on the current interest expense recorded in Statement of comprehensive income

| Effect in USD | Movement on SOFR | |
|-------------------------|------------------------|---------------|
| | As at 31 December 2022 | |
| | 4.00% | -4.00% |
| Interest expense impact | 459,806,232 | (205,561,666) |

As at 31 December 2021, the Company was not exposed to the interest rate risk.

5.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. In order to minimise credit risk, the Company transacts only with entities that are rated the equivalent of investment grade. The credit rating information is supplied by independent rating agencies. The Company's exposure and credit rating of its counterparties are continuously monitored.

The Company is exposed to credit risk in cash and cash equivalents, other receivables and derivatives.

Cash and cash equivalents

The credit rating of the Company's bank is as follows:

| Long-term/Short-term Counterparty | Citibank Europe plc |
|--|----------------------------|
| Moody's | P-1 |
| Standard & Poor's | A-1 |
| Fitch | F1 |

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

5.3 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, as far as possible, that it will always 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.

The Company manages liquidity risk by maintaining adequate cash balances and banking facilities, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's only source of cash is dividend distributions or capital repayment received from Aramco Gas Pipelines Company ("AGPC"). Such distributions are made in accordance with the shareholders agreement between the Company and Aramco and will be paid quarterly. Such shareholders agreement also stipulates that the board of directors of AGPC could, at its own discretion, suspend the distribution of dividends when Aramco (the controlling party of AGPC) stops the payment of dividends to its own shareholders. As the Company does not control the board of directors of AGPC, the payment of such distributions can be blocked and hence affecting the liquidity of the Company.

In case of a cash shortfall, the Company has also entered into a Debt Service Reserve Facility ("DSRF") Agreement (Note 13) to ensure that the Company has liquidity to meet its interest payment. The Company will also receive dividends supported by tariff payments to Aramco pipelines that will ensure its ability to manage any liquidity risk.

The following are the contractual maturities of financial liabilities, including contractual future interest payments shown at nominal values as at 31 December 2022 (for details on maturity dates please refer to Note 13):

| | Less than 3 months | Between 3 months and 1 year | Between 1 and 2 years | Between 3 and 5 years | More than 5 years |
|---|---------------------------|------------------------------------|------------------------------|------------------------------|--------------------------|
| Liabilities | | | | | |
| Financial liabilities at amortised cost | 164,685,984 | 503,309,972 | 1,337,842,316 | 1,335,991,912 | 13,895,912,552 |
| Total liabilities | 164,685,984 | 503,309,972 | 1,337,842,316 | 1,335,991,912 | 13,895,912,552 |

As at 31 December 2021, the Company was not in contractual relationships which would give rise to any financial liabilities.

5.4 Fair value measurement

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses within the fair value hierarchy the Company's financial instruments (by class) measured at fair value as at 31 December 2022:

| <i>(in USD)</i> | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|-----------------------|
| <i>Financial assets at fair value through profit or loss</i> | | | | |
| <i>Equity instruments</i> | | | | |
| Shares in AGPC | - | - | 14,661,392,410 | 14,661,392,410 |
| <i>Derivatives</i> | | | | |
| Interest rate swaps | - | 2,371,254,449 | - | 2,371,254,449 |
| Risk sharing payments | - | - | 352,635,502 | 352,635,502 |

As at 31 December 2021, the Company did not hold financial assets at fair value through profit or loss.

Shares in AGPC

Shares in AGPC are classified within Level 3, as the fair value is derived from the NAV of AGPC. The fair value of the financial asset at AGPC is carried out using the discounted cash flow (DCF) method. The discount rate and cash flows are the key unobservable inputs for the valuation.

For more information, please refer to note 11.

Risk sharing payments

In December 2021, the Company and a counterparty ("RCA Counterparty") entered into a Refinancing Cooperation Agreement ("RCA"), which provides for risk sharing payments that may be payable by the Company to the RCA Counterparty or payable by the RCA Counterparty to the Company in the event of a qualifying refinancing. If the relevant conditions are met and the Company refinances their bridge loan facilities through a fixed rate USD-denominated debt capital market issuance in reliance on Rule 144A or Regulation S under the United States Securities Act of 1933 ("DCM Refinancing"), one party will make a payment based on the cost of financing. The arrangement meets the definition of a derivative and is accounted for on a fair value basis.

The risk-sharing payment regime in the RCA terminates on the earlier of a) the date falling 7 years from the date of the Bridge Facility Agreement and b) the date on which the bridge facility loan has been repaid, prepaid and/or refinanced in full ("RC End Date"). If the relevant conditions are met, the risk sharing payment settlement will happen every time a DCM Refinancing takes place prior to the RC End Date. Once agreed, the payment will generally be made at the later of the next distribution date and 30 days after notice.

The derivative is valued using an income approach – the discounted cash flow method was used to capture the present value of the expected economic benefits to be derived from the ownership of this investment.

The yield-to-maturity of the bond is used to determine the present value of any risk sharing payment. At the time of bond issuance, the discount rate will be the sum of the relevant Base Rate plus the Gross Spread. The Base Rate is based on a SOFR Rate for similar weight average life debt.

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Unobservable input: Gross Spread

The higher the Gross Spread, the higher the fair value of the RCA. If the Gross Spread was 0.5% higher, while all other variables were held constant, the carrying amount would increase by USD 166,853,281. If the Gross Spread was 0.5% lower, while all other variables were held constant, the carrying amount would decrease by USD 122,849,599.

Below is the quantitative information of the inputs used in the valuation as of 31 December 2022.

| Type of derivative | Valuation technique | Gross spread | Base rate | Discount rate |
|-----------------------|----------------------------|--------------|-----------|---------------|
| Risk sharing payments | Discounted cash flow (DCF) | 2.78% | 3.52% | 6.30% |

In relation to risk sharing payments instrument, a 50-basis point increase or decrease represents management's assessment of a reasonable possible change in discount rates.

A +/- 0.5% from year end discount rate would have the following impact on the derivative instrument recorded in statement of comprehensive income and statement of financial position:

| <i>in USD</i> | | Movement on discount rate | | |
|-----------------------|-------------------|---|--------------|---------------|
| | | 1 January 2022 to 31 December 2022 | | |
| Effect in USD | Fair value | Discount rate | 0.50% | -0.50% |
| Risk sharing payments | 352,635,502 | 6.30% | 166,853,281 | (122,849,599) |

As at 31 December 2021, the Company did not hold financial assets at fair value through profit or loss.

Since the key inputs to the valuation are unobservable, the Company considers its risk sharing payments fall within Level 3 of the fair value hierarchy in IFRS 13. The Company's policy is to recognise transfers between hierarchy levels as at the date of the event or change in circumstances that caused the transfer. There have been no transfers during the year (2021: Nil).

The following table presents the movement in Level 3 assets during the year:

| <i>In USD</i> | 1 January 2022 to 31 December 2022 | 1 January 2021 to 31 December 2021 |
|---|---|---|
| Financial assets at fair value through profit or loss: | | |
| Opening balance | - | - |
| Purchases | 15,278,014,095 | - |
| Sales | - | - |
| Transfer in/(out) of Level 3 | - | - |
| Total gains or losses: | | |
| Net changes in fair value of financial instruments at fair value through profit or loss | (263,986,183) | - |
| Closing balance | 15,014,027,912 | - |

Interest rate swaps

The fair value of interest rates swaps was determined by the third-party valuer based upon commercially reasonable industry and market practices for valuing similar financial instruments. The fair value provided is based on prevailing market data and derived from models based on well recognized financial principles and reasonable estimates about relevant future conditions at the time of the report being developed. To value an interest rate swap valuer uses the DCF valuation model, it determines the expected future cash flows and calculates discount factors to apply to the cash flows. Discount factors are calculated based on the Secured Overnight Financing Rate. For more details of fair value of interest rate swap derivative instrument please refer to Note 8.

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The carrying value of cash and cash equivalents and other payables and accruals are assumed to approximate their fair values, due to their respective short-term nature.

5.5 Concentration of the risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The table below shows the geographical concentration of the risk of the Company's investments.

| <i>in USD</i> | As at 31 December 2022 |
|-------------------------|-------------------------------|
| Kingdom of Saudi Arabia | 15,014,027,912 |
| Other investments * | 2,371,254,449 |
| | 17,385,282,361 |

*Investments are related to the interest rate swap derivative contracts and are not concentrated in any specific region

As at 31 December 2021, the Company did not hold investments, thus risk was not concentrated in any particular geographical region.

5.6 Capital management

The Company manages its capital to ensure to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of borrowings disclosed in Note 13 and equity of the Company (comprising issued capital, capital contributions and retained earnings as disclosed in Note 12).

The Company is not subject to any externally imposed capital requirements.

The Company's Board of Managers monitors the capital structure on a regular basis. As part of this review, the Board of Managers considers the cost of capital and the risks associated with capital.

NOTE 6 – FINANCE INCOME

| <i>in USD</i> | 1 January 2022 to 31 December 2022 |
|-----------------|---|
| Interest income | 381,328 |
| | 381,328 |

NOTE 7 – FINANCE COSTS

| <i>in USD</i> | 1 January 2022 to 31 December 2022 |
|-------------------------------------|---|
| Finance costs | |
| Interest on Bridge loan arrangement | (306,971,552) |
| | (306,971,552) |

NOTE 8 – NET CHANGES IN FAIR VALUE OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| <i>In USD</i> | | 1 January 2022 to 31 December 2022 | 1 January 2021 to 31 December 2021 |
|--|-----|---|---|
| Change in fair value of Interest rate Swap | 8.1 | 2,704,395,454 | - |
| Change in fair value of Investment | 11 | (616,621,685) | - |
| Change in fair value of RCA | 8.2 | 352,635,502 | - |
| Total | | 2,440,409,271 | - |

8.1. Change in fair value of Interest rate Swap

The Company measures the derivative instruments at fair value through profit or loss.

Interest rate swaps

| <i>in USD</i> | As at 31 December 2022 |
|------------------------------|-------------------------------|
| Change in fair value of IRS* | 2,369,260,364 |
| Interest income from IRS | 83,874,090 |
| Income from IRS settlement | 251,261,000 |
| | 2,704,395,454 |

* Below table shows the details of the interest rate swap as of 31 December 2022:

| Counterparty | Notional amount | Maturity date | Fair value | Net interest on swap arrangement |
|---|------------------------|----------------------|----------------------|---|
| | <i>In USD</i> | | <i>In USD</i> | <i>In USD</i> |
| JPMorgan Chase Bank, N.A. | 1,911,278,416 | 30/06/2042 | 315,919,343 | 290,292 |
| SMBC Nikko Capital Markets Limited | 1,421,769,170 | 30/06/2042 | 237,632,062 | 217,663 |
| MUFG Securities EMEA PLC | 1,679,651,931 | 30/06/2042 | 280,704,362 | 257,123 |
| Mizuho Capital Markets LLC | 1,034,073,741 | 30/06/2042 | 202,922,779 | 157,291 |
| Societe Generale | 1,500,000,000 | 30/06/2042 | 297,051,011 | 229,640 |
| Credit Agricole Corporate and Investment Bank | 410,661,231 | 30/06/2042 | 59,046,887 | 62,723 |
| Bank of America, N.A. | 980,142,776 | 30/06/2042 | 162,657,701 | 149,292 |
| BNP Paribas | 1,034,073,741 | 30/06/2042 | 204,266,954 | 158,028 |
| HSBC Bank Plc | 1,034,073,741 | 30/06/2042 | 203,022,386 | 157,346 |
| Standard Chartered Bank | 1,034,073,741 | 30/06/2042 | 203,023,435 | 157,346 |
| Natixis | 729,791,139 | 30/06/2042 | 143,274,392 | 111,042 |
| Credit Agricole Corporate and Investment Bank | 304,282,602 | 30/06/2042 | 59,739,052 | 46,299 |
| | 13,073,872,229 | | 2,369,260,364 | 1,994,085 |

As at 31 December 2021, the Company did not enter in interest rate swap derivative contracts.

8.2 Change in fair value of RCA

The derivative derived from the RCA formed between the Company and the RCA Counterparty (each as defined in Note 5.4) was measured internally and was valued as of 31 December 2022 for USD 352,635,502 (31 December 2021: USD nil). For more details of valuation techniques and inputs of the derivative financial instrument please refer to the Note 5.4.

NOTE 9 – ADMINISTRATIVE EXPENSES

| | 1 January 2022 to 31 December 2022 | 1 January 2021 to 31 December 2021 |
|---------------------------------|---|---|
| Professional fees | (6,650,910) | - |
| Agency fees and commitment fees | (1,316,562) | - |
| Bank charges | (148,868) | (1,622) |
| Audit fees | (599,285) | (8,529) |
| Other administrative charges | (122,804) | - |
| | (8,838,429) | (10,151) |

The Company is subject to the minimum net wealth tax in Luxembourg. The net wealth tax is presented under administrative expenses.

The Company had no employee during the year ended 31 December 2022.

NOTE 10 – INCOME TAX EXPENSE

The Company is subject to the current laws and taxes of the Grand Duchy of Luxembourg. During the year there is no current tax paid as there is no dividend and no tax was paid on the transaction fees for the year ended 31 December 2022. As a result of temporary difference on interest rate swap derivative instrument, the Company recognized the deferred tax liability amounting to USD 591,390,860 (2021: Nil).

The Company has not recognized deferred tax asset of USD 78,674,374 as it is not considered probable that there will be future taxable profits available.

The major components of income tax expense for the year ended 31 December 2022 are:

| | As at 31 December 2022 | As at 31 December 2021 |
|---|-------------------------------|-------------------------------|
| Current income tax: | | |
| Current income tax charge | - | - |
| Deferred tax: | | |
| Relating to temporary differences | 591,390,860 | - |
| Income tax expense reported in the statement of profit or loss | 591,390,860 | - |

Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate for the year ended 31 December 2022:

| | As at 31 December 2022 |
|--|-------------------------------|
| Profit/(Loss) before tax | 2,124,954,682 |
| Income tax rate | 24.94% |
| Theoretical tax expense | 529,963,698 |
| Tax effect of income not taxable in determining taxable profit | (17,247,213) |
| Change in recognised temporary differences | 78,674,374 |
| Income tax expense recognised in profit or loss | 591,390,860 |

NOTE 11 – EQUITY INVESTMENTS

Aramco Gas Pipelines Company (“AGPC”) is a private entity that is not listed on any public exchange. The Company classifies the investment in AGPC as an investment in associate and is accounted for using the equity method. The Company’s investment in associate is made up of the following:

| Name of entity | Address of registered office | % of ownership interest 2022 | Nature of relationship | Measurement method | Fair value | Cost of investment | Change in fair value |
|---------------------------------------|--|------------------------------|------------------------|-----------------------------------|-----------------------|-----------------------|----------------------|
| Aramco Gas Pipelines Company (“AGPC”) | P.O. Box 5000, Dhahran, 31311, the Kingdom | 49% | Associate | Fair value through profit or loss | 14,661,392,410 | 15,278,014,095 | (616,621,685) |
| | | | | | 14,661,392,410 | 15,278,014,095 | (616,621,685) |

The following table presents the movement on assets during the year:

| | |
|---------------------------------------|-----------------------|
| Balance as at 1 January 2022 | - |
| Additions | 15,520,000,000 |
| Disposals / Transfers | - |
| Return of capital | (241,985,905) |
| Fair value adjustment | (616,621,685) |
| Balance as at 31 December 2022 | 14,661,392,410 |

AGPC is a limited liability company organised in Saudi Arabia which has obtained usage rights in a pipeline network containing certain specified current and future pipelines and related critical assets used for transporting of gas products within the Kingdom of Saudi Arabia.

On 6 December 2021 the Company entered into the share sale and purchase agreement with Saudi Arabian Oil Company (“Aramco”), in order to obtain a 49% (490 shares at the nominal value of SAR 49,000) interest in AGPC, subsidiary of Aramco, for a consideration of USD 15,500,000,000. The consideration was funded through external borrowing and equity contributions, as a result the Company made a payment of USD 20,000,000 transaction fees to Global Energy & Power Infrastructure Fund III, L.P. Subject to the provisions of the Shareholders’ Agreement between the Company and Aramco, following (i) the earlier of the expiry of the term of the Transportation, Operation and Maintenance Agreement (“TOMA”), described below, or the termination of the TOMA, and (ii) the distribution of all residual cash in AGPC to its shareholders, Aramco is entitled to acquire shares of AGPC held by the Company and each other shareholder for an aggregate amount of USD 1.

The usage rights for the pipeline were obtained through an equity contribution agreement and Usage Lease Agreement (“ULA”) with Aramco, whereby Aramco contributed the usage rights to the pipelines (existing and future) for a period of 20 years to AGPC.

Simultaneously, AGPC entered into Transportation, Operation and Maintenance Agreement (“TOMA”) with Aramco, in which AGPC granted Aramco the exclusive right to use, transport through, operate and maintain the pipelines, associated with the transportation of gas in exchange for a quarterly tariff payment based on actual volumes and agreed tariff rates, over a period of 20 years. Aramco is the only user of the pipelines and is also responsible for the operations and maintenance of the pipelines.

AGPC concluded that the ULA and TOMA are a single transaction reflecting a financing arrangement and accounted for it as a financial instrument at fair value through profit or loss given it was concluded to fail the criteria to be classified as amortised cost. The fair value of these usage rights represents tariff payments from ULA and TOMA which is reflected as “Non-current assets” in the balance sheet of AGPC. The fair value of this financial asset is determined by reference to the key considerations such as the actual quantity of gas transported through pipelines, the minimum/maximum throughput quantity and agreed tariff rates over a period of 20 years.

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Refer to Note 3 – Critical accounting estimates, judgements and assumptions.

The Company's income is solely comprised of distributions received from the 49% share interest in AGPC. The governance of AGPC and the relationship between the Company and Aramco are undertaken under the shareholders agreement. Certain matters, such as changes to the distribution policy of AGPC or debt incurred by AGPC, require the AGPC. As at 31 December 2022 the Company received a distributions amounting to USD 241,985,905 from AGPC as a form of return of capital. Further information about the impact of the distributions in the liquidity of the Company is included in note 5.3.

As of 31 December 2022, the Company has not incurred in any contingent liability relating to its interest in AGPC.

NOTE 12 – EQUITY

12.1 Share capital

The Company was incorporated on 29 October 2020 with a subscribed capital of EUR 12,000 comprising of 12,000 ordinary shares, with a par value of EUR 1.00 each (equivalent to USD 14,200) and fully paid up.

As at 22 February 2022, the Extraordinary General Meeting resolved to change the currency denomination of shares of the Company from Euro (EUR) to United States Dollars (USD) and convert the amount of the share capital of EUR 12,000 to an amount of USD 13,500 based on the applicable exchange rate of EUR 1 = USD 1.137.

The Shareholders resolved to set the nominal value of the shares at one cent United States Dollar (USD 0.01) and to set the number of ordinary shares of the Company at one million three hundred fifty thousand (1,350,000) with a nominal value of one cent United States Dollar (USD 0.01) each, in exchange for and replacement of the existing twelve thousand (12,000) ordinary shares of the Company having a nominal value of one euro (EUR 1) each.

As at 22 February 2022, the share capital of the Company was also increased by USD 36,500 by the issue of 3,650,000 ordinary shares having nominal value of USD 0.01 each.

As at 31 December 2022, the share capital of the Company amounts to USD 50,000 (31 December 2021: USD 14,200; 1 January 2021: USD 14,200) and is represented by 5,000,000 shares, with a par value of USD 0.01 each and fully paid.

12.2 Share premium

As at 22 February 2022, the shareholders of the Company made cash contributions to the share premium account for a total amount of USD 354,672,180 which was recorded as an equity contribution without issuance of shares.

As at 22 February, GreenSaif Pipelines MidCo S.à r.l made the capital contribution for an amount of USD 2,009,515,999. The actual cash was transferred directly from Sarnia Investments Ltd and Blacksaif Pipelines Holdings Aggregator LP, on behalf of GreenSaif Pipelines MidCo S.à r.l.

On 26 July 2022 Board of Managers of the Company resolved to make a distribution out of its share premium balance to its sole shareholder Greensaif Pipelines Midco S.a.r.l. amounting to USD 54,407,295, which was distributed on 5 August 2022.

On 3 November 2022 Board of Managers of the Company resolved to make a distribution out of its share premium balance to its sole shareholder Greensaif Pipelines Midco S.a.r.l. amounting to USD 126,527,228 which was distributed on 8 November 2022.

As at 31 December 2022, the share premium of the Company amounts to USD 2,183,263,657 (31 December 2021 & 1 January 2021: Nil).

NOTE 13 – FINANCIAL LIABILITIES

The Company holds the following financial liabilities:

| <i>in USD</i> | As at 31 December 2022 |
|---|-------------------------------|
| <i>Liabilities at amortised cost</i> | |
| Financial liabilities at amortised cost | 13,083,237,476 |
| Total financial liabilities | 13,083,237,476 |

Financial liabilities measured at amortised cost – Bridge facility loan

| <i>in USD</i> | As at 31 December 2022 |
|----------------------|-------------------------------|
| Bridge Facility loan | 13,083,237,476 |
| Total | 13,083,237,476 |

Split as follows:

| | |
|--------------|-----------------------|
| Current | - |
| Non-current | 13,083,237,476 |
| Total | 13,083,237,476 |

On 1 February 2022, the Company entered into a Bridge Facility Agreement with financial institution lenders (namely Abu Dhabi Commercial Bank PJSC, Bank of America, N.A., BNP Paribas, Citibank, N.A., Credit Agricole Corporate and Investment Bank, First Abu Dhabi Bank PJSC, HSBC Bank Middle East Ltd, JP Morgan Chase Bank, Mizuho Bank, MUFG Bank, Société Générale, Standard Chartered Bank (Hong Kong and Singapore), Sumitomo Mitsui Banking Corporation and the Hong Kong and Shanghai Banking Corporation Limited). The maturity date of the bridge arrangement is on 1 February 2029. Interest rate is the aggregate of the SOFR for any day during an interest period plus an applicable margin per annum and credit spread adjustment as defined in the agreement. The Company is also liable to pay a commitment fee at 0.20% per annum of the aggregate available commitments under the agreement. Accrued interest on the loan is payable on the last day of each interest period. The Company may select an interest period for a loan in the utilisation request for that loan or in a selection notice. In absence of any notice, the interest payment date will be at end of every 3 months. The principal amount of the loan is fully repaid on the maturity date.

The Company has also entered into a Debt Service Reserve Facility (“DSRF”) Agreement in pursuance with the Bridge Facility Agreement, wherein the original lenders have granted to the Company an additional reserve facility USD 410,000,000. The Company is liable to pay a commitment fee at 0.40% per annum of the undrawn amount from the facility. During the year, the Company has not drawn any amount from this facility.

For the financial year ended 31 December 2022, commitment fee on the bridge facility and DSRF agreement amounting to USD 981,683 has been expensed to administrative expenses in the statement of comprehensive income.

As at 31 December 2022, the fair value of the bridge facility is the approximation of the amortised cost.

Financial covenants

In accordance with the Bridge Facility Agreement, at the time of a distribution, the Company must deliver a certificate to the Facility Agent confirming that the Historic Debt Service Coverage Ratio (“DSCR”) at such payment date is equal to or greater than 1.05x.

On a quarterly basis, and in accordance with the Bridge Facility Agreement, the company must deliver a compliance certificate to the Facility Agent with the following:

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- (a) setting out calculations of the Historic DSCR in accordance with the most recent of annual/semi-annual/quarterly management accounts delivered for the relevant period;
- (b) confirming that no Saudi Aramco Relevant Event has occurred and is continuing or if a Saudi Aramco Relevant Event has occurred and is continuing and the steps being taken to remedy such event; and
- (c) confirming that no Default has occurred and is continuing or if such Default has occurred and is continuing what Default has occurred and the steps being taken to remedy such event.

As at 31 December 2022 the Company has not breach financial covenant.

NOTE 14 – OTHER PAYABLES AND ACCRUALS

| <i>In USD</i> | As at 31 December 2022 | As at 31 December 2021 | As at 1 January 2021 |
|--|-----------------------------------|-----------------------------------|---------------------------------|
| Payables related to legal, tax and accounting fees | 319,031 | 8,528 | 197 |
| Amounts payable to GEPIF III (Feder Splitter) SCSp | 1,445 | 1,445 | - |
| | 320,476 | 9,973 | 197 |

NOTE 15 – NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents

| <i>In USD</i> | As at 31 December 2022 | As at 31 December 2021 | As at 1 January 2021 |
|---------------------------|-------------------------------|-------------------------------|-----------------------------|
| Cash and cash equivalents | 6,482,049 | 13,247 | 14,505 |
| | 6,482,049 | 13,247 | 14,505 |

Reconciliation of liabilities arising from financing activities

The changes in liabilities arising from financing activities as at 31 December 2022 are as follows:

| <i>In USD</i> | As at 31 December 2022 | As at 31 December 2021 |
|--|-------------------------------|-------------------------------|
| Opening balance | - | - |
| Cash flows: | | |
| Proceeds from bridge loan | 13,264,393,002 | - |
| Transaction fees | (103,666,408) | - |
| Repayments of borrowings | (241,633,720) | - |
| Interest paid during the financial year | (142,826,950) | - |
| Non-cash changes: | | |
| Interest expense incurred during the financial year | 306,971,552 | - |
| Interest paid during the financial year* | (147,794,780) | - |
| Additional loan drawdown (repayment of accrued interest) * | 147,794,780 | - |
| Closing balance | 13,083,237,476 | - |

* USD 147,794,780 was non-cash movement, which was used to cover the accrued interest for the relevant period.

NOTE 16 – RELATED PARTY TRANSACTIONS

The parent of the Company is GreenSaif Pipelines Midco S.à r.l and ultimate shareholder is Global Energy & Power Infrastructure Fund III, L.P. acting through its general partner, GEPIF III (GENPAR), LLC.

GEPIF III Tijoa Investco III LP represents the previous shareholder of the Company, which eventually transferred the shares to GreenSaif Pipelines Midco S.à r.l.

The following table provides the total amount of balances with related parties for the year:

| <i>in USD</i> | As at 31 December 2022 | As at 31 December 2021 | As at 1 January 2021 |
|---|-----------------------------------|-----------------------------------|---------------------------------|
| <i>Financial assets at fair value through profit or loss:</i> | | | |
| Aramco Gas Pipelines Company | 14,661,392,410 | - | - |
| Other Related Party | 352,635,502 | - | - |
| <i>Other receivables:</i> | | | |
| GEPIF III Tijoa Investco III LP | 236 | 236 | - |
| <i>Trade and other payables:</i> | | | |
| GEPIF III (Feder Splitter) SCSp | 1,445 | 1,445 | - |
| | 1,445 | 1,445 | - |

| <i>in USD</i> | As at 31 December 2022 | As at 31 December 2021 |
|---|-------------------------------|-------------------------------|
| <i>Distributions from associates:</i> | | |
| Aramco Gas Pipelines Company | 241,985,905 | - |
| <i>Net changes in fair value of financial instruments at fair value through profit or loss:</i> | | |
| Other related party | 352,635,502 | - |

NOTE 17 – MANAGERS’ REMUNERATION

Managers’ remuneration for the year ended 31 December 2022 amounted to USD 16,113 represent directors' fees (for the year ended 31 December 2021: Nil).

NOTE 18 - PROVISIONS, CONTINGENT LIABILITIES AND COMMITMENTS

The Company had no provisions and contingent liabilities as at 31 December 2022.

On 1 February 2022, the Company entered in a term Bridge Facility Agreement with several financial institution lenders (see Note 13). The loan is subject to (i) a share pledge agreement under which GreenSaif Pipelines Midco S.à r.l grants a pledge over its shares in the Company, (ii) a receivables pledge agreement under which the GreenSaif Pipelines Midco S.à r.l pledges receivables owed by the Company to GreenSaif Pipelines Midco S.à r.l, (iii) a security assignment agreement under which the Company assigns by way of security its rights under certain hedging agreements, (iv) a security assignment agreement under which the Company assigns by way of security it’s rights in a certain debt service reserve account, (v) a pledge agreement under which the Company pledges its rights in respect of the proceeds under the SHA, (vi) a pledge agreement under which the Company pledges its rights in respect of the proceeds under the SPA, and (vii) a share pledge agreement under which the Company pledges its shares in Aramco Gas Pipelines Company.

NOTE 19 - SUBSEQUENT EVENTS

On 03 January 2023, the Company filed a request for the renewal of the DSRF (see Note 10) whereby each DSRF Provider was requested to enter into a new debt service reserve facility with the same participation in the DSRF amount as such DSRF Provider agreed to in the DSRF Agreement, and that a new debt service reserve facility agreement be hereby granted to the Company on the same terms as the DSRF agreement (the “New DSRF Agreement”) except for the definitions of Commencement Date, Scheduled DSRF Termination Date and DSRF Termination Date.

On 30 January 2023, the Company received an amount of USD 152,943,383 as distribution from AGPC.

On 08 February 2023, the Board of Managers resolved to make a distribution out of its share premium to the sole shareholder of the Company amounting to USD 75,993,464.

On 09 February 2023 the Company successfully priced its offering of (i) \$1,500,000,000 in aggregate principal amount of its 6.129% senior notes due 2038 (the “GMTN Notes”), and (ii) \$1,500,000,000 in aggregate principal amount of its 6.510% senior notes due 2042 (the “Formosa Notes”, and together with the GMTN Notes, the “Notes”), each to be issued at 100% of their nominal value, under its U.S.\$11,500,000,000 Global Medium Term Note Programme (the “Programme”).

TMS Issuer S.à r.l., a private limited liability company (société à responsabilité limitée) organised and existing under the laws of the Grand Duchy of Luxembourg (the “Sukuk Issuer”), has concurrently successfully priced an offering of \$1,500,000,000 in aggregate principal amount of its trust certificates due 2032 (the “Certificates”, and together with the Notes, the “Securities”) to be issued at 100% of their nominal value. An amount equal to 70% of the proceeds from the issuance of the Certificates are to be used by the Sukuk Issuer to purchase Wakala Assets from the Company and the remaining proceeds are to be used by the Sukuk Issuer to purchase certain Shari’a-compliant commodities in order for it to sell on such commodities to the Company, on a deferred payment basis, for the Company to further on-sell, at its option, for cash to certain independent third-party purchasers.

The Company will utilise the funds received by it from the issuance of the Notes, together with the proceeds from the sale of the Wakala Assets and on-sale of the Shari’a-compliant commodities, together with the proceeds from certain derivative instruments, (a) to prepay, in part, the U.S.\$13.4 billion facility loan, and (b) to pay fees, costs and expenses incurred in connection with the issuance of the Notes.

In February 2023 the Company, as a result of the amendment of interest rate swap agreements with various swap counterparties, received total proceed of USD 534,081,200.

On 23 February 2023, the Company made partial repayment of the facility loan and payment of accrued interest which amount to USD 4,936,812,544 and USD 38,755,411, respectively.