

**AL TAYYAR TRAVEL GROUP HOLDING COMPANY**  
(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE THREE AND NINE MONTHS  
PERIODS ENDED 30 SEPTEMBER 2018 AND  
INDEPENDENT AUDITORS' REVIEW REPORT**

**AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

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**Independent auditors' review report**

**To the shareholders of Al Tayyar Travel Group Holding Company**  
(A Saudi Joint Stock Company)

**Review of Interim Condensed Consolidated Financial Statements**

We have reviewed the accompanying interim consolidated statement of financial position of **Al Tayyar Travel Group Holding Company** ("the Company") and its subsidiaries, (collectively "the Group") as of 30 September 2018 and the related interim consolidated statements of profit or loss and other comprehensive income for the three and nine-months periods then ended and the interim statement of cash flows and changes in equity for the nine-months period then ended, and a summary of significant accounting policies and other selected explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – ("IAS 34") "*Interim Financial Reporting*" endorsed in the Kingdom of Saudi Arabia.

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Condensed Financial information Performed by the Independent Auditor of the Entity*", endorsed in the Kingdom of Saudi Arabia. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing ("ISA") and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the interim consolidated financial position of the Group as at 30 September 2018, and of its interim consolidated financial performance for the three and nine months periods then ended and its interim consolidated cash flows for the nine-months period then ended in accordance with IAS 34 endorsed in the Kingdom of Saudi Arabia.

**For Dr. Mohamed Al-Amri & Co.**

M. A. Al-Amri

Dr. Mohamed A. Al-Amri  
Certified Public Accountant  
Registration No. 60



November 6, 2018 (G)  
26 Dhul-Qa'dah, 1439 (H)

**AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2018**

*(Saudi Riyals)*

	Note	30 September 2018 (Un-audited)	31 December 2017 (Audited)
<b>ASSETS</b>			
<b>Non-current</b>			
Property and equipment		3,347,030,118	3,384,064,647
Capital work in progress		163,268,761	132,147,360
Capital work in progress – recoverable on disposal		359,747,097	359,747,097
Intangible assets and goodwill		160,974,797	168,796,890
Investment properties		1,046,947,950	1,058,975,801
Investments in equity-accounted associates	7	60,591,960	921,489,825
Deferred tax assets		5,144,698	4,445,627
		<u>5,143,705,381</u>	<u>6,029,667,247</u>
<b>Current</b>			
Trade and other receivables	8	1,368,607,496	1,883,708,123
Investment in equity-accounted associate held for sale	9	377,374,632	-
Due from related parties		179,530,449	173,185,170
Prepayments and advances		364,689,242	295,016,153
Cash and cash equivalents	10	733,041,550	981,198,632
		<u>3,023,243,369</u>	<u>3,333,108,078</u>
<b>TOTAL ASSETS</b>		<u><b>8,166,948,750</b></u>	<u><b>9,362,775,325</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to owners of the parent:			
Share capital	11	2,096,500,000	2,096,500,000
Share premium		707,345,000	707,345,000
Statutory reserve		628,950,000	628,950,000
Other reserves		(9,735,457)	7,998,371
Retained earnings		2,231,628,858	2,594,564,298
		<u>5,654,688,401</u>	<u>6,035,357,669</u>
Non-controlling interests		7,265,779	9,340,498
<b>TOTAL EQUITY</b>		<u><b>5,661,954,180</b></u>	<u><b>6,044,698,167</b></u>
<b>LIABILITIES</b>			
<b>Non-current</b>			
Loans and borrowings	12	607,922,516	880,433,761
Employees' benefits		103,419,854	98,169,751
Deferred tax liabilities		3,517,303	4,548,751
		<u>714,859,673</u>	<u>983,152,263</u>
<b>Current</b>			
Bank overdraft		56,111,448	10,399,165
Loans and borrowings	12	190,599,970	497,429,810
Employees' benefits		1,396,944	1,870,896
Zakat and tax liabilities		117,370,995	46,551,046
Trade and other payables		1,033,971,811	1,295,968,242
Due to related parties		5,074,378	92,057,947
Contract liabilities		360,609,351	365,647,789
Provisions		25,000,000	25,000,000
		<u>1,790,134,897</u>	<u>2,334,924,895</u>
<b>TOTAL LIABILITIES</b>		<u><b>2,504,994,570</b></u>	<u><b>3,318,077,158</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>8,166,948,750</b></u>	<u><b>9,362,775,325</b></u>

Majed Aydeh Al Nifale (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements

**AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME**

**FOR THE THREE AND NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2018**

*(Saudi Riyals)*

		Three months ended		Nine months ended	
		30 September	30 September	30 September	30 September
	Note	2018	2017	2018	2017
Revenue	14	491,549,131	489,021,210	1,504,172,539	1,529,150,334
Cost of revenue		(136,888,347)	(134,797,268)	(389,047,207)	(392,932,040)
<b>Gross profit</b>		<b>354,660,784</b>	<b>354,223,942</b>	<b>1,115,125,332</b>	<b>1,136,218,294</b>
Selling expenses		(81,267,133)	(76,730,030)	(275,584,685)	(223,204,590)
Administrative expenses		(128,596,719)	(107,767,057)	(372,141,694)	(324,100,515)
(Reversal) / impairment loss on trade receivables	8	(20,242,091)	-	38,953,302	-
Other (expenses) / income		(1,159,244)	8,240,488	(29,562,716)	12,101,637
<b>Operating profit</b>		<b>123,395,597</b>	<b>177,967,343</b>	<b>476,789,539</b>	<b>601,014,826</b>
Finance income		2,725,499	4,973,484	8,440,904	16,227,215
Finance costs		(21,635,670)	(12,233,697)	(55,684,474)	(34,548,610)
<b>Net finance cost</b>		<b>(18,910,171)</b>	<b>(7,260,213)</b>	<b>(47,243,570)</b>	<b>(18,321,395)</b>
Loss on disposal of subsidiaries		-	-	-	(607,355)
Recognized foreign currency loss on disposal of subsidiaries		-	-	-	(1,535,132)
Impairment loss on equity-accounted investees, net of tax	9	(420,523,381)	-	(426,942,864)	-
Share of loss on equity-accounted investees, net of tax		(15,730,707)	(31,708,256)	(56,580,369)	(79,942,953)
<b>(Loss) / profit before Zakat and tax</b>		<b>(331,768,662)</b>	<b>138,998,874</b>	<b>(53,977,264)</b>	<b>500,607,991</b>
Zakat and tax expense		(12,038,415)	(6,031,757)	(104,955,450)	(20,063,799)
<b>(Loss) / profit for the period</b>		<b>(343,807,077)</b>	<b>132,967,117</b>	<b>(158,932,714)</b>	<b>480,544,192</b>
<b>Other comprehensive income:</b>					
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Foreign operations – foreign currency translation differences		(3,361,181)	12,127,488	(8,343,955)	30,978,094
<b>Other comprehensive (loss) / income, net of tax</b>		<b>(3,361,181)</b>	<b>12,127,488</b>	<b>(8,343,955)</b>	<b>30,978,094</b>
<b>Total comprehensive (loss) /income</b>		<b>(347,168,258)</b>	<b>145,094,605</b>	<b>(167,276,669)</b>	<b>511,522,286</b>
<b>(Loss) / profit attributable to:</b>					
Owners of the parent		(355,407,124)	131,771,364	(162,618,445)	480,435,766
Non-controlling interests		11,600,047	1,195,753	3,685,731	108,426
		<b>(343,807,077)</b>	<b>132,967,117</b>	<b>(158,932,714)</b>	<b>480,544,192</b>
<b>Total comprehensive (loss) /income attributable to:</b>					
Owners of the parent		(358,768,305)	143,898,852	(170,962,400)	511,413,860
Non-controlling interests		11,600,047	1,195,753	3,685,731	108,426
		<b>(347,168,258)</b>	<b>145,094,605</b>	<b>(167,276,669)</b>	<b>511,522,286</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per share	15	(1.70)	0.63	(0.78)	2.29

Majed Aydeh Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

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



**AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018**

*(Saudi Riyals)*

	Note	Other reserves						Total attributable to the owners of the parent	Non- controlling interests	Total Equity
		Share Capital	Share premium	Statutory reserve	Translation reserve	Staff general fund reserve	Charity fund reserve	Retained earnings		
Balance at 1 January 2018, as previously reported		2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	2,594,564,298	9,340,498	6,044,698,167
Effect of transition to IFRS 9	6	-	-	-	-	-	-	(18,526,491)	-	(18,526,491)
Balance at 1 January 2018, adjusted		2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	2,576,037,807	9,340,498	6,026,171,676
(Loss)/ profit for the period		-	-	-	-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	(8,343,955)	-	-	(162,618,445)	3,685,731	(158,932,714)
<b>Total comprehensive loss</b>		-	-	-	(8,343,955)	-	-	(162,618,445)	-	(8,343,955)
Transferred to statutory reserve		-	-	-	-	-	-	(170,962,400)	3,685,731	(167,276,669)
Net movement of staff general fund reserve		-	-	-	-	(468,942)	-	-	-	-
Net movement of charity fund reserve		-	-	-	-	-	(8,920,931)	-	-	(8,920,931)
<b>Transactions with shareholders</b>										
Dividends	11	-	-	-	-	-	-	(104,825,000)	(5,760,450)	(110,585,450)
<b>Changes in ownership interests</b>										
Loss on acquisition of interest in subsidiary	1.1	-	-	-	-	-	-	(76,965,504)	-	(76,965,504)
<b>Balance at 30 September 2018</b>		<u>2,096,500,000</u>	<u>707,345,000</u>	<u>628,950,000</u>	<u>(123,819,035)</u>	<u>87,585,240</u>	<u>26,498,338</u>	<u>2,231,628,858</u>	<u>7,265,779</u>	<u>5,661,954,180</u>

Majed Aydeh Al Nafae (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

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**AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2017**  
*(Saudi Riyals)*

	Note	Other reserves						Total attributable to the owners of the parent	Retained earnings	Non- controlling interests	Total Equity
		Share Capital	Share premium	Statutory reserve	Translation reserve	Staff general fund reserve	Charity fund reserve				
<b>Balance at 1 January 2017</b>		2,096,500,000	707,345,000	618,485,496	(141,684,337)	88,054,182	35,419,269	(18,210,886)	2,197,536,615	5,601,656,225	31,579,794 5,633,236,019
Profit for the period		-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period		-	-	-	30,978,094	-	-	-	480,435,766	108,426	480,544,192
<b>Total comprehensive income</b>		-	-	-	30,978,094	-	-	30,978,094	480,435,766	108,426	30,978,094 511,522,286
Transferred to statutory reserve		-	-	-	-	-	-	-	-	-	-
Net movement of staff general fund reserve		-	-	-	-	-	-	-	-	-	-
Net movement of charity fund reserve		-	-	-	-	-	-	-	-	-	-
<b>Transactions with shareholders</b>											
Dividends	11	-	-	-	-	-	-	-	(104,825,000)	-	(104,825,000)
<b>Changes in ownership interests</b>											
Increase in capital of subsidiary		-	-	-	-	-	-	-	-	2,240,020	2,240,020
Disposal of subsidiary with NCI		-	-	-	1,535,132	-	-	1,535,132	-	(295,145)	1,239,987
<b>Balance at 30 September 2017</b>		2,096,500,000	707,345,000	618,485,496	(109,171,111)	88,054,182	35,419,269	14,302,340	2,573,147,381	33,633,095	6,043,413,312

Majed Ayed Al Nifale (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

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

**AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018**  
*(Saudi Riyals)*

	<u>Note</u>	<b>30 September 2018</b>	30 September 2017
<b>Cash flows from operating activities</b>			
(Loss) / profit before zakat and tax		(53,977,264)	500,607,991
<b>Adjustments for:</b>			
- Depreciation		111,130,305	80,052,211
- Amortization		6,246,111	6,131,110
- Reversal of impairment loss on trade receivables		(38,953,302)	-
- Net finance cost		47,243,570	18,321,395
- Loss on disposal of subsidiaries		-	607,355
- Impairment loss on equity-accounted investees, net of tax		426,942,864	-
- Share of loss on equity-accounted investees, net of tax		56,580,369	79,942,953
- Loss / (gain) on sale of property and equipment		34,641,402	(7,384,388)
- Gain on sale of investment property		-	(376,812)
- Gain on sale of equity accounted investees		-	(1,397,539)
- Provision of employees' benefits		16,422,227	16,293,549
<b>Changes in:</b>			
- Trade and other receivables		534,762,719	(918,906,131)
- Prepayments and advances		(69,673,089)	(42,608,993)
- Related parties, net		(93,328,848)	(10,390,779)
- Trade and other payables		(261,212,815)	(320,906,665)
- Contract liabilities		(5,038,438)	(37,087,049)
Cash generated / (used in) operating activities		711,785,811	(637,101,792)
Finance expense paid		(57,973,490)	(61,433,389)
Finance income received		8,506,552	26,870,268
Employees' benefits paid		(11,172,124)	(12,004,989)
Zakat and income taxes paid		(34,135,501)	(24,653,227)
<b>Net cash generated from / (used in) operating activities</b>		<b>617,011,248</b>	<b>(708,323,129)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property and equipment		57,106,446	29,691,722
Proceeds from sale of equity accounted investees		-	12,589,926
Proceeds from sales of investment property		-	386,242
Disposal of subsidiaries		-	(3,489,461)
Proceeds from disposal of subsidiaries		-	4,308,750
Acquisition of property and equipment		(152,947,664)	(103,028,625)
Acquisition of investment property		-	(2,771,506)
Acquisition of intangible assets		(1,216,292)	(2,381,443)
Acquisition of equity-accounted investees		-	(53,915,161)
Acquisition of interest of subsidiaries		(6,965,504)	-
Cash paid on acquisition of minority share		(70,000,000)	-
Net movement in capital work in progress		(32,374,114)	(149,398,523)
<b>Net cash used in investing activities</b>		<b>(206,397,128)</b>	<b>(268,008,079)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		1,008,335,624	1,926,620,628
Repayment of loans and borrowings		(1,587,676,709)	(1,221,267,865)
Staff general fund reserve paid		(468,942)	-
Charity fund reserve paid		(8,920,931)	-
Net movement of non-controlling interests		-	1,944,875
Dividends paid		(110,585,450)	(104,825,000)
<b>Net cash (used in) / generated from financing activities</b>		<b>(699,316,408)</b>	<b>602,472,638</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(288,702,288)</b>	<b>(373,858,570)</b>
Cash and cash equivalents at 1 January, 2018	10	970,799,467	1,239,695,504
Effect of movements in exchange rates on cash held		(5,167,077)	24,413,541
<b>Cash and cash equivalents at 30 September, 2018</b>	10	<b>676,930,102</b>	<b>890,250,475</b>
<b>Supplementary information for non-cash transactions</b>			
Impairment loss for trade receivables under IFRS 9 (transition effect)		18,526,491	-
Transfer from capital work in progress to property and equipment		1,346,139	425,141,661

Majed Ayden Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

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



**AL TAYYAR TRAVEL GROUP HOLDING COMPANY (A SAUDI JOINT STOCK COMPANY)  
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS PERIODS ENDED 30 SEPTEMBER 2018**

*(Saudi Riyals)*

**1. LEGAL STATUS AND NATURE OF OPERATIONS**

Al Tayyar Travel Group Holding Company (the 'Company') is a Saudi Joint Stock Company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010148039 dated 24/07/1418H corresponding to 24/11/1997. These interim condensed consolidated financial statements ("interim financial statements") comprises of the Company and its subsidiaries (together referred to as the 'Group').

The Group is primarily involved in selling tickets for scheduled air travel services, tourism, cargo, transportation, Hajj and Umrah, arranging conference and events, education, chartered flights, furnished suites and hotels, shipping and other travel related products and services (refer operating segments note 17) through its 224 branches (31 December 2017: 235) inside and outside the Kingdom of Saudi Arabia.

The Company's registered address is:

P.O. Box 52660

Riyadh 11573

Kingdom of Saudi Arabia

**1.1 Interest in subsidiaries**

<b>Name of subsidiary</b>	<b>Activities</b>	<b>Country of incorporation</b>	<b>30 September 2018</b>	<b>31 December 2017</b>
National Travel and Tourism Bureau Limited (NTTB)	Travel and tourism business	KSA	100%	100%
Al Sarh Travel and Tourism Limited (ASTT)	Travel and tourism business	KSA	80%	80%
Al Tayyar International Air Transportation Agency Company Limited (ATI)	Travel and tourism business	KSA	100%	100%
Al Tayyar Holiday for Travel and Tourism Company Limited (ATH)	Travel and tourism business	KSA	100%	100%
Al Tayyar Travel, Tourism and Cargo Company Limited (ATC)	Travel and cargo business	KSA	100%	100%
Al Tayyar Holidays Travel Group Company (ATE)	Travel and tourism business	Egypt	100%	100%
Al Tayyar Cargo and Custom Clearance Company (ATCC)	Travel and cargo business	Egypt	100%	100%
E Al Tayyar Tourism Company (ATT)	Rent a car business	Egypt	100%	100%
E Al Tayyar Tours Company (ALC)	Rent a car business	Egypt	100%	100%
Nile Holidays Tourism Company (NALC)	Rent a car business	Egypt	100%	100%
Al Tayyar Rent A Car Company (ARC)	Rent a car business	Egypt	100%	100%
Lena Tours & Travel (LTT)	Travel and tourism business	Lebanon	100%	100%
Fuego Travel & Tours SDN. BHD (FTTSB)	Travel and tourism business	Malaysia	80%	80%
Al Tayyar Travel and Tourism (ATD)	Tourism business	UAE	100%	100%
Taqniatech Company for Communication Technology Limited (TAQ)	Telecommunication services	KSA	100%	100%
Al Tayyar Real Estate, Tourism Development and Investment Company Hotels (ARE)	Hotel and property business	KSA	100%	100%
Al Tayyar Rent A Car (ARAC)	Rent a car business	KSA	100%	100%
Saudi World Travel and Tourism Company (SWTT)	Travel and tourism business	KSA	100%	100%
High Speed Company for Transportation (HSC)	Transportation business	KSA	100%	100%
Tajawal Travel and Tourism Company Limited (TTC)	Travel and tourism business	KSA	100%	100%
Tajawal General Trading, LLC (TGT)	Travel and tourism business	UAE	100%	100%
Al Mousim Travel & Tours (AMTT)	Travel and tourism business	KSA	100%	100%
Jawlah Tours Establishment for Tourism (JTET)	Tourism business	KSA	51%	51%
Al Mawasim Tourism and Umrah Services (MWT)	Tourism business	KSA	51%	51%
Fly IT (FIT)	SMS / MMS services	KSA	60%	60%
Muthmerah Real Estate Investment Company (MREIC)	Property rental business	KSA	100%	100%
Mawasem Travel and Tourism Limited (MTT)	Travel and tourism business	UK	100%	100%
Elegant Resorts Limited and subsidiaries (ERL)	Tourism business	UK	100%	100%
Elite Private Jet Services Company (EPJS)	Own and operate aircraft	KSA	100%	100%
Al Hanove Tourism and Services Company (AHTS)	Tourism business	Egypt	70%	70%
Mawasem Limited (formerly Co-op Group Travel 1 Limited (CTM))	Transportation service	UK	100%	100%
Connecting Trade & Services (CTS)	Travel and tourism business	Lebanon	51%	51%
Fayfa Travel & Tourism Agency Company (FTT)	Travel and tourism business	KSA	100%	100%
Saudi Conference & Incentive Tours Company (SCI)	Event management services	KSA	100%	100%
Calculus Technologies, LLC (CTL)	Travel and tourism business	India	100%	100%
B2B Travel Group S.L. (B2B)	Travel and tourism business	Spain	100%	100%
Hanay Trading Company Limited (HTCL)	Rent a car business	KSA	80%	80%
Saudi Company for Transportation United (SCT)	Rent a car business	KSA	100%	100%
Mosafer Company for Travel and Tourism (MCT)*	Tourism business	KSA	100%	60%
Wadi Saudi Trading Co. (WSTC)	Online shopping for fashion and accessories	KSA	100%	100%
Portman Group International S.A.R.L. (PGI)	Travel and tourism business	UK	100%	100%

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**1.1 Interest in subsidiaries (continued)**

\* On 1 July 2018 the Company increased its ownership stake in its subsidiary MCT from 60% to 100%. The additional 40% was purchased for a total consideration of SR 70 million. The difference of SR 76.97 million between the non-controlling interests and the fair value of the consideration paid is adjusted to the owners of the parent in retained earnings.

**1.2 Interest in associates**

Name of associates	Activities	Country of incorporation	30	31
			September 2018	December 2017
Felix Airways Limited (FAL)	Travel business	Yemen	30%	30%
Al Shamel International Holding Company KSC (ASI)	Travel business	Kuwait	30%	30%
Taqniattech Company for Communication Technology JV (TAQJV)	Telecommunication services	KSA	70%	70%
Al Tayyar Travel and Tourism – Abu Dhabi (TTAD)	Travel business	UAE	49%	49%
Voyage Amro Travel (VAT)	Travel business	Canada	49%	49%
2share United Communication Company (TUCC)	Call Centre services	KSA	35%	35%
Net Tours & Travels LLC (NT)	Tourism business	UAE	44.3%	44.3%
Careem Inc. (CIL)	Rent a car business	BVI	14.7%	14.7%
Saudi Heritage Hospitality Company (SHHC)	Hospitality services	KSA	20%	20%
Equinox Group Limited (EGL)	Hospitality services	UAE	40%	40%
Thakher Investment and Real Estate Company (TIREC)	Real estate business	KSA	30%	30%
Wadi Middle East S.A.R.L (WME)	Trading companies and distributors	LUX	33.3%	33.3%
CHME Limited (CHM)	Hospitality services	UAE	40%	40%

**2 STATEMENT OF COMPLIANCE**

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants – SOCPA (“IFRSs”). These interim financial statements should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2017 (‘last annual financial statements’). The accompanying financial statements do not include all the information that is required to prepare a complete set of financial statements in accordance with International Financial Reporting Standards as endorsed by SOCPA. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

This is the first set of the Group’s financial statements where IFRS 9 has been applied. Changes to significant accounting policy is described in note 6.

**3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS**

**3.1 New standards, interpretations and amendments adopted**

In preparing the Group’s interim financial statements, the significant accounting policies adopted are based on IFRSs effective on 30 September 2018. Furthermore, the Group has already early adopted IFRS 15 – Revenue from contracts with customers.

**3.2 Standards issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted them in preparing these interim condensed financial statements.

The Group has the following updates to the information provided in the last annual financial statements about the standards issued but not yet effective that may have a significant impact on the Group’s interim financial statements.

**IFRS 16 Leases**

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

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**IFRS 16 Leases (continued)**

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its condensed consolidated financial statements, but has not yet completed its detailed assessment. The actual impact of applying IFRS 16 on the financial Statements in the period of initial application will depend on future economic conditions, including the Group's borrowing rate on 1 January 2019, the composition of the Group's lease portfolio at that date, the Group's latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

**i. Determining whether an arrangement contains a lease**

The Group has an arrangement that was not in the legal form of a lease, for which it concluded that the arrangement contains a lease of equipment under IFRIC 4.

On transition to IFRS 16, the Group can choose whether to:

- Apply the IFRS 16 definition of a lease of all its contracts; or
- Apply a practical expedient and not reassess whether a contract is, or contains, a lease.

The Group plans to apply a practical expedient to the recognition of leases on transition. Under this expedient it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases under IAS 17 and IFRIC 4.

**ii. Transition**

As a lessee, the Group can either apply the standard using a:

- Retrospective approach; or
- Modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

The Group plans to apply IFRS 16 initially on 1 January 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

When applying a modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients.

The Group is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sub-lease.

**4. BASIS OF PREPARATION**

These interim financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies.

The preparation of interim financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the interim financial statements and their effect are disclosed in note 5.

These interim financial statements have been prepared on the historical cost basis, except for the following:

- Equity instruments at fair value through other comprehensive income; and
- Defined benefits plan is measured at the present value of future obligations using Projected Unit Credit Method.

Furthermore, these interim financial statements are prepared using the accrual basis of accounting and the going concern concept.

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**5. USE OF JUDGEMENT AND ESTIMATES**

In preparing these interim financial statements, management has made judgement, estimates, and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 9, which are described in Note 6.

**5.1 Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Significant valuation issues are reported to the Group's audit committee.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

The Group recognizes transfers between the levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

**6. SIGNIFICANT ACCOUNTING POLICIES**

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017.

**CHANGES IN SIGNIFICANT ACCOUNTING POLICY**

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018

The Group initially adopted IFRS 9 Financial Instruments since 1 January 2018. A number of other new standards are effective from 1 January 2018 but they do not have a material effect on the Group's financial statements.

The effect of initially applying these standards is mainly attributed to the increase in impairment losses recognized on financial assets.

**IFRS 9 Financial Instruments**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

**i. Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.



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**i. Classification and measurement of financial assets and financial liabilities (continued)**

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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

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

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

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other, net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other, net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as at 1 January 2018.

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**i. Classification and measurement of financial assets and financial liabilities (continued)**

	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>	<b>Original carrying amount under IAS 39</b>	<b>New carrying amount under IFRS 9</b>
<b>Financial assets</b>				
Equity securities	Available-for-sale	FVOCI – equity investment	-	-
Trade receivables	Loans and receivables	Amortized cost	1,756,468,321	1,737,941,830
Cash and cash equivalents	Loans and receivables	Amortized cost	981,198,632	981,198,632
<b>Total financial assets</b>			<b>2,737,666,953</b>	<b>2,719,140,462</b>
<b>Financial liabilities</b>				
Bank overdrafts	Other financial liabilities	Other financial liabilities	10,399,165	10,399,165
Secured bank loans	Other financial liabilities	Other financial liabilities	861,000,000	861,000,000
Unsecured bank loans	Other financial liabilities	Other financial liabilities	516,863,571	516,863,571
Trade payables	Other financial liabilities	Other financial liabilities	1,099,309,797	1,099,309,797
<b>Total financial liabilities</b>			<b>2,487,572,533</b>	<b>2,487,572,533</b>

Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost. An increase of SR 18.5 million in the allowance for impairment was recognized in opening retained earnings on 1 January 2018 on transition to IFRS 9.

**ii. Impairment of financial assets**

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to the lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. The risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group has elected to measure loss allowances for trade receivables and contract assets in an amount equal to lifetime ECLs.

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

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held)

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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**ii. Impairment of financial assets (continued)**

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. The difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset. The Group has not considered in discounting the short term trade receivables and payables as they are expected to be received and paid within the accounting period, the impact of discounting such short term receivable or payable would be immaterial hence they are kept at invoice amounts (cost).

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Presentation of impairment**

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

Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss and OCI.

Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

**Impact of the new impairment model**

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional impairment allowance as follows.

	<b>Impact of adopting IFRS 9 on opening balance</b>
<b>Impairment loss on 31 December 2017 under IAS 39</b>	242,904,966
Increase of impairment loss recognized on 1 January 2018 on trade and other receivables	18,526,491
Impairment loss on 1 January 2018 under IFRS 9	<u>261,431,457</u>

**Trade receivables and contract assets**

The following analysis provides further detail about the calculation of ECLs related to trade receivables and contract assets on the adoption of IFRS 9. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

The ECLs were calculated based on actual credit loss experience over the past seven years. The Group performed the calculation of ECL rates separately for wholesale customers and other customers.

Exposures within each group were segmented based on common credit risk characteristics such as credit risk grade, geographic region and industry – for wholesale customers; and delinquency status, geographic region, age of relationship and the type of product purchased – for other customers.

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**iii. Transition**

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

- The Group has taken an exemption in accordance with paragraph 7.2.15 to not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented in 2017 does not generally reflect the requirements of IFRS 9 but rather those of IAS 39.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.
- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Group has assumed that the credit risk on the asset had not increased significantly since its initial recognition.

**7. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES**

	<b>Percentage holding</b>			
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Al Shamel International Holding Co. KSC (ASI)	30%	30%	19,933,010	23,318,009
Taqniatech Company for Communication Technology JV (TAQJV)	70%	70%	-	-
Al Tayyar Travel and Tourism - Abu Dhabi (TTAD)	49%	49%	-	-
Voyage Amro Travel (VAT)	49%	49%	-	6,419,483
2Share Emerging Technology (TSET)	35%	35%	-	-
Net Tours & Travels LLC (NT)	44.3%	44.3%	-	-
Careem Inc. (CIL)	14.7%	14.7%	-	9,268,648
Saudi Heritage Hospitality Company (SHHC)	20%	20%	9,384,043	9,872,522
Equinox Group Limited (EGL)	40%	40%	13,777,279	13,843,765
Thakher Investment and Real Estate Co. (TIREC)	30%	30%	377,374,632	801,600,100
Wadi Middle East S.A.R.L. (WME)	33.3%	33.3%	12,847,032	51,055,338
CHME Limited (CHM)	40%	40%	4,650,596	6,111,960
			<b>437,966,592</b>	<b>921,489,825</b>
Less: Investment in Equity Accounted Investee held for sale (See note 9)			<b>(377,374,632)</b>	<b>-</b>
			<b>60,591,960</b>	<b>921,489,825</b>

**8. TRADE AND OTHER RECEIVABLES**

	<b>30 September</b>	<b>31 December</b>
	<b>2018</b>	<b>2017</b>
Trade receivables	1,463,048,563	1,999,373,287
Impairment loss on trade receivables	(222,478,155)	(242,904,966)
	<b>1,240,570,408</b>	<b>1,756,468,321</b>
Other receivables:		
Accrued incentives	57,076,722	63,219,948
Employee receivables	15,029,548	13,951,748
Taxes	13,626,489	5,314,971
Consumables	3,818,081	8,160,016
Accrued finance income	624,658	690,306
Others	37,861,590	35,902,813
	<b>1,368,607,496</b>	<b>1,883,708,123</b>



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**8. TRADE AND OTHER RECEIVABLES (continued)**

The summary for the movement of impairment loss on trade receivables is as follows:

	<b>30 September 2018</b>	31 December 2017
Opening balance	<b>242,904,966</b>	241,128,153
Impairment loss due to transition to IFRS 9, note 6	<b>18,526,491</b>	-
Adjusted opening balance	<b>261,431,457</b>	241,128,153
Impairment (reversal) / loss for the period	<b>(38,953,302)</b>	1,776,813
Closing balance	<b>222,478,155</b>	242,904,966

Information about the Group's exposure to credit and market risks, and impairment losses in trade and other receivables is included in note 16.

**9. INVESTMENT IN EQUITY-ACCOUNTED ASSOCIATE HELD FOR SALE**

The Company decided to sell its share of equity (30%) in Thakher Investment and Real Estate Company (TIREC) in September 2018 for an agreed amount of SR 377.4 million. This resulted in an impairment loss of SR 420.5 million. The agreement to sell this investment was signed on 8 October 2018. As the investment is sold within 12 months from the date of these interim condensed consolidated financial statements, this has been moved from non-current assets to current assets, as held for sale (See notes 7 and 18).

**10. CASH AND CASH EQUIVALENTS**

	<b>30 September 2018</b>	31 December 2017
Cash in hand	<b>16,770,550</b>	7,289,806
Bank balances – current account	<b>314,629,917</b>	469,587,040
Call deposits	<b>401,641,083</b>	504,321,786
Cash and cash equivalents in the statement of financial position	<b>733,041,550</b>	981,198,632
Bank overdrafts used for cash management purposes	<b>(56,111,448)</b>	(10,399,165)
Cash and cash equivalents in the statement of cash flows	<b>676,930,102</b>	970,799,467

Call deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn finance income at the respective short-term deposit rates.

On 30 September 2018, the Group had unused borrowing facility of SR 402 million (31 December 2017: SR 504 million).

Cash and cash equivalents balance held in Egypt is SR 11 million as at 30 September 2018 (31 December 2017: SR 10 million). The remittance of this cash balance is currently restricted due to foreign exchange control policy in Egypt.

**11. CAPITAL AND RESERVES**

**Share capital**

	<b>30 September 2018</b>	31 December 2017
Ordinary shares - issued and fully paid	<b>209,650,000</b>	209,650,000
Par value @ SR 10 each	<b>2,096,500,000</b>	2,096,500,000

All ordinary shares rank equally with regards to the Company's residual assets.

**Ordinary shares**

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

**Statutory reserves**

In accordance with the Company's bylaws effective from 25 Rajab 1437H (corresponding to 2 May 2016), the Company sets aside 10% of its net income each year as a statutory reserve until such reserve equals to 30% of the share capital.

**Dividends**

The board of directors of the Company during their meeting dated 8 February 2018 approved dividends amounting to SR 104.83 million (SR 0.50 per share) for the year ended 31 December 2017 and were paid on 21 February 2018.

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**12. LOANS AND BORROWINGS**

	<b>30 September 2018</b>	<b>31 December 2017</b>
<b>Non-current liabilities</b>		
Secured bank loans (Tawaruq)	<b>553,500,000</b>	861,000,000
Unsecured bank loans (Murabaha)	<b>54,422,516</b>	19,433,761
	<b>607,922,516</b>	880,433,761
<b>Current liabilities</b>		
Unsecured bank loans (Tawaruq)	-	150,000,000
Unsecured bank loans (Murabaha)	<b>163,155,048</b>	338,372,190
Current portion of unsecured bank loans (Murabaha)	<b>27,444,922</b>	9,057,620
	<b>190,599,970</b>	497,429,810

The secured bank loans are secured against land and buildings with a carrying amount of SR 2 billion at 30 September 2018 (31 December 2017: SR 2 billion).

The outstanding secured and unsecured loans as of 30 September 2018 have an average commission rate of 3 - 4% above the Banks' lending base rate (31 December 2017: 2.7 – 4%).

The Group has a secured bank loan with a carrying amount of SR 554 million at 30 September 2018 (31 December 2017: 861 million). This loan is repayable in tranches over the ten years. The unsecured bank loans are payable over a period of one year.

During the period ended 30 September 2018, the Group capitalized finance charges amounted to SR nil million (30 September 2017: SR 32.9 million).

During May and June 2018, the Company repaid certain installments of the above loan before schedule, which were due in 2019-2020 for an amount of SR 307.5 million.

**13. COMMITMENTS AND CONTINGENCIES**

**Capital commitments**

As at 30 September 2018, the Group has capital commitments of SR 73 million (31 December 2017: SR 91 million) with respect to property developments, software development and construction of new office premises.

**Contingencies**

On 30 September 2018, the Group has a letter of guarantees totaling SR 300 million (31 December 2017: SR 295 million) issued by the Company's banks in favor of certain suppliers. Included within, this is advances for a letter of guarantee margins totalling SR 28.2 million (31 December 2017: SR 28.7 million)

**14. REVENUE**

	<b>Three months</b>		<b>Nine months</b>	
	<b>30 September 2018</b>	<b>30 September 2017</b>	<b>30 September 2018</b>	<b>30 September 2017</b>
<b>Commission</b>				
Airline ticketing & incentives	<b>247,133,216</b>	239,290,399	<b>830,709,477</b>	890,817,246
Hotel booking	<b>26,826,470</b>	29,098,574	<b>77,272,916</b>	77,449,534
Shipments	<b>4,956,892</b>	3,677,251	<b>12,126,553</b>	11,137,262
Train ticketing	-	5,507,371	<b>12,293,879</b>	16,498,878
	<b>278,916,578</b>	277,573,595	<b>932,402,825</b>	995,902,920
<b>Other revenue</b>				
Package holidays	<b>128,398,485</b>	131,486,975	<b>361,533,723</b>	359,497,980
Car rentals	<b>45,559,388</b>	31,381,070	<b>114,330,019</b>	76,840,274
Property and room rentals	<b>36,090,625</b>	42,162,187	<b>74,864,102</b>	74,193,360
Chartered flights	-	4,456,624	<b>1,238,467</b>	5,890,965
Others	<b>2,584,055</b>	1,960,759	<b>19,803,403</b>	16,824,835
	<b>212,632,553</b>	211,447,615	<b>571,769,714</b>	533,247,414
	<b>491,549,131</b>	489,021,210	<b>1,504,172,539</b>	1,529,150,334

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**14. REVENUE (continued)**

In respect of recognizing revenue as commissions, management considers that the following factors indicate that the Group acts as an agent.

- Another service supplier is primarily responsible for fulfilling the contract;
- The Group does not have inventory risk;
- The Group does not have discretion in establishing prices for the other supplier's services and, therefore, the benefit that the Group can receive from those services is limited; and
- The Group's consideration is in the form of commission.

**Disaggregation of revenue**

In the table on the next page, revenue is disaggregated by primary geographical market. The table also includes a reconciliation of the disaggregated revenue with the Group's five strategic divisions, which are its reportable segments (see note 17).

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**Disaggregation of revenue (continued)**

30 September 2018 (Three months)							
Primary geographical markets	Reportable segments					All other segments	Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>		
Kingdom of Saudi Arabia	215,238,398	77,897,241	45,708,373	36,090,625	-	491,784	375,426,421
United Kingdom	24,556,835	70,458,308	-	-	-	-	95,015,143
Egypt	719,242	2,450,014	4,807,907	-	-	(548,233)	7,428,930
United Arab Emirates	4,964,233	3,288,200	-	-	-	(194,275)	8,058,158
India	-	-	-	-	-	546,240	546,240
Spain	-	833,072	-	-	-	2,288,539	3,121,611
Lebanon	1,654,508	186,151	-	-	-	-	1,840,659
Malaysia	-	111,969	-	-	-	-	111,969
	<b>247,133,216</b>	<b>155,224,955</b>	<b>50,516,280</b>	<b>36,090,625</b>	<b>-</b>	<b>2,584,055</b>	<b>491,549,131</b>
<b>Timing of revenue recognition</b>							
Services transferred at a point in time	247,133,216	26,826,470	4,807,907	36,090,625	-	-	314,858,218
Services transferred over time	-	128,398,485	45,708,373	-	-	2,584,055	176,690,913
	<b>247,133,216</b>	<b>155,224,955</b>	<b>50,516,280</b>	<b>36,090,625</b>	<b>-</b>	<b>2,584,055</b>	<b>491,549,131</b>



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**Disaggregation of revenue (continued)**

30 September 2017 (Three months)							
Primary geographical markets	Reportable segments					All other segments	Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>		
Kingdom of Saudi Arabia	210,937,327	73,351,511	36,610,805	19,679,420	22,482,767	780,170	363,842,000
United Kingdom	32,497,981	83,401,112	-	-	-	-	115,899,093
Egypt	12,458	2,619,760	2,904,140	-	-	36,717	5,573,075
United Arab Emirates	959,563	474,682	-	-	-	-	1,434,245
India	-	-	-	-	-	1,139,428	1,139,428
Spain	-	4,038	-	-	-	4,444	8,482
Lebanon	390,441	413,692	-	-	-	-	804,133
Malaysia	-	320,754	-	-	-	-	320,754
	244,797,770	160,585,549	39,514,945	19,679,420	22,482,767	1,960,759	489,021,210
<b>Timing of revenue recognition</b>							
Services transferred at a point in time	244,797,770	29,098,574	36,610,805	19,679,420	22,482,767	-	352,669,336
Services transferred over time	-	131,486,975	2,904,140	-	-	1,960,759	136,351,874
	244,797,770	160,585,549	39,514,945	19,679,420	22,482,767	1,960,759	489,021,210

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**Disaggregation of revenue (continued)**

30 September 2018 (Nine months)							
Primary geographical markets	Reportable segments					All other segments	Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>		
Kingdom of Saudi Arabia	767,089,886	188,797,903	116,368,841	74,864,102	-	9,592,998	1,156,713,730
United Kingdom	81,198,819	236,583,991	-	-	-	-	317,782,810
Egypt	924,757	6,590,591	11,326,198	-	-	214,905	19,056,451
United Arab Emirates	(10,558,265)	4,740,859	-	-	-	1,167,491	(4,649,915)
India	-	-	-	-	-	1,867,780	1,867,780
Spain	-	815,950	-	-	-	6,960,229	7,776,179
Lebanon	4,348,159	855,326	-	-	-	-	5,203,485
Malaysia	-	422,019	-	-	-	-	422,019
	<b>843,003,356</b>	<b>438,806,639</b>	<b>127,695,039</b>	<b>74,864,102</b>	<b>-</b>	<b>19,803,403</b>	<b>1,504,172,539</b>
<b>Timing of revenue recognition</b>							
Services transferred at a point in time	843,003,356	77,272,916	11,326,198	74,864,102	-	-	1,006,466,572
Services transferred over time	-	361,533,723	116,368,841	-	-	19,803,403	497,705,967
	<b>843,003,356</b>	<b>438,806,639</b>	<b>127,695,039</b>	<b>74,864,102</b>	<b>-</b>	<b>19,803,403</b>	<b>1,504,172,539</b>

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**Disaggregation of revenue (continued)**

30 September 2017 (Nine months)							
Primary geographical markets	Reportable segments					All other segments	Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>		
Kingdom of Saudi Arabia	809,904,733	175,196,533	86,336,501	42,772,440	31,420,920	7,511,159	1,153,142,286
United Kingdom	90,942,845	251,515,736	-	-	-	-	342,458,581
Egypt	238,213	6,268,748	7,532,000	-	-	83,099	14,122,060
United Arab Emirates	2,930,640	1,612,549	-	-	-	-	4,543,189
India	-	-	-	-	-	3,077,010	3,077,010
Spain	-	438,572	-	-	-	6,153,567	6,592,139
Lebanon	3,299,693	1,216,739	-	-	-	-	4,516,432
Malaysia	-	698,637	-	-	-	-	698,637
	907,316,124	436,947,514	93,868,501	42,772,440	31,420,920	16,824,835	1,529,150,334
<b>Timing of revenue recognition</b>							
Services transferred at a point in time	907,316,124	77,449,534	86,336,501	42,772,440	31,420,920	-	1,145,295,519
Services transferred over time	-	359,497,980	7,532,000	-	-	16,824,835	383,854,815
	907,316,124	436,947,514	93,868,501	42,772,440	31,420,920	16,824,835	1,529,150,334

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**15. EARNINGS PER SHARE (EPS)**

**Basic and diluted EPS**

The calculation of basic and diluted EPS has been based on the following profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

**Profit attributable to ordinary shareholders (basic)**

	Three Months ended		Nine Months ended	
	30 September	30 September	30 September	30 September
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
(Loss) / profit attributable to ordinary shareholders	<b>(355,407,124)</b>	131,771,364	<b>(162,618,445)</b>	480,435,766

**Weighted-average number of ordinary shares (basic)**

	30 September	30 September
	<u>2018</u>	<u>2017</u>
Weighted-average number of ordinary shares at the end of the periods	<b>209,650,000</b>	209,650,000

**Earnings per share attributable to owners of the parent**

	Three months ended		Nine months ended	
	30 September	30 September	30 September	30 September
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Basic and diluted	<b>(1.70)</b>	0.63	<b>(0.78)</b>	2.29

**16. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT**

**A. Accounting classification and fair value**

The table on the next page shows carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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**A. Accounting classification and fair value (continued)**

	Carrying amount		Total Carrying amount	Fair value			<u>Total</u>
	FVOCI – equity instrument	Financial assets at amortized cost		Level 1	Level 2	Level 3	
<b>30 SEPTEMBER 2018</b>							
<b>Financial assets measured at fair value</b>							
Equity investment at FVOCI	-	-	-	-	-	-	-
<b>Current:</b>							
Cash and cash equivalents	-	733,041,550	733,041,550	-	-	733,041,550	733,041,550
Trade and other receivables	-	1,368,607,496	1,368,607,496	-	-	1,368,607,496	1,368,607,496
Due from related parties	-	179,530,449	179,530,449	-	-	179,530,449	179,530,449
<b>Total financial assets</b>	-	2,281,179,495	2,281,179,495	-	-	2,281,179,495	2,281,179,495
<b>Financial liabilities</b>							
<b>Non-current:</b>							
Loans and borrowings	-	607,922,516	607,922,516	-	-	607,922,516	607,922,516
<b>Current:</b>							
Bank overdraft	-	56,111,448	56,111,448	-	-	56,111,448	56,111,448
Loans and borrowings	-	190,599,970	190,599,970	-	-	190,599,970	190,599,970
Trade and other payables	-	1,033,971,811	1,033,971,811	-	-	1,033,971,811	1,033,971,811
Due to related parties	-	5,074,378	5,074,378	-	-	5,074,378	5,074,378
<b>Total financial liabilities</b>	-	1,893,680,123	1,893,680,123	-	-	1,893,680,123	1,893,680,123

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**A. Accounting classification and fair value (continued)**

	Carrying amount		Total Carrying amount	Fair value			<u>Total</u>
	FVOCI – equity instrument	Financial assets at amortized cost		Level 1	Level 2	Level 3	
<b>31 December 2017</b>							
<b>Financial assets measured at fair value</b>							
Equity investment at FVOCI	-	-	-	-	-	-	-
<b>Current:</b>							
Cash and cash equivalents	-	981,198,632	981,198,632	-	-	981,198,632	981,198,632
Trade and other receivables	-	1,883,708,123	1,883,708,123	-	-	1,883,708,123	1,883,708,123
Due from related parties	-	173,185,170	173,185,170	-	-	173,185,170	173,185,170
<b>Total financial assets</b>	-	3,038,091,925	3,038,091,925	-	-	3,038,091,925	3,038,091,925
<b>Financial liabilities</b>							
<b>Non-current:</b>							
Loans and borrowings	-	880,433,761	880,433,761	-	-	880,433,761	880,433,761
<b>Current:</b>							
Bank overdraft	-	10,399,165	10,399,165	-	-	10,399,165	10,399,165
Loans and borrowings	-	497,429,810	497,429,810	-	-	497,429,810	497,429,810
Trade and other payables	-	1,295,968,242	1,295,968,242	-	-	1,295,968,242	1,295,968,242
Due to related parties	-	92,057,947	92,057,947	-	-	92,057,947	92,057,947
<b>Total financial liabilities</b>	-	2,776,288,925	2,776,288,925	-	-	2,776,288,925	2,776,288,925

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**17. OPERATING SEGMENTS**

**Basis for segmentation**

The Group has the following five strategic divisions, which are its reportable segments. These divisions offer different services and are managed separately because they have different economic characteristics – such as trends in sales growth, rates of return and level of capital investment – and have different marketing strategies.

The following summary describes the operations of each reportable segment:

**Reportable segments Operations**

Ticketing	Providing air, ferry and train ticketing services across the Group.
Tourism	Providing tourism, package holidays and rooms for rent across the Group.
Transportation	Providing car rental, chartered flights and delivery of shipments across the Group.
Hospitality	Providing hotel rooms and catering services mainly in the Kingdom of Saudi Arabia.
Property rentals	Providing investment properties on operating lease mainly in the Kingdom of Saudi Arabia.

Other operations include sundry services such as event management, IT support, advertising, drivers professional fee, insurance brokerage, triptique and international driving license. None of these segments met the quantitative thresholds for reportable segments in 2018 or 2017.

The Group's Executive Committee reviews the internal management reports of each segment at least quarterly.

Inter-segment pricing is determined on an arm's length basis.

**Information about reportable segments**

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that such information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

<b>30 September 2018</b>							
	<b>Reportable segments</b>						<b>Total</b>
	<b><u>Ticketing</u></b>	<b><u>Tourism</u></b>	<b><u>Transportation</u></b>	<b><u>Hospitality</u></b>	<b><u>Property rentals</u></b>	<b><u>All other segments</u></b>	
External revenues	-	361,533,723	115,568,486	74,864,102	-	19,803,403	571,769,714
Inter-segment revenue	-	-	22,574,995	-	52,500,000	-	75,074,995
External commissions	843,003,356	77,272,916	12,126,553	-	-	-	932,402,825
Segment revenue	843,003,356	438,806,639	150,270,034	74,864,102	52,500,000	19,803,403	1,579,247,534
Segment profit / (loss) before zakat and tax	(43,279,478)	(6,155,268)	(33,817,010)	(10,579,848)	40,595,591	(741,251)	(53,977,264)
Segment assets	3,167,015,255	450,417,314	482,743,965	3,598,823,240	1,405,551,664	54,241,684	9,158,793,122
Segment liabilities	1,997,001,328	284,016,306	167,011,188	16,015,841	6,747,130	34,202,777	2,504,994,570

  

<b>30 September 2017</b>							
	<b>Reportable segments</b>						<b>Total</b>
	<b><u>Ticketing</u></b>	<b><u>Tourism</u></b>	<b><u>Transportation</u></b>	<b><u>Hospitality</u></b>	<b><u>Property rentals</u></b>	<b><u>All other segments</u></b>	
External revenues	-	359,497,980	82,731,239	42,772,440	31,420,920	16,824,835	533,247,414
Inter-segment revenue	-	-	21,754,921	-	10,750,000	-	32,504,921
External commissions	907,316,124	77,449,534	11,137,262	-	-	-	995,902,920
Segment revenue	907,316,124	436,947,514	115,623,422	42,772,440	42,170,920	16,824,835	1,561,655,255
Segment profit / (loss) before zakat and tax	414,173,808	50,244,564	(4,895,124)	1,091,778	33,662,051	6,330,914	500,607,991
Segment assets	6,791,419,349	823,885,756	532,340,585	1,530,940,252	1,406,142,102	103,811,228	11,188,539,272
Segment liabilities	3,248,595,028	394,095,996	438,098,400	9,692,784	14,226,961	49,656,871	4,154,366,040



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**Reconciliations of information on reportable segments to IFRS measures**

	<b>30 September 2018</b>	30 September 2017
<b>Revenues</b>		
Revenue for reportable segments	1,559,444,131	1,544,830,420
Revenue for other segments	19,803,403	16,824,835
Elimination of inter-segment revenue	<u>(75,074,995)</u>	<u>(32,504,921)</u>
<b>Consolidated revenue</b>	<b><u>1,504,172,539</u></b>	<b><u>1,529,150,334</u></b>
	<b>30 September 2018</b>	30 September 2017
<b>Profit before zakat and tax</b>		
Profit before zakat and tax for reportable segments	(53,236,013)	494,277,077
Profit before zakat and tax for other segments	<u>(741,251)</u>	<u>6,330,914</u>
<b>Consolidated profit before zakat and tax</b>	<b><u>(53,977,264)</u></b>	<b><u>500,607,991</u></b>

**Reconciliations of information on reportable segments to IFRS measures**

	<b>30 September 2018</b>	31 December 2017
<b>Assets</b>		
Assets for reportable segments	9,104,551,438	10,295,970,898
Assets for other segments	54,241,684	58,564,347
Inter-segment eliminations	<u>(991,844,372)</u>	<u>(991,759,920)</u>
<b>Consolidated assets</b>	<b><u>8,166,948,750</u></b>	<b><u>9,362,775,325</u></b>
	<b>30 September 2018</b>	31 December 2017
<b>Liabilities</b>		
Liabilities for reportable segments	2,470,791,793	3,280,103,395
Liabilities for other segments	<u>34,202,777</u>	<u>37,973,763</u>
<b>Consolidated liabilities</b>	<b><u>2,504,994,570</u></b>	<b><u>3,318,077,158</u></b>

**18. SUBSEQUENT EVENTS**

Subsequent to the period end, on 8 October 2018 corresponding to (28 Muharram 1440), the Company signed an agreement to sell its 30% share of equity in Thakher Investment and Real Estate Company (TIREC) to Mohammed Ibrahim Al-Subaie & Sons Investment Company for a total consideration of SR 377,374,632.

**19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These financial statements have been approved by the board of directors on 6 November 2018 corresponding to 28 Safar 1440.