

SEERA HOLDING GROUP
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020 AND
INDEPENDENT AUDITORS' REVIEW REPORT

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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Independent Auditors' Review Report

To the shareholders of
Seera Holding Group (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Seera Holding Group** ("the Company") and its subsidiaries (collectively referred as the "Group") as at 31 March 2020 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-months period then ended, and a summary of significant accounting policies and other selected explanatory notes from 1 to 20.

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 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 to 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 that are endorsed in the Kingdom of Saudi Arabia 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 in accordance with IAS 34, endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.,



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



17 June 2020 (G)
25 Shawwal 1441 (H)

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020
(SAUDI RIYALS)

	<u>Note</u>	31 March 2020 (Un-audited)	31 December 2019 (Audited)
ASSETS			
Non-current			
Property and equipment	5	3,797,399,632	3,768,436,519
Assets under construction	6	307,682,251	268,108,077
Assets under construction – recoverable on disposal		359,747,097	359,747,097
Intangible assets and goodwill	7	67,267,546	356,225,057
Investment properties		1,024,484,012	1,027,934,480
Investments in equity-accounted associates	8	400,000	22,822,973
Equity instruments		103,635,033	104,790,748
Other receivable	9	241,651,870	-
Deferred tax assets		6,216,081	7,197,882
		<u>5,908,483,522</u>	<u>5,915,262,833</u>
Current			
Trade and other receivables	9	2,069,392,378	1,583,903,935
Due from related parties	13	36,685,064	34,269,735
Prepayments and advances		418,906,884	381,517,402
Non-current asset held for sale		-	13,533,296
Cash and cash equivalents	10	534,833,955	349,663,187
		<u>3,059,818,281</u>	<u>2,362,887,555</u>
TOTAL ASSETS		<u>8,968,301,803</u>	<u>8,278,150,388</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent:			
Share capital	11	3,000,000,000	3,000,000,000
Share premium		707,345,000	707,345,000
Statutory reserve		451,358,872	451,358,872
Other reserves		6,910,451	3,385,188
Treasury shares		(64,900,000)	(64,900,000)
Retained earnings		2,851,992,105	1,738,493,777
		<u>6,952,706,428</u>	<u>5,835,682,837</u>
Non-controlling interests		6,914,773	8,627,858
TOTAL EQUITY		<u>6,959,621,201</u>	<u>5,844,310,695</u>
LIABILITIES			
Non-current			
Loans and borrowings	12	461,728,796	468,334,586
Leased liabilities		67,796,860	73,551,757
Employees' benefits		120,415,624	115,770,111
Deferred tax liabilities		413,975	741,945
		<u>650,355,255</u>	<u>658,398,399</u>
Current			
Bank overdraft	10	20,455,204	5,169,582
Loans and borrowings	12	473,186,189	677,089,810
Lease liabilities		10,965,447	10,705,579
Zakat and tax payables		67,075,017	60,528,053
Trade and other payables		512,054,590	627,162,257
Due to related parties	13	1,263,075	1,360,117
Contract liabilities		248,325,825	368,425,896
Provisions		25,000,000	25,000,000
		<u>1,358,325,347</u>	<u>1,775,441,294</u>
TOTAL LIABILITIES		<u>2,008,680,602</u>	<u>2,433,839,693</u>
TOTAL EQUITY AND LIABILITIES		<u>8,968,301,803</u>	<u>8,278,150,388</u>


Majed Ayden Al Nifaie (Board Member)


Abdullah Nasser Al Dawood (CEO)


Yousif Mousa Yousif (Group CFO)

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020
(SAUDI RIYALS)

		Three months ended	
		31 March	31 March
	Note	2020	2019
Revenue	15	396,694,598	509,553,002
Cost of revenue		(211,491,112)	(207,305,135)
Gross profit		185,203,486	302,247,867
Selling expenses		(117,070,396)	(96,708,801)
Administrative expenses		(173,310,496)	(136,289,579)
Impairment loss on trade receivables	9	(5,005,203)	(6,661,351)
Other income		7,048,275	3,832,801
Other expenses		-	(1,518,239)
Operating (loss) / profit		(103,134,334)	64,902,698
Finance income		1,285,563	1,305,965
Finance costs		(14,003,589)	(12,169,452)
Net finance cost		(12,718,026)	(10,863,487)
Gain on disposal of subsidiary		-	16,469,391
Recognized foreign currency loss on disposal of subsidiary		-	(11,082,044)
Recognized foreign currency loss on impairment of goodwill		(13,334,764)	-
Gain on disposal of assets held for sale	4	1,563,386,860	-
Impairment loss		(315,204,973)	-
Share of loss from equity-accounted associates	8	(345,115)	(454,715)
Profit before zakat and tax		1,118,649,648	58,971,843
Zakat and income tax expense		(6,864,405)	(9,947,192)
Profit for the period		1,111,785,243	49,024,651
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurements of employees' benefits		-	-
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(12,522,550)	5,524,507
Unrealized (loss) / gain on equity investments - FVOCI		(1,116,210)	585,796
		(13,638,760)	6,110,303
Other comprehensive (loss) / income for the period		(13,638,760)	6,110,303
Total comprehensive income for the period		1,098,146,483	55,134,954
Profit attributable to:			
Owners of the parent		1,113,498,328	47,310,927
Non-controlling interests		(1,713,085)	1,713,724
		1,111,785,243	49,024,651
Total comprehensive income attributable to:			
Owners of the parent		1,099,859,568	53,421,230
Non-controlling interests		(1,713,085)	1,713,724
		1,098,146,483	55,134,954
Earnings per share			
Basic and diluted earnings per share	16	3.71	0.16

Majed Aydeh Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)

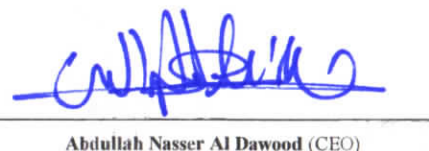
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

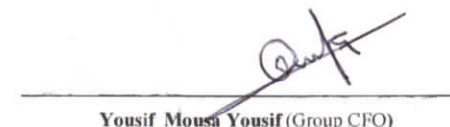
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020

(Saudi Riyals)

Note	Share capital	Share premium	Statutory reserve	Translation reserve	Other reserves			Total	Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total Equity
					Staff general fund reserve	Charity fund reserve	Fair value reserve						
Balance at 1 January 2020	3,000,000,000	707,345,000	451,358,872	(104,029,288)	96,177,075	10,116,866	1,120,535	3,385,188	(64,900,000)	1,738,493,777	5,835,682,837	8,627,858	5,844,310,695
Profit for the period	-	-	-	-	-	-	-	-	-	1,113,498,328	1,113,498,328	(1,713,085)	1,111,785,243
Other comprehensive loss for the period	-	-	-	(12,522,550)	-	-	(1,116,210)	(13,638,760)	-	-	(13,638,760)	-	(13,638,760)
Total comprehensive income for the period	-	-	-	(12,522,550)	-	-	(1,116,210)	(13,638,760)	-	1,113,498,328	1,099,859,568	(1,713,085)	1,098,146,483
Net movement of staff general fund reserve	-	-	-	-	(50,000)	-	-	(50,000)	-	-	(50,000)	-	(50,000)
Net movement of charity fund reserve	-	-	-	-	-	(1,023,278)	-	(1,023,278)	-	-	(1,023,278)	-	(1,023,278)
Transactions with shareholders													
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	4,902,537	-	-	4,902,537	-	-	4,902,537	-	4,902,537
Translation reserve realized on impairment of goodwill	-	-	-	13,334,764	-	-	-	13,334,764	-	-	13,334,764	-	13,334,764
Balance at 31 March 2020	3,000,000,000	707,345,000	451,358,872	(103,217,074)	101,029,612	9,093,588	4,325	6,910,451	(64,900,000)	2,851,992,105	6,952,706,428	6,914,773	6,959,621,201


Majed Aydeh Al Nofair (Board Member)


Abdullah Nasser Al Dawood (CEO)


Yousif Mousa Yousif (Group CFO)

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020
(Saudi Riyals)

Note	Share capital	Share premium	Statutory reserve	Translation reserve	Other reserves			Total	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total Equity
					Staff general fund reserve	Charity fund reserve	Fair value reserve					
Balance at 1 January 2019, as previously reported	2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	(15,681,534)	2,244,549,962	5,661,663,428	7,103,222	5,668,766,650
Effect of transition to IFRS 16	-	-	-	-	-	-	-	-	(7,635,113)	(7,635,113)	-	(7,635,113)
Balance at 1 January 2019, adjusted	2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	(15,681,534)	2,236,914,849	5,654,028,315	7,103,222	5,661,131,537
Profit for the period	-	-	-	-	-	-	-	-	47,310,927	47,310,927	1,713,724	49,024,651
Other comprehensive income for the period	-	-	-	5,524,507	-	-	585,796	6,110,303	-	6,110,303	-	6,110,303
Total comprehensive income for the period	-	-	-	5,524,507	-	-	585,796	6,110,303	47,310,927	53,421,230	1,713,724	55,134,954
Net movement of staff general fund reserve	-	-	-	-	(154,000)	-	-	(154,000)	-	(154,000)	-	(154,000)
Net movement of charity fund reserve	-	-	-	-	-	(5,959,497)	-	(5,959,497)	-	(5,959,497)	-	(5,959,497)
Transactions with shareholders												
Dividends	-	-	-	-	-	-	-	-	-	-	(1,812,266)	(1,812,266)
Changes in ownership interests												
Translation reserve realized on disposal of a subsidiary	-	-	-	11,273,269	-	-	-	11,273,269	-	11,273,269	-	11,273,269
Balance at 31 March 2019	2,096,500,000	707,345,000	628,950,000	(110,839,981)	87,349,210	18,311,841	767,471	(4,411,459)	2,284,225,776	5,712,609,317	7,004,680	5,719,613,997


Majed Aydeh Al Nifaie (Board Member)


Abdullah Nasser Al Dawood (CEO)


Yousif Mousa Yousif (Group CFO)

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SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020
(Saudi Riyals)

	<u>Note</u>	<u>31 March 2020</u>	<u>31 March 2019</u>
Cash flows from operating activities			
Profit before zakat and tax		1,118,649,648	58,971,843
<i>Adjustments to reconcile before zakat and tax to net cash flow</i>			
Depreciation		63,248,815	40,641,665
Amortization	7	11,779,981	6,292,248
Share based payment charge		4,902,537	-
Provision for impairment of trade receivables	9	5,005,203	6,661,351
Provision for employees' benefits		7,390,780	6,806,340
Impairment on property and equipment	5	4,777,789	-
Impairment on assets under construction	6	17,259,994	-
Impairment of intangible assets and goodwill	7	271,089,332	-
Impairment of investment in equity-accounted associates	8	22,077,858	-
Finance cost		14,003,589	12,169,452
Finance income		(1,285,563)	(1,305,965)
Return on investments		(21,260)	(16,390)
Gain from discontinued segment		-	(235,793)
Recognized foreign currency loss on disposal of subsidiaries		-	11,082,044
Recognized foreign currency loss on impairment of goodwill		13,334,764	-
Gain on disposal of subsidiaries		-	(16,469,391)
Share of loss on equity-accounted associates		345,115	454,715
Gain on sale of property and equipment		(32,862)	(1,059,915)
Gain on sale of non-current assets held for sale	4	(1,563,386,860)	-
Net changes in working capital:			
Trade and other receivables		48,958,247	(99,716,230)
Prepayments and advances		(37,389,482)	(76,431,290)
Related parties, net		(2,512,371)	(3,976,912)
Trade and other payables		(115,772,625)	(68,557,677)
Contract liabilities		(120,100,071)	(30,015,077)
Cash used in operating activities		<u>(237,677,442)</u>	<u>(154,704,982)</u>
Finance cost paid		(12,868,497)	(6,238,973)
Finance income received		17,461	1,328,226
Employees' benefits paid		(2,745,267)	(2,425,531)
Zakat and income taxes paid		(317,441)	(23,732,208)
Net cash used in operating activities		<u>(253,591,186)</u>	<u>(185,773,468)</u>
Cash flows from investing activities			
Proceeds from sale of property and equipment		41,280,030	26,057,188
Proceeds from sale of non-current assets held for sale		798,066,296	-
Disposal of subsidiaries		-	(19,639,199)
Proceeds from disposal of subsidiaries		-	10,708,500
Acquisition of property and equipment		(136,097,333)	(62,324,883)
Acquisition of intangible assets		(679,916)	(1,623,522)
Short term investments		-	250,000,000
Net movement in assets under construction		(56,834,168)	(34,552,180)
Net cash generated from investing activities		<u>645,734,909</u>	<u>168,625,904</u>
Cash flows from financing activities			
Proceeds from loans and borrowings	12	271,096,379	240,539,735
Repayment of loans and borrowings	12	(481,605,790)	(326,306,010)
Leased liabilities paid		(6,293,133)	(3,976,565)
Staff general fund reserve paid		(50,000)	(154,000)
Charity fund reserve paid		(1,023,278)	(5,959,497)
Dividends paid		-	(1,812,266)
Net cash used in financing activities		<u>(217,875,822)</u>	<u>(97,668,603)</u>
Net change in cash and cash equivalents		<u>174,267,901</u>	<u>(114,816,167)</u>
Cash and cash equivalents as at 1 January	10	344,493,605	229,095,001
Effect of movements in exchange rates		(4,443,520)	13,798,808
Cash and cash equivalents at 31 March	10	<u>514,317,986</u>	<u>128,077,642</u>

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020
(Saudi Riyals)

Non-cash transactions:

Consideration receivable on disposal of Careem Inc.

1,020,505,729

-

Right of use of assets

-

56,742,541


Leased liability

-

(62,153,279)


Majed Aydeh Al Nifale (Board Member)


Abdullah Nasser Al Dawood (CEO)


Yousif Mousa Yousif (Group CFO)

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2020
(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS

Seera Holding Group (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") comprise the Company and its subsidiaries (together referred to as the 'Group').

The Company and its subsidiaries are 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 through its 377 branches (31 December 2019: 385) inside and outside the Kingdom of Saudi Arabia.

The Company's registered address is PO. Box 52660, Riyadh 11573 Kingdom of Saudi Arabia.

There has been no change in the Company's interest in its subsidiaries and equity-accounted associates since its last annual financial statements, except for those disclosed in note 4 of these interim financial statements.

The Group has carried out its impact assessment on COVID 19 during the three months ended 31 March 2020 and disclosed its impact in note 4 of these interim financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). 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 2019 ('last annual financial statements'). The accompanying interim 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 ("IFRSs") 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.

2.2 Preparation of the financial statements

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 the Projected Unit Credit Method.

Furthermore, these interim financial statements are prepared using the accrual basis of accounting and the going concern concept (refer to note 4).

2.3 Use of judgments and estimates

In preparing these interim financial statements, management has made the 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 judgments 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.

However, as explained in note 4 below, the Group has reviewed the key sources of estimation uncertainties disclosed in the last annual financial statements against the backdrop of the COVID-19 pandemic. Management believes that all sources of estimation uncertainty remain similar to those disclosed in the last annual financial statements. The Group will continue to monitor the situation, and any changes required will be reflected in future reporting periods.

3. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS

New standards, interpretations, and amendments adopted

There are no new standards issued; however, there are number of amendments to standards that are effective from 1 January 2020 and have been explained in the last annual financial statements, but they do not have a material effect on the Group's interim financial statements.

These interim financial statements have been prepared in accordance with the accounting policies applied in the last annual financial statements for the year ended 31 December 2019.

4. SIGNIFICANT MATTERS DURING THE PERIOD

COVID-19 assessment

A novel strain of coronavirus (COVID-19) was first identified at the end of December 2019 and subsequently declared as a pandemic in March 2020 by the World Health Organization (WHO). COVID-19 continues to spread all regions around the world, including the Kingdom of Saudi Arabia and resulted in travel restrictions and curfew in the cities and hence a slowdown of economic activities and shutdown of many sectors at global and local levels.

The extent to which coronavirus pandemic impacts the Group's business, operations and financial results is uncertain and depends on many factors and future developments. These factors include virus transmission rate, the duration of the outbreak, travel restrictions, demand of holiday packages (including, hotels bookings and furnished suites), change in consumer behaviour after the outbreak of COVID-19, demand of shipping and logistics, precautionary actions that may be taken by governmental authorities to reduce the spread of the epidemic and the impact of those actions on economic activity, the business of the Company's customers and partners and other factors. The Group is carefully monitoring the COVID-19 pandemic and the effect it has on the travel and tourism business globally and inside the Kingdom of Saudi Arabia. The Group has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance. Since mid-March, the COVID-19 epidemic in the Kingdom of Saudi Arabia has caused significant disruptions, mainly travel restrictions, which resulted in temporary airport closures mandated by the government. These recent developments have resulted in partially suspending the primary operations and activities of the Group during the period ended 31 March 2020, and this may continue to have a financial impact on the Group. These uncertainties have required the Group to update its judgments and estimation uncertainty applied in the Group's last annual financial statements.

While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of travel restrictions and airport closures. Therefore, the Group has estimated the potential impact of the current economic volatility in the determination of the reported amounts of the Group's financial and non-financial assets, and these are considered to represent management's best assessment based on available information. However, the markets remain volatile, and the recorded amounts remain sensitive to both the duration of travel suspension and temporary airport closures and the consequential severity of the economic impact.

In assessing the going concern position of the Group, the management, along with the oversight of the Board of Directors, has developed comprehensive cash flow projections ensuring the existence of sufficient and adequate funds to meet the Group's obligations for a period of at-least next twelve months. This assessment has taken in to account the current measures being put in place by the Group to preserve cash by reducing the planned capital expenditure during the period of closure; reductions in certain operating expenses to improve the liquidity; avail the announcements made by the Saudi Government to assist companies with the impact of the COVID- 19 pandemic to provide the financial support by paying 50% of wages for certain staff retained and flexibility on tax payments.

The Group is confident that it has in place robust policies, operational expertise, and financial resources and cushions to enable it to meet the challenges in the current environment. In light of the above, the Group concluded the following:

- Management believes that the above will not affect the Group's ability to continue as a going concern. Therefore, the interim financial statements have been prepared under the going concern concept.
- The key sources of estimation uncertainties remain similar to those disclosed in the last annual financial statements.

The Group will continue to monitor the situation, and any further changes required will be reflected in future reporting periods.

Disposal of asset held for sale

On 26 March 2019, Uber Technologies (Uber) signed an Assets Purchase Agreement (APA) with Careem Inc. (Careem) to acquire the net assets of Careem for USD 3.1 billion (equivalent up to SR 11.6 billion) subject to modifications. The Company owned 15.3% shares in Careem Inc. The Group classified its investment in Careem as non-current assets held for sale in the last annual financial statements.

The above acquisition was completed on 2 January 2020 ("Minimum Payment Date" as per APA) after obtaining the approval from most of the regulatory authorities in the relevant countries. As per APA, Uber held back 25% of the total consideration amounting to SR 483 million, until all regulatory and legal requirements have been completed. The Group recognized a gain of SR 1,563 million, excluding an amount of SR 241 million, which represents 50% of the holdback amount as described above. The Group assessed the recoverability of the remaining receivable amount related to holdbacks based on the information it obtained related to the progress of regulatory, tax and indemnity issues for the closure of sale transaction.

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5. PROPERTY AND EQUIPMENT

	Land & buildings	Furniture & fixtures	Office equipment	Vehicles	Air conditioners	Telecom & security systems	Tools & hardware	Right-of-use assets	Total
Cost:									
Balance at 1 January 2019	2,970,055,969	191,973,705	86,119,431	413,469,028	34,287,773	32,303,878	27,043,970	87,379,126	3,842,632,880
Additions	40,555,174	20,490,022	36,818,932	478,507,470	318,281	3,624,334	2,416,400	-	582,730,613
Transfer from assets under construction	-	35,789,860	-	-	-	-	-	-	35,789,860
Disposals during the year	(51,165,268)	(7,044,272)	(15,946,334)	(149,249,843)	(398,375)	(497,972)	(75,976)	-	(224,378,040)
Effect of movement in exchange rates	2,050,994	774,519	844,622	3,114,065	26,760	34,373	3,428	-	6,848,761
Balance at 31 December 2019	2,961,496,869	241,983,834	107,836,651	745,840,720	34,234,439	35,464,613	29,387,822	87,379,126	4,243,624,074
Additions	-	3,259,211	4,086,308	126,310,819	-	2,221,598	219,397	-	136,097,333
Transfer from assets under construction	-	-	-	-	-	-	-	-	-
Disposals during the period	-	(2,894,409)	(223,543)	(65,429,710)	(399,660)	(112,261)	(74,883)	-	(69,134,466)
Effect of movement in exchange rates	204,345	(525,559)	(395,508)	(3,847)	5,114	6,519	645	(1,415,670)	(2,123,961)
Balance at 31 March 2020	2,961,701,214	241,823,077	111,303,908	806,717,982	33,839,893	37,580,469	29,532,981	85,963,456	4,308,462,980

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5. PROPERTY AND EQUIPMENT (continued)

	Land & buildings	Furniture & fixtures	Office equipment	Vehicles	Air conditioners	Telecom & security systems	Tools & hardware	Right-of-use assets	Total
Accumulated depreciation:									
Balance at 1 January 2019	128,492,543	88,186,149	49,171,735	79,811,376	14,155,097	13,474,050	8,613,437	-	381,904,387
Charge for the year	13,793,084	24,079,024	14,124,550	105,481,286	4,526,509	5,780,119	2,375,688	14,219,397	184,379,657
Disposals	(4,528,080)	(5,259,439)	(15,883,442)	(67,717,832)	(254,531)	(306,157)	(75,971)	-	(94,025,452)
Effect of movement in exchange rates	133,028	432,081	791,433	1,359,976	20,078	24,205	192	167,970	2,928,963
Balance at 31 December 2019	137,890,575	107,437,815	48,204,276	118,934,806	18,447,153	18,972,217	10,913,346	14,387,367	475,187,555
Charge for the period	3,462,016	7,943,216	4,740,688	36,894,584	1,111,158	1,578,237	635,038	3,433,410	59,798,347
Elimination on disposals	-	(2,806,110)	(209,603)	(24,251,519)	(384,230)	(110,957)	(74,879)	-	(27,837,298)
Impairment	-	4,487,874	282,203	-	-	7,712	-	-	4,777,789
Effect of movement in exchange rates	(1,546)	(156,117)	(233,557)	(59)	4,099	5,132	95	(481,092)	(863,045)
Balance at 31 March 2020	141,351,045	116,906,678	52,784,007	131,577,812	19,178,180	20,452,341	11,473,600	17,339,685	511,063,348
Carrying amounts:									
At 31 December 2019	2,823,606,294	134,546,019	59,632,375	626,905,914	15,787,286	16,492,396	18,474,476	72,991,759	3,768,436,519
At 31 March 2020	2,820,350,169	124,916,399	58,519,901	675,140,170	14,661,713	17,128,128	18,059,381	68,623,771	3,797,399,632

In the opinion of management, as at 31 March 2020, there has been an impairment in the carrying value of the Group's furniture and fixtures and office equipment amounting to SR 4.5 million and SR 0.3 million respectively (31 December 2019: SR nil). This impairment relates to Almosafer Company for Travel and Tourism, where the management believes that the recoverable amount of these assets is lower than their carrying amounts.

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6. ASSETS UNDER CONSTRUCTION

	Prince Majed hotel project	Call center project - Egypt	Renovation project	CRM data integration project	SAP accounting software	Service center	ERP software development	Total
Balance at 31 December 2018	90,920,346	781,984	-	985,214	2,009,846	2,969,273	-	97,666,663
Additions	115,548,457	28,672,047	11,292,629	4,632,004	9,010,490	402,659	47,693,324	217,251,610
Transfer to property and equipment	-	(29,454,031)	(6,335,829)	-	-	-	-	(35,789,860)
Transfer to intangible assets and goodwill	-	-	-	-	(11,020,336)	-	-	(11,020,336)
Balance at 31 December 2019	206,468,803	-	4,956,800	5,617,218	-	3,371,932	47,693,324	268,108,077
Additions	29,611,909	-	565,000	-	-	125,552	26,531,707	56,834,168
Impairment	-	-	-	-	-	-	(17,259,994)	(17,259,994)
Balance at 31 March 2020	236,080,712	-	5,521,800	5,617,218	-	3,497,484	56,965,037	307,682,251

In the opinion of management, as at 31 March 2020, there has been an impairment in the carrying value of ERP software amounting to SR 17.3 million (31 December 2019: SR nil). The management believes that the recoverable amount is lower than the carrying amount ERP software.

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7. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Software	Brand name	Customer list	Total
Cost					
Balance at 1 January 2019	293,240,952	103,078,792	29,486,326	19,183,780	444,989,850
Additions	25,353,779	110,359,404	3,304,654	2,766,277	141,784,114
Disposal	(13,805,118)	(998,217)	-	-	(14,803,335)
Transfer from assets under construction	-	11,020,336	-	-	11,020,336
Effect of movement in exchange rates	2,020,605	173,198	1,154,694	762,688	4,111,185
Balance at 31 December 2019	306,810,218	223,633,513	33,945,674	22,712,745	587,102,150
Additions	-	679,917	-	-	679,917
Effect of movement in exchange rates	(3,992,731)	(821,227)	(2,515,807)	(1,391,263)	(8,721,028)
Balance at 31 March 2020	302,817,487	223,492,203	31,429,867	21,321,482	579,061,039
Accumulated amortization and impairment					
Balance at 1 January 2019	189,588,159	13,914,681	6,973,910	8,460,644	218,937,394
Amortization	-	22,447,628	1,272,063	2,178,919	25,898,610
Elimination on disposals	(13,805,118)	(998,217)	-	-	(14,803,335)
Effect of movement in exchange rates	-	112,955	315,917	415,552	844,424
Balance at 31 December 2019	175,783,041	35,477,047	8,561,890	11,055,115	230,877,093
Amortization	-	11,008,833	289,210	481,938	11,779,981
Impairment	127,034,446	110,000,000	23,579,457	10,475,429	271,089,332
Effect of movement in exchange rates	-	(261,223)	(1,000,690)	(691,000)	(1,952,913)
Balance at 31 March 2020	302,817,487	156,224,657	31,429,867	21,321,482	511,793,493
Carrying amounts					
At 31 December 2019	131,027,177	188,156,466	25,383,784	11,657,630	356,225,057
At 31 March 2020	-	67,267,546	-	-	67,267,546

Impairment test

Goodwill related to Group's subsidiary in Egypt has been eliminated on liquidation. The total impairment loss with regards to Group's subsidiaries which have been impaired, for all the years up to 31 December 2019 and as at 31 March 2020 is as follows.:

	31 March 2020	31 December 2019
Al Tayyar Tours Company	26,297,274	26,297,274
Al Tayyar Rent a Car Company	13,390,372	13,390,372
Nile Holidays Tourism Company	13,603,448	13,603,448
Lena Tours and Travel	2,718,479	2,718,479
Lumi Rental Company	44,500,000	44,500,000
Connecting Trade & Services	7,569,646	7,569,646
Fayfa Travel & Tourism Agency Company	16,846,286	16,846,286
Hanay Trading Company Limited	7,735,408	7,735,408
Al Hanove Tourism and Services Company	36,156,624	36,156,624
Almosafer Company for Travel and Tourism	18,434,785	6,965,504
National Travel and Tourism Bureau Limited	6,212,311	-
Al Sarh Travel and Tourism Limited	11,600,000	-
Al Mousim Travel and Tours	13,750,000	-
Jawlah Tours Establishment for Tourism	1,578,247	-
Al Mawasim Tourism and Umrah Services	21,235,000	-
Elegant Resorts Limited	29,560,328	-
Co-op Group Travel I Limited	11,652,929	-
Ian Allan (Retail and Travel) Limited*	11,813,391	-
IF Only Holidays Limited *	8,162,961	-
	302,817,489	175,783,041

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Impairment testing for CGUs containing goodwill

For the purpose of impairment testing, goodwill has been allocated to the Group's CGUs as follows:

	31 March 2020	31 December 2019
National Travel and Tourism Bureau Limited	6,212,311	6,212,311
Al Sarh Travel and Tourism Limited	11,600,000	11,600,000
E Al Tayyar Tours Company	26,297,274	26,297,274
Al Tayyar Rent a Car Company	13,390,372	13,390,372
Nile Holidays Tourism Company	13,603,448	13,603,448
Lena Tours and Travel	2,718,479	2,718,479
Lumi Rental Company	44,500,000	44,500,000
Al Mousim Travel and Tours	13,750,000	13,750,000
Jawlah Tours Establishment for Tourism	1,578,247	1,578,247
Mawasim Tourism and Umrah Services	21,235,000	21,235,000
Elegant Resorts Limited and subsidiaries	37,517,662	37,517,662
Al Hanove Tourism and Services Company	36,156,624	36,156,624
Mawasem Limited (formerly Co-op Group Travel 1 Limited)	11,652,929	11,652,929
Connecting Trade & Services	7,569,646	7,569,646
Fayfa Travel & Tourism Agency Company	16,846,286	16,846,286
Hanay Trading Company Limited	7,735,408	7,735,408
Almosafer Company for Travel and Tourism	18,434,785	18,434,785
Ian Allan (Retail and Travel) Limited*	14,993,434	14,993,434
IF Only Holidays Limited *	10,360,345	10,360,345
Effect of foreign currency translation	(13,334,761)	(9,342,032)
	302,817,489	306,810,218

Subsidiaries in the United Kingdom

The recoverable amount of these CGUs was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Travel and Tours	
	2020	2019
Discount rate	11%	11%
Terminal value growth rate	2%	2%
Budgeted EBITDA growth rate (average of next five years)	(43)%	31%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The Group carried out a detailed analysis to calculate the recoverable amount of assets in all relevant CGUs. The analysis resulted in carrying amount of assets exceeding the estimated recoverable amount and hence an impairment has been recorded in these interim financial statements.

Subsidiaries in the Kingdom of Saudi Arabia

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

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Subsidiaries in the Kingdom of Saudi Arabia (continued)

	Travel and Tours	
	<u>2020</u>	<u>2019</u>
Discount rate	12%	12%
Terminal value growth rate	3%	3%
Budgeted EBITDA growth rate (average of next five years)	(53)%	13%

The discount rate was a post-tax measure estimated based on the historical industry average weighted average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The Group carried out a detailed analysis to calculate the recoverable amount of assets in all relevant CGUs. The analysis resulted in carrying amount of assets exceeding the estimated recoverable amount and hence an impairment has been recorded in these interim financial statements.

8. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES

	Percentage holding			
	<u>31 March</u>	<u>31 December</u>	<u>31 March</u>	<u>31 December</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Al Shamel International Holding Co. KSC (ASI)	30%	30%	-	-
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%	-	-
2Share Emerging Technology (TSET)	35%	35%	-	-
Net Tours & Travels LLC (NT)	44.3%	44.3%	-	-
Careem Inc. – Refer to note 4 for details	-	15.3%	-	-
Saudi Heritage Hospitality Company (SHHC)	20%	20%	-	8,962,918
Equinox Group Limited (EGL)	40%	40%	-	13,460,055
Wadi Middle East S.A.R.L. (WME)	-	33.3%	-	-
CHME Limited (CHM)	40%	40%	-	-
Riyadh Front for Exhibitions and Conventions	40%	40%	400,000	400,000
			400,000	22,822,973

Movement in investment in equity accounted investee

	<u>31 March</u>	<u>31 December</u>
	<u>2020</u>	<u>2019</u>
Balance brought forward	22,822,973	50,098,827
Additions	-	18,433,296
Share of loss from associates	(345,115)	(7,185,213)
Impairment	(22,077,858)	-
Disposal	-	(24,990,641)
Reclassified to non-current asset held for sale	-	(13,533,296)
Balance carried forward	400,000	22,822,973

During the three months ended 31 March 2020, the Company has fully impaired its investments in Saudi Heritage Hospitality Company and Equinox Group Limited, since these companies have continuously been in losses and the Group does not expect to generate any return from these investments for the foreseeable future.

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9. TRADE AND OTHER RECEIVABLES

	31 March	31 December
	2020	2019
Trade receivables	1,505,404,336	1,564,565,059
Impairment loss on trade receivables	(222,541,863)	(217,536,660)
	1,282,862,473	1,347,028,399
Other receivables:		
Accrued incentives	142,755,102	145,385,700
Employee receivables	26,776,919	22,933,328
Taxes	28,015,500	21,961,561
Consumables	3,372,159	3,392,780
Accrued finance income	1,279,765	11,663
Receivable from the disposal of Careem Inc.	778,853,860	-
Others	47,128,470	43,190,504
	2,311,044,248	1,583,903,935
Classified as:		
Non-current (Note 4)	241,651,870	-
Current	2,069,392,378	1,583,903,935

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

	31 March	31 December
	2020	2019
Opening balance	217,536,660	192,190,781
Impairment loss for the period	5,005,203	25,345,879
Closing balance	222,541,863	217,536,660

Information about the Group's exposure to credit and market risks, and impairment losses in trade and other receivables is included in note 17.

10. CASH AND CASH EQUIVALENTS

	31 March	31 December
	2020	2019
Cash in hand	5,925,908	5,969,600
Bank balances – current account	277,784,503	343,693,587
Call deposits	251,062,779	-
Cash held with fund manager	60,765	-
Cash and cash equivalents in the statement of financial position	534,833,955	349,663,187
Cash held with fund manager	(60,765)	-
Bank overdrafts used for cash management purposes	(20,455,204)	(5,169,582)
Cash and cash equivalents in the statement of cash flows	514,317,986	344,493,605

Call deposits are made for varying periods 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.

11. CAPITAL AND RESERVES

Share capital

	31 March	31 December
	2020	2019
At the beginning of the year	300,000,000	209,650,000
Bonus shares	-	90,350,000
Issued and fully paid	300,000,000	300,000,000
Par value @ SR 10 each	3,000,000,000	3,000,000,000

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

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11. CAPITAL AND RESERVES (continued)

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.

12. LOANS AND BORROWINGS

	31 March 2020	31 December 2019
Non-current liabilities		
Secured bank loans	392,857,143	392,857,143
Unsecured bank loans	68,871,653	75,477,443
	461,728,796	468,334,586
Current liabilities		
Current portion of secured bank loans	78,571,429	78,571,429
Unsecured bank loans	394,614,760	598,518,381
	473,186,189	677,089,810

The secured bank loans are secured against land and buildings with a carrying amount of SR 1.92 billion (31 December 2019: SR 1.93 billion).

The outstanding secured and unsecured loans as of 31 March 2020 and 31 December 2019 have markup cost which is generally based on prevailing market rates.

13. RELATED PARTY TRANSACTIONS AND BALANCES

The significant related party transactions and balances are broken down as follows:

13.1 Related parties' transactions

Senior management remuneration

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive Officer (C.E.O.), Directors and Executives of the Company is as follows:

	31 March 2020				31 March 2019			
	CEO	Directors	Executives	Total	CEO	Directors	Executives	Total
Managerial remuneration	540,000	-	960,931	1,500,931	540,000	-	949,095	1,489,095
Housing & Travel allowance	189,000	-	375,621	564,621	189,000	-	343,730	532,730
Business Trips	41,430	-	80,783	122,213	150,112	-	216,882	366,994
Bonus	-	-	672,973	672,973	-	-	-	-
End of Service Benefits	30,375	-	88,954	119,329	30,375	-	110,432	140,807
Total	800,805	-	2,179,262	2,980,067	909,487	-	1,620,139	2,529,626

Directors of the Company control 0.32% (31 December 2019: 0.32%) of the voting shares of the Company.

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favorable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

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13.1 Related parties' transactions (continued)

Related party transactions mainly represent purchases, sales and services rendered which are at arm's length and undertaken at mutually agreed terms and approved by management.

Related party	Relationship	31-Mar-2020				Other costs / (revenues)
		Sales	Purchases	Receipts	Payments	
Riyad Front for Exhibitions and Conventions	Associate	-	-	-	-	8,465,825
Al Shamel International Holding Company	Associate	-	-	-	-	-
Wadi Middle East SARL.	Associate	-	-	-	-	23,103
CHME Limited	Associate	-	-	-	-	-
Majid Al Nafai	Minority shareholder of MWT	-	-	-	-	182,603
Riyadh Cables Group	Common directorship	-	-	-	-	-
Gulf International Trading and Real Estate Company	Common directorship	9,485	-	37,828	-	-
National Agriculture Development Co.	Common directorship	1,475,769	-	621,862	-	-
2share United Communications	Ownership interest by majority shareholder of SEERA.	-	-	-	-	-
Nile Air	Ownership interest by majority shareholder of SEERA	-	8,165,315	-	8,227	1,348,110
Riyadh Airport Company	Common directorship	-	-	280,754	-	-
Saudi Batal Design Company	Ownership interest by majority shareholder of SEERA	77,966	-	70,000	-	-
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	97,042
Related party	Relationship	31-Mar-2019				Other costs / (revenues)
		Sales	Purchases	Receipts	Payments	
Al Shamel International Holding Company	Associate	-	6,863,817	-	6,367,656	133,263
Wadi Middle East SARL.	Associate	-	-	-	-	-
CHME Limited	Associate	-	-	-	-	6,751
Majid Al Nafai	Minority shareholder of MWT	-	-	-	-	3,053,796
Riyadh Cables Group	Common directorship	29,125	-	33,289	-	-
Gulf International Trading and Real Estate Company	Common directorship	48,397	-	15,000	-	-
National Agriculture Development Co.	Common directorship	1,884,222	-	1,481,648	-	-
Nile Air	Ownership interest by majority shareholder of SEERA	-	1,258,994	3,366,016	-	462,429
Riyadh Airport Company	Common directorship	-	-	-	-	-
Saudi Batal Design Company	Ownership interest by majority shareholder of SEERA	127,245	-	95,000	-	-
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	(22,208)

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13.2 Related party balances

Related party balances at year end are as below:

	31 March 2020	31 December 2019
Due from related parties		
Riyad Front for Exhibitions and Conventions	13,465,825	5,000,000
Wadi Middle East SARL.	23,103	-
Forbes Middle East	375,501	375,501
Saudi Batal Design Company	138,015	130,049
2share United Communications	27,930	27,930
Nile Air	1,873,250	8,682,228
Riyadh Cables Group	24,822	24,822
National Agriculture Development Co.	2,353,423	1,499,516
Riyadh Airports Company	311	281,065
Gulf International Trading and Real Estate Company	1,028	29,371
CHME Limited (CHM)	6,751	6,751
Jean Abboud	1,876,071	1,876,071
Abdullah Al Ajlani	2,173,013	2,173,013
Majid Al Nafai	14,346,021	14,163,418
	36,685,064	34,269,735
Due to related parties		
	31 March 2020	31 December 2019
Voyage Amro Travel	1,263,075	1,263,075
Mohaideb Ali Al Mohaideb	-	97,042
	1,263,075	1,360,117

14. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 March 2020, the Group has capital commitments of SR nil million (31 December 2019: SR nil million) with respect to property developments, software development and construction of new office premises.

Contingencies

On 31 March 2020, the Group has letters of guarantees amounting to SR 349 million (31 December 2019: SR 353 million) issued by the Company's banks in favor of certain suppliers. Included in letter of guarantees is an amount of SR 38 million (31 December 2019: SR 39 million) related to guarantee on margins' deposit.

15. REVENUE

	31 March 2020	31 March 2019
Commission		
Airline ticketing & incentives	103,173,293	228,055,856
Hotel booking	37,896,939	35,125,172
Shipments	2,851,014	3,960,066
Train ticketing	4,037,704	5,994,307
	147,958,950	273,135,401
Other revenue		
Package holidays	91,378,072	117,712,235
Car rentals	118,677,475	49,264,429
Property and room rentals	16,124,561	13,055,666
Chartered flights	18,167,598	48,227,461
Others	4,387,942	8,157,810
	248,735,648	236,417,601
	396,694,598	509,553,002

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15. 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 following table, 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 18). See the following pages for a detailed analysis:

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Disaggregation of revenue (continued)

	31 March 2020						
	<u>Reportable segments</u>						
Primary geographical markets	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	<u>Total</u>
Kingdom of Saudi Arabia	85,941,922	37,740,068	139,691,375	16,124,561	-	1,262,097	280,760,023
United Kingdom	20,047,854	89,256,335	-	-	-	-	109,304,189
Egypt	247,307	1,201,688	4,712	-	-	-	1,453,707
United Arab Emirates	973,914	1,267,337	-	-	-	-	2,241,251
Spain	-	(190,417)	-	-	-	3,125,845	2,935,428
Lebanon	-	-	-	-	-	-	-
	107,210,997	129,275,011	139,696,087	16,124,561	-	4,387,942	396,694,598
Timing of revenue recognition							
Services transferred at a point in time	107,210,997	37,896,939	2,851,014	16,124,561	-	-	164,083,511
Services transferred over time	-	91,378,072	136,845,073	-	-	4,387,942	232,611,087
	107,210,997	129,275,011	139,696,087	16,124,561	-	4,387,942	396,694,598

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Disaggregation of revenue (continued)

31 March 2019							
Primary geographical markets	Reportable segments						Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	
Kingdom of Saudi Arabia	215,321,823	56,677,111	101,347,630	13,055,666	-	5,757,733	392,159,963
United Kingdom	27,564,971	90,311,290	-	-	-	-	117,876,261
Egypt	116,697	4,707,868	104,326	-	-	102,588	5,031,479
United Arab Emirates	(10,123,400)	618,156	-	-	-	-	(9,505,244)
Spain	-	219,426	-	-	-	2,297,489	2,516,915
Lebanon	1,170,072	303,556	-	-	-	-	1,473,628
	<u>234,050,163</u>	<u>152,837,407</u>	<u>101,451,956</u>	<u>13,055,666</u>	<u>-</u>	<u>8,157,810</u>	<u>509,553,002</u>
Timing of revenue recognition							
Services transferred at a point in time	234,050,163	35,125,172	3,960,066	13,055,666	-	-	286,191,067
Services transferred over time	-	117,712,235	97,491,890	-	-	8,157,810	223,361,935
	<u>234,050,163</u>	<u>152,837,407</u>	<u>101,451,956</u>	<u>13,055,666</u>	<u>-</u>	<u>8,157,810</u>	<u>509,553,002</u>

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16. 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)

	31 March 2020	31 March 2019
Profit attributable to ordinary shareholders	<u>1,113,498,328</u>	<u>47,310,927</u>

Weighted-average number of ordinary shares (basic)

	31 March 2020	31 March 2019
Weighted-average number of ordinary shares at the end of the period	<u>300,000,000</u>	<u>300,000,000</u>

Earnings per share attributable to owners of the parent

	31 March 2020	31 March 2019
Basic and diluted	<u>3.71</u>	<u>0.16</u>

17. FAIR VALUE AND FAIR VALUE HIERARCHY

The Group measures financial instruments, such as equity accounted investees at fair value at each statement of financial position 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 Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the interim financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group determines the policies and procedures for both recurring fair value measurement, and for non-recurring measurement. External valuers are involved for valuation of significant assets. The involvement of external valuers is decided by the Group after discussion with the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

17. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The Company has not disclosed the fair value for financial instruments such as short term trade and other receivables, trade and other payables and, short term investments and cash and bank balances, because their carrying amounts are a reasonable approximation of fair values largely because of short term maturity of these instruments. Company has disclosed the fair values of long term murabaha finance measured. The fair value of murabaha finance facility is approximately the same as the carrying value.

Categories of financial assets and liabilities

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. See the following pages for the categories of financial assets and liabilities:

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Categories of financial assets and liabilities (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	
31 March 2020							
Financial assets measured at fair value							
Equity investment at FVOCI	58,635,033	45,000,000	103,635,033	58,635,033	45,000,000	-	103,635,033
Other receivable	-	241,651,870	241,651,870	-	-	-	241,651,870
	58,635,033	286,651,870	345,286,903	58,635,033	45,000,000	-	345,286,903
Current:							
Cash and cash equivalents	-	534,833,955	534,833,955	-	-	-	534,833,955
Trade and other receivables	-	1,820,064,463	1,820,064,463	-	-	-	1,820,064,463
Due from related parties	-	36,685,064	36,685,064	-	-	-	36,685,064
		2,391,583,482	2,391,583,482				2,391,583,482
Total financial assets	58,635,033	2,678,235,352	2,736,870,385	58,635,033	45,000,000	-	2,736,870,385
Financial liabilities							
Non-current:							
Loans and borrowings	-	461,728,796	461,728,796	-	-	-	461,728,796
Leased liabilities	-	67,796,860	67,796,860	-	-	-	67,796,860
	-	529,525,656	529,525,656	-	-	-	529,525,656
Current:							
Bank overdraft	-	20,455,204	20,455,204	-	-	-	20,455,204
Loans and borrowings	-	473,186,189	473,186,189	-	-	-	473,186,189
Leased liabilities	-	10,965,447	10,965,447	-	-	-	10,965,447
Trade and other payables	-	414,992,682	414,992,682	-	-	-	414,992,682
Due to related parties	-	1,263,075	1,263,075	-	-	-	1,263,075
	-	920,862,597	920,862,597	-	-	-	920,862,597
Total financial liabilities	-	1,450,388,253	1,450,388,253	-	-	-	1,450,388,253

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Categories of financial assets and liabilities (continued)

	Carrying amount		Total Carrying amount	Fair value			Total
	FVOCI. – equity instrument	Financial assets at amortized cost		Level 1	Level 2	Level 3	
31 December 2019							
Financial assets measured at fair value							
Equity investments	59,790,748	45,000,000	104,790,748	59,790,748	45,000,000	-	104,790,748
Current:							
Cash and cash equivalents	-	349,663,187	349,663,187	-	-	-	349,663,187
Trade and other receivables	-	1,347,028,399	1,347,028,399	-	-	-	1,347,028,399
Due from related parties	-	34,269,735	34,269,735	-	-	-	34,269,735
	-	1,730,961,321	1,730,961,321	-	-	-	1,730,961,321
Total financial assets	59,790,748	1,775,961,321	1,835,752,069	59,790,748	45,000,000	-	1,835,752,069
Financial liabilities							
Non-current:							
Loans and borrowings	-	468,334,586	468,334,586	-	-	-	468,334,586
Lease liabilities	-	73,551,757	73,551,757	-	-	-	73,551,757
	-	541,886,343	541,886,343	-	-	-	541,886,343
Current:							
Bank overdraft	-	5,169,582	5,169,582	-	-	-	5,169,582
Loans and borrowings	-	677,089,810	677,089,810	-	-	-	677,089,810
Lease liabilities	-	10,705,579	10,705,579	-	-	-	10,705,579
Trade and other payables	-	513,529,667	513,529,667	-	-	-	513,529,667
Due to related parties	-	1,360,117	1,360,117	-	-	-	1,360,117
	-	1,207,854,755	1,207,854,755	-	-	-	1,207,854,755
Total financial liabilities	-	1,749,741,098	1,749,741,098	-	-	-	1,749,741,098

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18. 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, triptyque and international driving license. None of these segments met the quantitative thresholds for reportable segments in 2020 or 2019.

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.

31 March 2020							
Reportable segments							
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property rentals</u>	<u>All other segments</u>	<u>Total</u>
External revenues	-	91,378,072	2,851,014	16,124,561	-	4,387,942	114,741,589
Inter-segment revenue	-	-	13,760,554	-	10,207,006	3,801,716	27,769,276
External commissions	107,210,997	37,896,939	136,845,073	-	-	-	281,953,009
Segment revenue	107,210,997	129,275,011	153,456,641	16,124,561	10,207,006	8,189,658	424,463,874
Segment profit before zakat and tax	(267,579,317)	(181,139,937)	9,508,183	(10,102,218)	5,894,426	1,562,068,511	1,118,649,648
Segment assets	2,498,421,862	1,691,326,463	1,276,640,117	3,106,100,515	1,367,382,969	12,309,582	9,952,181,508
Segment liabilities	483,855,051	327,549,508	1,163,897,652	24,870,519	6,123,946	2,383,926	2,008,680,602
31 March 2019							
Reportable segments							
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property rentals</u>	<u>All other segments</u>	<u>Total</u>
External revenues	-	117,712,235	97,491,890	13,055,666	-	8,157,810	236,417,601
Inter-segment revenue	-	-	894,299	-	15,000,000	-	15,894,299
External commissions	234,050,163	35,125,172	3,960,066	-	-	-	273,135,401
Segment revenue	234,050,163	152,837,407	102,346,255	13,055,666	15,000,000	8,157,810	525,447,301
Segment profit / (loss) before zakat and tax	45,196,789	9,535,070	5,212,529	(10,400,113)	8,488,219	939,349	58,971,843
Segment assets	3,086,651,595	651,184,267	814,666,412	3,012,294,451	1,365,188,196	64,151,510	8,994,136,431
Segment liabilities	1,212,531,122	255,805,090	775,351,586	15,131,792	6,622,465	25,200,674	2,290,642,729

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Reconciliations of information on reportable segments to IFRS measures

	31 March 2020	31 March 2019
Revenues		
Total revenue for reportable segments	416,274,216	517,289,491
Revenue for other segments	8,189,658	8,157,810
Elimination of inter-segment revenue	(27,769,276)	(15,894,299)
Consolidated revenue	396,694,598	509,553,002
	31 March 2020	31 March 2019
Profit before zakat and tax		
Total profit before zakat and tax for reportable segments	(443,418,863)	58,032,494
Profit before zakat and tax for other segments	1,562,068,511	939,349
Consolidated profit before zakat and tax	1,118,649,648	58,971,843
	31 March 2020	31 December 2019
Assets		
Total assets for reportable segments	9,939,871,926	9,212,069,352
Assets for other segments	12,309,582	49,960,741
Inter-segment eliminations	(983,879,705)	(983,879,705)
Consolidated assets	8,968,301,803	8,278,150,388
	31 March 2020	31 December 2019
Liabilities		
Total liabilities for reportable segments	2,006,296,676	2,415,931,058
Liabilities for other segments	2,383,926	17,908,635
Consolidated liabilities	2,008,680,602	2,433,839,693

19. SUBSEQUENT EVENTS

In the opinion of management, there have been no subsequent events since the period ended 31 March 2020, which would have a material impact on the financial position of the Group as reflected in these interim financial statements.

20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been approved by the board of directors on 17 June 2020 corresponding to 25 Shawwal 1441.