

SEERA HOLDING GROUP
(A Saudi Joint Stock Company)
(Formerly known as
AL TAYYAR TRAVEL GROUP HOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 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)

Review of Interim Condensed Consolidated Financial Statements

We have reviewed the accompanying interim consolidated statement of financial position of **Seera Holding Group**, formerly known as Al Tayyar Travel Group Holding Company, ("the Company") and its subsidiaries (collectively referred as the "Group") as at 31 March 2019 and the related interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month 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 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 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, the interim consolidated financial position of the Group as at 31 March 2019, and of its interim consolidated financial performance and its interim consolidated cash flows for the three-month 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)



May 6, 2019 (G)
1 Ramadan, 1440 (H)

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019
(SAUDI RIYALS)

| | Note | 31 March 2019 (Un-audited) | 31 December 2018 (Audited) |
|--|------|----------------------------------|----------------------------------|
| ASSETS | | | |
| Non-current | | | |
| Property and equipment | 7 | 3,431,988,811 | 3,373,349,367 |
| Capital work in progress | | 132,218,843 | 97,666,663 |
| Capital work in progress – recoverable on disposal | | 359,747,097 | 359,747,097 |
| Intangible assets and goodwill | | 223,007,455 | 226,052,456 |
| Investment properties | | 1,039,223,365 | 1,043,059,080 |
| Investments in equity-accounted associates | 8 | 49,644,112 | 50,098,827 |
| Equity instruments | | 101,421,818 | 97,330,953 |
| Deferred tax assets | | 4,705,361 | 4,603,513 |
| | | <u>5,341,956,862</u> | <u>5,251,907,956</u> |
| Current | | | |
| Trade and other receivables | 9 | 1,852,114,086 | 1,744,629,477 |
| Due from related parties | | 13,190,628 | 13,850,818 |
| Prepayments and advances | | 398,199,322 | 318,992,407 |
| Short term investment | | 150,000,000 | 400,000,000 |
| Cash and cash equivalents | 10 | 254,795,828 | 263,887,892 |
| | | <u>2,668,299,864</u> | <u>2,741,360,594</u> |
| TOTAL ASSETS | | <u>8,010,256,726</u> | <u>7,993,268,550</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| 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 | | (4,411,459) | (15,681,534) |
| Retained earnings | | 2,284,225,776 | 2,244,549,962 |
| | | <u>5,712,609,317</u> | <u>5,661,663,428</u> |
| Non-controlling interests | | 7,004,680 | 7,103,222 |
| TOTAL EQUITY | | <u>5,719,613,997</u> | <u>5,668,766,650</u> |
| LIABILITIES | | | |
| Non-current | | | |
| Loans and borrowings | 12 | 480,096,391 | 480,096,391 |
| Leased liabilities | 13 | 58,912,645 | - |
| Employees' benefits | | 118,858,054 | 114,477,245 |
| Deferred tax liabilities | | 783,185 | 986,302 |
| | | <u>658,650,275</u> | <u>595,559,938</u> |
| Current | | | |
| Bank overdraft | 10 | 126,718,186 | 31,304,212 |
| Loans and borrowings | 12 | 147,443,344 | 233,209,619 |
| Zakat and tax liabilities | | 80,833,593 | 94,618,609 |
| Trade and other payables | | 881,941,142 | 945,101,154 |
| Due to related parties | | 4,207,599 | 3,844,701 |
| Contract liabilities | | 365,848,590 | 395,863,667 |
| Provisions | | 25,000,000 | 25,000,000 |
| | | <u>1,631,992,454</u> | <u>1,728,941,962</u> |
| TOTAL LIABILITIES | | <u>2,290,642,729</u> | <u>2,324,501,900</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>8,010,256,726</u> | <u>7,993,268,550</u> |

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 FINANCIAL STATEMENTS (UNAUDITED)
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019
(SAUDI RIYALS)

| | | Three months ended | |
|---|------|---------------------|---------------------|
| | Note | 31 March 2019 | 31 March 2018 |
| Revenue | 15 | 466,422,551 | 481,705,944 |
| Cost of revenue | | (164,174,684) | (126,221,895) |
| Gross profit | | 302,247,867 | 355,484,049 |
| Selling expenses | | (96,708,801) | (88,803,469) |
| Administrative expenses | | (136,289,579) | (123,018,920) |
| Impairment loss on trade receivables | 9 | (6,661,351) | (11,382,981) |
| Other income | | 3,832,801 | 4,005,186 |
| Other expenses | | (1,518,239) | (648,048) |
| Operating profit | | 64,902,698 | 135,635,817 |
| Finance income | | 1,305,965 | 2,927,592 |
| Finance costs | | (12,169,452) | (16,383,851) |
| Net finance cost | | (10,863,487) | (13,456,259) |
| Gain on disposal of subsidiary | | 16,469,391 | - |
| Recognized foreign currency loss on disposal of subsidiary | | (11,082,044) | - |
| Impairment loss | | - | (6,419,483) |
| Share of loss on equity-accounted investees, net of tax | | (454,715) | (24,009,244) |
| Profit before Zakat and tax | | 58,971,843 | 91,750,831 |
| Zakat and income tax expense | | (9,947,192) | (9,444,539) |
| Profit for the period | | 49,024,651 | 82,306,292 |
| Other comprehensive income: | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurements of defined benefit liability | | - | - |
| Items that are or may be reclassified subsequently to profit or loss | | | |
| Foreign operations – foreign currency translation differences | | 5,524,507 | 8,871,120 |
| Unrealized gain on equity investments - FVOCI | | 585,796 | - |
| | | 6,110,303 | 8,871,120 |
| Other comprehensive income, net of tax | | 6,110,303 | 8,871,120 |
| Total comprehensive income | | 55,134,954 | 91,177,412 |
| Profit attributable to: | | | |
| Owners of the parent | | 47,310,927 | 85,572,427 |
| Non-controlling interests | | 1,713,724 | (3,266,135) |
| | | 49,024,651 | 82,306,292 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | | 53,421,230 | 94,443,547 |
| Non-controlling interests | | 1,713,724 | (3,266,135) |
| | | 55,134,954 | 91,177,412 |
| Earnings per share | | | |
| Basic and diluted earnings per share | 16 | 0.23 | 0.41 |

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 FINANCIAL STATEMENTS (UNAUDITED)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019
(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 | Fair value reserve | Total earnings | | | | |
| 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 | 6 | - | - | - | - | - | - | - | - | (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 | | - | - | - | 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 | | - | - | - | - | - | - | - | - | - | - | - | - |
| 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 Ayedh Al Nifaie (Board Member)


Abdullah Nasser Al Dawoud (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 FINANCIAL STATEMENTS (UNAUDITED)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019
(Saudi Riyals)

| Node | Share Capital | Share premium | Statutory reserve | Translation reserve | Staff general fund reserve | Charity fund reserve | Other reserves | | | Non-controlling interests | Total Equity |
|--|---------------|---------------|-------------------|---------------------|----------------------------|----------------------|-------------------|-------------|--|---------------------------|---------------|
| | | | | | | | Retained earnings | Total | Total attributable to the owners of the parent | | |
| Balance at 1 January 2018, | 2,096,500,000 | 707,345,000 | 628,950,000 | (115,475,080) | 88,054,182 | 35,419,269 | 2,576,037,807 | 7,998,371 | 6,016,831,178 | 9,340,498 | 6,026,171,676 |
| Profit for the period | - | - | - | - | - | - | - | - | - | - | - |
| Other comprehensive income for the period | - | - | - | 8,871,120 | - | - | 85,572,427 | - | 85,572,427 | (3,766,135) | 82,306,292 |
| Total comprehensive income | - | - | - | 8,871,120 | - | - | - | 8,871,120 | 8,871,120 | - | 8,871,120 |
| Transferred to statutory reserve | - | - | - | 8,871,120 | - | - | - | - | 8,871,120 | (3,266,135) | 91,177,412 |
| Net movement of staff general fund reserve | - | - | - | - | (192,750) | - | - | (192,750) | (192,750) | - | (192,750) |
| Net movement of charity fund reserve | - | - | - | - | - | (1,331,731) | - | (1,331,731) | (1,331,731) | - | (1,331,731) |
| Transactions with shareholders | | | | | | | | | | | |
| Dividends | - | - | - | - | - | - | - | - | - | - | - |
| Changes in ownership interests | | | | | | | | | | | |
| Translation reserve realized on disposal of a subsidiary | - | - | - | - | - | - | (104,823,000) | - | (104,823,000) | (4,330,309) | (109,153,309) |
| Balance at 31 March 2018 | 2,096,500,000 | 707,345,000 | 628,950,000 | (106,603,960) | 87,861,432 | 34,087,538 | 2,556,785,234 | 15,345,010 | 6,004,925,244 | 1,744,054 | 6,006,669,298 |


Maged Aydeh Al Nifate (Board Member)


Abdullah Nasser Al Dawood (CFO)


Yousif Mousa Yousif (Group CEO)

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

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019
(Saudi Riyals)

| | <u>Note</u> | <u>31 March</u> <u>2019</u> | <u>31 March</u> <u>2018</u> |
|---|-------------|--------------------------------|--------------------------------|
| Cash flows from operating activities | | | |
| Profit before zakat and tax | | | |
| <i>Adjustments to reconcile before zakat and tax to net cash flow</i> | | 58,971,843 | 91,750,831 |
| - Depreciation | 7 | 40,641,665 | 33,168,401 |
| - Amortization | | 6,292,248 | 2,095,393 |
| - Impairment loss for trade receivables | 9 | 6,661,351 | 11,382,981 |
| - Net finance cost | | 10,863,487 | 10,991,782 |
| - Return on investments | | (16,390) | - |
| - Gain from discontinued segment | | (235,793) | - |
| - Recognized foreign currency loss on disposal of subsidiaries | | 11,082,044 | - |
| - Gain on disposal of subsidiaries | | (16,469,391) | - |
| - Impairment loss on equity-accounted investees, net of tax | | - | 6,419,483 |
| - Share of loss on equity-accounted investees, net of tax | | 454,715 | 24,009,244 |
| - Gain on sale of property and equipment | | (1,059,915) | (1,511,347) |
| - Provision of employees' benefits | | 6,806,340 | 5,567,581 |
| Net changes in working capital: | | | |
| - Trade and other receivables | | (99,716,230) | (197,019,245) |
| - Prepayments and advances | | (81,431,290) | (24,012,474) |
| - Related parties, net | | 1,023,088 | (151,899,971) |
| - Trade and other payables | | (68,557,677) | 55,941,755 |
| - Contract liabilities | | (30,015,077) | (17,499,701) |
| Cash used in operating activities | | (154,704,982) | (150,615,287) |
| Finance expense paid | | (6,238,973) | (27,801,154) |
| Finance income received | | 1,328,226 | 5,434,597 |
| Leased liabilities paid | | (3,976,565) | - |
| Employees' benefits paid | | (2,425,531) | (3,192,884) |
| Zakat and income taxes paid | | (23,732,208) | (929,491) |
| Net cash used in operating activities | | (189,750,033) | (177,104,219) |
| Cash flows from investing activities | | | |
| Proceeds from sale of property and equipment | | 26,057,188 | 6,884,247 |
| Disposal of intangible asset | | - | 805,707 |
| Disposal of subsidiaries | | (19,639,199) | - |
| Proceeds from disposal of subsidiaries | | 10,708,500 | - |
| Acquisition of property and equipment | | (62,324,883) | (51,802,774) |
| Acquisition of intangible assets | | (1,623,522) | (663,833) |
| Short term investments | | 250,000,000 | - |
| Net movement in capital work in progress | | (34,552,180) | (8,392,608) |
| Net cash generated from / (used in) investing activities | | 168,625,904 | (53,169,261) |
| Cash flows from financing activities | | | |
| Proceeds from loans and borrowings | 12 | 240,539,735 | 637,453,663 |
| Repayment of loans and borrowings | 12 | (326,306,010) | (461,199,096) |
| Staff general fund reserve paid | | (154,000) | (192,750) |
| Charity fund reserve paid | | (5,259,497) | (1,331,731) |
| Dividends paid | | (1,812,266) | (109,155,309) |
| Net cash (used in) / generated from financing activities | | (93,692,038) | 65,574,777 |
| Net decrease in cash and cash equivalents | | (114,816,167) | (164,698,703) |
| Cash and cash equivalents at 1 January | | 229,095,001 | 970,799,467 |
| Effect of movements in exchange rates on cash held | 10 | 13,798,808 | 4,965,386 |
| Cash and cash equivalents at 31 March | 10 | 128,077,642 | 811,066,150 |
| Non-cash transactions: | | | |
| Right of use of assets | | 56,742,541 | - |
| Leased liability | | (62,153,279) | - |
| Signature of Board Member: | | | |
| Signature of CEO: | | | |
| Signature of Group CEO: | | | |

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 FINANCIAL STATEMENTS (UNAUDITED)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019
(Saudi Riyals)

1. LEGAL STATUS AND NATURE OF OPERATIONS

Seera Holding Group formerly known as 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”) comprise the Company and its subsidiaries (together referred to as the ‘Group’).

The Company changed its name from Al Tayyar Travel Group Holding Company to Seera Holding Group as a result of a resolution passed during the Company’s Annual General Meeting held on 14 April 2019 corresponding to 9 Shaban 1440.

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 16) through its 342 branches (31 December 2018: 347) 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

| Name of subsidiary | Activities | Country of incorporation | 31 March 2019 | 31 December 2018 |
|--|---|---------------------------------|----------------------|-------------------------|
| 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% |
| Seera International Air Transportation Agency Company Limited (SIT) (formerly Al Tayyar International Air Transportation Agency Company Limited) | Travel and tourism business | KSA | 100% | 100% |
| Al Tayyar Holiday for Travel and Tourism Company Limited (ATH) | Travel and tourism business | KSA | 100% | 100% |
| Seera Travel, Tourism and Cargo Company Limited (SCC) (formerly Al Tayyar Travel, Tourism and Cargo Company Limited) | 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% |
| 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% |
| Al Tayyar Travel and Tourism (ATD) | Tourism business | UAE | 100% | 100% |
| Taqniatech Company for Communication Technology Limited (TAQ) | Telecommunication services | KSA | 100% | 100% |
| Seera Hospitality Company (SHC) (formerly Al Tayyar Real Estate, Tourism Development and Investment Company Hotels) | Hotel and property business | KSA | 100% | 100% |
| Lumi Rental Co. (LRC) (formerly Al Tayyar Rent A Car) | Rent a car 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% |
| 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% | 100% |
| 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% |
| Sheraton Makkah Company (SMC) | Hotel | KSA | 100% | 100% |

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019
(Saudi Riyals)

1.1 Interest in subsidiaries (continued)

*On 30 January 2019 the Company signed an agreement to dispose off its interest in ATT where the Company disposed of its 100% shareholding of ATT to Family Corporation Car Rental Company for a total consideration of EGP 125 million equivalent to SR 26.8 million with a net gain of SR 5.4 million.

1.2 Interest in associates

| Name of associates | Activities | Country of incorporation | 31 March 2019 | 31 December 2018 |
|--|------------------------------------|---------------------------------|----------------------|-------------------------|
| Felix Airways Limited (FAL) | Travel business | Yemen | 30% | 30% |
| Al Shamel International Holding Company KSC (ASI) | Travel business | Kuwait | 30% | 30% |
| Taqniatech 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. | Rent a car business | BVI | 15% | 15% |
| Saudi Heritage Hospitality Company (SHHC) | Hospitality services | KSA | 20% | 20% |
| Equinox Group Limited (EGL) | Hospitality services | UAE | 40% | 40% |
| 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% |

* Uber Technologies Inc. (“Uber”) entered into an Asset Purchase Agreement (“APA”) with Careem Inc. (“Careem”) to buy all of Careem’s assets and assume certain liabilities. The agreement was signed on 26 March 2019 between Uber and Careem’s shareholders.

As per APA, the Aggregate Consideration payable is USD 3.1 billion and comprises the aggregate cash consideration of USD 1.4 billion plus the Aggregate Notes Consideration amount USD 1.7 billion subject to modification. The Aggregate Consideration amounts agreed between Uber and Careem are subject to certain holdback amounts, which will be held in the form of the Notes. The hold-back amounts relate to; Regulatory hold-back and Indemnity hold-back. The legal and regulatory matters relating to the above arrangement are still in process.

The Company has not reclassified this investment as held for sale in these interim condensed consolidated financial statements, as it does not believe that, as at 31 March 2019, all the conditions of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations* have been satisfied.

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 2018 (‘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 16 has been applied. Changes to significant accounting policy are 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 condensed consolidated financial statements, the significant accounting policies adopted are based on IFRSs effective on 31 March 2019.

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 financial statements.

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3.2 Standards issued but not yet effective (continued)

i. Annual improvements 2015 - 2017 Cycle

There were four amendments as part of the 2015 - 2017 Annual Improvements Cycle. These were made to IFRS 3 Business Combinations and IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs.

- IFRS 3: A company re-measures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11: A company does not re-measure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12: A company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23: A company treats as part of general borrowings any borrowing originally made to develop a specific asset when that asset is ready for its intended use or sale.

ii. Plan Amendment, Curtailment or Settlement – Amendments to IAS 19.

This amendment clarifies that it is now mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement for a plan amendment, curtailment or settlement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

iii. IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments, addressing four specific issues:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity should make about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

iv. Prepayment Features with Negative Compensation – Amendments to IFRS 9

The amendment was issued to address the concerns about how IFRS 9 classifies particular pre-payable financial assets. It amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. However, the calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of an early repayment gain.

v. Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28

This amendment clarifies that IFRS 9, including its impairment requirements, applies to long-term interests. Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

These above amendments had no impact on these interim condensed consolidated financial statements of the Group.

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.

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.

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5. USE OF JUDGEMENT AND ESTIMATES (continued)

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 16, 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 2018.

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 2019

The Company adopted IFRS 16 Leases from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Group's financial statements.

The effect of initially applying this standard is mainly attributed to a recognition of Right-of-use assets with a corresponding lease liability together with a reduction in retained earnings.

IFRS 16 Leases

IFRS 16 "Leases" provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 "Leases" supersedes IAS 17 "Leases" and the related Interpretations. It is effective for accounting periods beginning on or after January 1, 2019.

The Group has chosen retrospective application of the standard and records the cumulative impact of initial application on the date of initial application which is January 1, 2019 in accordance with paragraph C5(b) and C7 of IFRS 16 "Leases" therefore comparative information is not restated and instead, the Group has recognized the cumulative effect of initial application as an adjustment to the opening balance of retained earnings.

IFRS 16 "Leases" substantially carries forward the lessor accounting requirements in IAS 17 "Leases", however, it provides different accounting treatments for the lessees.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled. Control is considered to exist if the Group has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of the identified asset.

The Group applied the definition of a lease and related guidance set out in IFRS 16 "Leases" to all lease contracts entered into.

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IFRS 16 Leases (continued)

The details of new significant accounting policy and the nature are set out below:

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental commission rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease

incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.

Financial impact of adoption IFRS 16 is as follows:

Impact on statement of financial position

| | As at 1 January 2019 | | |
|------------------------------|----------------------------------|-------------|---------------------------------|
| | Before application of IFRS 16 | Impact | After Application of IFRS 16 |
| Property and equipment | 3,373,349,367 | 56,742,541 | 3,430,091,908 |
| Prepayments and other assets | 318,992,407 | (2,224,375) | 316,768,032 |
| Lease liability | - | 62,153,279 | 62,153,279 |
| Retained earnings | 2,244,549,962 | (7,635,113) | 2,236,914,849 |

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IFRS 16 Leases (continued)

Impact on statement of profit or loss and other comprehensive income

| | For the period ended 31 March 2019 | | |
|-------------------------|------------------------------------|---------|---------------------------------|
| | Before application of IFRS 16 | Impact | After application of IFRS 16 |
| Selling expenses | 96,123,070 | 585,731 | 96,708,801 |
| Administrative expenses | 135,410,983 | 878,596 | 136,289,579 |
| Finance charges | 11,433,521 | 735,931 | 12,169,452 |

Impact on statement of cash flows

| | For the period ended 31 March 2019 | | |
|---|------------------------------------|--------|---------------------------------|
| | Before application of IFRS 16 | Impact | After application of IFRS 16 |
| Net cash flow from operating activities | 189,750,033 | - | 189,750,033 |
| Net cash flow from financing activities | 168,625,904 | - | 168,625,904 |

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7. PROPERTY AND EQUIPMENT

| | Land & buildings | Furniture & fixtures | Office equipment | Vehicles | Air conditioners | Telecom & security systems | Tools & hardware | Aircrafts | Right-of-use assets | Total |
|---|----------------------|----------------------|-------------------|---------------------|-------------------|----------------------------|-------------------|---------------|---------------------|----------------------|
| Cost: | | | | | | | | | | |
| Balance at 1 January 2018 | 2,962,141,478 | 204,850,641 | 87,920,861 | 268,375,497 | 34,095,787 | 30,056,628 | 27,965,182 | 101,285,428 | - | 3,716,691,502 |
| Additions | 8,057,183 | 9,037,900 | 4,145,442 | 209,639,594 | 1,406,697 | 2,850,857 | 886,839 | - | - | 236,024,512 |
| Transfer from capital work in progress | - | - | 23,636 | 1,317,392 | - | - | 2,000 | - | - | 1,343,028 |
| Disposals during the year | - | (21,327,904) | (4,544,480) | (65,729,299) | (1,212,735) | (601,465) | (1,805,954) | (101,285,428) | - | (196,507,265) |
| Effect of movement in exchange rates | (142,692) | (586,932) | (1,426,028) | (134,156) | (1,976) | (2,142) | (4,097) | - | - | (2,298,023) |
| Balance at 31 December 2018 | 2,970,055,969 | 191,973,705 | 86,119,431 | 413,469,028 | 34,287,773 | 32,303,878 | 27,043,970 | - | - | 3,755,253,754 |
| Effect of transition to IFRS 16 | - | - | - | - | - | - | - | - | 56,742,541 | 56,742,541 |
| 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 | - | 56,742,541 | 3,811,996,295 |
| Additions | - | 802,422 | 4,316,235 | 56,560,148 | 253,083 | 369,465 | 23,532 | - | - | 62,324,885 |
| Transfer from capital work in progress | - | - | - | - | - | - | - | - | - | - |
| Disposals during the year | - | (867,938) | (79,257) | (46,171,850) | (182,930) | (58,995) | (40,470) | - | - | (47,401,440) |
| Effect of movement in exchange rates | 619,673 | 346,538 | 470,379 | 928,043 | 7,958 | 10,222 | 1,020 | - | - | 2,383,833 |
| Balance at 31 March 2019 | 2,970,675,642 | 192,254,727 | 90,826,788 | 424,785,369 | 34,365,884 | 32,624,570 | 27,028,052 | - | 56,742,541 | 3,829,303,573 |

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7. PROPERTY AND EQUIPMENT (continued)

| | Land & buildings | Furniture & fixtures | Office equipment | Vehicles | Air conditioners | Telecom & security systems | Tools & hardware | Aircrafts | Right-of-use assets | Total |
|--|----------------------|----------------------|-------------------|--------------------|-------------------|----------------------------|-------------------|--------------|---------------------|----------------------|
| Accumulated depreciation: | | | | | | | | | | |
| Balance at 1 January 2018 | 114,234,870 | 73,482,351 | 40,044,189 | 49,573,625 | 9,659,465 | 8,550,761 | 7,962,034 | 29,119,560 | - | 332,626,855 |
| Charge for the year | 14,283,390 | 26,564,913 | 13,757,600 | 64,890,033 | 4,756,262 | 5,482,308 | 2,459,780 | 1,899,102 | - | 134,093,388 |
| Disposals | - | (11,558,306) | (3,335,161) | (34,589,174) | (259,478) | (557,856) | (1,804,468) | (31,018,662) | - | (83,123,105) |
| Effect of movement in exchange rates | (25,717) | (302,809) | (1,294,893) | (63,108) | (1,152) | (1,163) | (3,909) | - | - | (1,692,751) |
| Balance at 31 December 2018 | 128,492,543 | 88,186,149 | 49,171,735 | 79,811,376 | 14,155,097 | 13,474,050 | 8,613,437 | - | - | 381,904,387 |
| Effect of transition to IFRS 16 | - | - | - | - | - | - | - | - | - | - |
| 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 period | 3,379,165 | 6,014,013 | 3,409,178 | 19,403,910 | 1,124,365 | 1,416,741 | 594,251 | - | 1,464,327 | 36,805,950 |
| Disposals | - | (776,769) | (69,565) | (21,341,646) | (116,737) | (58,982) | (40,468) | - | - | (22,404,167) |
| Effect of movement in exchange rates | 39,732 | 164,497 | 390,249 | 401,668 | 5,710 | 6,736 | - | - | - | 1,008,592 |
| Balance at 31 March 2019 | 131,911,440 | 93,587,890 | 52,901,597 | 78,275,308 | 15,168,435 | 14,838,545 | 9,167,220 | - | 1,464,327 | 397,314,762 |
| Carrying amounts: | | | | | | | | | | |
| At 31 December 2018 | 2,841,563,426 | 103,787,556 | 36,947,696 | 333,657,652 | 20,132,676 | 18,829,828 | 18,430,533 | - | - | 3,373,349,367 |
| At 31 March 2019 | 2,838,764,202 | 98,666,837 | 37,925,191 | 346,510,061 | 19,197,449 | 17,786,025 | 17,860,832 | - | 55,278,214 | 3,431,988,811 |

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8. INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES

| | Percentage holding | | | |
|--|---------------------------|--------------------|-------------------|--------------------|
| | 31 March | 31 December | 31 March | 31 December |
| | 2019 | 2018 | 2019 | 2018 |
| Al Shamel International Holding Co. KSC (ASI) | 30% | 30% | 25,313,296 | 24,990,641 |
| 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 1.2 for details | 15% | 15% | - | - |
| Saudi Heritage Hospitality Company (SHHC) | 20% | 20% | 9,391,320 | 9,487,560 |
| Equinox Group Limited (EGL) | 40% | 40% | 13,657,508 | 13,714,668 |
| Wadi Middle East S.A.R.L. (WME) | 33.3% | 33.3% | - | - |
| CHME Limited (CHM) | 40% | 40% | 1,281,988 | 1,905,958 |
| | | | 49,644,112 | 50,098,827 |

9. TRADE AND OTHER RECEIVABLES

| | 31 March | 31 December |
|--|----------------------|--------------------|
| | 2019 | 2018 |
| Trade receivables | 1,540,231,386 | 1,446,129,842 |
| Impairment loss on trade receivables | (198,852,132) | (192,190,781) |
| | 1,341,379,254 | 1,253,939,061 |
| Other receivables: | | |
| Accrued incentives | 117,703,392 | 116,680,602 |
| Employee receivables | 10,764,491 | 9,921,441 |
| Taxes | 10,769,619 | 6,253,073 |
| Consumables | 4,180,641 | 3,804,197 |
| Accrued finance income | 26,052 | 48,313 |
| Receivable from disposal of Thakher Investment and Real Estate Co. | 300,000,000 | 300,000,000 |
| Others | 67,290,637 | 53,982,790 |
| | 1,852,114,086 | 1,744,629,477 |

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

| | 31 March | 31 December |
|--------------------------------|--------------------|--------------------|
| | 2019 | 2018 |
| Opening balance | 192,190,781 | 262,486,318 |
| Impairment loss for the period | 6,661,351 | (70,295,537) |
| Closing balance | 198,852,132 | 192,190,781 |

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

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10. CASH AND CASH EQUIVALENTS

| | 31 March 2019 | 31 December 2018 |
|--|--------------------------|---------------------|
| Cash in hand | 13,018,257 | 5,791,466 |
| Bank balances – current account | 241,777,571 | 254,607,747 |
| Cash held with fund manager | - | 3,488,679 |
| Cash and cash equivalents in the statement of financial position | 254,795,828 | 263,887,892 |
| Cash held with fund manager | - | (3,488,679) |
| Bank overdrafts used for cash management purposes | (126,718,186) | (31,304,212) |
| Cash and cash equivalents in the statement of cash flows | 128,077,642 | 229,095,001 |

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.

11. CAPITAL AND RESERVES

Share capital

| | 31 March 2019 | 31 December 2018 |
|---|--------------------------|---------------------|
| Ordinary shares - issued and fully paid | 209,650,000 | 209,650,000 |
| Par value @ SR 10 each | 2,096,500,000 | 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 May 2, 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 2019 | 31 December 2018 |
|---------------------------------------|--------------------------|---------------------|
| Non-current liabilities | | |
| Secured bank loans | 480,096,391 | 480,096,391 |
| Current liabilities | | |
| Current portion of secured bank loans | 69,903,609 | 69,903,609 |
| Unsecured bank loans | 77,539,735 | 163,306,010 |
| | 147,443,344 | 233,209,619 |

The secured bank loans are secured against land and buildings with a carrying amount of SR 2 billion (31 December 2018: SR 1.94 billion).

The outstanding secured and unsecured loans as of 31 March 2019 have an average commission rate of 3 - 4% above the Banks' lending base rate (31 December 2018: 3 - 4%).

The Group has a secured bank loan with a carrying amount of SR 861 million at 31 March 2019 (31 December 2018: 861 million). This loan is repayable in tranches over the ten years. The unsecured bank loans are payable over a period of one year.

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13. LEASE LIABILITY

| | 31 March | 31 December |
|--|--------------------------|--------------------|
| | <u>2019</u> | <u>2018</u> |
| Lease Liability | | |
| Balance at the beginning of the period / year (note 6) | 62,153,279 | - |
| Commission charges | 735,931 | - |
| Paid | (3,976,565) | - |
| Balance at end of period / year | <u>58,912,645</u> | <u>-</u> |

14. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 March 2019, the Group has capital commitments of SR 34 million (31 December 2018: SR 60 million) with respect to property developments, software development and construction of new office premises.

Contingencies

On 31 March 2019, the Group has letters of guarantees totaling SR 387 million (31 December 2018: SR 389 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 39.8 million (31 December 2018: SR 41.2 million)

15. REVENUE

| | 31 March | 31 March |
|--------------------------------|---------------------------|---------------------------|
| | <u>2019</u> | <u>2018</u> |
| Commission | | |
| Airline ticketing & incentives | 228,055,856 | 263,098,899 |
| Hotel booking | 40,222,182 | 25,132,690 |
| Shipments | 3,960,066 | 3,187,989 |
| Train ticketing | 5,994,307 | 6,144,296 |
| | <u>278,232,411</u> | <u>297,563,874</u> |
| Other revenue | | |
| Package holidays | 117,712,235 | 126,649,780 |
| Car rentals | 49,264,429 | 33,862,974 |
| Property and room rentals | 13,055,666 | 11,851,481 |
| Chartered flights | - | 1,238,467 |
| Others | 8,157,810 | 10,539,368 |
| | <u>188,190,140</u> | <u>184,142,070</u> |
| | <u>466,422,551</u> | <u>481,705,944</u> |

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).

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Disaggregation of revenue (continued)

| 31 March 2019 | | | | | | | |
|---|---------------------|--------------------|-----------------------|--------------------|-----------------|--------------------|--------------------|
| 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 | 215,321,823 | 61,774,121 | 53,120,169 | 13,055,666 | - | 5,757,733 | 349,029,512 |
| 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) |
| India | - | - | - | - | - | - | - |
| Spain | - | 219,426 | - | - | - | 2,297,489 | 2,516,915 |
| Lebanon | 1,170,072 | 303,556 | - | - | - | - | 1,473,628 |
| Malaysia | - | - | - | - | - | - | - |
| | 234,050,163 | 157,934,417 | 53,224,495 | 13,055,666 | - | 8,157,810 | 466,422,551 |
| Timing of revenue recognition | | | | | | | |
| Services transferred at a point in time | 234,050,163 | 40,222,182 | 3,960,066 | 13,055,666 | - | - | 291,288,077 |
| Services transferred over time | - | 117,712,235 | 49,264,429 | - | - | 8,157,810 | 175,134,474 |
| | 234,050,163 | 157,934,417 | 53,224,495 | 13,055,666 | - | 8,157,810 | 466,422,551 |

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Disaggregation of revenue (continued)

| 31 March 2018 | | | | | | | |
|---|---------------------|----------------|-----------------------|--------------------|-----------------|--------------------|-------------|
| 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 | 237,929,945 | 36,167,895 | 35,160,752 | 11,851,481 | - | 7,303,371 | 328,413,444 |
| United Kingdom | 28,731,700 | 112,765,207 | - | - | - | - | 141,496,907 |
| Egypt | 573,178 | 1,652,428 | 3,128,678 | - | - | 16,337 | 5,370,621 |
| United Arab Emirates | 369,082 | 523,408 | - | - | - | 211,950 | 1,104,440 |
| India | - | - | - | - | - | 631,319 | 631,319 |
| Spain | - | 200,560 | - | - | - | 2,376,391 | 2,576,951 |
| Lebanon | 1,639,290 | 376,275 | - | - | - | - | 2,015,565 |
| Malaysia | - | 96,697 | - | - | - | - | 96,697 |
| | 269,243,195 | 151,782,470 | 38,289,430 | 11,851,481 | - | 10,539,368 | 481,705,944 |
| Timing of revenue recognition | | | | | | | |
| Services transferred at a point in time | 269,243,195 | 25,132,690 | 3,187,989 | 11,851,481 | - | - | 309,415,355 |
| Services transferred over time | - | 126,649,780 | 35,101,441 | - | - | 10,539,368 | 172,290,589 |
| | 269,243,195 | 151,782,470 | 38,289,430 | 11,851,481 | - | 10,539,368 | 481,705,944 |

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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 2019 | 31 March 2018 |
|--|--------------------------|------------------|
| Profit attributable to ordinary shareholders | 47,310,927 | 85,572,427 |

Weighted-average number of ordinary shares (basic)

| | 31 March 2019 | 31 March 2018 |
|---|--------------------------|------------------|
| Weighted-average number of ordinary shares at the end of the period | 209,650,000 | 209,650,000 |

Earnings per share attributable to owners of the parent

| | 31 March 2019 | 31 March 2018 |
|-------------------|--------------------------|------------------|
| Basic and diluted | 0.23 | 0.41 |

17. 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)

| | <u>Carrying amount</u> | | <u>Total</u> Carrying amount | <u>Fair value</u> | | | <u>Total</u> |
|--|------------------------------|---------------------------------------|---------------------------------|--------------------|---------|---------|----------------------|
| | FVOCI – equity instrument | Financial assets at amortized cost | | Level 1 | Level 2 | Level 3 | |
| 31 March 2019 | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Equity investment at FVOCI | 101,421,818 | - | 101,421,818 | 101,421,818 | - | - | 101,421,818 |
| Current: | | | | | | | |
| Cash and cash equivalents | - | 254,795,828 | 254,795,828 | - | - | - | 254,795,828 |
| Trade and other receivables | - | 1,641,379,254 | 1,641,379,254 | - | - | - | 1,641,379,254 |
| Due from related parties | - | 13,190,628 | 13,190,628 | - | - | - | 13,190,628 |
| Total financial assets | 101,421,818 | 1,909,365,710 | 2,010,787,528 | 101,421,818 | | | 2,010,787,528 |
| Financial liabilities | | | | | | | |
| Non-current: | | | | | | | |
| Loans and borrowings | - | 480,096,391 | 480,096,391 | - | - | - | 480,096,391 |
| Leased liabilities | - | 58,912,645 | 58,912,645 | - | - | - | 58,912,645 |
| | - | 539,009,036 | 539,009,036 | - | - | - | 539,009,036 |
| Current: | | | | | | | |
| Bank overdraft | - | 126,718,186 | 126,718,186 | - | - | - | 126,718,186 |
| Loans and borrowings | - | 147,443,344 | 147,443,344 | - | - | - | 147,443,344 |
| Trade and other payables | - | 804,747,531 | 804,747,531 | - | - | - | 804,747,531 |
| Due to related parties | - | 4,207,599 | 4,207,599 | - | - | - | 4,207,599 |
| Total financial liabilities | - | 1,622,125,696 | 1,622,125,696 | - | - | - | 1,622,125,696 |

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A. Accounting classification and fair value (continued)

| | Carrying amount | | | Fair value | | | |
|--|---------------------------|------------------------------------|-----------------------|-------------------|-------------------|----------|----------------------|
| | FVOCI – equity instrument | Financial assets at amortized cost | Total Carrying amount | Level 1 | Level 2 | Level 3 | Total |
| 31 December 2018 | | | | | | | |
| Financial assets measured at fair value | | | | | | | |
| Equity investments | 57,032,675 | 40,298,278 | 97,330,953 | 57,032,675 | 40,298,278 | - | 97,330,953 |
| Current: | | | | | | | |
| Cash and cash equivalents | - | 263,887,892 | 263,887,892 | - | - | - | 263,887,892 |
| Short term investment | - | 400,000,000 | 400,000,000 | - | - | - | 400,000,000 |
| Trade and other receivables | - | 1,553,939,061 | 1,553,939,061 | - | - | - | 1,553,939,061 |
| Due from related parties | - | 13,850,818 | 13,850,818 | - | - | - | 13,850,818 |
| Total financial assets | 57,032,675 | 2,271,976,049 | 2,329,008,724 | 57,032,675 | 40,298,278 | - | 2,329,008,724 |
| Financial liabilities | | | | | | | |
| Non-current: | | | | | | | |
| Loans and borrowings | - | 480,096,391 | 480,096,391 | - | - | - | 480,096,391 |
| Current: | | | | | | | |
| Bank overdraft | - | 31,304,212 | 31,304,212 | - | - | - | 31,304,212 |
| Loans and borrowings | - | 233,209,619 | 233,209,619 | - | - | - | 233,209,619 |
| Trade and other payables | - | 839,667,431 | 839,667,431 | - | - | - | 839,667,431 |
| Due to related parties | - | 3,844,701 | 3,844,701 | - | - | - | 3,844,701 |
| Total financial liabilities | - | 1,588,122,354 | 1,588,122,354 | - | - | - | 1,588,122,354 |

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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 2019 or 2018.

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 2019 | | | | | | | |
|--|---------------------|-------------|----------------|---------------|------------------|--------------------|----------------|
| | Reportable segments | | | | | | Total |
| | Ticketing | Tourism | Transportation | Hospitality | Property rentals | All other segments | |
| External revenues | - | 117,712,235 | 49,264,429 | 13,055,666 | - | 8,157,810 | 188,190,140 |
| Inter-segment revenue | - | - | 894,299 | - | 15,000,000 | - | 15,894,299 |
| External commissions | 234,050,163 | 40,222,182 | 3,960,066 | - | - | - | 278,232,411 |
| Segment revenue | 234,050,163 | 157,934,417 | 54,118,794 | 13,055,666 | 15,000,000 | 8,157,810 | 482,316,850 |
| Segment profit 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 |
| 31 March 2018 | | | | | | | |
| | Reportable segments | | | | | | Total |
| | Ticketing | Tourism | Transportation | Hospitality | Property rentals | All other segments | |
| External revenues | - | 126,649,780 | 35,101,441 | 11,851,481 | - | 10,539,368 | 184,142,070 |
| Inter-segment revenue | - | - | 7,125,706 | - | 20,000,000 | - | 27,125,706 |
| External commissions | 269,243,195 | 25,132,690 | 3,187,989 | - | - | - | 297,563,874 |
| Segment revenue | 269,243,195 | 151,782,470 | 45,415,136 | 11,851,481 | 20,000,000 | 10,539,368 | 508,831,650 |
| Segment profit / (loss) before zakat and tax | 73,279,606 | 10,990,060 | 164,348 | (10,136,472) | 16,047,290 | 1,405,999 | 91,750,831 |
| Segment assets | 4,280,188,094 | 641,918,333 | 469,379,302 | 3,546,825,680 | 1,435,778,510 | 82,122,991 | 10,456,212,910 |
| Segment liabilities | 2,845,287,007 | 426,720,007 | 100,837,509 | 15,593,808 | 14,753,491 | 54,591,870 | 3,457,783,692 |

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Reconciliations of information on reportable segments to IFRS measures

| | 31 March 2019 | 31 March 2018 |
|---|--------------------------|---------------------|
| Revenues | | |
| Total revenue for reportable segments | 474,159,040 | 498,292,282 |
| Revenue for other segments | 8,157,810 | 10,539,368 |
| Elimination of inter-segment revenue | (15,894,299) | (27,125,706) |
| Consolidated revenue | 466,422,551 | 481,705,944 |
| | 31 March 2019 | 31 March 2018 |
| Profit before zakat and tax | | |
| Total profit before zakat and tax for reportable segments | 58,032,494 | 90,344,832 |
| Profit before zakat and tax for other segments | 939,349 | 1,405,999 |
| Consolidated profit before zakat and tax | 58,971,843 | 91,750,831 |
| | 31 March 2019 | 31 December 2018 |
| Assets | | |
| Total assets for reportable segments | 8,929,984,921 | 8,946,013,054 |
| Assets for other segments | 64,151,510 | 47,477,101 |
| Inter-segment eliminations | (983,879,705) | (1,000,221,605) |
| Consolidated assets | 8,010,256,726 | 7,993,268,550 |
| | 31 March 2019 | 31 December 2018 |
| Liabilities | | |
| Total liabilities for reportable segments | 2,265,442,055 | 2,305,133,045 |
| Liabilities for other segments | 25,200,674 | 19,368,855 |
| Consolidated liabilities | 2,290,642,729 | 2,324,501,900 |

19. SUBSEQUENT EVENTS

Subsequent to the period ended 31 March 2019, shareholders during the Annual General Meeting ("AGM"), on 14 April 2019 corresponding to 9 Shaban 1440, approved to increase the Company's share capital by 83.86 million shares, through issue of bonus shares of two ordinary shares for every five ordinary shares held by the shareholders. Additionally, the AGM approved to allocate 6.49 million shares to Company's employees under share based payment scheme. The increase in share capital is funded through retained earnings of SR 707.35 million and SR 196.15 million through statutory reserves. This has resulted in Company's share capital increasing from SR 2.097 billion to SR 3 billion consisting 300 million ordinary shares of SR 10 each. See also Note 1 for details of a subsequent event regarding the name of the Company.

20. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been approved by the board of directors on 5 May 2019 corresponding to 30 Shaban 1440.