

SEERA HOLDING GROUP
(A Saudi Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021 AND
INDEPENDENT AUDITOR'S REPORT

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Seera Holding Group
(A Saudi Joint Stock Company)
Riyadh, Kingdom of Saudi Arabia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Seera Holding Group** (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition	
Key audit matter	How the matter was addressed in our audit
<p>The Group recognized revenue of SR 1,328 million for the year ended 31 December 2021.</p> <p>Revenue represents commission-based revenue such as airline ticketing and incentives, hotel bookings, shipments and train ticketing, and non-commission-based revenue such as package holidays, car rentals, chartered flights, property rentals, and hospitality revenue.</p> <p>As disclosed in the notes to the consolidated financial statements, revenue is recognized on transfer of control of promised services to customers at a consideration which the Group expects to receive for those services.</p> <p>Revenue recognition is considered a key audit matter as there are multiple revenue streams which require appropriate basis to be recognized over a period or at a point in time</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of revenue recognition as per the Group's policies and comparing with applicable accounting standards; • Evaluating the design and effectiveness of controls implemented by the Group through the revenue cycle along with effectiveness of Information Technology controls built in the automated processes; • Checking the completeness and accuracy of financial information related to revenue, used by the Group by testing the automated controls in revenue operations; • Selecting samples of revenue transactions and testing the selected sample for existence and accuracy; • Testing sales transactions taking place at either side of the reporting date to assess whether the revenue was recognized in the correct period; • Assessing journal entries posted to revenue to identify the unusual items; and • Assessing the adequacy of the related disclosures.
<p>Refer to note (6.21) of the consolidated financial statements for the accounting policy and notes (28) for related disclosures.</p>	

Impairment of trade receivables	
Key audit matter	How the matter was addressed in our audit
<p>The Group's trade receivables, net balance was SR 1,061 million as at 31 December 2021.</p> <p>Management estimates the impairment loss for trade receivables equal to lifetime Expected Credit Loss (ECL). When estimating ECL, the management considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.</p> <p>We considered impairment of trade receivables as a key audit matter due to the significant management judgment involved in determining the impairment of trade receivables and that the existence and the carrying value of trade receivables could be material on the Group's performance and assets.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of impairment of trade receivables as per the Group's policies and comparing with applicable accounting standards; • Critically considering management's assumptions used in determining impairment losses; • Identifying those trade receivables with credit risk exposure and checking if they are properly included in management's impairment assessment; • Re-calculating the impairment against trade receivables based on the Group's policies to ensure that the impairment is appropriate at the statement of financial position date; and • Assessing the adequacy of the related disclosures.
<p>Refer to notes (6.10) of the consolidated financial statements for the accounting policy and note (14) for related disclosures.</p>	

Other Information

Other information consists of the information included in the Group's 2021 annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information in its annual report.

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

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

Responsibilities of Management and Those Charged with Governance ("TCWG") for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by SOCPA and Regulations for Companies and the Company's Bylaws and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, in particular the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For Dr. Mohamed Al-Amri & Co.


Jamal M. Al-Amri
Certified Public Accountant
Registration No. 331



Riyadh, on: 25 Sha'ban 1443(H)
Corresponding to: 28 March 2022(G)

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021
(Saudi Riyals)

	<u>Note</u>	31 December <u>2021</u>	31 December <u>2020</u>
ASSETS			
Non-current			
Property and equipment	7	3,607,727,171	3,497,748,280
Assets under construction and development	8	250,549,247	303,008,682
Capital work in progress – recoverable on disposal	9	359,747,097	359,747,097
Intangible assets and goodwill	10	121,055,561	57,169,909
Investment properties	11	769,316,266	802,629,000
Investments in equity-accounted associates	12	89,092,339	53,542,928
Investments	13	735,191,420	579,978,388
Deferred tax asset	22	24,185,166	11,517,862
		<u>5,956,864,267</u>	<u>5,665,342,146</u>
Current			
Trade and other receivables	14	1,271,601,912	1,285,534,004
Receivable from disposal of investments in equity-accounted associates	39	-	241,651,870
Due from related parties	27	12,810,650	27,827,339
Prepayments and advances	15	328,100,407	335,724,553
Cash and cash equivalents	16	318,386,693	248,952,850
		<u>1,930,899,662</u>	<u>2,139,690,616</u>
TOTAL ASSETS		<u>7,887,763,929</u>	<u>7,805,032,762</u>
EQUITY AND LIABILITIES			
Equity			
Equity attributable to owners of the parent:			
Share capital	17	3,000,000,000	3,000,000,000
Share premium		707,345,000	707,345,000
Statutory reserve		453,177,014	453,177,014
Other reserves		4,995,211	22,907,769
Treasury shares	17	(60,538,200)	(64,900,000)
Retained earnings		<u>1,370,380,670</u>	<u>1,758,350,742</u>
		5,475,359,695	5,876,880,525
Non-controlling interest	18	<u>(1,645,553)</u>	361,464
TOTAL EQUITY		<u>5,473,714,142</u>	<u>5,877,241,989</u>
LIABILITIES			
Non-current			
Loans and borrowings	19	235,714,286	366,539,330
Lease liabilities	20	90,571,118	80,876,466
Employees' end of service benefits	21	125,532,249	112,503,015
Deferred tax liabilities	22	176,587	756,666
		<u>451,994,240</u>	<u>560,675,477</u>
Current			
Bank overdraft	16	5,466,147	1,108,487
Loans and borrowings	19	827,370,314	538,761,552
Lease liabilities	20	12,510,211	8,809,259
Zakat and income taxes	22	108,150,804	66,047,440
Trade and other payables	23	823,815,643	634,071,084
Due to related parties	27	30,389	1,278,755
Contract liabilities	24	162,712,039	92,038,719
Provisions	25	22,000,000	25,000,000
		<u>1,962,055,547</u>	<u>1,367,115,296</u>
TOTAL LIABILITIES		<u>2,414,049,787</u>	<u>1,927,790,773</u>
TOTAL EQUITY AND LIABILITIES		<u>7,887,763,929</u>	<u>7,805,032,762</u>

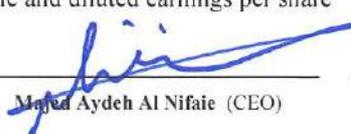
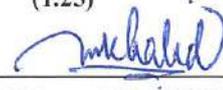

Majed Aydeh Al Nifaie (CEO)


Abdullah Nasser Al Dawood (Board Member)


Muhammad Khalid (CFO)

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

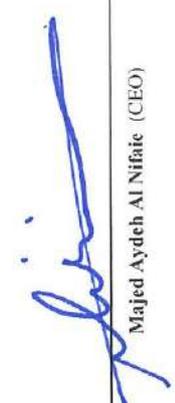
SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
For the year ended 31 December 2021
(Saudi Riyals)

	<u>Note</u>	31 December <u>2021</u>	31 December <u>2020</u>
Continued operations			
Revenue	28	1,327,857,675	904,593,862
Cost of revenue		<u>(721,553,949)</u>	<u>(597,635,874)</u>
Gross profit		606,303,726	306,957,988
Selling expenses	29	<u>(336,052,333)</u>	<u>(317,861,677)</u>
Administrative expenses	30	<u>(553,056,136)</u>	<u>(509,984,341)</u>
Provision for expected credit loss on trade receivables	14	<u>(78,169,532)</u>	<u>(25,049,050)</u>
Net fair value gain on investments at fair value through profit or loss	13	<u>17,318,353</u>	<u>1,461,835</u>
Other expenses	31	<u>(20,351,149)</u>	<u>(66,375)</u>
Other income	32	<u>81,772,676</u>	<u>10,932,998</u>
Operating loss		(282,234,395)	(533,608,622)
Finance income	33	<u>8,620,525</u>	<u>1,461,532</u>
Finance costs	33	<u>(61,971,307)</u>	<u>(46,546,654)</u>
Net finance cost	33	(53,350,782)	(45,085,122)
Foreign exchange loss recognized on impairment of goodwill	10	-	<u>(13,334,763)</u>
Gain on disposal of assets held for sale	39	-	<u>1,572,593,275</u>
Impairment losses	34	<u>(7,424,962)</u>	<u>(955,555,642)</u>
Share of profit from equity-accounted associates	12	<u>17,115,676</u>	<u>11,408,223</u>
(Loss) / profit before zakat and tax from continued operations		(325,894,463)	36,417,349
Zakat and income tax	22	<u>(51,829,925)</u>	<u>(26,659,360)</u>
(Loss) / profit for the year from continued operations		(377,724,388)	9,757,989
Discontinued Operations			
Loss from discontinued operations	35	-	<u>(7,113,747)</u>
Gain on disposal from discontinued operations	35	-	<u>8,201,146</u>
Recognized foreign currency gain from discontinued operations		-	<u>478</u>
		-	<u>1,087,877</u>
(Loss) / profit for the year		(377,724,388)	10,845,866
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Re-measurement of employees' end of service benefits	21	<u>(6,725,156)</u>	3,854,971
Valuation loss on investments at fair value through other comprehensive income.		<u>(41,413,102)</u>	<u>(796,770)</u>
		<u>(48,138,258)</u>	3,058,201
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	17	<u>4,987,810</u>	<u>(4,559,883)</u>
Other comprehensive loss for the year		(43,150,448)	(1,501,682)
Total comprehensive (loss) / income		(420,874,836)	9,344,184
(Loss) / profit attributable to:			
Owners of the parent		<u>(376,379,547)</u>	18,181,419
Non-controlling interest	18	<u>(1,344,841)</u>	<u>(7,335,553)</u>
		<u>(377,724,388)</u>	<u>10,845,866</u>
Total comprehensive (loss) / income attributable to:			
Owners of the parent		<u>(419,264,954)</u>	16,503,651
Non-controlling interest		<u>(1,609,882)</u>	<u>(7,159,467)</u>
		<u>(420,874,836)</u>	<u>9,344,184</u>
Basic and diluted earnings per share	36	<u>(1.25)</u>	0.06
			
Mafed Aydeh Al Nifaie (CEO)		Abdullah Nasser Al Dawood (Board Member)	Muhammad Khalid (CFO)

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021
(Saudi Riyals)

	Note	Share capital	Share premium	Statutory reserve	Other reserves						Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interest	Total equity
					Translation reserve	Employee share option reserve	Staff general fund reserve	Charity fund reserve	Fair value reserve	Total					
Balance at 1 January 2021		3,000,000,000	707,345,000	453,177,014	(95,254,886)	24,234,887	85,698,942	8,228,826	-	22,907,769	(64,900,000)	1,758,350,742	5,876,880,525	361,464	5,877,241,989
Loss for the year		-	-	-	4,987,810	-	-	-	-	-	-	(376,379,547)	(376,379,547)	(1,344,841)	(377,724,388)
Other comprehensive income / (loss)		-	-	-	4,987,810	-	-	(41,413,102)	(36,425,292)	(42,885,407)	(6,460,115)	(42,885,407)	(42,885,407)	(265,041)	(43,150,448)
Total comprehensive loss		-	-	-	4,987,810	-	-	(41,413,102)	(36,425,292)	(42,885,407)	(6,460,115)	(42,885,407)	(42,885,407)	(1,609,882)	(420,874,836)
Transferred to statutory reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net movement of staff general fund reserve	6	-	-	-	-	(1,028,269)	-	-	-	(1,028,269)	-	(1,028,269)	(1,028,269)	-	(1,028,269)
Net movement of charity fund reserve	6	-	-	-	-	4,635,866	-	4,635,866	-	4,635,866	-	4,635,866	4,635,866	-	4,635,866
Translation reserve realized on impairment	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of fair value reserve to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with shareholders															
Share based payment expense		-	-	-	23,757,917	-	-	-	-	23,757,917	-	23,757,917	23,757,917	-	23,757,917
Shares exercised by employees		-	-	-	(8,852,780)	-	-	-	-	(8,852,780)	4,361,800	4,490,980	4,490,980	-	4,490,980
Changes in ownership interests															
Translation reserve realized on disposal of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	12,500	12,500
Acquisition of interest in subsidiary		-	-	-	-	-	-	-	-	-	-	(9,621,390)	(9,621,390)	(409,635)	(10,031,025)
Increase in ownership stake of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021		3,000,000,000	707,345,000	453,177,014	(90,267,076)	39,140,024	84,670,673	12,864,692	(41,413,102)	4,995,211	(60,538,200)	1,370,380,670	5,475,359,695	(1,645,553)	5,473,714,142


Majed Aydeh Al Nifaie (CEO)


Abdullah Nasser Al Dawood (Board Member)


Muhammad Khalid (CFO)

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2021
(Saudi Riyals)

	Note	Other reserves										Total equity			
		Share capital	Share premium	Statutory reserve	Translation reserve	Employee share option reserve	Staff general fund reserve	Charity fund reserve	Fair value reserve	Total	Treasury shares		Retained earnings	Total attributable to the owners of the parent	Non-controlling interest
Balance at 1 January 2020,		3,000,000,000	707,345,000	451,358,872	(104,029,288)	9,459,023	86,718,052	10,116,866	1,120,535	3,385,188	(64,900,000)	1,758,493,777	5,835,682,857	8,627,838	5,844,310,695
Profit for the year		-	-	-	-	-	-	-	-	-	-	18,181,419	18,181,419	(7,335,553)	10,845,866
Other comprehensive (loss)/ income		-	-	-	(4,559,883)	-	-	-	(796,770)	(5,356,653)	-	3,678,885	(1,677,768)	176,086	(1,501,682)
Total comprehensive income		-	-	-	(4,559,883)	-	-	-	(796,770)	(5,356,653)	-	21,860,304	16,503,651	(7,159,467)	9,344,184
Transferred to statutory reserve		-	-	1,818,142	-	-	-	-	-	-	-	(1,818,142)	-	-	-
Net movement of staff general fund reserve	6	-	-	-	-	-	(1,019,110)	-	-	(1,019,110)	-	-	(1,019,110)	-	(1,019,110)
Net movement of charity fund reserve	6	-	-	-	-	-	(1,888,040)	-	-	(1,888,040)	-	-	(1,888,040)	-	(1,888,040)
Translation reserve realized on impairment	10	-	-	-	13,334,763	-	-	-	-	13,334,763	-	-	13,334,763	-	13,334,763
Transfer of fair value reserve to retained earnings		-	-	-	-	-	-	-	(323,765)	(323,765)	-	323,765	-	-	-
Transactions with shareholders															
Share based payment expense		-	-	-	-	14,775,864	-	-	-	14,775,864	-	-	14,775,864	-	14,775,864
Changes in ownership interests															
Translation reserve realized on disposal of a subsidiary		-	-	-	(478)	-	-	-	-	(478)	-	(508,962)	(509,440)	(1,106,927)	(1,616,367)
Balance at 31 December 2020		3,000,000,000	707,345,000	453,177,014	(95,254,886)	24,234,887	85,698,942	8,228,826	-	22,907,769	(64,900,000)	1,758,350,742	5,876,880,525	361,464	5,877,241,989


Majed Aydeh Al Nifate (CEO)


Abdullah Nasser Al Dawood (Board Member)


Muhammad Khalid (CFO)

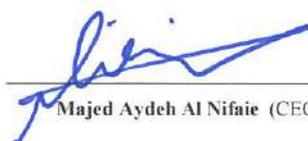
The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021
(Saudi Riyals)

	<u>Note</u>	<u>31 December</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
Cash flows from operating activities			
(Loss) / profit before zakat and tax		(325,894,463)	37,505,226
<i>Adjustments for:</i>			
- Depreciation	7,11	302,327,666	264,866,900
- Amortization	10	18,637,549	26,026,404
- Share based payment expense	17	23,757,917	14,775,864
- Provision for expected credit loss on trade receivables	14	78,169,532	25,049,050
- Write-off of trade receivables		980,613	158,335,663
- Impairment losses	34	8,428,165	955,555,642
- Write-off of other receivables		-	108,464,291
- Finance costs	33	61,971,307	46,546,654
- Finance income	33	(8,620,525)	(1,375,210)
- Dividend income	32	(6,505,928)	(2,197,629)
- Net gain on investments	13	(17,318,353)	(1,461,835)
- Rent concessions		(1,897,899)	(848,741)
- Loss from discontinued operations		-	7,113,747
- Gain on disposal from discontinued operations	35	-	(8,201,146)
- Recognized foreign currency gain from discontinued operations		-	(478)
- Foreign exchange loss recognized on impairment of goodwill		-	13,334,763
- Share of gain from equity-accounted associates, net of tax	12	(17,115,676)	(11,408,223)
- Loss on sale of property and equipment	31	3,601,413	66,375
- Loss on sale of investment property	31	770,848	-
- Gain on sale of non – current assets held for sale	39	-	(1,572,593,275)
- Provision for employees' end of service benefits	21	25,544,552	18,648,293
<i>Changes in working capital:</i>			
- Trade and other receivables		(72,980,149)	119,060,476
- Prepayments and advances		8,627,224	(67,550,567)
- Related parties- net	27	2,734,094	11,209,077
- Trade and other payables		162,149,985	(219,244,337)
- Contract liabilities	24	70,673,320	(45,179,058)
Cash generated from / (used in) operations		318,041,192	(123,502,074)
Finance expense paid		(55,196,734)	(47,525,929)
Finance income received		9,749,659	1,300,551
Employees' end of service benefits paid	21	(19,876,724)	(18,060,418)
Zakat and income taxes paid	22	(11,453,852)	(45,246,211)
Net cash generated from / (used in) operating activities		241,263,541	(233,034,081)
Cash flows from investing activities			
Proceeds from sale of property and equipment	7	279,803,109	96,692,627
Disposal of subsidiaries, net		-	(1,651,513)
Proceeds from sale of intangible assets		-	122,072
Proceeds from sale of investments		180,229,684	69,365,747
Proceeds from sale of investment property		21,303,750	-
Proceeds from sale of non-current asset held for sale		-	1,344,474,701
Additions to property and equipment	7	(627,713,123)	(362,417,680)
Additions to intangible assets	10	(2,755,556)	(46,201,470)
Acquisition of equity-accounted associate	12	(18,433,735)	(41,389,590)
Acquisition of subsidiaries, net of cash acquired	10	(14,596,365)	-
Additions to investments		(111,379,667)	(541,690,693)
Additions to asset under construction and development	8	(28,388,763)	(128,535,191)
Net cash (used in) / generated from investing activities		(321,930,666)	388,769,010

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021
(Saudi Riyals)

	<u>Note</u>	<u>31 December</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
Cash flows from financing activities			
Proceeds from loans and borrowings		2,828,243,383	1,195,277,069
Repayment of loans and borrowings		(2,670,459,665)	(1,435,400,583)
Lease liabilities paid	20	(20,903,997)	(9,836,494)
Staff general fund reserve paid		(1,028,269)	(1,019,110)
Charity fund reserve paid		4,635,866	(1,888,040)
Net cash generated from / (used in) financing activities		140,487,318	(252,867,158)
Net increase / (decrease) in cash and cash equivalents		59,820,193	(97,132,229)
Cash and cash equivalents at 1 January	16	247,844,363	344,493,605
Effect of movements in exchange rates on cash held		5,255,990	482,987
Cash and cash equivalents at 31 December	16	312,920,546	247,844,363


Majed Aydeh Al Nifaie (CEO)


Abdullah Nasser Al Dawood (Board Member)


Muhammad Khalid (CFO)

The accompanying notes from 1 to 42 form an integral part of these consolidated financial statements.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2021
(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 consolidated financial statements comprise the Company and its subsidiaries (together referred to as the ‘Group’).

The Group is primarily involved in selling tickets for scheduled air travel services, tourism, cargo, transportation, Hajj and Umrah, arranging conferences and events, education, chartered flights, furnished suites and hotels, shipping and other travel related products and services.

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 December 2021	31 December 2020
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%
Elaa Air Transportation Agency Company Limited (EAT)	Travel and tourism business	KSA	100%	100%
Seera Holiday for Travel and Tourism Company Limited (SHT)	Travel and tourism business	KSA	100%	100%
Elaa Travel, Tourism and Cargo Company Limited (ECC)	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 Tours Company (ALC)	Rent a car business	Egypt	100%	100%
Seera Holiday Travel and Tourism (SHTT)	Rent a car business	Egypt	100%	100%
Al Tayyar Rent A Car Company (ARC)	Rent a car business	Egypt	100%	100%
Seera Travel and Tourism (STD)	Tourism business	UAE	100%	100%
Taqniatech Company for Communication Technology Limited (TAQ)	Telecommunication services	KSA	100%	100%
Seera Hospitality Company (SHC)	Hotel and property business	KSA	100%	100%
Lumi Rental Co. (LRC)	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%
Mawasim Tourism and Umrah Services (MWT)*	Tourism business	KSA	100%	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 (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%
Seera Call Centre	Tourism business	Egypt	100%	-
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%
Seera Group Travel IT Spain S.L. (SGTI)	Travel and tourism business	Spain	100%	100%
Hanay Trading Company Limited (HTCL)	Rent a car business	KSA	80%	80%
Almosafer Company for Travel and Tourism (MCT)	Tourism business	KSA	100%	100%
Portman Travel Group Limited	Travel and tourism business	UK	100%	100%
Sheraton Makkah Company (SMC)	Hotel	KSA	100%	100%
Ian Allan (Retail and Travel) Limited (IAT)	Travel and tourism business	UK	100%	100%
IF Only Holidays Limited (IOHL)	Tourism business	UK	100%	100%
Seera Hotels Company (SHC)	Hotel	KSA	100%	100%
Almosafer Company for Travel and Tourism (ACTT)	Travel and tourism business	Kuwait	100%	100%
Discover Saudi for Travel and Tourism (DSTT)	Tourism business	KSA	100%	100%
Seera Sports S.L.U (SSS)	Sports business association	Spain	100%	100%
Clarity Travel Limited	Travel and tourism business	UK	100%	100%
Portman Group Holdings Limited	Travel and tourism business	UK	100%	100%
Portman Travel (Ireland) Limited	Travel and tourism business	Ireland	100%	100%
Portman Holdings Limited	Travel and tourism business	UK	100%	100%
Portman Travel Limited	Travel and tourism business	UK	100%	100%
Gemall Limited	Travel and tourism business	UK	100%	100%
Portman Travel Solutions Limited	Travel and tourism business	UK	100%	100%
Portman Travel (BV) Limited	Travel and tourism business	UK	100%	100%
Elegant Resorts Transport	Tourism business	UK	100%	100%
Destination Sport Limited*	Sports business association	UK	100%	-
Inspiresport Group Limited*	Sports business association	UK	100%	-
Amazedm SAS*	Sports business association	France	100%	-
European Sports Destination Management GmbH*	Sports business association	Germany	100%	-
Amazedm GmbH*	Sports business association	Austria	100%	-
Amazedm TBC*	Sports business association	Netherlands	100%	-

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
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1.1 Interest in subsidiaries (continued)

Name of subsidiary	Activities	Country of incorporation	31 December 2021	31 December 2020
Amazedm Ltd *	Sports business association	UK	100%	-
Amazedm GmbH*	Sports business association	Switzerland	100%	-
Amazedm TBC *	Sports business association	Denmark	100%	-
Amazedm TBC *	Sports business association	Spain	100%	-
Amazedm Srl*	Sports business association	Italy	100%	-
International Sports Tours Limited*	Sports business association	UK	100%	-
Inspiresport*	Sports business association	Ireland	100%	-
Inspiresport LLC*	Sports business association	USA	100%	-
Inspiresport Transport Service Limited*	Sports business association	UK	100%	-
Eitdal AlDhyafa*	Hotel and Event management services	KSA	100%	-
Sahat AlArdh (SAC)*	Real estate	KSA	50%	-

* On 18 May 2021, Portman Group Holdings Limited (100% owned subsidiary of the Company) established a wholly owned subsidiary, Amazedm Limited, incorporated in England and Wales, United Kingdom, with a share capital of GBP 1 equivalent to SR 5.

*On 17 May 2021, Portman Group Holdings Limited (100% owned subsidiary of the Company) acquired 100% shareholding of Inspiresport Group Limited, incorporated in England and Wales, United Kingdom for a total consideration of SR 25,563,355. The said acquisition resulted in a goodwill of SR 26,034,788 recorded in these consolidated financial statements (refer Note 10 for details.).

*On 1 April 2021, the Company acquired 49% additional shares of Mawasim Tourism and Umrah Services. Consequently, the Company became 100% owner of Mawasim Tourism and Umrah Services.

*On 20 April 2021, the Company acquired 50% shareholding in a newly established Company, Sahat Alardh, Registered in Riyadh, Kingdom of Saudi Arabia, with an issued share capital of SR 25,000.

*On 16 September 2021, Seera Hotel's Company (100% owned subsidiary of the Company) acquired 100% shareholding of Eitdal Al Diafah Company, incorporated in Saudi Arabia for a total consideration of SR 1.

1.2 Interest in associates

Name of associates	Activities	Country of Incorporation	31 December 2021	31 December 2020
Felix Airways Limited (FAL)	Travel business	Yemen	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%
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%
Riyadh Front for Exhibitions and Conventions (RFEC)	Event management services	KSA	40%	40%
My Family Meal for Ready-Made Meals	Food services	KSA	25%	-

*On 13 June 2021, the Group acquired 25% shares of My Family Meal for Ready-Made Meals for a total consideration of SR 18.4 million. My Family Meal is still in the process of updating shareholders details in its Commercial Registration and Articles of Association.

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Saudi Riyals)

1.3 Branches

Branch Commercial

Registration No.	Date	Location
1010219456	19/04/1427	Riyadh
3350042280	06/09/1435	Hail
4030152080	12/09/1425	Jeddah
5855006990	04/08/1406	Khamis Mushait
1010152673	24/10/1419	Riyadh
1010163035	22/08/1421	Riyadh
1010178558	22/04/1423	Riyadh
1010313084	22/08/1432	Riyadh
1010439521	19/02/1437	Riyadh
1010468389	01/06/1438	Riyadh
1010503594	10/05/1440	Riyadh
1010612837	18/02/1439	Riyadh
1011014157	05/08/1431	Al Kharj
1126000748	09/07/1422	Sadir
2050099565	16/06/1435	Dammam
2051057125	16/06/1435	Al khobar
2251069609	17/03/1439	Hofuf
3450015430	14/02/1438	Arar
4030290495	04/11/1437	Jeddah
4651102972	28/10/1442	Aleala
1010933286	15/05/1439	Riyadh
4030151378	28/07/1425	Jeddah
1010434300	10/08/1436	Riyadh
4031049694	08/09/1427	Mecca
4031088011	22/12/1435	Mecca
4031102267	29/03/1439	Mecca
4650069223	21/02/1435	Medina
4650083854	03/04/1439	Medina
4031081469	05/02/1435	Mecca
4030267207	15/05/1435	Jeddah
1010425896	20/12/1435	Riyadh
1131054651	04/01/1436	Buraydah
1131054902	02/01/1436	Buraydah
4030256388	02/12/1434	Jeddah
4030256392	02/12/1434	Jeddah
4030256396	02/12/1434	Jeddah
4030256400	02/12/1434	Jeddah
4030256406	02/12/1434	Jeddah
4031082763	26/03/1435	Mecca
4650073478	27/08/1435	Medina
5850063393	26/03/1435	Abha
5850063397	07/07/1435	Abha
5855063394	07/07/1435	Khamis Mushait
5855063398	07/07/1435	Khamis Mushait
5900008845	18/09/1418	Jazan
5900011849	24/01/1429	Jazan
5900013684	30/10/1430	Jazan
5900018071	09/05/1433	Jazan
5901010139	08/10/1425	Abu Arish
5906031509	15/03/1436	sabiana
5907010054	23/07/1425	Samtah
1010205008	30/11/1425	Riyadh
1010259995	29/12/1429	Riyadh
1010573840	12/08/1440	Riyadh
1010573841	12/08/1440	Riyadh

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
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(Saudi Riyals)

1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
1010574896	18/08/1440	Riyadh
4030285386	08/01/1437	Jeddah
4031095226	28/04/1437	Mecca
4031097043	20/10/1437	Mecca
4031100817	25/11/1438	Mecca
4032029825	23/03/1431	Al Taif
4031235678	04/06/1441	Mecca
1010366240	23/04/1434	Riyadh
1131057206	15/02/1438	Buraydah / Othman Bin Affan Road
2050108932	28/06/1437	Dammam
2050110614	19/01/1438	Dammam
2050112491	27/07/1438	Dammam
2051063869	20/07/1438	Al khobar
4030216024	22/09/1432	Jeddah
4031098316	15/03/1438	Makkah Al-Mukarramah - Al-Souqiah District
4032051279	05/05/1438	AlTaif
46500811697	15/02/1438	Madina El Monawara
4700020205	10/06/1438	Yanbu
5900035839	05/05/1438	Jazan
1010691384	18/07/1442	Riyadh
1010727184	28/11/1442	Riyadh
1010739576	29/01/1443	Riyadh
4030419560	12/11/1442	Jeddah
4030427962	25/01/1443	Jeddah
4030294438	27/07/1438	Jeddah
1010174914	09/01/1423	Riyadh
1010174916	09/01/1423	Riyadh
1010174917	09/01/1423	Riyadh
1010463216	04/11/1437	Riyadh
1010602932	10/03/1441	Riyadh
1010613744	30/03/1441	Al Sulai District
1011009215	10/01/1423	Al Kharj
1131019984	10/05/1425	Sea Shipping Office - Buraydah
2051035800	10/11/1428	hayu alkhaliyat althaani - sharie alkhamsi- alkhobar
3550023790	28/05/1428	Al-Mansheya District - Mohammed bin Abdulwahab Street - Tabuk
4030139646	01/06/1423	Al-Nakhil District - Jeddah
4650040877	25/02/1429	Airport Road - Medina
1010174899	09/01/1423	altakhasusu -Headquarters
1010174900	09/01/1423	Al Batha General Street - Industrial Building
1010174915	09/01/1423	King Abdulaziz Road
1010174918	09/01/1423	Hassan bin Ali
1010174920	09/01/1423	Al Wurud District - King Abdulaziz Road
1010204965	29/11/1425	arrival terminal
1010299214	15/01/1432	Riyadh
1010315116	23/09/1432	Riyadh
1010342346	28/07/1433	Riyadh
1010368319	13/05/1434	Riyadh
1010573844	12/08/1440	Riyadh
1010573845	12/08/1440	Riyadh
1010584442	24/10/1440	Riyadh
1010595481	18/01/1441	Riyadh
1010698814	24/08/1442	Riyadh
1010722248	04/11/1442	Riyadh
1011010938	19/10/1427	Al-Kharj - Street alsitiyn

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2021
(Saudi Riyals)

1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
1128005977	15/06/1425	alsilsila Street
1131016643	25/02/1423	King Abdulaziz Road
1131017048	21/05/1423	Rashidiyat District - Omar Bin Al Khattab Road
1131057452	05/05/1438	Buraydah
1132003408	25/04/1428	King Abdulaziz Road
1185002264	03/04/1426	Wadi Al Dawasir
2050079094	24/12/1432	King Fahd Road
2051026830	07/08/1423	King Faisal North Road
2051030710	20/01/1426	Dhahran Street - Rush Mall
2051228900	22/04/1441	Al khobar
2055005400	07/08/1423	Jubail Street
2055010609	16/06/1430	Jubail Industrial - Waterfront
2066002537	11/01/1429	central city
2251496035	22/04/1441	Al Hofuf
3350017317	18/01/1425	Hail
3400012637	23/01/1431	King Abdulaziz Road
3400019814	18/07/1437	Rahmaniyah District
3450010511	02/2/1431	Main street
3451002721	01/07/1435	King Abdulaziz Road
3453004317	23/06/1435	Alaaziziyah neighborhood
3550021381	01/12/1425	Prince Fahd Bin Sultan Road
3550023792	28/05/1429	Sulaymaniyah - Prince Abdul Majeed Street
3550026438	11/03/1432	Departures building at the regional airport
3550038270	20/02/1438	Sultana
4030139615	27/05/1423	Jeddah
4030143742	07/05/1424	Al Khaimah Market - Hindawi
4030225154	25/04/1433	King Abdulaziz Airport - South Terminal
4030229075	05/07/1433	King Abdulaziz Airport - North Domestic Terminal
4030289739	25/08/1437	alsalama district
4030294683	12/10/1438	Samer neighborhood
4030306833	17/11/1439	Jeddah
4031048640	25/11/1426	Al Raziqa District
4031080879	14/01/1435	Soukiya district
4032023506	13/01/1424	Shubra District - Shubra Al-Sham Street
4032027669	26/05/1429	Al Shifa Street
4032033171	16/06/1433	airport
4650055547	04/05/1433	alhizam District
4650202118	01/12/1439	Madina El Monawara
4700009058	01/12/1425	King Abdulaziz Road
4700009073	03/01/1426	Nicholas Center - Jeddah Road
5850053522	15/08/1434	Abha
5850068157	02/04/1436	Abha
5855025899	02/02/1426	Khamis Mushait
5855339863	15/09/1439	Khamis Mushait
5900010282	06/02/1426	jazan
5900010285	10/02/1426	jazan
5903010281	09/02/1426	Bisha
5906330903	01/05/1440	sabianaan
5911010279	09/02/1426	ahid almasarihih
1010148875	26/10/1418	Riyadh
1010174974	10/01/1423	Riyadh
1010280241	04/03/1431	Sulaymaniyah - the intersection of King Abdulaziz with Al-Uruba
1010315925	16/10/1432	Al-Malaz District - Jarir Street
1010374984	03/07/1434	Prince Abdullah Street

SEERA HOLDING GROUP (A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1.3 Branches (continued)

Branch Commercial Registration No.	Date	Location
1010395001	16/01/1435	Sulaymaniyah - Prince Mamdouh Street
1010421750	22/10/1435	Khurais Street
1010462948	21/10/1437	Al-Malaz District - Jarir Street
1010463090	27/10/1437	Riyadh
1010463091	27/10/1437	Riyadh
1010469398	28/06/1438	Riyadh
1010595871	20/01/1441	Riyadh
1131036513	10/09/1432	King Abdulaziz Road - alahli Bank
1131037213	04/11/1432	Buraydah
1131056611	16/04/1437	Buraydah
2050077936	19/10/1432	Dammam
2050078020	22/10/1432	King Saoud Street
2051046624	22/10/1432	King Faisal Street
2051058335	09/10/1435	Dammam Road
2060046599	19/10/1432	Al-Thuqbah
2060046601	19/10/1432	Al-Thuqbah
2252057035	25/05/1435	Prince Abdullah Street
2252062678	18/10/1436	Prince Abdullah bin Jalawi Street
3350042541	01/11/1435	Hail
3350042542	01/11/1435	Hail
3400019730	24/04/1437	King Abdulaziz Road
3550033657	24/05/1435	Prince Abdul Majeed Street
3550033661	24/05/1435	Al-Faisaliah District - Prince Fahd Bin Sultan Street
4030139647	01/06/1423	Ash-Sharafiya District - Al-Ahad Street - Ashour Center
4030154855	01/03/1426	Hail Mall - Al Sharbatly Center
4030168092	13/03/1428	King Abdullah Road - Al Sharbatly Center
4030194530	16/11/1430	Jeddah
4030213579	11/07/1432	Mashaeh Center
4030213582	11/07/1432	Al Safa District
4030248279	17/07/1434	Hindawiya - Sharbatly Center
4030274476	09/10/1435	almadina Street
4030304459	16/09/1439	Jeddah
4032032984	02/05/1433	Alshifa District
4032032985	02/05/1433	Al Tayyar Furnished Apartments Center
4650069005	12/02/1435	Sultana District - Abu Bakr Al Siddiq Street
4650073787	20/09/1435	Sultana District - Abu Bakr Al Siddiq Street
4650079802	29/01/1437	Sultana - Abu Bakr Al Siddiq Street
4700013098	05/07/1432	Sharbatly District, Old Airport Road
4700013259	16/09/1432	Niklas Center
4700017817	06/07/1435	Omar Bin Abdulaziz Street - Bin Siddiq Center
5855050048	05/05/1434	Khamis Mushait
5900035120	26/11/1437	jazan
5900037299	13/02/1439	jazan
4030125653	21/07/1419	Jeddah
1010079694	06/04/1411	Riyadh
1010324433	13/02/1433	Riyadh
1010567276	18/07/1440	Riyadh
1010569335	27/07/1440	Riyadh
1010599904	18/02/1441	Riyadh
1010599908	18/02/1441	Riyadh
1010616188	11/04/1441	Riyadh
1010627470	23/06/1441	Riyadh
1010638731	22/10/1441	Riyadh
1010678326	19/05/1442	Riyadh

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**Branches (continued) Branch
Commercial Registration**

No.	Date	Location
1010695162	08/08/1442	Riyadh
1131298375	21/07/1440	Buraydah
2050085522	11/10/1433	Dammam
2050125982	16/09/1440	Dammam
2050125983	16/09/1440	Dammam
2050125984	16/09/1440	Dammam
2051226156	16/09/1440	alkhabar
2051228260	08/03/1441	alkhabar
2055026257	11/02/1439	Jubail
2055126812	08/03/1441	Jubail
2251495553	09/02/1441	Hofuf
3400120071	10/02/1442	skaka
3550129516	27/10/1440	Tabuk
3550134190	05/02/1442	Tabuk
3552101601	05/02/1442	alwajh
4030279663	08/03/1436	Jeddah
4030293122	05/05/1438	Jeddah
4030367715	18/02/1441	Jeddah
4030367716	18/02/1441	Jeddah
4030367717	18/02/1441	Jeddah
4030368604	02/03/1441	Jeddah
4030369035	08/03/1441	Jeddah
4031234013	11/04/1441	Mecca
4032251684	10/01/14443	Taif
4650077802	10/05/1436	Airport Road
4650215319	08/03/1441	Madina El Monawara
4651102370	20/04/1441	Al-'Ula
4651102639	05/02/1442	Al-'Ula
4700020105	20/02/14	Yanbu
4700020204	10/06/1438	Yanbu
4700112044	05/02/1442	Yanbu
5800106763	13/11/1442	Al Bahah
5855070552	05/05/1438	Khamis Mushait
5900120565	08/03/1441	Jazan
9235	14 /1/ 2002	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
9235	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
4846	8/3/2000	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
4846	8/3/2000	10 Al-Obour Building ,Salah Salem Ave., Nasr City , Cairo , Egypt
4846	8/3/2000	5 Abd-Elhamed Badawy Elraml Station , Alexandria – Egypt
4846	1/7/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
3965	12/1/1999	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
3965	1/7/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
328138	16/12/1999	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
328138	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
328719	23/1/2000	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
328719	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
13215	4/10/2005	5 Al- Obour Building Salah Salem St.Nasr City, Cairo – Egypt
13215	7/1/2016	7– 9 Aswan Square -Mohandeseen , Giza - Egypt
9-1245206	1/1/2005	Manchester
9-1250025	1/4/2005	Warrington
9-1251985	1/1/2008	London
9-1207546	15/8/2005	Stafford
	2/1/2008	Bury St Edmunds
9-1217943		

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1.3 Branches (continued)

Branch Commercial

Registration No.	Date	Location
9-1254785	5/7/2005	Leeds
9-1278025	10/1/2010	Southampton
9-1207546	9/1/2015	Derby Implant

1.4 COVID-19 assessment

In response to the spread of the Covid-19 in GCC and other territories where the Group operates and its resulting disruptions to the social and economic activities in those markets over the last two years, management continues to proactively assess its impacts on its operations. In particular the Group is closely monitoring the current surge in cases due to the outbreak of a new variant - Omicron. The preventive measures taken by the Group in April 2020 are still in effect including the creation of ongoing crisis management teams and processes.

The extent to which the pandemic impacts Group's business and operations is ascertainable but the financial impact over the next 12 months cannot be measured reliably as it depends on various factors and future developments, that the Group may currently not be able to estimate reliably. These factors include virus transmission rate, duration of the outbreak or vaccination of significant percentage of population, advent of subsequent waves of the virus, etc. and the resulting precautionary actions that may be taken by the authorities to control spread of the virus and impact of such measures on economic activities and Company's customers.

Considering the challenges of the uncertainty around the extent and duration of business and economic impact, management is monitoring the situation with a continued focus on ensuring employees' safety and maintenance of sufficient liquidity. 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 and reductions in certain operating expenses to improve the liquidity.

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, these consolidated 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.

As the situation is rapidly evolving with future uncertainties, the Company will continue to evaluate the nature and extent of the impact on its business and financial results and performance.

2. STATEMENT OF COMPLIANCE WITH IFRS

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs), issued by the International Accounting Standards Board (IASB) as endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments effective in current year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 but they had no material impact on these financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. The application of the practical expedient has resulted in the reduction of total lease liabilities of SR 1.89 million as disclosed in note 20.

3.2 New standards, interpretations and amendments not yet effective

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IFRS 3	Business Combinations-Amendments updating a reference to the Conceptual Framework	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets- Amendments regarding the costs to include when assessing whether a contract is onerous	1 January 2022
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	1 January 2022
IFRS 1, IFRS 9, IFRS 16 and IFRS 41	Annual improvements to IFRS standards 2018-2020	1 January 2022
IAS 1 and IFRS practice statement 2	Disclosure of Accounting policies	1 January 2023
IAS 8	Definition of Accounting Estimate	1 January 2023
IAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023

3.3 Others

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

The Company is yet to assess the impact of the above amendments in its financial statements.

4. BASIS OF PREPARATION

4.1 Overall considerations

These consolidated 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 principal accounting policies adopted in the preparation of these consolidated financial statements are set out in note 6.

The preparation of financial statements in compliance with 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 these consolidated financial statements and their effect are disclosed in note 5.

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4.1 Overall considerations (continued)

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

- Financial assets at fair value through other profit or loss;
- Financial assets at fair value through other comprehensive income;
- Financial assets at amortised cost;
- Trade receivables at amortised cost;
- Loans and borrowings at amortised cost; and
- Defined benefits plan are measured at present value of future obligations using projected unit credit method.

4.2 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021.

Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities, if any.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in these financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

4.3 Financial year end

The Group's financial year starts from 1 January to 31 December in each Gregorian calendar year.

4.4 Functional and presentation currency

These Consolidated Financial Statements are presented in Saudi Riyal ("SR"), which is the Company's functional currency.

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4.5 Going concern.

The consequences of Covid-19 significantly affected the Group's business as a result of travel restrictions globally and inside the Kingdom of Saudi Arabia which resulted in the partial suspension of primary activities of the Group.

In the light of the above, the Group's management assessed its ability to continue as a going concern. Following a detailed assessment carried out by the Group's management. The Group is confident that it has robust policies in place, operational expertise, and financial resources and sufficient cushioning to meet the challenges in the current economic conditions. The Group has sufficient resources to meet its working capital requirements to continue its operations for the period of at least twelve months from the date of these consolidated financial statements. Additionally, the Group is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as going concern. Therefore, these consolidated financial statements are prepared on a going concern basis.

5. USE OF JUDGEMENT AND ESTIMATES

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The Group concluded that the Covid-19 did not impact the sources of estimates and judgments and that they remain similar to those disclosed in the last annual consolidated financial statements.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Determining whether the Group or component of the Group is acting as an agent or principal

Principles of IFRS 15 are applied by identifying each specified (i.e. distinct) good or service promised to the customer in the contract and evaluating whether the entity under consideration obtains control of the specified good or service before it is transferred to the customer. This assessment requires significant judgment based on specific facts and circumstances to determine whether the Group acts as a principal or agent.

Acquisition of subsidiary

Fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

Disposal/liquidation of subsidiary

Fair value of the agreed consideration (including contingent consideration) and fair value of the assets disposed and liabilities released, measured on a provisional basis.

Determination of fair value for disposal group

Fair value less costs to sell of the disposal group on the basis of significant unobservable inputs.

Assessment of significant influence

Where the Group holds less than 20% of voting rights in an investment but the Group has the power to exercise significant influence, such an investment is treated as an associate. In the opposite situation where the Group holds over 20% of voting rights (but not over 50%) and the Group does not exercise significant influence, the investment is treated as a fair value through other comprehensive income.

Impairment of trade receivable

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The allowance for expected credit losses on trade receivables is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade accounts receivable are normally assessed collectively unless there is a need to assess a particular debtor on an individual basis.

Useful lives and residual values of property and equipment and intangible assets

An estimate of the useful lives and residual values of property and equipment and intangible assets is made for the purposes of calculating depreciation and amortization, respectively. These estimates are made based on the expected useful lives of relevant assets. Residual value is determined based on experience and observable data where available.

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Impairment of non-financial assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flow management makes assumptions about future operating results. These assumptions are related to future events and circumstances. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

Employees' benefits

The cost of employee benefit obligations and other after-service benefits are determined by actuarial valuation exercises. The actuarial estimates involve making many assumptions that may differ from actual developments in the future. These assumptions include the determination of the discount rate and future salary increases. Given the complexity of the estimates and the underlying assumptions and their long-term nature, the commitment of the employees' benefits is greatly influenced by changes in these assumptions. All inputs are reviewed at the end of each financial year.

Estimate of zakat, current and deferred income taxes

The Group's Zakat and tax charge on ordinary activities is the sum of the total zakat, current and deferred tax charges. The calculation of the Group's zakat and total taxes charge involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

Recognition and measurement of provisions

By their nature, the measurement of provisions depends upon estimates and assessments whether the criteria for recognition have been met, including estimates of the probability of cash outflows. The Group's estimates related to provisions for environmental matters are based on the nature and seriousness of the contamination, as well as on the technology required for remediation. Provisions for litigation are based on cost estimation, considering legal advice and other available information.

Leases

The determination of lease term for some lease contracts in which the Group is a lessee, including whether the Group is reasonably certain to exercise lessee options and the determination of incremental borrowing rate used to measure the lease liabilities.

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.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised 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 priced 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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements. Following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

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6.1 Change in significant accounting policy

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. The Company has received Covid-19-related rent concessions and applied the practical expedient where applicable within allowed period of application as disclosed in note 20.

6.2 Foreign currency translation

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Saudi Riyals at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Saudi Riyal at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest (NCI).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

6.3 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, if any, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal of an item of property and equipment is recognized in statement of profit or loss and other comprehensive income.

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Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in statement of profit or loss and other comprehensive income. Land is not depreciated.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

Description	Number of years
• Buildings	50 years
• Furniture and fixtures	7-10 years
• Office equipment	5 years
• Vehicles	4 years
• Air conditioners	7 years
• Telecom & security systems	7 years
• Tools & hardware	7 years
• Right of use assets	Over the lease term

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

6.4 Assets under construction and development

Assets under construction and development are stated at cost and not depreciated. Depreciation on assets under construction and development commences when the assets are ready for their intended use. When assets are ready for their intended use, they are transferred to property and equipment or intangible asset based on the nature of asset. Finance costs on borrowings to finance the construction of qualified assets are capitalized during the time that is required to complete and prepare the asset for its intended use.

6.5 Intangible assets and goodwill

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Intangible assets acquired separately are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives, less accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Internally generated intangible assets, excluding development costs, are not capitalized and expenditure is recognized in the statement of profit or loss and other comprehensive income when it is incurred.

Intangible assets with finite live are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible assets.

The Group does not have any intangible assets with an indefinite life.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss and other comprehensive income when the asset is derecognized

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses, if any.

The significant intangibles recognized by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	Useful economic life
• Software	5 years
• Brand name	20 years
• Customer list	10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, if any, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in the cost at its acquisition-date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. For business combinations completed on or after 1 January 2010, direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of profit or loss and other comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceeds the fair value of the consideration paid, the excess is credited in full to the consolidated statement of profit or loss and other comprehensive income on the acquisition date.

6.6 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9: Financial Instruments, is measured at fair value with the changes in fair value recognized in the other comprehensive income.

6.7 Investment in subsidiaries

Where the company has control over an investee, it is classified as a subsidiary. The company control an investee if all three of the following elements are present:

- power over the investee;
- exposure to variable returns from the investee; and
- the ability of the investor to use its power to affect those variable returns

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group; plus
- any costs directly attributable to the acquisition of the subsidiary.

All subsidiaries have a reporting date of 31 December.

6.8 Investment properties

Investment property is a property held to earn rentals and/or for capital appreciation.

Investment property is initially recognized at cost. Transaction costs are included in the initial measurement. Costs include, costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognized in the carrying amount of the investment property, the carrying amount of the replaced part is derecognized. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss as other income or other expenses.

Cost model

Subsequent to initial recognition, investment properties are accounted for using the "Cost Model" in accordance with IAS 40 and are stated at cost less accumulated depreciation and impairment losses, if any.

The cost less estimated residual value is depreciated on a straight-line basis over the estimated useful lives of the assets.

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Cost model (continued)

The estimated useful lives of components of investment properties for current and comparative periods are as follows:

Description	Useful economic life
• Buildings	50 years
• Furniture and fixture	5 years
• Electrical equipment	5 years
• Hotel tools	5 years

Rental income and operating expenses from investment property are reported within 'Revenue' and 'Cost of revenues'.

6.9 Impairment testing of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of loss and other comprehensive income.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

6.10 Financial Instruments

i Financial assets

The Group classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss (FVTPL)

Financial assets fair valued through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of profit or loss in the other income or expense line.

Fair value through other comprehensive income (FVOCI)

Financial assets fair valued through other comprehensive income are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserves. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to statement of profit or loss and other comprehensive income.

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Fair value through other comprehensive income (FVOCI) – (continued)

The Group has a number of investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognized in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognized on the settlement date. Any change in fair value between trade date and settlement date is recognized in the fair value through other comprehensive income reserves.

Amortized cost

These assets arise principally from the provision of goods and services to customers and incorporate other types of financial assets where the objective is to hold these assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They have initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables including related parties are recognized based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

The Group's financial assets measured at amortized cost comprise trade and other receivable, investments, due from related party and cash and cash equivalents in the consolidated statement of financial position.

Subsequent measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

Debt instruments that meet the following conditions are measured subsequently at FVOCI:

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

By default, all other financial assets are measured subsequently at FVTPL.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Impairment losses related to assets are presented separately in the statement of profit or loss account.

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De-recognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains all the risks and rewards of ownership substantially and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

ii Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

Financial liabilities fair valued through profit or loss are carried in the statement of consolidated financial position at fair value with changes in fair value recognized in the statement of profit or loss. The Group does not have any liabilities held for trading, nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Finance cost bearing liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such finance cost bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any finance cost over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, finance cost includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

The Group's financial liabilities measured at amortized cost comprises of loans and borrowings, trade and other payables and due to related parties.

De-recognition

When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

6.11 Investment in equity-accounted associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognized in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognized in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

6.12 Non-current assets held for sale

The Company classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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6.13 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents includes bank balances and deposits with original maturities of three months or less, if any. It also includes bank overdrafts which form an integral part of the Group's cash management and are likely to fluctuate from overdrawn to positive balances. Bank overdrafts, where there is no right of set-off, are shown as borrowings within current liabilities.

6.14 Equity, reserves, dividends and treasury shares

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior period profits.

All transactions with owners of the parent are recorded separately within equity.

Share premium

Share premium represents the excess consideration received by the Group over the par value of ordinary shares issued, and is classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from share premium.

Treasury shares

Treasury shares represent owned equity instruments, for discharging obligation under the Employee Stock Option Program ("ESOP"), recognized at cost, presented as a deduction from equity and are adjusted for any transaction costs, dividends and gains or losses on sale of such shares.

Other reserves

Other reserves consist of the foreign currency translation reserve, fair value reserve, staff general fund reserve, employee share option reserve and the charity fund reserve.

i. Foreign currency translation reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries of the Company and whose functional currencies are different from the Group's functional currency.

ii. Fair value reserve

The fair value reserve comprises gains and losses on the fair value movements of the Group's financial assets classified as fair value through other comprehensive income.

iii. Staff general reserve fund

The staff general fund reserve comprises of 1% of profit before zakat after taking the effect of charity fund reserve. Any fund utilized is for the welfare of the Company's staff.

iv. Employee share option reserve

The employee share option reserve comprises of share based payment expense recognized as a result of shares granted to employees as a result of equity settled share-based payments under Employee share option.

v. Charity fund reserve

The charity fund reserve comprises of 1.5% of profit before zakat. This reserve is to be used to make future charitable donations to various organizations. The Company ceased accounting for charity fund reserve fund in December 2016.

Statutory reserve

In accordance with the Regulations of Companies' law in the Kingdom of Saudi Arabia and the Group's Articles of Association, the Company should transfer 10% of the net profits for the year to statutory reserve until such reserve equals 30% of its share capital. This reserve is not available for distribution to shareholders.

Dividend payments

The Group recognizes a liability to make cash or non-cash distributions to owners of equity when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per corporate law, a distribution is authorized when it is approved by the shareholders.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognized directly in equity.

Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in profit or loss.

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6.15 Leases

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 borrowing 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 reasonably 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 the 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 amortized 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, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognized in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognized in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

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6.16 Employees' end of service benefits

Short-term employee benefits

A liability is recognized for benefits accruing to employees' in respect of wages and salaries, annual leave, air tickets and sick leave that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. The liability is recorded at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided of the employee. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The end-of-service indemnity provision is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Re-measurements, comprising actuarial gains and losses, are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurements recognized in other comprehensive income will not be reclassified to profit or loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost and past service cost);
- interest expense; and
- Re-measurements

The Group presents the first two components of defined benefit costs in profit or loss and the third component in other comprehensive income, in relevant line items.

6.17 Zakat and income tax

The Company and its Saudi Arabian subsidiaries are subject to Zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. Any differences between the provision and the final assessment are recorded at the approval of the final assessment, when the provision is closed. The Group withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under Saudi Arabian Income Tax Law. The foreign subsidiaries are subject to tax regulations in their countries of incorporation.

Zakat and foreign subsidiaries income tax are charged in statement of profit or loss and other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

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Deferred tax (continued)

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

6.18 Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

6.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

6.20 Share-based payments

Employees of the Group are entitled for remuneration in the form of equity settled share-based payments under ESOP, whereby employees render services as consideration for the option to purchase agreed number of Company's shares ("Option") at a predetermined price.

The cost of ESOP is recognized as an expense in the consolidated statement of profit or loss and other comprehensive income, together with a corresponding increase in other reserves, in equity, over the period during which the service conditions are fulfilled.

The Group has set up an economic hedge by issuing treasury shares at the inception of ESOP. Accordingly, the other reserves (representing the cumulative expense arising from ESOP) is transferred to retained earnings upon expiry of ESOP, whether or not the Options vest to the employees.

The cumulative expense recognized for ESOP at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of Options that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

When the terms of ESOP are modified, the minimum expense recognized is the expense assuming the terms had not been modified, if the original terms of the award are met. Additional expense is recognized for any modification that increases the total fair value of the share-based payments transaction, or is otherwise beneficial to the employee as measured at the date of the modification.

When ESOP is terminated, it is treated as the Option vested on the date of termination, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new ESOP is substituted for the terminated ESOP, and designated as a replacement award on the date that it is granted, the terminated and new ESOPs are treated as a modification of the original ESOP, as described above.

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6.21 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a service to a customer and / or provision of services on behalf of other suppliers.

The following is a description of principal activities – separated by reportable segments – from which the Group generates its revenue. For more detailed information about reportable segments (Note 38).

Ticketing segment

The airline ticketing segment of the Group principally generate revenue represented in the form of commission from issuance of tickets of airlines, ferries and trains.

<u>Services</u>	<u>Nature, timing of satisfaction of performance obligations and significant payment terms</u>
Airlines	The Group recognizes revenue on issuance of airline tickets to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 30 days is offered to the customer. Airline incentive revenue is earned under supplier’s incentive arrangements. This is measured at each reporting date based on anticipated income.
Ferries	The Group recognizes revenue on issuance of ferry tickets to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 days is offered to the customer.
Trains	The Group recognizes revenue on issuance of train tickets to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 days is offered to the customer.

Tourism segment

The Tourism segments of the Group principally generate revenue from providing hotel booking services, package holidays and room rentals. Services may be sold separately or in bundled packages (hotel booking and airline ticket).

For bundled packages, the Group accounts for individual services separately if they are distinct – i.e. if a service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the hotel booking and airline ticket. For items that are not sold separately – e.g. customer loyalty program – the Group estimates stand-alone selling prices using the adjusted market assessment approach.

<u>Services</u>	<u>Nature, timing of satisfaction of performance obligations and significant payment terms</u>
Hotel bookings	The Group recognizes revenue on the issuance of hotel booking to the customer. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.
Package holidays	The Group recognizes revenue from package holidays (tours and other services) across the duration of the holiday from the departure date. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.
Rooms rental	The Group recognizes revenue on the rental of owned rooms to customer over the duration of stay. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.
Customer loyalty program	Under its customer loyalty program, the Group allocates the equivalent of 1% of the consideration received for hotel booking and package holidays services to loyalty points which are redeemable against any future purchases of the Group’s services. The amount is deferred in the statement of financial position and is recognized as revenue when the points are redeemed.

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Transportation segment

The transportation segment of the Group principally generates revenue from providing transportation related services, such as car rentals, chartered flights and delivery of shipments.

Services **Nature, timing of satisfaction of performance obligations and significant payment terms**

Car rentals The Group recognizes revenue for provision of car rental services to customers on operating lease over the term of the lease. The customer usually pays a certain amount in advance and the remaining balance on the completion of the lease term.

Chartered flights The Group recognizes revenue from the provision of chartered flight services to customers when the flight arrives at the destination. The customer usually pays the full amount in advance.

Shipments (cargo) The Group recognizes revenue when the booking request for cargo shipment is issued. Revenue recorded is the commission earned. For cash sales, customers pay at the point of sale. For credit sales, credit period of 15 to 30 days is offered to the customer.

Property rentals segment

The property rentals segment of the Group, principally generate revenue from rentals for providing properties on operating lease.

Services **Nature, timing of satisfaction of performance obligations and significant payment terms**

Property rentals The Group recognizes revenue for the provision of properties to customers on operating lease over the term of the lease. The customer usually pay semi-annually in advance.

Hospitality segment

Revenue is measured by reference to the fair value of consideration received or receivable by the hotel for goods and materials supplied or services provided excluding rebates and trade discounts.

The hotel applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction in order to reflect the substance of the transaction. The consideration received from these transactions is allocated to the separately identifiable component by considering the relative fair value of each component.

Revenue is recognized when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the hotel's different activities have been met.

Services **Nature, timing of satisfaction of performance obligations and significant payment terms**

Rooms The Group recognizes revenue for the provision of rooms when the rooms are occupied and other related services on the performance of services and are stated net of discounts and municipality fees. The customer usually pays the full amount in advance.

Food and beverages The Group recognizes revenue from the provision of food and beverages in hotel's restaurant when food and beverages is sold. The customer usually pays the full amount at the time of checkout, in the case of hotel's guest and before leaving the restaurant, in the case of walk-in customer.

Contracted rooms The Group recognizes revenue for the provision of contracted rooms in the profit or loss in equal instalments over the period covered by the term. The customer pays the full amount as per the agreed terms of the contract.

Others

Other revenue includes sundry services such as insurance brokerage, triptique and international driving license. All these revenues are recorded at a point in time.

Contract liabilities

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

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6.22 Payables and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

6.23 Finance income and finance costs

The Group's finance income and finance costs include:

- Tawaruq / Murabaha income on Sharia Compliant facilities and profit margin on other facilities;
- Commission income of government sukuks
- Tawaruq / Murabaha charges on Sharia Compliant facilities and profit on other facilities;

Tawaruq / Murabaha income/expense on Sharia Compliant facilities and profit income/expense on other facilities is recognized using the effective interest method.

6.24 Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin.

6.25 Selling, administrative and other expenses

Selling, administrative and other expenses include direct and indirect costs not specifically part of cost of revenues. Allocations between selling, administrative and other expenses, cost of sales, when required, are made on a consistent basis.

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7. 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 2020	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	136,217	11,885,481	6,940,243	331,077,478	671,944	4,415,140	7,291,177	17,837,947	380,255,627
Transfer from assets under construction	-	-	-	-	-	-	-	-	-
Disposals during the year	-	(12,695,751)	(5,716,414)	(160,412,642)	(689,789)	(1,699,136)	(224,814)	-	(181,438,546)
Effect of movement in exchange rates	298,125	373,837	242,781	19,547	5,095	6,609	654	689,129	1,635,777
Balance at 31 December 2020	2,961,931,211	241,547,401	109,303,261	916,525,103	34,221,689	38,187,226	36,454,839	105,906,202	4,444,076,932
Additions	8,894,744	7,429,753	5,974,412	601,179,193	310,018	1,548,542	2,376,461	30,965,588	658,678,711
Acquisition through business combination	-	4,300	42,314	233,076	-	-	-	-	279,690
Transfer from assets under construction	15,443,629	9,664,005	-	-	-	-	-	-	25,107,634
Disposals during the year	(279,453,500)	(29,316,227)	(3,022,677)	(131,768,341)	(418,495)	(403,168)	(675,155)	-	(445,057,563)
Effect of movement in exchange rates	16,752	(105,440)	(108,303)	(1,666)	506	645	63	(221,741)	(419,184)
Balance at 31 December 2021	2,706,832,836	229,223,792	112,189,007	1,386,167,365	34,113,718	39,333,245	38,156,208	136,650,049	4,682,666,220

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7. 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 2020	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 year	14,087,689	31,155,038	18,936,846	156,875,121	4,446,493	6,363,751	2,697,850	16,469,989	251,032,777
Elimination on disposals	-	(11,048,658)	(4,604,574)	(67,289,232)	(668,145)	(488,769)	(216,320)	-	(84,315,698)
Effect of movement in exchange rates	43,190	193,310	213,199	10,049	4,269	5,420	119	221,472	691,028
Impairment	286,593,419	12,977,022	1,227,489	27,631	1,659,330	491,091	757,008	-	303,732,990
Balance at 31 December 2020	438,614,873	140,714,527	63,977,236	208,558,375	23,889,100	25,343,710	14,152,003	31,078,828	946,328,652
Charge for the year	12,748,760	26,977,648	16,806,260	200,907,295	3,335,714	5,385,985	3,202,372	21,725,497	291,089,531
Acquisition through business combinations	-	2,078	37,314	184,518	-	-	-	-	223,910
Elimination on disposals	(67,620,846)	(19,649,095)	(2,377,751)	(71,616,210)	(332,169)	(255,575)	(544,878)	-	(162,396,524)
Effect of movement in exchange rates	(2,313)	(52,210)	(92,238)	(1,711)	454	601	19	(159,122)	(306,520)
Impairment	-	-	-	-	-	-	-	-	-
Balance at 31 December 2021	383,740,474	147,992,948	78,350,821	338,032,267	26,893,099	30,474,721	16,809,516	52,645,203	1,074,939,049
Carrying amounts:									
At 31 December 2020	2,523,316,338	100,832,874	45,326,025	707,966,728	10,332,589	12,843,516	22,302,836	74,827,374	3,497,748,280
At 31 December 2021	2,323,092,362	81,230,844	33,838,186	1,048,135,098	7,220,619	8,858,524	21,346,692	84,004,846	3,607,727,171

Land and buildings include lands amounting to SR 1.9 billion (31 December 2020: SR 1.9 billion) which are not depreciated. Included within the vehicles is a net book value amount of SR 1,046 million (31 December 2020: 706 million) in respect of vehicles used in the car rental business to customers.

In the opinion of management, as at 31 December 2021, there has been no impairment in land and buildings (31 December 2020: 287 million), SR nil (31 December 2020: SR 13 million) furniture and fixture, SR nil (31 December 2020: SR 4 million) in other assets related to Movenpick City Star Jeddah, Sheraton Jabal Al Kabah, Prince Sultan Bin Salman Olaya Hotel, Prince Majid Hotel, Roshan Mall, Hira, and Naseem Jeddah SR nil (31 December 2020: SR 304).

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7. PROPERTY AND EQUIPMENT (continued)

Depreciation charge for the year has been allocated as follows:

	31 December 2021	31 December 2020
Cost of revenue	245,465,457	207,178,338
Selling expenses (note 29)	19,713,514	19,043,363
Administrative expenses (note 30)	25,910,560	24,811,076
	<u>291,089,531</u>	<u>251,032,777</u>

8. ASSETS UNDER CONSTRUCTION AND DEVELOPMENT

	Hotel Projects	Administrative offices and branches projects	CRM data integration project	Service center	ERP software development	Total
Balance at 1 January 2020	206,468,803	4,956,800	5,617,218	3,371,932	47,693,324	268,108,077
Additions	65,221,885	28,606,490		150,306	34,556,510	128,535,191
Impairment	(50,500,933)	(24,384,554)		-	(18,749,099)	(93,634,586)
Balance at 31 December 2020	221,189,755	9,178,736	5,617,218	3,522,238	63,500,735	303,008,682
Additions	19,871,484	7,783,830	-	6,696	726,753	28,388,763
Transfer to property and equipment	(560,789)	(16,960,914)	-	-	(7,585,931)	(25,107,634)
Transfer to intangible assets and goodwill	-	-	(5,617,218)	-	(48,271,152)	(53,888,370)
Impairment	(1,852,194)	-	-	-	-	(1,852,194)
Balance at 31 December 2021	<u>238,648,256</u>	<u>1,652</u>	<u>-</u>	<u>3,528,934</u>	<u>8,370,405</u>	<u>250,549,247</u>

In the opinion of management, as at 31 December 2021, there has been an impairment in the carrying value of hotel projects mainly Movenpick City Star Jeddah, qurtabah admin building, new regional admin building Jeddah, new admin building Tabuk and Thumamah development project amounting to SR 1.9 million (31 December 2020: SR 93.7million). The management believes that the recoverable amount is lower than the carrying amount of these assets.

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9. CAPITAL WORK IN PROGRESS – RECOVERABLE ON DISPOSAL

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Capital work in progress	359,747,097	359,747,097

This represents certain land parcels and hotel, which were under capital work in progress. During 2013, these assets have been included in the Haram Expansion Project and other projects in Makkah and as a result, are to be acquired by the respective local authorities. The Group is not expecting such disposal to conclude within the next twelve months. Further, the management is not expecting any losses against the carrying value as a result of the disposal of these projects.

In the opinion of management, there has been no impairment in the carrying value of the Group's capital work in progress - recoverable on disposal as at 31 December 2021 (31 December 2020: SR nil).

10. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Software	Brand name	Customer list	Total
Cost					
Balance at 1 January 2020	306,810,218	223,633,513	33,945,674	22,712,745	587,102,150
Additions	-	46,201,470	-	-	46,201,470
Elimination on liquidation	(11,866,372)	(122,072)	-	-	(11,988,444)
Transfer from assets under development	-	-	-	-	-
Effect of movement in exchange rates	(3,992,731)	947,457	(2,515,807)	(1,391,262)	(6,952,343)
Balance at 31 December 2020	290,951,115	270,660,368	31,429,867	21,321,483	614,362,833
Additions	26,034,788	1,981,184	774,372	-	28,790,344
Disposal	-	-	-	-	-
Transfer from assets under development	-	53,888,370	-	-	53,888,370
Effect of movement in exchange rates	-	(752,935)	-	-	(752,935)
Balance at 31 December 2021	316,985,903	325,776,987	32,204,239	21,321,483	696,288,612
Accumulated amortization and impairment					
Balance at 1 January 2020	175,783,041	35,477,047	8,561,890	11,055,115	230,877,093
Amortization	-	25,255,255	289,210	481,939	26,026,404
Elimination on liquidation	(11,866,372)	-	-	-	(11,866,372)
Impairments	127,034,446	152,030,623	23,579,457	10,475,429	313,119,955
Effect of movement in exchange rates	-	727,534	(1,000,690)	(691,000)	(964,156)
Balance at 31 December 2020	290,951,115	213,490,459	31,429,867	21,321,483	557,192,924
Amortization	-	18,637,548	-	-	18,637,548
Disposal	-	-	-	-	-
Impairments	-	-	-	-	-
Effect of movement in exchange rates	-	(597,421)	-	-	(597,421)
Balance at 31 December 2021	290,951,115	231,530,586	31,429,867	21,321,483	575,233,051
Carrying amounts					
At 31 December 2020	-	57,169,909	-	-	57,169,909
At 31 December 2021	26,034,788	94,246,401	774,372	-	121,055,561

Amortization charge for the year has been allocated as follows:

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Cost of revenue	5,202,759	3,831,219
Selling expenses (note 29)	5,968,517	9,285,275
Administrative expenses (note 30)	7,466,272	12,909,910
	18,637,548	26,026,404

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10. INTANGIBLE ASSETS AND GOODWILL (continued)

On 17 May 2021, Portman Group Holdings Limited (100% owned subsidiary of the Company) acquired 100% shareholding of Inspiresport Group Limited, incorporated in England and Wales, United Kingdom for a total consideration of SR 25.6 million. As a result of initial fair valuation of identified assets and liabilities, disclosed below, a goodwill of SR 26 million recorded in these consolidated financial statements.

	Fair Value Recognized on Acquisition
<u>Assets</u>	
Property and equipment	626,267
Trade and other receivables	11,036,623
Prepayments and advances	1,003,077
Cash and cash equivalents	10,966,990
	<u>23,632,957</u>
<u>Liabilities</u>	
Trade payables and other payables	(23,468,140)
Employees' end of service benefits	(636,250)
	<u>(24,104,390)</u>
Initial fair value of the identifiable net assets	(471,433)
Goodwill recognized	26,034,788
Purchase consideration	25,563,355
<u>Total acquisition cost:</u>	
Cash consideration	<u>25,563,355</u>
<u>Cash outflow on acquisition</u>	
Net cash acquired with the subsidiaries	10,966,990
Cash consideration	(25,563,355)
Net cash outflow	(14,596,365)

10.1 Impairment test

The total impairment loss on goodwill with regards to Group's subsidiaries subject to impairment, for all the years up to 31 December 2021 is as follows:

	31 December 2021	31 December 2020
National Travel and Tourism Bureau Limited	6,212,311	6,212,311
Al Sarh Travel and Tourism Limited	11,600,000	11,600,000
Al Tayyar Tours Company	26,297,274	26,297,274
Al Tayyar Rent a Car Company	13,390,372	13,390,372
Al Tayyar Holidays Travel Group Company (ATE)	13,603,448	13,603,448
Lumi Rental Company	44,500,000	44,500,000
Al Mousim Travel and Tours	13,750,000	13,750,000
Mawasim Tourism and Umrah Services	21,235,000	21,235,000
Elegant Resorts Limited and subsidiaries	29,560,328	29,560,328
Al Hanove Tourism and Services Company	36,156,624	36,156,624
Mawasem Limited	11,652,929	11,652,929
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	11,813,391	11,813,391
IF Only Holidays Limited	8,162,959	8,162,959
	<u>290,951,115</u>	<u>290,951,115</u>

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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 December	31 December
	<u>2021</u>	<u>2020</u>
National Travel and Tourism Bureau Limited	6,212,311	6,212,311
Al Sarh Travel and Tourism Limited	11,600,000	11,600,000
Al Tayyar Tours Company	26,297,274	26,297,274
Al Tayyar Rent a Car Company	13,390,372	13,390,372
Al Tayyar Holidays Travel Group Company (ATE)	13,603,448	13,603,448
Lumi Rental Company	44,500,000	44,500,000
Al Mousim Travel and Tours	13,750,000	13,750,000
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	11,652,929	11,652,929
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
Inspiresport Group Limited	26,034,788	-
Foreign exchange loss on disposal	(13,334,763)	(13,334,763)
	<u>316,985,903</u>	<u>290,951,115</u>

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	
	<u>2021</u>	<u>2020</u>
Discount rate	11%	11%
Terminal value growth rate	2%	2%
Budgeted EBITDA growth rate (average of next five years)	10%	(43)%

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.

Budgeted EBITDA was estimated considering past experience. Revenue growth was projected considering the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years.

The estimated recoverable amount of the CGU exceeding its carrying value hence no impairment has been recorded. Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Travel and Tours	
	<u>2021</u>	<u>2020</u>
Discount rate	37%	-
Budgeted EBITDA growth rate (average of next five years)	-	-

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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.

	Travel and Tours	
	<u>2021</u>	<u>2020</u>
Discount rate	12%	12%
Terminal value growth rate	3%	3%
Budgeted EBITDA growth rate (average of next five years)	8%	(53)%

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.

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11. INVESTMENT PROPERTIES

	Land	Buildings	Furniture & fixture	Electrical equipment	Hotel Tools	Total
Cost:						
Balance at 1 January 2020	502,760,726	617,151,975	12,191,809	1,051,426	5,106,664	1,138,262,600
Disposal	(20,000,000)	(36,666,665)	-	-	-	(56,666,665)
As at 31 December 2021	482,760,726	580,485,310	12,191,809	1,051,426	5,106,664	1,081,595,935
Accumulated depreciation:						
Balance at 1 January 2020	6,955,216	89,821,030	9,590,231	640,875	3,320,768	110,328,120
Charge for the year	-	11,909,655	1,041,246	168,477	714,745	13,834,123
Impairment	105,445,715	105,330,645	477,428	36,346	181,223	211,471,357
As at 31 December 2020	112,400,931	207,061,330	11,108,905	845,698	4,216,736	335,633,600
Charge for the year	-	9,551,958	1,027,476	125,180	533,522	11,238,136
Elimination on disposal	(6,960,260)	(27,631,807)	-	-	-	(34,592,067)
As at 31 December 2021	105,440,671	188,981,481	12,136,381	970,878	4,750,258	312,279,669
Carrying amount:						
At 31 December 2020	390,359,795	410,090,645	1,082,904	205,728	889,928	802,629,000
At 31 December 2021	377,320,055	391,503,829	55,428	80,548	356,406	769,316,266

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11. INVESTMENT PROPERTIES (continued)

The following amounts have been recognized in profit or loss related to investment properties:

	31 December 2021	31 December 2020
Rental income from investment property	6,613,963	5,777,880
Depreciation	11,238,136	13,834,123

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of one year, with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and historically the average renewal period is one year. No contingent rents are charged. The Group currently held all these investment properties for rental income.

The fair value of these investment properties is amounting to SR 1,077 million (31 December 2020: SR 803 million)

11.1 Measurement of fair values

Fair value hierarchy

The fair value of investment property was determined by external, independent property valuer, having appropriate recognized professional qualifications (as required by Ministry of Commerce and Investment) and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment properties has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The valuation model considers the present value of net cash flows to be generated from the property, considering the expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant unobservable inputs used are as follows:

- Expected market rental growth
- Occupancy rate
- Risk-adjusted discount rate 7% (31 December 2020: 7.6%)

The estimated fair value would increase / (decrease) if:

- expected market rental growth were higher / (lower);
- the occupancy rate was higher / (lower);
- rent-free periods were shorter / (longer);
- the risk adjusted discount rate were lower / (higher).

The fair values of investments properties as determined by two independents valuers Bandar Bin Sultan Al-Shenaif (Valuer 1) and Muhammad Malik Al Ahmed (Valuer 2) as at the reporting date. Both of these valuers are members of the Saudi Authority of Accredited Valuers.

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12. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

	31 December 2021	31 December 2020
Balance brought forward	53,542,928	22,822,973
Additions	18,433,735	41,389,590
Share of profit from associates	17,115,676	11,408,223
Impairment	-	(22,077,858)
Balance carried forward	89,092,339	53,542,928

The following table summarizes the financial information of material associates as included in their own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these associates.

Carrying value of investment in equity accounted associates – Unquoted

Associate name	Percentage holding		Amount	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Felix Airways Limited (FAL)	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%	-	-
Saudi Heritage Hospitality Company (SHHC)	20%	20%	-	-
Equinox Group Limited (EGL)	40%	40%	-	-
Wadi Middle East S.A.R.L. (WME)	33.3%	33.3%	-	-
CHME Limited (CHM)	40%	40%	-	-
Riyadh Front for Exhibitions and Conventions	40%	40%	72,401,649	53,542,928
My Family Meal for Ready-Made Meals	25%	-	16,690,690	-
			89,092,339	53,542,928

Movement of equity accounted associates - Unquoted

	1 January 2021	Share of profit / (loss)	Additions	Impairment	31 December 2021
Saudi Heritage Hospitality Company (SHHC)	-	-	-	-	-
Equinox Group Limited (EGL)	-	-	-	-	-
CHME Limited (CHM)	-	-	-	-	-
Riyadh Front for Exhibitions and Conventions**	53,542,928	18,858,721	-	-	72,401,649
My Family Meal for Ready-Made Meals*	-	(1,743,045)	18,433,735	-	16,690,690
	53,542,928	17,115,676	18,433,735	-	89,092,339

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12. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES (continued)

Movement of equity accounted associates - Unquoted (continued)

	1 January <u>2020</u>	Share of (loss)	Addition/ (disposal)	Impairment	31 December <u>2020</u>
Saudi Heritage Hospitality Company (SHHC)	8,962,918	(131,160)	-	(8,831,758)	-
Equinox Group Limited (EGL)	13,460,055	(213,955)	-	(13,246,100)	-
CHME Limited (CHM)	-	-	-	-	-
Riyadh Front for Exhibitions and Conventions	400,000	11,753,338	41,389,590	-	53,542,928
	<u>22,822,973</u>	<u>11,408,223</u>	<u>41,389,590</u>	<u>(22,077,858)</u>	<u>53,542,928</u>

Latest available financial information of significant associates of the Group according to region is as follows:

	Country of incorporation/ listing	Total assets**	Total liabilities**	Net assets**	Revenues**	Profit/(loss) after tax**
2021						
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	193,305,949	12,562,852	180,743,097	72,804,802	47,146,803
My Family Meal for Ready-Made Meals	Kingdom of Saudi Arabia	10,990,649	12,726,022	(1,735,373)	4,631,232	(12,660,923)
2020						
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	172,357,128	38,188,853	134,168,275	65,335,953	29,383,346

	Country of incorporation / listing	Profit/ (loss) after tax**
2021		
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	47,146,803
My Family Meal for Ready-Made Meals	Kingdom of Saudi Arabia	(12,660,923)
		34,485,880
2020		
Riyadh Front for Exhibitions and Conventions	Kingdom of Saudi Arabia	29,383,346
Saudi Heritage Hospitality Company (SHHC)	Kingdom of Saudi Arabia	(655,802)
Equinox Group Limited (EGL)	United Arab Emirates	(534,888)
		28,192,656

*On 13 June 2021, the Group acquired 25% shares of My Family Meal for Ready-Made Meals for a total consideration of SR 18.4 million. My Family Meal is still in the process of updating shareholders details in its Commercial Registration and Articles of Association.

**These represent amounts reported from un-audited financial statements for the year ended 31 December 2021 and 2020.

The Group has no material contingent liability or capital commitments relating to its interest in the associates as at 31 December 2021 and 2020.

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13. INVESTMENTS

Financial investments are classified as follows:

Investments	31 December 2021	31 December 2020
<i>Investments classified at fair value through profit & loss (FVTPL)</i>		
Private fund	224,692,263	141,100,200
Public funds	-	39,535,860
Equity shares	6,693,122	29,015,028
<i>Investments classified at fair value through other comprehensive income (FVTOCI)</i>		
Equity shares	196,431,148	-
<i>Investments classified at amortized cost</i>		
Sukuks	307,374,887	370,327,300
	735,191,420	579,978,388

These represents Group's investment in public funds, equity shares of listed companies, private funds and investment in government sukuks.

Movement in investments:

For the year 2021	Private Fund	Public Funds	Sukuks	Equity Shares	Total
Balance at 1 January	141,100,200	39,535,860	370,327,300	29,015,028	579,978,388
Additions	86,326,139	-	-	273,211,326	359,537,465
Disposals and redemptions	(2,000,000)	(50,163,067)	(59,809,000)	(68,257,617)	(180,229,684)
Unrealized loss	(734,076)	-	(3,143,413)	(41,549,907)	(45,427,396)
Realized gain	-	10,627,207	-	10,705,440	21,332,647
Balance at 31 December	224,692,263	-	307,374,887	203,124,270	735,191,420
For the year 2020	Private Fund	Public Funds	Sukuks	Equity Shares	Total
Balance at 1 January	45,000,000	50,230,877	-	9,559,871	104,790,748
Additions	102,000,000	40,146,789	370,327,300	31,414,234	543,888,323
Disposals and redemptions	(5,949,400)	(51,352,725)	-	(12,860,391)	(70,162,516)
Fair value adjustment	-	22,770	-	202,191	224,961
Realized gain	49,600	488,149	-	699,123	1,236,872
Balance at 31 December	141,100,200	39,535,860	370,327,300	29,015,028	579,978,388

On 14 April 2021, the Company has elected to convert the outstanding receivable balance from the sale of equity accounted associate to Uber Technologies Inc. into fully paid shares in Uber Technologies Inc. On 14th June 2021, the Company has received 1.25 million shares from Uber Technologies, Inc. Consequently, the Company has derecognized its receivable from disposal of investment in equity-accounted associate amounting to SR 241.7 million and recognized as an investment at fair value amounted to SR 237.8 million. The said equity investment is classified as fair value through other comprehensive income. The Company has recorded an unrealized loss on fair valuation amounted to SR 41.1 million on these equity shares as at 31 December 2021.

During the year the Group has recorded a dividend income of SR 6.5 million and a realized gain from sale of an investment for SR 21.3 million (31 December 2020: dividend income SR 2.2 million and a realized gain from sale of an investment SR 1.2 million).

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 37.

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14. TRADE AND OTHER RECEIVABLES

	31 December 2021	31 December 2020
Trade receivables	1,222,749,034	1,140,480,167
Provision for expected credit loss	(161,438,966)	(84,250,047)
	1,061,310,068	1,056,230,120
<u>Other receivables:</u>		
Accrued incentives	13,781,925	101,036,021
Employees' receivables	12,629,643	15,704,382
Taxes	70,261,486	46,046,146
Receivable from disposal of subsidiaries	24,754,041	36,741,771
Consumables	1,896,648	2,678,151
Accrued finance income	2,101,784	3,230,918
Receivable on disposal of property and equipment	66,153,100	-
Others	18,713,217	23,866,495
	210,291,844	229,303,884
	1,271,601,912	1,285,534,004

Information about the Group's exposure to credit and market risks, and impairment losses for trade and other receivables is included in note 37.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Group's historical credit losses experienced over the two year periods prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

The lifetime expected loss provision for trade receivables is as follows:

		More than 30 days past due	More than 180 days past due	More than 365 days past due	Total
31 December 2021	Current				
Expected loss rate	0.19%	0.51%	2.36%	20.41%	
Gross carrying amount	297,461,957	84,055,802	62,272,652	778,958,623	1,222,749,034
Loss provision	567,459	429,445	1,470,917	158,971,145	161,438,966
		More than 30 days past due	More than 180 days past due	More than 365 days past due	Total
31 December 2020	Current				
Expected loss rate	1.4%	1.2%	2.7%	13.5%	
Gross carrying amount	175,435,793	248,501,951	164,960,342	551,582,081	1,140,480,167
Loss provision	2,443,317	3,020,192	4,452,616	74,333,922	84,250,047

Impairment loss movement of trade receivables:

	31 December 2021	31 December 2020
Balance as at 1 January	84,250,047	217,536,660
Expected credit loss for the year	78,169,532	25,049,050
Write off	(980,613)	(158,335,663)
Balance as at 31 December	161,438,966	84,250,047

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15. PREPAYMENTS AND ADVANCES

	31 December 2021	31 December 2020
Prepayments		
Rents	16,049,953	1,241,740
Insurance	15,188,789	24,912,893
Subscription fees	7,098,325	5,386,991
Others	8,816,628	18,300,969
	47,153,695	49,842,593
Other advances		
Advances to suppliers	250,384,756	249,454,117
Impairment of other receivables	(21,596,459)	(21,596,459)
	228,788,297	227,857,658
Advances for letter of guarantee margins (see note 26)	37,713,580	43,297,802
Other advances	14,444,835	14,726,500
	280,946,712	285,881,960
	328,100,407	335,724,553

16. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash in hand	1,444,316	1,968,345
Bank balances – current account	312,234,861	245,454,046
Cash held with fund manager	4,707,516	1,530,459
Cash and cash equivalents in the statement of financial position	318,386,693	248,952,850
Bank overdrafts used for cash management purposes	(5,466,147)	(1,108,487)
Cash and cash equivalents in the statement of cash flows	312,920,546	247,844,363

17. CAPITAL AND RESERVES

Share capital

	31 December 2021	31 December 2020
Ordinary shares		
At the beginning of the year	300,000,000	300,000,000
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.

Holder 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 Group.

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17. CAPITAL AND RESERVES (continued)

Share premium, statutory reserves and other reserves

Nature and purpose of these reserves have been included in note 6 of these consolidated financial statements.

Other comprehensive income accumulated in reserves, net of tax

	Attributable to owners of the parent			Total	NCI	Total OCI
	Translation reserve	Fair value reserve	Retained earnings			
31 December 2021						
Foreign operations – foreign currency translation differences	4,987,810	-	-	4,987,810	-	4,987,810
Equity investments - FVOCI	-	(41,413,102)	-	(41,413,102)	-	(41,413,102)
Re-measurement of defined benefit liability	-	-	(6,460,115)	(6,460,115)	(265,041)	(6,725,156)
	4,987,810	(41,413,102)	(6,460,115)	(42,885,407)	(265,041)	(43,150,448)

	Attributable to owners of the parent			Total	NCI	Total OCI
	Translation reserve	Fair value reserve	Retained earnings			
31 December 2020						
Foreign currency translation differences	(4,559,883)	-	-	(4,559,883)	-	(4,559,883)
Equity investments - FVOCI	-	(796,770)	-	(796,770)	-	(796,770)
Re-measurement of defined benefit liability	-	-	3,678,885	3,678,885	176,086	3,854,971
	(4,559,883)	(796,770)	3,678,885	(1,677,768)	176,086	(1,501,682)

Employee Stock option program (ESOP)

The Group provides a long-term incentive program (“the program”) to certain qualified employees who will be rewarded for their role in achieving the Company’s long-term goals and to attract and retain talented employees. The program focuses on both current and future performance and enables participants to contribute to the Company’s success and is measured based on performance rates determined by the nomination and remuneration Committee.

The program is entirely based on in kind settlement where the approved participants will receive the Company’s shares (restricted shares “treasury shares”) upon completing the vesting period and achieving the performance measures and fulfilling the necessary conditions by the participant in addition to completing the required approvals by the nomination and remuneration Committee.

To participate in the plan, employees must meet the eligibility criteria as set by the Group including a minimum year of service in the Group maintaining excellent performance rating in addition to other factors. Only employees that remain in service will be entitled to this option.

This program will be under the supervision of the nomination and remuneration Committee that is approved by the Board of Directors.

The total expense of SR 23.8 million related to the program for the year ended 31 December, 2021 (31 December 2020: SR 14.8 million) was charged to employees’ benefit expense with a corresponding increase in the statement of changes in equity in accordance with the requirements of the International Financial Reporting Standard 2 “Share-based Payment”.

The following table sets out the number of the, and movements in, share options during the year:

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Outstanding at 1 January	2,814,210	2,390,000
Granted during the year	1,390,290	424,210
Shares added back	(514,965)	
Exercised	(436,180)	-
Outstanding at 31 December	<u>3,253,355</u>	<u>2,814,210</u>

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Employee Stock option program (ESOP) (continued)

The fair value per option is estimated at the grant date using the Black Scholes Merton pricing model, considering the terms and conditions upon which the share options were granted. Active schemes relating to employee stock option program are described below:

Inputs to the Model	ESOP	ESOP	ESOP	ESOP
	<u>1 Apr 2021</u>	<u>1 Jan 2021</u>	<u>1 Apr 2020</u>	<u>1 Apr 2019</u>
Dividend yield	3.99%	3.99%	4.48%	5.12%
Expected volatility	98%	98%	64%	67%
Risk Free interest rate	1.25%	1.18%	1.54%	2.77%
Contractual life of share option	36 months	15 months	36 months	36 months
Share price in (SAR) at grant date	18.84	18.98	13.44	20.51
Exercise price in (SAR) at grant date	-	-	-	-
Fair value in (SAR) per option using Black Scholes Merton	16.71	18.06	11.75	17.59

Treasury shares

The following table shows movement during the year:

	31 December	31 December
	<u>2021</u>	<u>2020</u>
As at 1 January	64,900,000	64,900,000
Settled during the year at par value	<u>(4,361,800)</u>	-
Balance as at 31 December	<u>60,538,200</u>	<u>64,900,000</u>

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18. NON-CONTROLLING INTERESTS (NCI)

The following table summarizes the information relating to each of the Group's subsidiaries that has NCI.

31 December 2021

	MWT	ASTT	AHTS	HTCL	FIT	SAC	Total
NCI percentage	49	20	30	20	40	50	
Non-current assets	-	11,508,284	5,626,913	4,484,855	309,270	-	21,929,322
Current assets	-	53,578,480	22,296,769	23,822,539	287,735	25,000	100,010,523
Non-current liabilities	-	(11,255,504)	(1,101,762)	(7,192,809)	-	-	(19,550,075)
Current liabilities	-	(40,879,562)	(17,118,995)	(57,660,872)	(222,035)	-	(115,881,464)
Net assets	-	12,951,698	9,702,925	(36,546,287)	374,970	25,000	(13,491,694)
Net assets attributable to NCI	-	2,590,339	2,910,878	(7,309,258)	149,988	12,500	(1,645,553)
Revenue	-	22,875,845	760,133	(4,948)	-	-	23,631,030
Loss	-	(551,270)	(1,729,482)	(3,578,710)	-	-	(5,859,462)
OCI	-	(1,436,303)	74,066	-	-	-	(1,362,237)
Total comprehensive loss	-	(1,987,573)	(1,655,416)	(3,578,710)	-	-	(7,221,699)
Loss allocated to NCI	-	(110,254)	(518,845)	(715,742)	-	-	(1,344,841)
OCI allocated to NCI	-	(287,261)	22,220	-	-	-	(265,041)
Cash flows from operating activities	-	(10,021,106)	930,803	(190,412)	-	-	(9,280,715)
Cash flows from investment activities	-	(1,454,103)	(8,600)	227,404	-	-	(1,235,299)
Cash flows from financing activities	-	-	-	-	-	-	-
Net decrease in cash and cash equivalents	-	(11,475,209)	922,203	36,992	-	-	(10,516,014)

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18. NON-CONTROLLING INTERESTS (NCI) (continued)

The following table summarizes the information relating to each of the Group's subsidiaries that has NCI.

31 December 2020

NCI percentage	MWT 49	ASTT 20	AHTS 30	HTCL 20	FIT 40	SAC 50	Total
Non-current assets	1,097,129	11,345,235	5,846,773	6,477,275	309,270	-	25,075,682
Current assets	64,733,378	42,667,985	23,279,687	26,992,907	287,735	-	157,961,692
Non-current liabilities	(6,581,373)	(8,900,297)	(1,232,703)	(7,936,293)	(65,881)	-	(24,716,547)
Current liabilities	(59,771,813)	(27,783,451)	(16,519,725)	(57,466,014)	(216,380)	-	(161,757,383)
Net assets	(522,679)	17,329,472	11,374,032	(31,932,125)	314,744	-	(3,436,556)
Net assets attributable to NCI	(256,113)	3,465,894	3,412,210	(6,386,425)	125,898	-	361,464
Revenue	14,407,525	14,768,125	1,352,696	8,155	-	-	30,536,501
Loss	(10,068,836)	(6,447,827)	(1,621,456)	(3,129,109)	-	-	(21,267,228)
OCI	159,965	489,119	(402)	-	-	-	648,682
Total comprehensive Loss	(9,908,871)	(5,958,708)	(1,621,858)	(3,129,109)	-	-	(20,618,546)
Loss allocated to NCI	(4,933,729)	(1,289,566)	(486,437)	(625,821)	-	-	(7,335,553)
OCI allocated to NCI	78,383	97,824	(121)	-	-	-	176,086
Cash flows from operating activities	(473,874)	(20,413,360)	(3,716,493)	380,425	-	-	(24,223,302)
Cash flows from investment activities	406,270	(934,172)	201,127	(1,092,505)	-	-	(1,419,280)
Cash flows from financing activities	-	-	-	-	-	-	-
Net decrease in cash and cash equivalents	(67,604)	(21,347,532)	(3,515,366)	(712,080)	-	-	(25,642,582)

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19. LOANS AND BORROWINGS

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Non-current liabilities		
Secured bank loan	235,714,286	314,285,716
Unsecured bank loans	-	52,253,614
	<u>235,714,286</u>	<u>366,539,330</u>
Current liabilities		
Current portion of secured bank loan	117,857,143	78,571,429
Unsecured bank loans	709,513,171	460,190,123
	<u>827,370,314</u>	<u>538,761,552</u>

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 37.

Terms and repayment schedule

The Group is financed through Islamic facilities in the form of long-term and short-term loans (Murabaha / Tawarruq) from local banks. These facilities are subject to commission rates based on Saudi Arabia Interbank Offered Rate "SIBOR" plus an agreed margin. The secured bank loans are secured against land and buildings with a carrying amount of SR 1.78 billion (31 December 2020: SR 1.91 billion).

Aggregate maturities of loans from local banks are as follows:

	31 December	31 December
	<u>2021</u>	<u>2020</u>
	Carrying	Carrying
	Amount	Amount
Within one year	827,370,314	538,761,552
After one year but not more than five years	235,714,286	366,539,330
	<u>1,063,084,600</u>	<u>905,300,882</u>

20. LEASE LIABILITIES

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Lease Liabilities		
Balance at the beginning of the year	89,685,725	84,257,336
Additions	31,476,161	12,052,665
Finance cost	4,721,339	4,060,959
Rent concession (note 3.1 and 6.1)	(1,897,899)	(848,741)
Paid	(20,903,997)	(9,836,494)
Balance at end of year	<u>103,081,329</u>	<u>89,685,725</u>
Divided into		
Current portion	12,510,211	8,809,259
Non-current portion	90,571,118	80,876,466
	<u>103,081,329</u>	<u>89,685,725</u>

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Rent concessions

The Group has received numerous forms of rent concessions from lessors due to the Group being unable to operate for significant periods of time, including:

- Rent forgiveness (e.g. reductions in rent contractually due under the terms of lease agreements);
- Deferrals of rent (e.g. payment of April-June rent on an amortised basis from July 2020 – March 2021); and
- Conversion of a portion of fixed lease payments to variable lease payments not based on an index or rate (e.g. forgiveness of fixed monthly rent in exchange for a percentage of sales generated at store locations in the future).

As discussed in Note 3.1, the Group has elected to apply the practical expedient introduced by the amendments to IFRS 16 to all rent concessions that satisfy the criteria. Substantially all of the rent concessions entered into during year satisfy the criteria to apply the practical expedient.

The application of the practical expedient has resulted in the reduction of total lease liabilities of SR 1.89 million. The effect of this reduction has been recorded in profit or loss in the period in which the event or condition that triggers those payments occurred.

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Short-term lease expense	24,457,086	45,246,502

21. EMPLOYEES' END OF SERVICE BENEFITS

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Net defined benefit liability	125,532,249	112,503,015

The Group calculates employees' end of service benefits according to laws and regulations in each jurisdiction the Group operates. Additionally, the Group re-measures the employees' end of service benefits using the projected credit unit method by a qualified actuary.

The Group is committed to the following post-employment defined benefit plans:

- In Kingdom of Saudi Arabia, the plan entitles an employee who completed over two but less than five years of service, to receive a payment equal to one-third of their final salary for each completed year of service. Similarly, an employee who completed over five but less than ten years of service, to receive a payment equal to two-third of their final salary for each completed year of service. Further, an employee who completed over ten years of service, to receive a payment equal to their final salary for each completed year of service.
- In Egypt, the plan entitles an employee (management and technicians) who completed over five but less than ten years of service, to receive a payment equal to one-half of their final salary for each completed year of service. Similarly, an employee who completed over ten years of service, to receive a payment equal to their final salary for each completed year of service.
Further, the plan entitles an employee (drivers) who completed over five but less than seven years of service, to receive a payment equal to ten days of their final salary for each completed year of service. Similarly, an employee who completed seven years but less than twelve years of service, to receive a payment equal to one-half of their final salary for each completed year of service. Further, an employee who completed over twelve years of service, to receive a payment equal to two months of their final salary for each completed year of service.
- In United Arab Emirates, the plan entitles an employee who completed over one year but less than three years of service, to receive a payment equal to one-third of their final salary for each completed year of service. Similarly, an employee who completed over three years but less than five years of service, to receive a payment equal to two-thirds of their final salary for each completed year of service. Further, an employee who completed over five years of service, to receive a payment equal to their final salary for each completed year of service.
- In the United Kingdom, Portman Travel Group Limited operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Mawasim Limited ("ML") in an independently administered fund. Pension costs charged against profits in respect of the ML's defined contribution scheme represent the amount of the contributions payable to the schemes in respect of the accounting period. ML provides no other contractual post-retirement benefits to its employees.

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21. EMPLOYEES' END OF SERVICE BENEFITS (continued)

The most recent actuarial valuation of the present value of the end of service benefit obligation was carried out on 31 December 2021. During the financial year, no material fluctuations or events affected the actuarial assumptions used to calculate the liability, except for a decrease in the discount rate, as described below.

The present value of the defined benefit obligation and the related current service cost and past service cost were measured using the projected unit credit method.

Movement in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

	31 December 2021	31 December 2020
Balance at 1 January	112,503,015	115,770,111
Addition through business combination	636,250	-
Included in profit or loss		
Current service cost	20,949,547	14,732,980
Finance expense	4,595,005	3,915,313
	25,544,552	18,648,293
Included in other comprehensive income		
Re-measurement loss	6,725,156	(3,854,971)
Benefits paid	(19,876,724)	(18,060,418)
Balance at the end of the year	125,532,249	112,503,015
	31 December 2021	31 December 2020
Represented by:		
Net defined benefit liability :		
Kingdom of Saudi Arabia	103,527,222	90,650,343
Egypt	4,974,020	5,935,497
United Arab Emirates	17,031,007	15,917,175
	125,532,249	112,503,015

Actuarial assumptions on defined benefit liability

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 December 2021		
	KSA	Egypt	UAE
Discount rate	2.45%	15.24%	2.45%
Future salary growth	5.00%	9.96%	5.00%
Future benefits growth	1.70%	5.30%	1.50%
	31 December 2020		
	KSA	Egypt	UAE
Discount rate	4.15%	13.09%	2.43%
Future salary growth	5.00%	7.81%	5.00%
Future benefits growth	1.13%	5.22%	0.41%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

	31 December 2021		
	KSA	Egypt	UAE
According to number of plans			
Longevity for current members (in years)	26	27	29
	31 December 2020		
	KSA	Egypt	UAE
According to number of plans			
Longevity for current members (in years)	25	30	28

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21. EMPLOYEES' END OF SERVICE BENEFITS (continued)

At 31 December 2021 and 31 December 2020, the weighted-average duration of the defined benefit obligation was as follow:

	31 December 2021		
	KSA	Egypt	UAE
Weighted-average duration (in years)	7	8	10
	31 December 2020		
	KSA	Egypt	UAE
Weighted-average duration (in years)	8	6	11

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 December 2021		31 December 2020	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate (1% movement)	(9,367,040)	9,425,400	(13,826,175)	17,003,729
Future salary growth (1% movement)	9,422,417	(9,368,465)	16,677,866	(13,846,227)
Future mortality (10% movement)	(1,567,726)	863,650	57,957	(116,993)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Employee benefit expenses

	31 December <u>2021</u>	31 December <u>2020</u>
Salaries and benefits	541,273,246	487,231,006
Social security contributions	15,092,364	14,421,470
Contributions to defined contribution plans	7,082,519	16,084,737
Expenses related to post-employment defined benefit plans	25,544,552	18,648,293
Expenses related to paid leaves	25,228,595	19,431,430
	<u>614,221,276</u>	<u>555,816,936</u>

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22. ZAKAT AND INCOME TAXES

Movement in provision

The movement in the Zakat & income tax provision is as follows:

	31 December 2021	31 December 2020
At the beginning of the year	66,047,440	60,528,053
Provided during the year	51,829,925	26,659,360
Payments made during the year	(9,726,561)	(21,139,973)
At the end of the year	108,150,804	66,047,440
Amount recognized in profit or loss		
	31 December 2021	31 December 2020
Current zakat and tax expense		
Current year – zakat	56,469,064	33,118,645
Current year – tax	(5,769,411)	(3,211,597)
	50,699,653	29,907,048
Deferred tax expense		
Origination and reversal of temporary differences	1,130,272	(3,247,688)
Zakat and tax expense	51,829,925	26,659,360

Tax expense on continuing operations excludes the Group's share of the tax expense of equity-accounted investees of SR nil (31 December 2020: SR nil), which has been included in 'share of profit of equity-accounted investees, net of tax'.

The Group believes that its accruals for zakat and tax liabilities are adequate for all open years based on its assessment of many factors, including interpretations of zakat and tax law and prior experience.

Movement in deferred tax balances

	Net balance at 1 January	Recognized in profit or loss	Other	Net	Deferred tax asset	Deferred tax liabilities
31 December 2021						
Property and equipment in UK	794,041	47,897	328,482	1,170,420	1,170,420	-
Property and equipment in Egypt	(756,666)	581,517	(1,438)	(176,587)	-	(176,587)
Pension deficit	2,968,195	-	80,914	3,049,109	3,049,109	-
Fair value gains	-	(1,059,390)	9,798,426	8,739,036	8,739,036	-
Provisions	1,604,796	(662,470)	(392,602)	549,724	549,724	-
Other taxable temporary differences	6,150,830	(37,826)	4,563,873	10,676,877	10,676,877	-
Net tax assets / (liabilities) before set-off	10,761,196	(1,130,272)	14,377,655	24,008,579	24,185,166	(176,587)
Set-off of tax	-	-	-	-	-	-
Deferred tax assets / (liabilities)	10,761,196	(1,130,272)	14,377,655	24,008,579	24,185,166	(176,587)
	Net balance at 1 January	Recognized in profit or loss	Other	Net	Deferred tax Assets	Deferred tax liabilities
31 December 2020						
Property and equipment in UK	3,246,883	(2,549,657)	96,815	794,041	794,041	-
Property and equipment in Egypt	(741,945)	71,462	(86,183)	(756,666)	-	(756,666)
Pension deficit	1,865,744	117,691	984,760	2,968,195	2,968,195	-
Fair value gains	389,219	(400,825)	11,606	-	-	-
Provisions	-	1,604,796	-	1,604,796	1,604,796	-
Other taxable temporary differences	-	6,150,830	-	6,150,830	6,150,830	-
Net tax assets / (liabilities) before set-off	4,759,901	4,994,297	1,006,998	10,761,196	11,517,862	(756,666)
Set-off of tax	1,696,036	(1,746,609)	50,573	-	-	-
Deferred tax assets / (liabilities)	6,455,937	3,247,688	1,057,571	10,761,196	11,517,862	(756,666)

There are no unrecognized deferred tax assets or liabilities as at year end.

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Status of assessment

Zakat assessments for the Company have been finalized with the ZATCA and final Zakat certificates obtained for the years up to 2015. The Company has submitted the Zakat returns for all the years up to 2020.

All subsidiaries are filing Zakat and / or income tax returns regularly as per their country of incorporation regulations and there is no dispute that requires any additional provisions.

Zakat and Tax Assessment for 2016 – 2018

ZATCA has issued an assessment for the years ended 31 December 2016 – 2018. For FY 2016-2017, the Company filed an objection to the assessment issued by ZATCA, and consequently, ZATCA issued a partial acceptance of the said appeal. The Group filed the appeal with The first appellate committee (“TVDRC”) through GSTC on the remaining unresolved disputes which were rejected; hence, the appeal was escalated to the second appellate committee (“TVDAC”). The case is under review, and no hearings have been scheduled yet.

For FY 2018, the Company filed an objection to the assessment issued by ZATCA, and consequently, ZATCA issued a partial acceptance of the said appeal. The Group filed the appeal with The first appellate committee (“TVDRC”) through GSTC on the remaining unresolved disputes which issued a partial acceptance of the case. The Group is awaiting written decision from The first appellate committee (“TVDRC”) after which the appeal will be escalated to the second appellate committee (“TVDAC”) for the unresolved dispute.

The Group and its zakat and tax advisor believe that the decisions will favor the Group. Hence, the Group continues to contest the assessments issued by ZATCA vigorously.

Zakat and Tax Assessment for 2019 – 2020

During the year 2021, ZATCA has issued assessments for the years ended 31 December 2019 & 2020 amounting to SR 55 million. The Company filed an objection to the assessments issued by ZATCA for FY 2019 & 2020 to ZATCA review Committee which is under progress.

The Group has recorded an additional provision of SR 35 million in these consolidated financial statements for such assessments under progress.

23. TRADE AND OTHER PAYABLES

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Trade payables	452,071,806	253,025,980
Non-trade payables	111,149,824	121,810,888
Salaries and benefits	69,858,642	47,912,307
Rents and utilities	26,393,407	16,877,229
Payable of defined contribution plan	7,082,519	16,084,737
Finance cost payable	5,908,588	3,855,354
Unclaimed refund	137,030,069	156,317,689
Others	14,320,788	18,186,900
	<u>371,743,837</u>	<u>381,045,104</u>
Total trade and other payables	<u>823,815,643</u>	<u>634,071,084</u>

Information about the Group’s exposure to currency and liquidity risks is included in note 37.

24. CONTRACT LIABILITIES

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Customer advances	161,545,180	90,241,922
Customer loyalty claims	1,166,859	1,796,797
	<u>162,712,039</u>	<u>92,038,719</u>

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25. PROVISIONS

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Legal case	22,000,000	25,000,000

Legal case

Blue Sky Travel (“BST”) was the Company's supplier and its associate, which was 49% owned by the Company. In 2013, a lawsuit was brought against the Company by one of BST's shareholders. Following a trial in the United States, there was a judgment of USD 11.9 million (SR 44.8million) against the Company. A court ruling was received in December 2015 that USD 1.9 million (SR 7.5 million) was confirmed as payable to BST, BST appealed against the ruling and consequently, the court issued the final ruling with an increase in payable amount to BST to SR 14.1 million. The Company paid SR 14.1 million in full in 2017. However, the Company decided to record a provision of SR 25 million in 2013, with a view that there is a right of appeal against the legal claim; this was based on the management’s best estimate.

In the light of the above and based on the Company’s legal department’s judgement on such cases, the Company believes that none of the parties have a further right to appeal against the legal claim, and that it is assumed as settled. Consequently, the provision of SR 25 million is reversed during the period ended 31 March 2021.

During the year, the Company terminated the contract with Saudi Pro League (the “Claimant”) for sponsorship and strategic partnership (the “Contract”) amounting to SR 23.1 million. The Claimant filed the legal case before the General Court of Riyadh against the Company for the non-payment of the contractual amount. The Company considered a provision of SR 22 million during the year, with a view that the final verdict has not been issued by court; this is based on the management’s best estimate. The Company believes that there is a right of appeal against other party.

26. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 December 2021, the Group has capital commitments of SR 20.6 million (31 December 2020: SR 60.3) with respect to property developments, software development and construction of new office premises.

Contingencies

At 31 December 2021, the Group has letter of guarantees amounting SR 751 million (31 December 2020: 482 million) issued by the Company’s banks in favor of certain suppliers. Included within this are advances for letter of guarantee margins amounting SR 38 million (31 December 2020: 43 million) see note 15 for details.

27. RELATED PARTIES TRANSACTIONS AND BALANCES

The Group in the normal course of business carries out transactions with various related parties. Related parties’ transactions are approved by the Company and its Board. 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 and related companies.

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.

Outstanding balances at the year-end are unsecured, interest-free and will be settled in cash. There have been no guarantees provided or received for any related party receivables or payables.

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27.1 Related parties' transactions

Senior management remuneration

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

	31 December 2021			31 December 2020		
	Non- executive/ independent board members	Key management personnel	Total	Non- executive/ independent board members	Key management personnel	Total
Managerial remuneration	-	5,012,019	5,012,019	-	4,379,008	4,379,008
Housing & Travel allowance	-	2,222,064	2,222,064	-	1,538,274	1,538,274
Business Trips	-	319,494	319,494	-	187,525	187,525
Bonus	3,000,000	6,366,068	9,366,068	-	23,398,933	23,398,933
End of Service Benefits	-	565,042	565,042	-	583,240	583,240
Board Member Fees	3,411,625	844,000	4,255,625	3,906,000	408,000	4,314,000
Total	6,411,625	15,328,687	21,740,312	3,906,000	30,494,980	34,400,980

Aggregate amount charged in these consolidated financial statements in respect of Directors fees for attending Board and other Committee meetings amounted to SR 220,000 and SR 412,000 respectively (31 December 2020: SR 270,000 and SR 252,000 respectively). The Directors' fees for attending Board and other Committee meetings were paid as prescribed in the Company's Bylaws.

Directors of the Company control 0.32% (31 December 2020: 0.32%) of the voting shares of the Company.

Related party	Relationship	31 December 2021				
		Sales	Purchases	Receipts	Payments	Other
Riyadh Front	Associate	-	-	-	16,501	(713,117)
Majid Al Nafai	CEO	1,084,910	-	-	-	(14,766,826)
Riyadh Cables Group	Common directorship	-	-	-	-	(26,544)
Gulf International Trading and Real Estate Company	Common directorship	-	-	120,820	-	141,806
Saudi Entertainment Ventures	Common directorship	6,502,799	-	4,419,840	-	(769)
Saudi Basic Industries Corporation	Common directorship	-	-	35,905	-	18,119
2share United Communications	Ownership interest by majority shareholder of Seera	-	-	-	-	-
Forbes Middle East	Ownership interest by majority shareholder of Seera	-	-	-	-	-
Nile Air	Ownership interest by majority shareholder of Seera	20,000	1,792,880	-	-	1,865,105
Saudi Batal Design Company	Ownership interest by majority shareholder of Seera	-	-	68,227	-	(2,675)
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	2,931
Abdullah Al Ajlani	Minority shareholder of HTCL	-	-	-	-	-
Mohamed Salih Alkhalil	Chairman / Board member	248,784	-	353,100	-	132,202
Tatweer Education Holding	Common directorship	34,264	-	186,802	-	-
Tatweer Buildings Company	Common directorship	-	-	-	-	-
Naqlah Company	Common directorship	-	-	-	-	(95,329)
Karim Transport Company.	Common directorship	-	-	-	-	-
Aujan Industry and Services Suppliers	Common directorship	-	-	-	-	-
Mazen Bin Ahmed Al Jubeir	Board member	7,975	-	-	-	-
National Petrochemical Industrial Company	Common directorship	8,654	-	-	-	-

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27.1 Related parties' transactions (continued)

Related party	Relationship	31 December 2020				
		Sales	Purchases	Receipts	Payments	Others
Riyadh Front	Associate	618,043	-	-	5,712,923	458,717
Majid Al Nafai	Minority shareholder of MWT	-	-	-	-	324,966
Riyadh Cables Group	Common directorship	4,500	2,778	-	-	-
Gulf International Trading and Real Estate Company	Common directorship	19,146	-	21,000	-	(24,476)
Saudi Entertainment Ventures	Common directorship	1,038,640	-	3,959,071	-	565,942
Saudi Basic Industries Corporation	Common directorship	2,600,664	-	2,097,347	-	(503,169)
2share United Communications	Ownership interest by majority shareholder of Seera	-	-	-	-	(27,930)
Forbes Middle East	Ownership interest by majority shareholder of Seera	-	-	-	-	-
Nile Air	Ownership interest by majority shareholder of Seera	-	10,455,535	200,000	1,672,842	1,407,207
Saudi Batal Design Company	Ownership interest by majority shareholder of Seera	152,660	-	170,000	-	(41,807)
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	81,361
Abdullah Al Ajlani	Minority shareholder of HTCL	-	-	-	-	-
Mohamed Salih Alkhalil	Chairman / Board member	289,576	-	353,100	-	63,524
Tatweer Education Holding	Common directorship	192,229	-	379,421	-	-
Tatweer Buildings Company	Common directorship	-	-	-	-	-
Naqlah Company	Common directorship	-	-	-	-	(397,735)
Karim Transport Company.	Common directorship	-	-	-	-	(84,190)
Aujan Industry and Services Suppliers	Common directorship	-	-	-	-	-
Mazen Bin Ahmed Al Jubeir	Board member	-	-	-	-	-
National Petrochemical Industrial Company	Common directorship	-	-	-	-	-

27.2 Related party balances

Related party balances at year end are as below:

	31 December 2021	31 December 2020
Due from related parties		
Riyadh Front	6,093,066	6,789,683
Forbes Middle East	375,501	375,501
Saudi Batal Design Company	-	70,902
Nile Air	1,198,968	1,106,742
Riyadh Cables Group	-	26,544
National Agriculture Development Company (NADEC)	-	264,834
Saudi Entertainment Ventures	3,884,260	1,802,070
Saudi Basic Industries	-	148
Gulf International Trading and Real Estate Company	24,027	3,041
CHME Limited (CHM)	6,751	6,751
Abdullah Al Ajlani	-	2,173,013
Majid Al Nafai	806,468	14,488,386
Mohamed Salih Al Khalil	27,887	-
Tatweer Education Holding	185,550	338,088
Tatweer Buildings Company	34,117	34,117
Naqlah Company	157,426	252,755
Karim Transport Company	-	93,264
Aujan Industry and Services Supplies	-	1,500
National Petrochemical Industry	8,654	-
Mazen Bin Ahmed Al Jubeir	7,975	-
	12,810,650	27,827,339

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27.2 Related party balances (continued)

Due to related parties	31 December 2021	31 December 2020
Voyage Amro Travel	-	1,263,075
Saudi Basic Industries	17,639	-
Mohaideb Ali Al Mohaideb	12,750	15,680
	30,389	1,278,755

28. REVENUE

Commission element	31 December 2021	31 December 2020
Airline ticketing & incentives	331,380,086	113,204,260
Hotel booking	129,487,586	174,781,581
Shipments	27,771,104	10,389,234
Train ticketing	2,600,107	4,784,409
	491,238,883	303,159,484
Other revenue		
Package holidays	256,272,250	90,670,874
Car rentals	507,361,200	423,401,380
Property and room rentals	41,272,486	54,279,231
Chartered flights	13,287,983	30,193,293
Others	18,424,873	2,889,600
	836,618,792	601,434,378
	1,327,857,675	904,593,862

In respect of recognizing commissions as revenue, management considers that the following factors indicates 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, type of revenue and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's four strategic divisions, which are its reportable segments (see note 38).

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Disaggregation of revenue (continued)

31 December 2021							
Reportable segments							
Primary geographical markets	Ticketing	Tourism	Transportation	Hospitality	Property	All other segments	Total
Kingdom of Saudi Arabia	301,095,868	153,197,256	548,420,287	35,818,523	5,453,963	7,574,964	1,051,560,861
United Kingdom	15,723,588	229,990,252	-	-	-	-	245,713,840
Egypt	138,119	854,180	-	-	-	-	992,299
United Arab Emirates	13,001,687	376,492	-	-	-	347,391	13,725,570
Spain	-	-	-	-	-	10,211,379	10,211,379
Kuwait	4,020,931	1,341,656	-	-	-	291,139	5,653,726
	333,980,193	385,759,836	548,420,287	35,818,523	5,453,963	18,424,873	1,327,857,675
Timing of revenue recognition							
Services transferred at a point in time	333,980,193	129,487,586	298,464,356	12,946,987	-	-	774,879,122
Services transferred over time	-	256,272,250	249,955,931	22,871,536	5,453,963	18,424,873	552,978,553
	333,980,193	385,759,836	548,420,287	35,818,523	5,453,963	18,424,873	1,327,857,675

31 December 2020							
Reportable segments							
Primary geographical markets	Ticketing	Tourism	Transportation	Hospitality	Property	All other segments	Total
Kingdom of Saudi Arabia	66,574,706	126,938,968	463,979,219	49,748,640	4,530,591	1,645,177	713,417,301
United Kingdom	30,720,950	131,517,400	-	-	-	-	162,238,350
Egypt	227,758	2,839,623	4,688	-	-	-	3,072,069
United Arab Emirates	20,465,255	4,039,871	-	-	-	-	24,505,126
Spain	-	-	-	-	-	1,244,423	1,244,423
Kuwait	-	116,593	-	-	-	-	116,593
	117,988,669	265,452,455	463,983,907	49,748,640	4,530,591	2,889,600	904,593,862
Timing of revenue recognition							
Services transferred at a point in time	117,988,669	174,781,581	197,202,379	12,602,831	-	-	502,575,460
Services transferred over time	-	90,670,874	266,781,528	37,145,809	4,530,591	2,889,600	402,018,402
	117,988,669	265,452,455	463,983,907	49,748,640	4,530,591	2,889,600	904,593,862

Contract balances

The contract liabilities primarily relate to the gross bookings which is the advance consideration received from governmental and corporate customer contracts, for which commission will be recognized once the service is delivered in the future.

Significant changes in the contract liabilities balances during the year are as follows:

	31 December 2021	31 December 2020
Contract liabilities		
Contract liability at the beginning of the year	90,241,922	111,565,833
Contract liabilities that was recognized as revenue during the year	(27,890,022)	(39,599,837)
Cash received in advance of performance and not recognized as revenue during the year	99,193,280	18,275,926
Contract liability at the end of the year	161,545,180	90,241,922

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Transaction price allocated to the remaining performance obligation

As of 31 December 2021, the amount allocated to the customer loyalty program is SR 1.2 million (31 December 2020: 1.8 million). This will be recognized as revenue as the customer loyalty program points are redeemed, which is expected to occur over the next one year.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

29. SELLING EXPENSES

	31 December 2021	31 December 2020
Employee benefits	179,506,272	147,408,114
Advertising	58,393,152	59,157,248
Sales commission and incentives	50,801,240	37,721,175
Rentals	21,669,638	45,246,502
Depreciation (note 7)	19,713,514	19,043,363
Amortization (note 10)	5,968,517	9,285,275
	336,052,333	317,861,677

30. ADMINISTRATIVE EXPENSES

	31 December 2021	31 December 2020
Employee benefits	338,376,458	288,588,948
Information technology	81,765,018	76,761,909
Consultancy	29,647,578	31,749,184
Depreciation (note 7)	25,910,560	24,811,076
Insurance	21,098,993	21,899,686
Utilities	9,871,118	8,917,018
Communication	9,127,786	12,282,597
Repairs and maintenance	8,629,945	16,743,580
Amortization (note 10)	7,466,272	12,909,910
Travel	6,030,515	2,928,966
Stationery	3,339,925	3,997,817
Entertainment expenses	2,641,728	708,614
Other expenses	9,150,240	7,685,036
	553,056,136	509,984,341

31. OTHER EXPENSES

	31 December 2021	31 December 2020
Loss on disposal of property and equipment	3,601,413	66,375
Loss on disposal of investment property	770,848	-
Provision against legal cases	14,225,157	-
Others	1,753,731	-
	20,351,149	66,375

32. OTHER INCOME

	31 December 2021	31 December 2020
Careem holdbacks*	68,498,830	-
Dividend income	6,505,928	2,197,629
Rebates	2,628,829	-
Foreign currency exchange gain	-	763,633
Income from insurance claim	55,203	6,988,347
Others	4,083,886	983,389
	81,772,676	10,932,998

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OTHER INCOME (continued)

During the year 2021, the Company has received an additional amount of SR 68.5 million from Uber Technologies relating to regulatory and legal hold back.

33. FINANCE INCOME AND COST

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Finance income		
Finance income on term deposits	-	86,322
Interest income from investment	8,620,525	1,375,210
	<u>8,620,525</u>	<u>1,461,532</u>
Finance cost		
Bank charges	(23,029,433)	(15,680,549)
Finance cost on lease liabilities	(4,721,339)	(4,060,959)
Finance cost on loans and borrowings	(34,220,535)	(26,805,146)
	<u>(61,971,307)</u>	<u>(46,546,654)</u>

34. IMPAIRMENT LOSSES

The Group was affected significantly due to the impact of COVID-19, which resulted in a decrease in the Group's primary activities. Consequently, the Group's non-current assets' value, mainly those described below, was adversely affected. The Group's management considered to review all these non-current assets for any impairment indicators. Following a detailed assessment carried out by the Group's management, it was concluded that the below assets triggered the impairment indicators. Accordingly, an impairment review was performed across all cash generating units ("CGUs") of the Group, including the fair valuation of investment properties and other owned properties of the Group. The analysis resulted in carrying amount of the below assets exceeding the estimated recoverable amount and hence an impairment has been recorded in these consolidated financial statements as disclosed below. Further details regarding the impairment of each of class of asset has been disclosed in the relevant notes.

	31 December	31 December
	<u>2021</u>	<u>2020</u>
Impairment loss on property and equipment (see note 7)	-	304,096,928
Impairment loss on investment properties (see note 11)	-	211,471,356
Impairment loss on intangibles (see note 10)	-	186,085,507
Impairment loss on goodwill (see note 10)	-	127,034,448
Impairment loss on asset under construction and development (see note 8)	1,852,194	93,634,586
Impairment loss on equity-accounted investees (see note 12)	-	22,077,858
Impairment loss on other assets	5,572,768	11,154,959
	<u>7,424,962</u>	<u>955,555,642</u>

35. DISPOSAL OF SUBSIDIARIES

During the year, the Company did not dispose any of its interest in its subsidiaries, following are the details of subsidiaries disposed by the group during 2020:

Net assets on disposal

The following table summarizes the net assets of subsidiary at disposal date:

	<u>Saudi</u>				<u>CTS</u>	<u>Total</u>
	<u>Transport</u>	<u>Wadi</u>	<u>Lena</u>	<u>Jawlah</u>		
Property and equipment	322,068	100,000	146,426	74,465	576,675	1,219,634
Intangible assets	-	-	-	66,571	-	66,571
Trade and other receivables	23,773,897	-	170,118	956,666	2,069,006	26,969,687
Prepayments and advances	-	-	-	499,464	-	499,464
Cash and cash equivalents	10,557	-	371,716	1,960,574	1,581,503	3,924,350
Trade and other payables	(20,498,747)	-	(5,981,936)	(12,019,741)	(5,535,345)	(44,035,769)
Total net assets disposed off	3,607,775	100,000	(5,293,676)	(8,462,001)	(1,308,161)	(11,356,063)
% of ownership	100%	100%	98%	51%	98%	
Net assets on disposal	<u>3,607,775</u>	<u>100,000</u>	<u>(5,187,802)</u>	<u>(4,315,621)</u>	<u>(1,281,998)</u>	<u>(7,077,646)</u>

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Gain on disposal for year 2020

Gain in relation to the subsidiaries disposed of was recognized as follows:

	<u>Saudi</u>					
	<u>Transport</u>	<u>Wadi</u>	<u>Lena</u>	<u>Jawlah</u>	<u>CTS</u>	<u>Total</u>
Consideration received	-	-	150,000	561,000	412,500	1,123,500
Net assets on disposal	<u>(3,607,775)</u>	<u>(100,000)</u>	5,187,802	4,315,621	1,281,998	7,077,646
	<u>(3,607,775)</u>	<u>(100,000)</u>	5,337,802	4,876,621	1,694,498	8,201,146

Result of discontinued operations

	31 December <u>2021</u>	31 December <u>2020</u>
Revenue	-	20,743,581
Cost of revenue	-	(18,011,180)
Operating expense	-	(9,754,815)
Finance cost expense	-	(91,333)
(loss) / income from discontinued operation	<u>-</u>	<u>(7,113,747)</u>
Basic and diluted earnings per share	<u>-</u>	<u>(0.024)</u>

36. 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 weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)

	31 December <u>2021</u>	31 December <u>2020</u>
Profit attributable to ordinary shareholders	<u>(376,379,547)</u>	18,181,419
Weighted-average number of ordinary shares at the end of the year	<u>300,000,000</u>	300,000,000
Basic and diluted	<u>(1.25)</u>	0.06

37. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign currency risk
- Other price risk, and
- Liquidity risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Investments
- Trade and other payables
- Bank overdrafts
- Loans and borrowings
- Related party balances

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Fair value and fair value hierarchy

The Group measures financial instruments, such as investments 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 considers 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 consolidated 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.

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.

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Financial instruments by category

	Financial instruments - FVTPL	Carrying amount	Financial instruments at amortized cost	Total	Fair value			Total
		Financial instruments - FVTOCI			Level 1	Level 2	Level 3	
31 December 2021								
Financial assets measured at fair value								
Investments	231,385,385	196,431,148	307,374,887	735,191,420	427,816,533	307,374,887	-	735,191,420
Current:								
Other receivable	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	318,386,693	318,386,693	-	-	-	318,386,693
Trade receivables	-	-	1,061,310,068	1,061,310,068	-	-	-	1,061,310,068
Due from related parties	-	-	12,810,651	12,810,651	-	-	-	12,810,651
Total financial assets	231,385,385	196,431,148	1,699,882,299	2,127,698,832	-	-	-	2,127,698,832
Financial liabilities								
Non-current:								
Loans and borrowings	-	-	235,714,286	235,714,286	-	-	-	235,714,286
Current:								
Bank overdraft	-	-	5,466,146	5,466,146	-	-	-	5,466,146
Loans and borrowings	-	-	827,370,314	827,370,314	-	-	-	827,370,314
Trade and other payables	-	-	569,130,218	569,130,218	-	-	-	569,130,218
Due to related parties	-	-	1,293,464	1,293,464	-	-	-	1,293,464
Total financial liabilities	-	-	1,638,974,428	1,638,974,428	-	-	-	1,638,974,428

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Financial instruments by category (continued)

	Financial instruments - FVTPL	Carrying amount Financial instruments - FVTOCI	Financial instruments at amortized cost	Total	Fair value			Total
					Level 1	Level 2	Level 3	
31 December 2020								
Financial assets measured at fair value								
Investments	209,651,088	-	370,327,300	579,978,388	209,651,088	370,327,300	-	579,978,388
Current:								
Other receivable	241,651,870	-	-	241,651,870	-	-	241,651,870	241,651,870
Cash and cash equivalents	-	-	248,952,850	248,952,850	-	-	-	248,952,850
Trade and other receivables	-	-	1,056,949,844	1,056,949,844	-	-	-	1,056,949,844
Due from related parties	-	-	27,107,615	27,107,615	-	-	-	27,107,615
Total financial assets	451,302,958	-	1,703,337,609	2,154,640,567	-	-	-	2,154,640,567
Financial liabilities								
Non-current:								
Loans and borrowings	-	-	366,539,330	366,539,330	-	-	-	366,539,330
Current:								
Bank overdraft	-	-	1,108,487	1,108,487	-	-	-	1,108,487
Loans and borrowings	-	-	538,761,552	538,761,552	-	-	-	538,761,552
Trade and other payables	-	-	378,692,222	378,692,222	-	-	-	378,692,222
Due to related parties	-	-	1,278,755	1,278,755	-	-	-	1,278,755
Total financial liabilities	-	-	1,286,380,346	1,286,380,346	-	-	-	1,286,380,346

For the purpose of financial instruments by category, following items of trade and other receivables and trade and other payables have been taken into account:

Trade and other receivables

	<u>Note</u>	31 December 2021	31 December 2020
Trade receivables, net	14	1,061,310,068	1,056,230,120

Trade and other payables

	<u>Note</u>	31 December 2021	31 December 2020
Trade payables	23	452,071,806	253,025,980
Non-trade payables	23	111,149,824	121,810,888
Finance cost payable	23	5,908,588	3,855,354
		569,130,218	378,692,222

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Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, loans and borrowings, lease liabilities and related party balances. Due to the short-term nature, the carrying value of these financial instruments approximates their fair value.

There were transfers between levels during the period.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group's Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Group's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are considered by local business practices.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Risk Management Committee.

The Risk Management Committee determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are graded as "high risk" are placed on a restricted customer list, and future credit sales are made only with approval of the Risk Management Committee, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents held with banks, financial investments and related parties. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	31 December <u>2021</u>	31 December <u>2020</u>
Investments	735,191,420	579,978,388
Cash at bank (note 16)	312,234,861	245,454,046
Trade receivables - third parties (note 14)	1,061,310,068	1,056,230,120
Due from related parties (note 27)	12,810,650	27,827,339
	<u>2,121,546,999</u>	<u>1,909,489,893</u>

The carrying amount of financial assets represents the maximum credit exposure.

Credit risk on receivable and bank balances is limited as:

- Cash balances are held with banks with sound credit ratings.
- Trade receivables are shown net of allowance for impairment of trade receivables and sales returns.
- Financial position of related parties is stable.

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Credit risk (continued)

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis. Trade receivables outstanding balance comprises of 82% in KSA, 13% in UK and 5% in other countries (31 December 2020: 82% in KSA, 13% in UK and 5% in other countries). Out of total receivables 51% relates to the government, 41% corporate customers and 8% others at 31 December 2020 (31 December 2020: 58% Government, 29% corporate and 13% others).

The Risk Management Committee monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (foreign currency risk) or other market factors (other price risk). The details related to these risks are more fully described below:

Interest rate risk

Fair value and cash flow interest rate risks are the exposures to various risk associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows. The Group is not exposed to fair value and cash flow interest rate risks as long term Murabaha loans have a fixed finance rate.

Management of the Group does not enter into future agreement to hedge its interest rate risk. However, these are monitored on regular basis and corrective measures initiated wherever required. All of the borrowings are on fixed interest rates; therefore, interest rate sensitivity analysis has not been disclosed.

Foreign Currency risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analyzed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group is predominantly exposed to currency risk on purchases and sales made from major suppliers and customers based in EGP, GBP, CAD and USD. Purchases and sales from these suppliers and customers are made on a central basis. Management of the Group does not enter into future agreement to hedge its currency risk. However, these are monitored on regular basis and corrective measures initiated wherever required.

Apart from these particular cash-flows the Group aims to fund expenses and investments in the respective currency and to manage foreign exchange risk at a local level by matching the currency in which revenue is generated and expenses are incurred.

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

31 December 2021	EGP	GBP	CAD	USD
Cash and cash equivalents	11,487,953	59,974,466	-	6,325,202
Trade and other receivables	27,027,505	138,079,737	-	89,081
Due from related parties	27,929,501	-	-	-
Lease liabilities	-	(13,434,117)	-	-
Bank overdraft	(635,072)	-	-	-
Trade and other payables	(13,503,014)	(135,902,515)	-	(336,000)
Due to related parties	(94,626,135)	(249,387,453)	-	-
Net statement of financial position exposure	(42,319,262)	(200,669,882)	-	6,078,283

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Foreign Currency risk (continued)

31 December 2020	EGP	GBP	CAD	USD
Cash and cash equivalents	8,874,468	93,438,476	-	12,248,235
Trade and other receivables	27,488,650	63,354,344	-	-
Due from related parties	41,683,537	-	-	-
Lease liabilities	-	(18,891,039)	-	-
Bank overdraft	(1,108,487)	-	-	-
Trade and other payables	(5,384,307)	(89,137,793)	(1,263,075)	-
Due to related parties	(57,281,454)	(190,112,045)	-	-
Net statement of financial position exposure	14,272,407	(141,348,057)	(1,263,075)	12,248,235

Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Egyptian pound, Great Britain pounds and Canadian dollar against all other currencies at year end would have affected the measurement of financial instruments denominated in a foreign currency and would have increased / (decreased) equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Strengthening	Weakening
<u>31 December 2021</u>		
EGP (1%)	(423,193)	423,193
GBP (1%)	(2,006,699)	2,006,699
CAD (1%)	-	-
<u>31 December 2020</u>		
EGP (1%)	(142,724)	(142,724)
GBP (1%)	(1,413,481)	(1,413,481)
CAD (1%)	(12,631)	12,631

Other price risk

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to price risk with respect to strategic equity investments in other companies where those complement the Group's operations. The directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances.

The Group has diversified its investment portfolio in order to manage the price risk arising from investments in equity securities.

Liquidity risk

Liquidity risk arises from the Group's management of working capital, finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section above.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances and (as noted above) the value of the Group's investments in equity securities and government sukuks. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed overdraft facility.

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Liquidity risk (continued)

The liquidity risk of each Group entity is managed centrally by the Group treasury function. Each operation has a facility with group treasury, the amount of the facility being based on budgets. The budgets are set locally and agreed by the board in advance, enabling the Group's cash requirements to be anticipated. Where facilities of Group entities need to be increased, approval must be sought from the Group finance director. Where the amount of the facility is above a certain level, agreement of the board is needed.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

31 December 2021	Carrying amount	Contractual cash flow					
		Total	3 months or less	3 to 12 months	1 to 2 Years	2 to 5 Years	More than 5 years
Liabilities							
Loans and borrowings	1,063,084,600	1,099,785,419	434,320,093	413,388,824	87,128,680	164,947,822	-
Bank overdraft	5,466,147	5,466,147	5,466,147	-	-	-	-
Lease Liabilities	103,081,329	117,747,620	10,568,990	11,108,091	18,273,400	27,830,783	49,966,356
Trade and other payables	824,925,568	824,925,568	824,925,568	-	-	-	-
Due to related parties	30,389	30,389	30,389	-	-	-	-
	1,996,588,033	2,047,955,143	1,275,311,187	424,496,915	105,402,080	192,778,605	49,966,356

31 December 2020	Carrying amount	Contractual cash flow					
		Total	3 months or less	3 to 12 months	1 to 2 Years	2 to 5 Years	More than 5 years
Liabilities							
Loans and borrowings	905,300,882	953,232,419	238,342,607	320,332,111	113,451,413	281,106,288	-
Bank overdraft	1,108,487	1,108,487	1,108,487	-	-	-	-
Lease Liabilities	89,685,725	102,522,469	4,161,229	6,769,312	10,977,616	19,434,957	61,179,355
Trade and other payables	634,071,084	634,071,084	634,071,084	-	-	-	-
Due to related parties	1,278,756	1,278,756	1,278,756	-	-	-	-
	1,631,444,934	1,692,213,215	878,962,163	327,101,423	124,429,029	300,541,245	61,179,355

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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Capital disclosures

The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, non-controlling interest, retained earnings, and total of other reserves).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents.

Due to recent market uncertainty, the Group's strategy is to preserve a strong cash base and achieve a debt-to-adjusted-capital ratio of approximately 10-12% (2020: 10-12%). The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating. The debt-to-adjusted-capital ratios at 31 December 2021 and at 31 December 2020 were as follows:

	31 December 2021	31 December 2020
Total equity	5,501,275,970	5,877,241,989
Cash and cash equivalents	(318,386,693)	(248,952,850)
Capital	<u>5,182,889,277</u>	<u>5,628,289,139</u>
Total equity	5,501,275,970	5,877,241,989
Borrowings	1,063,084,600	905,300,882
Bank Overdraft	5,466,146	1,108,487
Overall financing	<u>6,569,826,716</u>	<u>6,783,651,358</u>
Capital-to-overall financing ratio	<u>79%</u>	<u>83%</u>

38. 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 on rent across the Group.
Transportation	Providing car rental, chartered flights and delivery of shipments across the Group.
Hospitality	Providing rooms and food & beverages services mainly in the Kingdom of Saudi Arabia through owned hotels.
Property rentals	Providing investment property on operating lease mainly in the Kingdom of Saudi Arabia.

Other operations include sundry services such as events management, IT support, advertising, drivers professional fee, insurance brokerage, triptique and international driving license. None of these segments met the quantitative thresholds for reportable segments in 2021 or 2020.

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

Factors that management used to identify the Group's reportable segments.

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38. OPERATING SEGMENTS (continued)

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer, Chief Operating Officer and the Finance Director.

Measurement of operating segment profit or loss, assets and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses, such as goodwill impairment, and the effects of share-based payments.

Inter-segment sales are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of group resources at a rate acceptable to local tax authorities. This policy was applied consistently throughout the current and prior year.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities and defined benefit liabilities. Loans and borrowings are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliation from segment assets and liabilities to the group position as disclosed below and in next page.

	31 December 2021						
	Reportable segments						
	Ticketing	Tourism	Transportation	Hospitality	Property rentals	All other segments	Total
External revenues	-	256,272,250	520,649,183	35,818,523	5,453,963	18,424,873	836,618,792
Inter-segment revenue	-	-	14,107,926	-	-	21,649,799	35,757,725
External commissions	333,980,193	129,487,586	27,771,104	-	-	-	491,238,883
Segment revenue	333,980,193	385,759,836	562,528,213	35,818,523	5,453,963	40,074,672	1,363,615,400
Segment profit before zakat and tax	(245,317,251)	(154,060,222)	81,406,579	(41,180,474)	(6,567,179)	39,824,084	(325,894,463)
Finance income	4,963,449	3,100,934	410,600	-	-	145,542	8,620,525
Finance expense	(34,292,910)	(21,424,627)	(5,247,972)	(232)	-	(1,005,566)	(61,971,307)
Depreciation and amortization	(39,625,250)	(24,756,026)	(215,135,303)	(29,096,977)	(11,189,734)	(1,161,925)	(320,965,215)
Share of profit of equity-accounted investees	-	-	-	-	-	17,115,676	17,115,676
Other material non-cash items:	-	-	-	-	-	-	-
Impairment losses on financial assets	(50,095,184)	(31,297,158)	(2,172,647)	(177,933)	-	-	(83,742,922)
Impairment losses on non-financial assets	-	-	-	(1,851,572)	-	-	(1,851,572)
Segment assets	2,471,826,919	1,552,317,262	1,835,476,343	2,823,425,869	1,123,029,483	16,011,007	9,822,086,883
Equity-accounted investees	-	-	-	-	-	89,475,633	89,475,633
Capital expenditure	(14,496,373)	(9,056,665)	(603,950,687)	(2,539,878)	-	(425,075)	(630,468,678)
Segment liabilities	788,686,787	495,298,478	1,089,657,310	29,553,797	5,744,776	5,108,639	2,414,049,787

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38. OPERATING SEGMENTS (continued)

	31 December 2020						
	Reportable segments						Total
	Ticketing	Tourism	Transportation	Hospitality	Property Rentals	All other segments	
External revenues	-	90,670,874	453,594,673	49,748,640	4,530,591	2,889,600	601,434,378
Inter-segment revenue	-	-	18,352,868	-	-	22,238,904	40,591,772
External commissions	117,988,669	174,781,581	10,389,234	-	-	-	303,159,484
Segment revenue	117,988,669	265,452,455	482,336,775	49,748,640	4,530,591	25,128,504	945,185,634
Segment profit / (loss) before zakat and tax	(179,971,623)	(713,336,285)	(10,711,276)	(383,943,386)	(193,121,138)	1,517,501,057	36,417,349
Finance income	261,238	1,035,443	84,882	-	-	79,969	1,461,532
Finance expense	(7,903,758)	(31,221,120)	(5,010,978)	(36,096)	(55)	(2,374,647)	(46,546,654)
Depreciation and amortization	(13,417,547)	(53,181,845)	(168,927,690)	(37,722,623)	(13,536,271)	(4,017,328)	(290,803,304)
Share of profit / (loss) of equity-accounted investees	-	(131,160)	-	(213,955)	-	11,753,338	11,408,223
Other material non-cash items:							
Impairment losses on financial assets	(7,479,709)	(28,724,300)	-	-	-	-	(36,204,009)
Impairment losses on non-financial assets	(80,308,939)	(340,055,147)	-	(524,036,595)	-	-	(944,400,681)
Segment assets	786,591,475	3,117,737,289	1,418,330,113	2,783,249,282	1,166,647,676	240,788,338	9,513,344,173
Equity-accounted investees	-	-	-	-	-	53,542,928	53,542,928
Capital expenditure	(34,019,565)	(134,840,089)	(354,444,106)	(3,436,644)	-	(10,413,937)	(537,154,341)
Segment liabilities	221,758,940	878,964,669	728,441,080	24,549,414	6,192,682	67,883,988	1,927,790,773

Reconciliations of information on reportable segments

	31 December 2021	31 December 2020
Revenues		
Total revenue for reportable segments	1,323,540,728	920,057,130
Revenue for other segments	40,074,672	25,128,504
Elimination of inter-segment revenue	(35,757,725)	(40,591,772)
Consolidated revenue	1,327,857,675	904,593,862
Profit before zakat and tax		
Total profit before zakat and tax for reportable segments	(365,718,547)	(1,481,083,708)
Profit before zakat and tax for other segments	39,824,084	1,517,501,057
Consolidated profit before zakat and tax	(325,894,463)	36,417,349
	31 December 2021	31 December 2020
Assets		
Total assets for reportable segments	9,806,075,876	9,272,555,835
Assets for other segments	16,011,007	240,788,338
Inter-segment eliminations	(1,934,322,954)	(1,708,311,411)
Consolidated assets	7,887,763,929	7,805,032,762
Liabilities		
Total liabilities for reportable segments	2,408,941,148	1,859,906,785
Liabilities for other segments	5,108,639	67,883,988
Consolidated liabilities	2,414,049,787	1,927,790,773

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Other material items

31 December 2021	Reportable segments totals	Adjustments	Consolidated totals
Finance income	8,474,983	145,542	8,620,525
Finance expense	(60,965,741)	(1,005,566)	(61,971,307)
Capital expenditure	(630,043,603)	(425,075)	(630,468,678)
Depreciation and amortization	(319,803,290)	(1,161,925)	(320,965,215)
Impairment of trade and other receivables	(83,742,922)	-	(83,742,922)
31 December 2020			
Finance income	1,381,563	79,969	1,461,532
Finance expense	(44,172,007)	(2,374,647)	(46,546,654)
Capital Expenditure	(526,740,404)	(10,413,937)	(537,154,341)
Depreciation and amortization	(286,785,976)	(4,107,328)	(290,893,304)
Reversal on impairment of trade and other receivables	(36,204,009)	-	(36,204,009)

Geographic information

The ticketing and tourism segments are managed on a worldwide basis, but the transportation and property rentals are primarily located in the Kingdom of Saudi Arabia and Egypt.

The geographic information below analyses the Group's revenue and non-current assets by the Company's country of domicile and all foreign countries. In presenting the following information, segment revenue is based on the geographic location of customers and segment assets are based on the geographic location of the assets.

Revenue

	31 December 2021	31 December 2020
Kingdom of Saudi Arabia	1,051,560,861	713,417,301
All foreign countries		
United Kingdom	245,713,840	162,238,350
Egypt	992,299	3,072,069
United Arab Emirates	13,725,570	24,505,126
Spain	10,211,379	1,244,423
Kuwait	5,653,726	116,593
	276,296,814	191,176,561
	1,327,857,675	904,593,862

Non-current assets

	31 December 2021	31 December 2020
Kingdom of Saudi Arabia	5,850,101,325	5,593,085,689
All foreign countries		
United Kingdom	78,029,552	43,970,737
Egypt	22,675,946	16,727,516
United Arab Emirates	3,153,869	8,899,492
Spain	2,903,575	2,658,712
	106,762,942	72,256,457
	5,956,864,267	5,665,342,146

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38. OPERATING SEGMENTS (continued)

A brief summary of Group' internal strategic business units is detailed below:

		31 December 2021								
		Travel			Corporate venture	Car Rental	Hospitality	Hajj and Umrah	DMC	Total
		Consumer Travel	Business Travel	Cumulative						
Gross booking value		1,756,263,279	1,641,590,787	3,397,854,066	775,543,587	507,361,200	41,272,486	3,500,048	71,035,342	4,796,566,729
Revenues		153,030,150	244,125,283	397,155,433	307,533,166	507,361,200	41,272,486	3,500,048	71,035,342	1,327,857,675

		31 December 2020								
		Travel			Corporate venture	Car Rental	Hospitality	Hajj and Umrah	DMC	Total
		Consumer Travel	Business Travel	Cumulative						
Gross booking value		1,080,054,943	1,344,463,773	2,424,518,716	738,052,165	423,396,692	54,179,231	13,868,075	80,166,605	3,734,181,484
Revenues		58,252,581	106,429,610	164,682,192	191,684,730	423,396,692	54,179,231	14,407,525	56,243,492	904,593,862

39. 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 consolidated 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. Subsequent to the initial recognition of the above gain Uber paid an additional amount of SR 9.2 million related to the adjustment of its share price by SR 1.05 per share at the time of the above acquisition.

On 14 April 2021, the Company has elected to convert the outstanding receivable balance from the sale of equity accounted associate to Uber Technologies Inc. into fully paid shares in Uber Technologies Inc. On 14th June 2021, the Company has received 1.25 million shares from Uber Technologies, Inc. Consequently, the Company has derecognized its receivable from disposal of investment in equity-accounted associate amounting to SR 241.7 million and recognized as an investment at fair value amounted to SR 237.8 million. The said equity investment is classified as fair value through other comprehensive income. The Company has recorded an unrealized loss on fair valuation amounted to SR 41.1 million on these equity shares as at 31 December 2021.

40. RECLASSIFICATION

Certain comparative figures have been reclassified to conform with classification used for the year ended 31 December 2021. An amount of SR 49.8 million was reclassified from contract liabilities to trade and other payable and SR 0.7 million was reclassified from trade and other receivables to due from related parties.

41. SUBSEQUENT EVENTS

There are no subsequent events that require disclosure or amendments to the accompanying consolidated financial statements.

42. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been approved by the board of directors on --- Shaaban 1443 (H) corresponding to --- March 2022 (G).