

SEERA HOLDING GROUP

(A Saudi Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THREE AND SIX MONTH
PERIODS ENDED 30 JUNE 2021 AND
INDEPENDENT AUDITOR'S REVIEW REPORT**

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

Table of contents

	Page
Independent auditor's review report	2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of profit or loss and other comprehensive income	4
Interim condensed consolidated statement of changes in equity	5-6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial statements	8-32

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Seera Holding Group** ("the Company") and its subsidiaries (together referred as the "Group") as of 30 June 2021 and the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three and six month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended, and a summary of selected significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 that is endorsed in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.,

M. A. Al-Amri

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

Muharram 9, 1443 (H)
August 17, 2021 (G)



SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021
(SAUDI RIYALS)

	<u>Note</u>	<u>30 June</u> <u>2021</u> (Unaudited)	<u>31 December</u> <u>2020</u> (Audited)
ASSETS			
Non-current			
Property and equipment	5	3,932,381,841	3,497,748,280
Assets under construction and development	6	314,263,523	303,008,682
Assets under construction – recoverable on disposal		359,747,097	359,747,097
Intangible assets and goodwill	7	75,947,712	57,169,909
Investment properties	8	774,912,270	802,629,000
Investments in equity-accounted associates	9	66,989,061	53,542,928
Investments		795,578,576	579,978,388
Deferred tax assets		11,638,730	11,517,862
		<u>6,331,458,810</u>	<u>5,665,342,146</u>
Current			
Trade and other receivables	10	1,260,002,069	1,286,253,728
Receivable from disposal of investments in equity-accounted associates	4	-	241,651,870
Due from related parties	14	15,211,330	27,107,615
Prepayments and advances		337,062,276	335,724,553
Cash and bank balances	11	265,490,745	248,952,850
		<u>1,877,766,420</u>	<u>2,139,690,616</u>
TOTAL ASSETS		<u>8,209,225,230</u>	<u>7,805,032,762</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent:			
Share capital	12	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		34,284,909	22,907,769
Treasury shares		(63,921,800)	(64,900,000)
Retained earnings		1,519,224,983	1,758,350,742
		<u>5,650,110,106</u>	<u>5,876,880,525</u>
Non-controlling interests		606,777	361,464
TOTAL EQUITY		<u>5,650,716,883</u>	<u>5,877,241,989</u>
LIABILITIES			
Non-current			
Loans and borrowings	13	275,000,001	366,539,330
Lease liabilities		83,183,608	80,876,466
Employees' end of service benefits		118,588,683	112,503,015
Deferred tax liabilities		758,751	756,666
		<u>477,531,043</u>	<u>560,675,477</u>
Current			
Bank overdraft	11	317,438	1,108,487
Loans and borrowings	13	1,126,595,740	538,761,552
Lease liabilities		8,328,143	8,809,259
Zakat and income taxes		52,140,612	66,047,440
Trade and other payables		697,898,410	543,909,028
Due to related parties	14	1,267,236	1,278,755
Contract liabilities		194,429,725	182,200,775
Provisions	15	-	25,000,000
		<u>2,080,977,304</u>	<u>1,367,115,296</u>
TOTAL LIABILITIES		<u>2,558,508,347</u>	<u>1,927,790,773</u>
TOTAL EQUITY AND LIABILITIES		<u>8,209,225,230</u>	<u>7,805,032,762</u>

Majed Ayden Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Muhammad Khalid (CFO)

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(SAUDI RIYALS)

		Three months ended		Six months ended	
		30 June	30 June	30 June	30 June
	Note	2021	2020	2021	2020
Revenue	17	285,618,136	138,208,082	471,879,955	534,902,680
Cost of revenue		(111,139,639)	(111,870,073)	(238,844,800)	(323,361,185)
Gross profit		174,478,497	26,338,009	233,035,155	211,541,495
Selling expenses		(88,720,480)	(62,376,718)	(162,801,895)	(179,447,114)
Administrative expenses		(139,958,186)	(117,271,089)	(263,053,325)	(290,581,585)
Provision for expected credit loss on trade receivables					
	10	(7,709,766)	(22,677)	(12,617,899)	(5,027,880)
Net fair value gain on investments		4,748,608	413,122	10,116,691	434,381
Other income		-	-	15,830,675	7,373,931
Other expenses		(15,683,966)	(6,545,474)	(4,437,496)	(6,892,389)
Operating loss		(72,845,293)	(159,464,827)	(183,928,094)	(262,599,161)
Finance income		1,549,131	107,288	4,142,251	1,392,851
Finance costs		(15,183,986)	(8,957,366)	(27,832,093)	(22,960,955)
Net finance cost		(13,634,855)	(8,850,078)	(23,689,842)	(21,568,104)
Foreign exchange loss recognized on impairment of goodwill		-	-	-	(13,334,764)
Gain on disposal of assets held for sale		-	-	-	1,563,386,860
Impairment loss		(1,852,194)	-	(1,852,194)	(315,204,973)
Share of (loss) / profit from equity-accounted associates		(2,558,639)	3,115,642	(4,987,603)	2,770,527
(Loss) / profit before zakat and tax		(90,890,981)	(165,199,263)	(214,457,733)	953,450,385
Zakat and income tax expense		(7,462,833)	(6,532,237)	(15,267,948)	(13,396,642)
(Loss) / profit for the period		(98,353,814)	(171,731,500)	(229,725,681)	940,053,743
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences		(1,135,214)	(1,267,829)	3,007,705	(13,790,379)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Unrealized gain on equity instruments – FVOCI		-	1,703,422	-	587,212
Other comprehensive income for the period		(1,135,214)	435,593	3,007,705	(13,203,167)
Total comprehensive (loss) / income for the period		(99,489,028)	(171,295,907)	(226,717,976)	926,850,576
(Loss) / profit attributable to:					
Owners of the parent		(98,284,908)	(170,209,034)	(227,989,519)	943,289,294
Non-controlling interest		(68,906)	(1,522,466)	(1,736,162)	(3,235,551)
		(98,353,814)	(171,731,500)	(229,725,681)	940,053,743
Total comprehensive (loss) / income attributable to:					
Owners of the parent		(99,420,122)	(169,773,441)	(224,981,814)	930,086,127
Non-controlling interest		(68,906)	(1,522,466)	(1,736,162)	(3,235,551)
		(99,489,028)	(171,295,907)	(226,717,976)	926,850,576
Earnings per share for the owners of the parent:					
Basic and diluted earnings per share	18	(0.33)	(0.57)	(0.76)	3.14
Weighted average number of shares	18	300,000,000	300,000,000	300,000,000	300,000,000

Majed Ayman Al Nairat (Board Member)

Abdullah Nasser Al Dawood (CEO)

Muhammad Khalid (CFO)

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR SIX MONTHS PERIOD ENDED 30 JUNE 2021
(Saudi Riyals)

	Share capital	Share premium	Statutory reserve	Translation reserve	Other reserves			Total	Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total Equity
					Staff general fund reserve	Charity fund reserve	Fair value reserve						
Balance at 1 January 2021 (Audited)	3,000,000,000	707,345,000	453,177,014	(95,254,886)	109,933,829	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 period	-	-	-	-	-	-	-	-	-	(227,989,519)	(227,989,519)	(1,736,162)	(229,725,681)
Other comprehensive loss for the period	-	-	-	3,007,705	-	-	-	3,007,705	-	-	3,007,705	-	3,007,705
Total comprehensive loss for the period	-	-	-	3,007,705	-	-	-	3,007,705	-	(227,989,519)	(224,981,814)	(1,736,162)	(226,717,976)
Net movement of staff general fund reserve	-	-	-	-	(1,747,479)	-	-	(1,747,479)	-	-	(1,747,479)	-	(1,747,479)
Net movement of charity fund reserve	-	-	-	-	-	(126,534)	-	(126,534)	-	-	(126,534)	-	(126,534)
Transactions with shareholders													
Share based payment expense	-	-	-	-	12,085,408	-	-	12,085,408	-	-	12,085,408	-	12,085,408
Settlement of treasury shares	-	-	-	-	(1,841,960)	-	-	(1,841,960)	978,200	863,760	-	-	-
Acquisition of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	12,500	12,500
Increase in ownership stake of subsidiary	-	-	-	-	-	-	-	-	-	(12,000,000)	(12,000,000)	1,968,975	(10,031,025)
Translation reserve realized on impairment of goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2021 (Unaudited)	3,000,000,000	707,345,000	453,177,014	(92,247,181)	118,429,798	8,102,292	-	34,284,909	(63,921,800)	1,519,224,983	5,650,110,106	606,777	5,650,716,883

Majed Ayteb Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Muhammad Khalid (CFO)

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR SIX MONTHS PERIOD ENDED 30 JUNE 2020
(Saudi Riyals)

	Share capital	Share premium	Statutory reserve	Translation reserve	Other reserves			Total	Treasury shares	Retained earnings	Total attributable to the owners of the parent	Non-controlling interests	Total Equity
					Staff general fund reserve	Charity fund reserve	Fair value reserve						
Balance at 1 January 2020	3,000,000,000	707,345,000	451,358,872	(104,029,288)	96,177,075	10,116,866	1,120,535	3,385,188	(64,900,000)	1,738,493,777	5,835,682,837	8,627,858	5,844,310,695
Profit for the period	-	-	-	-	-	-	-	-	-	943,289,294	943,289,294	(3,235,551)	940,053,743
Other comprehensive loss for the period	-	-	-	(13,790,379)	-	-	587,212	(13,203,167)	-	-	(13,203,167)	-	(13,203,167)
Total comprehensive income for the period	-	-	-	(13,790,379)	-	-	587,212	(13,203,167)	-	943,289,294	930,086,127	(3,235,551)	926,850,576
Net movement of staff general fund reserve	-	-	-	-	(80,000)	-	-	(80,000)	-	-	(80,000)	-	(80,000)
Net movement of charity fund reserve	-	-	-	-	-	(1,071,263)	-	(1,071,263)	-	-	(1,071,263)	-	(1,071,263)
Transactions with shareholders													
Share based payment expense	-	-	-	-	9,805,074	-	-	9,805,074	-	-	9,805,074	-	9,805,074
Settlement of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in ownership stake of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation reserve realized on impairment of goodwill	-	-	-	13,334,764	-	-	-	13,334,764	-	-	13,334,764	-	13,334,764
Balance at 30 June 2020	3,000,000,000	707,345,000	451,358,872	(104,484,903)	105,902,149	9,045,603	1,707,747	12,170,596	(64,900,000)	2,681,783,071	6,787,757,539	5,392,307	6,793,149,846

Majed Aydeh Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Muhammad Khalid (CFO)

The accompanying notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR SIX MONTHS PERIOD ENDED 30 JUNE 2021
(Saudi Riyals)

	<u>Note</u>	30 June 2021	30 June 2020
Cash flows from operating activities			
(Loss) / profit before zakat and tax		(214,457,733)	953,450,385
Adjustments for:			
- Depreciation		142,827,167	128,957,773
- Amortization	7	9,387,279	12,872,058
- Share based payment charge		12,085,408	9,805,074
- Provision for expected credit loss on trade receivables	9	12,617,899	5,027,880
- Provision for employees' end of service benefits		15,834,747	14,903,451
- Impairment on assets under construction	6	1,852,194	315,204,973
- Finance cost		27,832,093	22,960,955
- Finance income		(4,142,251)	(1,392,851)
- Net fair value gain on investments		(10,116,691)	(434,381)
- Rent concessions		(1,897,899)	-
- Foreign currency loss recognized on impairment of goodwill		-	13,334,764
- Share of loss / (profit) from equity-accounted associates	9	4,987,602	(2,770,528)
- Gain on sale of property and equipment		(140,972)	(55,180)
- Loss on investment properties		770,848	-
- Gain on sale of non-current assets held for sale		-	(1,563,386,860)
Net changes in working capital:			
- Trade and other receivables		19,221,461	255,843,768
- Prepayments and advances		(11,358,154)	(11,326,775)
- Related parties, net		11,884,766	167,220
- Trade and other payables		105,316,630	(191,985,733)
- Contract liabilities		12,228,950	(124,267,652)
Cash generated from / (used in) operating activities		134,733,344	(163,091,659)
Finance cost paid		(23,701,099)	(26,708,901)
Finance income received		4,572,917	1,392,851
Employees' end of service benefits paid		(9,749,079)	(10,803,799)
Zakat and income taxes paid		(29,174,776)	(2,401,006)
Net cash generated from / (used in) operating activities		76,681,307	(201,612,514)
Cash flows from investing activities			
Proceeds from sale of property and equipment		33,298,034	56,778,800
Proceeds from sale of investments		76,180,291	-
Proceeds from sale of investment properties		21,303,750	-
Proceeds from sale of non-current assets held for sale		-	1,335,268,286
Disposal of intangible assets		(2,088,889)	-
Additions to property and equipment		(593,013,984)	(208,352,424)
Additions to intangible assets		-	(1,119,841)
Acquisition of investments		(40,011,918)	-
Acquisition of equity-accounted associates	9	(18,433,735)	-
Acquisition of subsidiary, net of cash acquired	7	(15,833,807)	-
Net movement in assets under construction		(13,107,035)	(92,089,228)
Net cash (used in) / generated from investing activities		(551,707,293)	1,090,485,593
Cash flows from financing activities			
Proceeds from loans and borrowings		1,133,158,781	445,284,433
Repayment of loans and borrowings		(636,863,922)	(771,186,813)
Leased liabilities paid		(4,743,827)	(5,423,149)
Staff general fund reserve paid		(1,747,479)	(80,000)
Charity fund reserve paid		(126,534)	(1,071,263)
Net cash generated from / (used in) financing activities		489,677,019	(332,476,792)
Net change in cash and cash equivalents		14,651,033	556,396,287
Cash and cash equivalents as at 1 January		247,844,363	344,493,605
Effect of movements in exchange rates		2,677,911	(5,231,282)
Cash and cash equivalents at 30 June		265,173,307	895,658,610

Majed Ayedh Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Muhammad Khalid (CFO)

The accompanying notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 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 interim condensed consolidated financial statements ("interim financial statements") comprise the Company and its subsidiaries (together referred to as the 'Group').

The Company and its subsidiaries are involved in selling tickets for scheduled air travel services, tourism, cargo, transportation, Hajj, and Umrah, arranging conference and events, education, chartered flights, furnished suites and hotels, shipping and other travel-related products and services through its 277 branches (31 December 2020: 387) inside and outside the Kingdom of Saudi Arabia.

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

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 interim financial statements (refer Note 7 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 11 April 2021, the Company established a wholly owned subsidiary, Mafhom Alamal Real Estate Company, registered in Riyadh, Kingdom of Saudi Arabia, with an issued share capital of SR 1,000,000.

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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia issued by the Saudi Organization for Chartered and professional Accountants ("SOCPA"). These interim financial statements should be read in conjunction with the Group's last audited consolidated financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'). The accompanying interim financial statements do not include all the information that is required to prepare a complete set of financial statements in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by SOCPA. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

2.2 Preparation of the financial statements

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

- Equity instruments at fair value through profit or loss;
- Investments at amortized cost; and
- Defined benefits plan measured at the present value of future obligations using the Projected Unit Credit Method.

Although the Group's current liabilities exceeded its current assets by SR 217.2 million as at 30 June 2021, these interim financial statements have been prepared on a going concern basis. This is because the Company is in gross profit position during the six months period ended 30 June 2021 together with positive operating cash flows for the six months period ended 30 June 2021. Additionally, the Company has investments amounting to SR 795.6 million in listed securities & mutual funds, and government sukkuks, along with unutilized long and short-term loan facilities to meet the working capital requirements as and when they fall due. Resultantly, these interim financial statements are prepared using the going concern basis.

2.3 Use of judgments and estimates

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

3. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS

New standards, interpretations, and amendments adopted by the Group

The accounting policies used in the preparation of these interim financial statements are consistent with those followed in the last annual financial statements, except for amendments to IFRS 16: COVID-19 Related Rent Concessions beyond 30 June 2021, effective as of 1 January 2021. Other new and amended standards and Interpretations issued by the International Accounting Standards Board (IASB) that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

In March 2021, the IASB amended IFRS 16 Leases, extending the practical expedient in order to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. This amendment is applicable for annual reporting periods beginning on or after 1 April 2021, with early application permitted, including in financial statements not authorized for issue at 31 March 2021.

The Group, being a lessee, received a rent concession of SR 1.9 million during the period and accordingly is affected by this amendment.

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2021 (the date on which the company's next annual financial statements will be prepared up to) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

4. SIGNIFICANT MATTERS DURING THE PERIOD

COVID-19 assessment

The existence of novel coronavirus (COVID-19) was confirmed in early 2020 and has spread across multiple geographies, causing disruptions to businesses and economic activity. In response to the spread of COVID-19 and its resulting disruptions to the social and economic activities, the Group's management has assigned a task force to assess and monitor the possible impact on its business in Saudi Arabia and other geographies where Group operates. The management has also taken a series of preventive measures to ensure the health and safety of its employees, customers and wider community to ensure the continuity of its operations.

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

In assessing the going concern assumption of the Group, the management, along with the oversight of the Board of Directors, has developed comprehensive cash flow projections ensuring the existence of sufficient and adequate funds to meet the Group's obligations for a period of at least next twelve months. This assessment has taken in to account the current measures being put in place by the Group to preserve cash by reducing the planned capital expenditure during the period of closure 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, the interim financial statements have been prepared under the going concern concept (refer to note 2.1).
- The key sources of estimation uncertainties remain similar to those disclosed in the last annual financial statements.

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

Receivable from disposal of investments in equity-accounted associates

On 14 April 2021, the Company has elected to convert the outstanding balance receivable from the sale of equity accounted associate to Uber Technologies Inc. into fully paid and non-assessable 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 investments in equity-accounted associates amounting to SR 241.7 million and recognized as an investment at the market value of transferred shares amounted to SR 237.8 million. The net loss of SR 3.8 million resulted from the difference of receivable amount and the market value of shares transferred is recognized in profit or loss in these interim financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

5. PROPERTY AND EQUIPMENT

	Land & buildings	Furniture & fixtures	Office equipment	Vehicles	Air conditioners	Telecom & security systems	Tools & hardware	Right-of-use assets	Total
Cost:									
Balance at 1 January 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
Disposals during the year	-	(12,695,751)	(5,716,414)	(160,412,642)	(689,879)	(1,699,136)	(224,814)	-	(181,438,636)
Effect of movement in exchange rates	298,125	373,837	242,781	19,547	5,185	6,609	654	689,129	1,635,867
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	351,518,482	2,586,146	3,236,080	231,799,327	201,665	2,339,936	1,902,836	11,102,797	604,687,269
Disposals during the period	(1,563,722)	(3,712,989)	(1,365,637)	(64,322,963)	(194,865)	(280,243)	(357,410)	-	(71,797,829)
Effect of movement in exchange rates	48,763	94,907	98,935	3,888	734	936	93	249,761	498,017
Balance at 30 June 2021	3,311,934,734	240,515,465	111,272,639	1,084,005,355	34,229,223	40,247,855	38,000,358	117,258,760	4,977,464,389

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

5. PROPERTY AND EQUIPMENT (continued)

	Land & buildings	Furniture & fixtures	Office equipment	Vehicles	Air conditioners	Telecom & security systems	Tools & hardware	Right-of-use assets	Total
Accumulated depreciation:									
Balance at 1 January 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)
Impairment	286,593,419	12,977,022	1,227,489	27,631	1,659,330	491,091	757,008	-	303,732,990
Effect of movement in exchange rates	43,190	193,310	213,199	10,049	4,269	5,420	119	221,472	691,028
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 period	6,987,603	14,809,785	8,862,521	90,497,967	2,188,597	3,127,301	1,731,594	8,979,667	137,185,035
Elimination on disposals	(45,240)	(2,359,384)	(841,318)	(34,735,312)	(179,736)	(141,717)	(338,060)	-	(38,640,767)
Effect of movement in exchange rates	9,743	45,867	62,033	1,824	661	875	29	88,596	209,628
Balance at 30 June 2021	445,566,979	153,210,795	72,060,472	264,322,854	25,898,622	28,330,169	15,545,566	40,147,091	1,045,082,548
Carrying amounts:									
At 30 June 2021	2,866,367,755	87,304,670	39,212,167	819,682,501	8,330,601	11,917,686	22,454,792	77,111,669	3,932,381,841
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

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

6. 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	9,645,055	1,789,569	-	9,711	1,662,700	13,107,035
Impairment	(1,852,194)	-	-	-	-	(1,852,194)
Balance at 30 June 2021	228,982,616	10,968,305	5,617,218	3,531,949	65,163,435	314,263,523

In the opinion of management, as at 30 June 2021, there has been an impairment in the carrying value of Hotel projects amounting to SR 1.9 million (31 December 2020: SR 50.5 million). The management believes that the recoverable amount is lower than the carrying amount of Hotel projects under construction.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

7. 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
Disposal	(11,866,372)	(122,072)	-	-	(11,988,444)
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	1,314,514	774,375	-	28,123,677
Effect of movement in exchange rates	-	(127,989)	-	-	(127,989)
Balance at 30 June 2021	316,985,903	271,846,893	32,204,242	21,321,483	642,358,521

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
Disposal	(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	-	9,387,279	-	-	9,387,279
Effect of movement in exchange rates	-	(169,394)	-	-	(169,394)
Balance at 30 June 2021	290,951,115	222,708,344	31,429,867	21,321,483	566,410,809

Carrying amounts

At 31 December 2020	-	57,169,909	-	-	57,169,909
At 30 June 2021	26,034,788	49,138,549	774,375	-	75,947,712

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. As a result of initial fair valuation of identified assets and liabilities, disclosed below, a goodwill of SR 26,034,788 recorded in these interim financial statements.

	Initial Fair Value Recognized on Acquisition
<u>Assets</u>	
Property and equipment	570,488
Trade receivables and payables	6,139,235
Prepayments and advances	10,594
Cash and cash equivalents	9,729,548
	16,449,865
<u>Liabilities</u>	
Trade payables and other payables	(16,921,298)
	(16,921,298)
Initial fair value of the identifiable net assets	(471,433)
Goodwill recognized	26,034,788
Purchase consideration transferred	25,563,355
<u>Total acquisition cost:</u>	
Cash consideration	25,563,355
<u>Cash outflow on acquisition</u>	
Net cash acquired with the subsidiaries	9,729,548
Cash paid	(25,563,355)
Net cash outflow	(15,833,807)

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

8. 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
Additions	-	-	-	-	-	-
As at 31 December 2020	502,760,726	617,151,975	12,191,809	1,051,426	5,106,664	1,138,262,600
Additions	-	-	-	-	-	-
Disposal *	(20,000,000)	(36,666,667)	-	-	-	(56,666,667)
As at 30 June 2021	482,760,726	580,485,308	12,191,809	1,051,426	5,106,664	1,081,595,933
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 period	-	4,761,126	447,368	79,896	353,742	5,642,132
Elimination on disposal *	(6,960,262)	(27,631,807)	-	-	-	(34,592,069)
Impairment	-	-	-	-	-	-
As at 30 June 2021	105,440,669	184,190,649	11,556,273	925,594	4,570,478	306,683,663
Carrying amount:						
As at 31 December 2020	390,359,795	410,090,645	1,082,904	205,728	889,928	802,629,000
As at 30 June 2021	377,320,057	396,294,659	635,536	125,832	536,186	774,912,270

* During the period ended 30 June 2021, the Company signed an agreement to dispose Taif Hotel for a total consideration of SR 21.3 million. Consequently, a net loss of SR 0.7 million is recognized from the above disposal in these interim financial statements.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

9. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

	Percentage holding			
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Al Shamel International Holding Co. KSC (ASI)				
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%	-	-
CHME Limited (CHM)	40%	40%	-	-
Riyadh Front for Exhibitions and Conventions	40%	40%	48,597,724	53,542,928
My Family Meal Company*	25%	-	18,391,337	-
			66,989,061	53,542,928

Movement in investment in equity accounted investee

	30 June 2021	31 December 2020
Balance brought forward	53,542,928	22,822,973
Additions	18,433,735	41,389,590
Share of profit / (loss) from associates	(4,987,602)	11,408,223
Impairment	-	(22,077,858)
Balance carried forward	66,989,061	53,542,928

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

All other equity accounted investments have been fully impaired, except for Riyadh Front for exhibitions and conventions and My Family Meal Company.

10. TRADE AND OTHER RECEIVABLES

	30 June 2021	31 December 2020
Trade receivables	1,130,789,356	1,141,199,891
Impairment loss on trade receivables	(96,635,931)	(84,250,047)
	1,034,153,425	1,056,949,844
Other receivables:		
Accrued incentives	110,971,797	101,036,021
Employee receivables	8,991,768	15,704,382
Taxes	39,778,417	46,046,146
Consumables	3,750,829	2,678,151
Accrued finance income	5,409,064	3,230,918
Receivable from the disposal of subsidiaries	35,486,535	36,741,771
Others	21,460,234	23,866,495
	1,260,002,069	1,286,253,728

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	30 June 2021	31 December 2020
Opening balance	84,250,047	217,536,660
Expected credit loss for the period	12,617,899	25,049,050
Write off	(232,015)	(158,335,663)
Closing balance	<u>96,635,931</u>	<u>84,250,047</u>

11. CASH AND CASH EQUIVALENTS

	30 June 2021	31 December 2020
Cash in hand	3,959,572	1,968,345
Bank balances – current account	253,986,216	245,454,046
Cash held with fund manager	7,544,957	1,530,459
Cash and bank balance in the statement of financial position	<u>265,490,745</u>	<u>248,952,850</u>
Bank overdrafts used for cash management purposes	(317,438)	(1,108,487)
Cash and cash equivalents in the statement of cash flows	<u>265,173,307</u>	<u>247,844,363</u>

12. CAPITAL AND RESERVES

Share capital

	30 June 2021	31 December 2020
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	<u>3,000,000,000</u>	<u>3,000,000,000</u>

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

Ordinary shares

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

Statutory reserves

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

13. LOANS AND BORROWINGS

	30 June	31 December 2020
Non-current liabilities		
Secured bank loans	275,000,001	314,285,716
Unsecured bank loans	-	52,253,614
	<u>275,000,001</u>	<u>366,539,330</u>
Current liabilities		
Current portion of secured bank loans	428,571,429	78,571,429
Unsecured bank loans	698,024,311	460,190,123
	<u>1,126,595,740</u>	<u>538,761,552</u>

The secured bank loans are secured against land and buildings with a carrying amount of SR 2.12 billion (31 December 2020: SR 1.91 billion).

The outstanding secured and unsecured loans as of 30 June 2021 and 31 December 2020 have markup cost which is generally based on prevailing market rates.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

14. RELATED PARTY TRANSACTIONS

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

14.1 Related parties' transactions

Senior management remuneration

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

	Directors	Executives	Total	Directors	Executives	Total
Managerial remuneration	-	3,134,504	3,134,504	-	2,266,863	2,266,863
Housing & Travel allowance	-	1,310,669	1,310,669	-	801,104	801,104
Business Trips	-	127,720	127,720	-	171,866	171,866
Bonus	3,000,000	1,954,152	4,954,152	-	1,345,946	1,345,946
End of Service Benefits	-	309,379	309,379	-	420,442	420,442
Total	3,000,000	6,836,424	9,836,424	-	5,006,221	5,006,221

Directors of the Company control 0.29% (31 December 2020: 0.32%) of the voting shares of the Company.

A number of key management personnel or related parties occupy positions in other companies (related parties) that allow them to exercise substantial control or influence over those companies.

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

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 the Board.

Related party	Relationship	30-Jun-2021				Other costs / (revenues)
		Sales	Purchases	Receipts	Payments	
Riyad Front for Exhibitions and Conventions	Associate	-	165,070	-	241,462	615,909
Saudi Entertainment Ventures	Common directorship	-	-	-	-	(286,720)
Saudi Basic Industries Corporation	Common directorship	7,292	-	11,601	-	-
CHME Limited	Associate	-	-	-	-	-
Majid Al Nafai*	CEO	-	-	-	-	(12,750,968)
Riyadh Cables Group	Common directorship	-	-	-	-	-
Gulf International Trading and Real Estate Company	Common directorship	39,436	-	10,608	-	-
National Agriculture Development Co.	Common directorship	451,541	-	520,131	-	-
2share United Communications	Ownership interest by majority shareholder of SEERA.	-	-	-	-	-
Nile Air	Ownership interest by majority shareholder of SEERA	-	211,545	-	-	-
Riyadh Airport Company	Common directorship	-	-	-	-	-
Saudi Batal Design Company	Ownership interest by majority shareholder of SEERA	-	-	50,000	-	(2,674)
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	15,681

*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.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

14.1 Related parties' transactions

Related party	Relationship	30-Jun-2020				Other costs / (revenues)
		Sales	Purchases	Receipts	Payments	
Riyad Front for Exhibitions and Conventions	Associate	-	-	-	-	8,475,153
Saudi Entertainment Ventures	Common directorship	1,007,860	-	2,505,178	-	-
CHME Limited	Associate	-	-	-	-	-
Majid Al Nafai	CEO	-	-	-	-	282,603
Riyadh Cables Group	Common directorship	-	-	1,432	-	-
Gulf International Trading and Real Estate Company	Common directorship	4,161	-	37,828	-	-
National Agriculture Development Co.	Common directorship	1,477,255	-	2,089,157	-	-
2share United Communications	Ownership interest by majority shareholder of SEERA.	-	-	-	-	-
Nile Air	Ownership interest by majority shareholder of SEERA	-	8,165,315	-	8,227	1,553,044
Riyadh Airport Company	Common directorship	-	-	280,754	-	-
Saudi Batal Design Company	Ownership interest by majority shareholder of SEERA	77,098	-	70,000	-	-
Mohaideb Ali Al Mohaideb	Minority shareholder of ASTT	-	-	-	-	97,042

14.2 Related party balances

Related party balances at year end are as below:

	30 June 2021	31 December 2020
Due from related parties		
Riyad Front for Exhibitions and Conventions	7,812,125	6,789,683
Forbes Middle East	375,501	375,501
Saudi Batal Design Company	18,228	70,902
Nile Air	1,318,287	1,106,742
Riyadh Cables Group	26,544	26,544
National Agriculture Development Co.	196,244	264,834
Saudi Entertainment Ventures	1,515,350	1,802,070
Saudi Basic Industries	-	148
Gulf International Trading and Real Estate Company	31,869	3,041
CHME Limited (CHME)	6,751	6,751
Abdullah Al Ajlani	2,173,013	2,173,013
Majid Al Nafai	1,737,418	14,488,386
	15,211,330	27,107,615
Due to related parties		
Voyage Amro Travel	1,263,075	1,263,075
Saudi Basic Industries	4,161	-
Mohaideb Ali Al Mohaideb	-	15,680
	1,267,236	1,278,755

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2021
(Saudi Riyals)

15. PROVISIONS

	30 June 2021	31 December 2020
Legal case	-	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.

16. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 30 June 2021, the Group has capital commitments of SR 56.9 million (31 December 2020: SR 60.3 million) with respect to property developments, software development and renovation of new office premises.

Contingencies

On 30 June 2021, the Group has letters of guarantees amounting to SR 466 million (31 December 2020: SR 482 million) issued by the Company's banks in favor of certain suppliers. Included in letter of guarantees is an amount of SR 42 million (31 December 2020: SR 43 million) related to guarantee on margins' deposits.

17. REVENUE

	Three months		Six months	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Commission				
Airline ticketing & incentives	92,093,405	6,260,793	120,163,167	109,434,086
Hotel booking	48,563,144	10,924,530	71,928,572	48,821,499
Shipments	6,775,503	2,080,834	15,195,547	4,931,848
Train ticketing	352,867	75,805	543,873	4,113,509
	147,784,919	19,341,962	207,831,159	167,300,942
Other revenue				
Package holidays	256,927	(1,038,327)	3,738,435	90,339,745
Car rentals	118,463,325	82,928,477	230,482,079	201,605,952
Property and room rentals	13,679,775	31,887,852	20,118,577	48,012,413
Chartered flights	379,473	4,436,839	1,914,222	22,604,407
Others	5,053,717	651,279	7,795,483	5,039,221
	137,833,217	118,866,120	264,048,796	367,601,738
	285,618,136	138,208,082	471,879,955	534,902,680

With respect to the recognition of revenue as commission income, management believes that the following factors indicate that the Group acts as an agent.

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

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market. The table also shows a comparison of revenue broken down with the Group's five strategic divisions, which constitute its reportable segments.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

Disaggregation of revenue (continued)

30 June 2021 (Three months)							
Reportable segments							
Primary geographical markets	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	<u>Total</u>
Kingdom of Saudi Arabia	80,923,701	33,204,700	125,618,301	12,268,661	1,411,114	1,426,103	254,852,580
United Kingdom	3,168,819	15,144,531	-	-	-	-	18,313,350
Egypt	15,838	102,849	-	-	-	-	118,687
United Arab Emirates	6,842,709	94,034	-	-	-	232,464	7,169,207
Spain	-	-	-	-	-	3,395,150	3,395,150
Kuwait	1,495,205	273,957	-	-	-	-	1,769,162
	92,446,272	48,820,071	125,618,301	12,268,661	1,411,114	5,053,717	285,618,136
Timing of revenue recognition							
Services transferred at a point in time	92,446,272	48,563,144	10,802,961	12,268,661	1,411,114	-	165,492,152
Services transferred over time	-	256,927	114,815,340	-	-	5,053,717	120,125,984
	92,446,272	48,820,071	125,618,301	12,268,661	1,411,114	5,053,717	285,618,136

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

Disaggregation of revenue (continued)

30 June 2020 (Three months)							
Reportable segments							
Primary geographical markets	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	<u>Total</u>
Kingdom of Saudi Arabia	1,191,942	7,782,935	89,446,150	24,541,852	7,346,000	275,992	130,584,871
United Kingdom	1,838,387	812,288	-	-	-	-	2,650,675
Egypt	(84,977)	(4,332)	-	-	-	-	(89,309)
United Arab Emirates	3,391,246	1,096,790	-	-	-	-	4,488,036
Spain	-	198,522	-	-	-	375,287	573,809
Lebanon	-	-	-	-	-	-	-
	6,336,598	9,886,203	89,446,150	24,541,852	7,346,000	651,279	138,208,082
Timing of revenue recognition							
Services transferred at a point in time	6,336,598	10,924,530	2,080,834	24,541,852	7,346,000	-	51,229,814
Services transferred over time	-	(1,038,327)	87,365,316	-	-	651,279	86,978,268
	6,336,598	9,886,203	89,446,150	24,541,852	7,346,000	651,279	138,208,082

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

Disaggregation of revenue (continued)

30 June 2021 (Six months)							
Reportable segments							
Primary geographical markets	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	<u>Total</u>
Kingdom of Saudi Arabia	103,330,261	51,042,879	247,591,848	17,400,975	2,717,602	1,520,084	423,603,649
United Kingdom	7,545,527	23,696,889	-	-	-	-	31,242,416
Egypt	29,579	504,371	-	-	-	-	533,950
United Arab Emirates	8,306,468	148,911	-	-	-	232,464	8,687,843
Spain	-	-	-	-	-	6,042,935	6,042,935
Kuwait	1,495,205	273,957	-	-	-	-	1,769,162
	120,707,040	75,667,007	247,591,848	17,400,975	2,717,602	7,795,483	471,879,955
Timing of revenue recognition							
Services transferred at a point in time	120,707,040	71,928,572	24,059,272	17,400,975	2,717,602	-	236,813,461
Services transferred over time	-	3,738,435	223,532,576	-	-	7,795,483	235,066,494
	120,707,040	75,667,007	247,591,848	17,400,975	2,717,602	7,795,483	471,879,955

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

Disaggregation of revenue (continued)

30 June 2020 (Six months)							
Reportable segments							
Primary geographical markets	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	<u>Total</u>
Kingdom of Saudi Arabia	87,133,864	45,523,003	229,137,525	40,666,413	7,346,000	1,538,089	411,344,894
United Kingdom	21,886,241	90,068,623	-	-	-	-	111,954,864
Egypt	162,330	1,197,386	4,682	-	-	-	1,364,398
United Arab Emirates	4,365,160	2,364,127	-	-	-	-	6,729,287
Spain	-	8,105	-	-	-	3,501,132	3,509,237
Lebanon	-	-	-	-	-	-	-
	113,547,595	139,161,244	229,142,207	40,666,413	7,346,000	5,039,221	534,902,680
Timing of revenue recognition							
Services transferred at a point in time	113,547,595	48,821,499	4,931,848	40,666,413	7,346,000	-	215,313,355
Services transferred over time	-	90,339,745	224,210,359	-	-	5,039,221	319,589,325
	113,547,595	139,161,244	229,142,207	40,666,413	7,346,000	5,039,221	534,902,680

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

18. EARNINGS PER SHARE (EPS)

Basic and diluted EPS

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

Profit attributable to ordinary shareholders (basic)

	30 June 2021	30 June 2020
(Loss) / profit attributable to ordinary shareholders	(227,989,519)	943,289,294

Weighted-average number of ordinary shares (basic)

	30 June 2021	30 June 2020
Weighted-average number of ordinary shares at the end of the period	300,000,000	300,000,000

Earnings per share attributable to owners of the parent

	30 June 2021	30 June 2020
Basic and diluted	(0.76)	3.14

19. FAIR VALUE AND FAIR VALUE HIERARCHY

The Group measures financial instruments, such as equity accounted investees at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

19. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

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

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

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

Categories of financial assets and liabilities

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

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

Categories of financial assets and liabilities (continued)

30 June 2021	Carrying amount		Total Carrying amount	Fair value			Total
	Financial instruments – FVTPL	Financial instruments at amortized cost		Level 1	Level 2	Level 3	
Financial assets measured at fair value							
Investments	313,482,376	482,096,200	795,578,576	313,482,376	482,096,200	-	795,578,576
Current:							
Cash and cash equivalents	-	265,490,745	265,490,745	-	-	-	265,490,745
Trade and other receivables	-	1,034,153,425	1,034,153,425	-	-	-	1,034,153,425
Due from related parties	-	15,211,330	15,211,330	-	-	-	15,211,330
	-	1,314,855,500	1,314,855,500	-	-	-	1,314,855,500
Total financial assets	313,482,376	1,796,951,700	2,110,434,076	-	-	-	2,110,434,076
Financial liabilities							
Non-current:							
Loans and borrowings	-	275,000,001	275,000,001	-	-	-	275,000,001
Current:							
Bank overdraft	-	317,438	317,438	-	-	-	317,438
Loans and borrowings	-	1,126,595,740	1,126,595,740	-	-	-	1,126,595,740
Trade and other payables	-	523,861,377	523,861,377	-	-	-	523,861,377
Due to related parties	-	1,267,236	1,267,236	-	-	-	1,267,236
	-	1,652,041,791	1,652,041,791	-	-	-	1,652,041,791
Total financial liabilities	-	1,927,041,792	1,927,041,792	-	-	-	1,927,041,792

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

Categories of financial assets and liabilities (continued)

31 December 2020	Carrying amount			Fair value			
	Financial instruments – FVTPL	Financial instruments at amortized cost	Total Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Investments	68,550,888	511,427,500	579,978,388	68,550,888	511,427,500	-	579,978,388
Current:							
Receivable from disposal of investments in equity-accounted associates	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
	241,651,870	1,333,010,309	1,574,662,179	-	-	-	1,574,662,179
Total financial assets	310,202,758	1,844,437,809	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
	-	919,841,016	919,841,016	-	-	-	919,841,016
Total financial liabilities	-	1,286,380,346	1,286,380,346	-	-	-	1,286,380,346

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

20. OPERATING SEGMENTS

Basis for segmentation

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

The following summary describes the operations of each reportable segment:

Reportable segments Operations

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

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

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

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

Information about reportable segments

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

30 June 2021							
Reportable segments							
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property rentals</u>	<u>All other segments</u>	<u>Total</u>
External revenues	-	3,738,435	232,396,301	17,400,975	2,717,602	7,795,483	264,048,796
Inter-segment revenue	-	-	6,619,962	-	-	10,155,415	16,775,377
External commissions	120,707,040	71,928,572	15,195,547	-	-	-	207,831,159
Segment revenue	120,707,040	75,667,007	254,211,810	17,400,975	2,717,602	17,950,898	488,655,332
Segment profit before zakat and tax	(129,879,771)	(72,398,607)	23,785,731	(24,235,944)	(3,044,279)	(8,684,863)	(214,457,733)
Segment assets	2,653,830,998	1,479,319,424	1,690,083,632	2,789,876,775	1,127,980,235	177,457,654	9,918,548,718
Segment liabilities	983,224,411	548,076,713	930,274,540	23,421,481	7,764,477	65,746,725	2,558,508,347
30 June 2020							
Reportable segments							
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property rentals</u>	<u>All other segments</u>	<u>Total</u>
External revenues	-	90,339,745	4,931,848	40,666,413	7,346,000	5,039,221	148,323,227
Inter-segment revenue	-	-	14,402,871	-	-	5,721,370	20,124,241
External commissions	113,547,595	48,821,499	224,210,359	-	-	-	386,579,453
Segment revenue	113,547,595	139,161,244	243,545,078	40,666,413	7,346,000	10,760,591	555,026,921
Segment profit before zakat and tax	(314,968,602)	(283,233,926)	9,205,209	(9,590,618)	(4,986,129)	1,557,024,451	953,450,385
Segment assets	2,025,656,623	1,821,561,499	1,216,957,354	3,121,393,165	1,354,108,537	40,918,535	9,580,595,713
Segment liabilities	366,604,120	329,666,906	1,067,347,847	26,311,773	6,230,065	7,405,451	1,803,566,162

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2021
(Saudi Riyals)

Reconciliations of information on reportable segments

	30 June 2021	30 June 2020
Revenues		
Total revenue for reportable segments	470,704,434	544,266,330
Revenue for other segments	17,950,898	10,760,591
Elimination of inter-segment revenue	(16,775,377)	(20,124,241)
Consolidated revenue	471,879,955	534,902,680
	30 June 2021	30 June 2020
Profit before zakat and tax		
Total loss before zakat and tax for reportable segments	(205,772,870)	(603,574,066)
(Loss) / profit before zakat and tax for other segments	(8,684,863)	1,557,024,451
Consolidated (loss) / profit before zakat and tax	(214,457,733)	953,450,385
	30 June 2021	31 December 2020
Assets		
Total assets for reportable segments	9,741,091,064	9,272,555,835
Assets for other segments	177,457,654	240,788,338
Inter-segment eliminations	(1,709,323,488)	(1,708,311,411)
Consolidated assets	8,209,225,230	7,805,032,762
	30 June 2021	31 December 2020
Liabilities		
Total liabilities for reportable segments	2,492,761,622	1,859,906,785
Liabilities for other segments	65,746,725	67,883,988
Consolidated liabilities	2,558,508,347	1,927,790,773

21. SUBSEQUENT EVENTS

In the opinion of management, there have been no subsequent events since the period ended 30 June 2021, which would have a material impact on the financial position of the Group as reflected in these interim financial statements.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been approved by the board of directors on 9 Muharram 1443 corresponding to 17 August 2021