

SEERA HOLDING GROUP
(A Saudi Joint Stock Company)
(Formerly known as
AL TAYYAR TRAVEL GROUP HOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE AND NINE MONTHS
PERIOD ENDED 30 SEPTEMBER 2019 AND
INDEPENDENT AUDITOR'S REVIEW REPORT

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

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Independent Auditor's Review Report

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

Review of Interim Condensed Consolidated Financial Statements

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of **Seera Holding Group**, formerly known as Al Tayyar Travel Group Holding Company, ("the Company") and its subsidiaries (collectively referred as the "Group") as at 30 September 2019 and the related interim consolidated statements of profit or loss and other comprehensive income, for the three and nine-months period then ended and the interim consolidated statements of changes in equity and cash flows for the nine-months period then ended, and a summary of significant accounting policies and other selected explanatory notes.

Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 – ("IAS 34") "*Interim Financial Reporting*" endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

For Dr. Mohamed Al-Amri & Co.

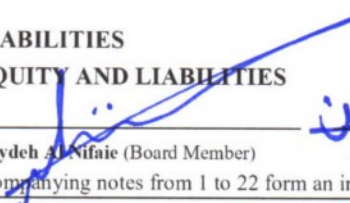
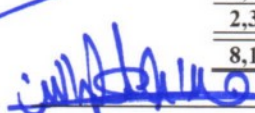
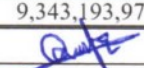


Dr. Mohamed A. Al-Amri
Certified Public Accountant
Registration No. (60)



3 November 2019 (G)
6 Rabi' I 1441 (H)

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019
(SAUDI RIYALS)

	Note	30 September 2019 (Unaudited)	31 December 2018 (Re-stated)	1 January 2018 (Re-stated)
ASSETS				
Non-current				
Property and equipment	7	3,600,098,000	3,373,349,367	3,384,064,647
Capital work in progress		212,322,290	97,666,663	132,147,360
Capital work in progress – recoverable on disposal		359,747,097	359,747,097	359,747,097
Intangible assets and goodwill		226,596,480	226,052,456	168,796,890
Investment properties		1,031,427,699	1,043,059,080	1,058,975,801
Investments in equity-accounted associates	8	62,165,005	50,098,827	921,489,825
Equity instruments		102,381,941	97,330,953	-
Deferred tax assets		4,974,869	4,603,513	4,445,627
		<u>5,599,713,381</u>	<u>5,251,907,956</u>	<u>6,029,667,247</u>
Current				
Trade and other receivables	9	1,930,585,871	1,744,629,477	1,864,126,771
Due from related parties		34,503,276	13,850,818	173,185,170
Prepayments and advances		314,401,137	318,992,407	295,016,153
Short term investment		-	400,000,000	-
Cash and cash equivalents	10	312,583,006	263,887,892	981,198,632
		<u>2,592,073,290</u>	<u>2,741,360,594</u>	<u>3,313,526,726</u>
TOTAL ASSETS		<u>8,191,786,671</u>	<u>7,993,268,550</u>	<u>9,343,193,973</u>
EQUITY AND LIABILITIES				
Equity				
Equity attributable to owners of the parent:				
Share capital	11	3,000,000,000	2,096,500,000	2,096,500,000
Share premium		707,345,000	707,345,000	707,345,000
Statutory reserve		432,800,000	628,950,000	628,950,000
Other reserves		(13,585,178)	(15,681,534)	7,998,371
Treasury shares	12	(64,900,000)	-	-
Retained earnings		1,736,185,556	2,210,763,493	2,541,196,477
		<u>5,797,845,378</u>	<u>5,627,876,959</u>	<u>5,981,989,848</u>
Non-controlling interests		9,556,101	7,103,222	9,340,498
TOTAL EQUITY		<u>5,807,401,479</u>	<u>5,634,980,181</u>	<u>5,991,330,346</u>
LIABILITIES				
Non-current				
Loans and borrowings	13	536,650,305	480,096,391	880,433,761
Lease liabilities	14	51,341,888	-	-
Employees' benefits		122,905,488	114,477,245	98,169,751
Deferred tax liabilities		906,642	986,302	4,548,751
		<u>711,804,323</u>	<u>595,559,938</u>	<u>983,152,263</u>
Current				
Bank overdraft	10	4,816,964	31,304,212	10,399,165
Loans and borrowings	13	543,571,429	233,209,619	46,551,046
Lease liabilities	14	6,921,428	-	-
Zakat and tax liabilities		55,183,642	94,618,609	497,429,810
Trade and other payables		687,028,310	978,887,623	1,331,625,607
Due to related parties		1,283,575	3,844,701	92,057,947
Contract liabilities		348,775,521	395,863,667	365,647,789
Provisions		25,000,000	25,000,000	25,000,000
		<u>1,672,580,869</u>	<u>1,762,728,431</u>	<u>2,368,711,364</u>
TOTAL LIABILITIES		<u>2,384,385,192</u>	<u>2,358,288,369</u>	<u>3,351,863,627</u>
TOTAL EQUITY AND LIABILITIES		<u>8,191,786,671</u>	<u>7,993,268,550</u>	<u>9,343,193,973</u>
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Majed Aydeh Al Nifaie (Board Member) </div> <div style="text-align: center;">  Abdullah Nasser Al Dawood (CEO) </div> <div style="text-align: center;">  Yousif Mousa Yousif (Group CFO) </div> </div>				
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 FINANCIAL STATEMENTS (UNAUDITED)
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(SAUDI RIYALS)

		Three months ended		Nine months ended	
	Note	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Revenue	16	641,974,989	615,121,768	1,596,356,246	1,735,916,215
Cost of revenue		(292,735,357)	(260,460,984)	(603,617,254)	(620,790,883)
Gross profit		349,239,632	354,660,784	992,738,992	1,115,125,332
Selling expenses		(121,869,358)	(81,267,133)	(340,342,117)	(275,584,685)
Administrative expenses		(129,103,637)	(128,596,719)	(399,416,413)	(372,141,694)
Impairment loss on trade receivables	9	(4,773,486)	(20,242,091)	(14,598,694)	38,953,302
Other income		3,882,188	1,580,677	11,315,345	7,230,463
Other expenses		-	(2,739,921)	(297,463)	(36,793,179)
Operating profit		97,375,339	123,395,597	249,399,650	476,789,539
Finance income		87,662	2,725,499	2,480,917	8,440,904
Finance costs		(19,745,097)	(21,635,670)	(45,760,970)	(55,684,474)
Net finance cost		(19,657,435)	(18,910,171)	(43,280,053)	(47,243,570)
Gain on disposal of a subsidiary		-	-	16,896,409	-
Foreign currency loss on disposal of subsidiary recognized		-	-	(11,273,269)	-
Impairment loss on equity-accounted associates		-	(420,523,381)	-	(426,942,864)
Share of loss on equity-accounted associates, net of tax		(5,122,022)	(15,730,707)	(5,967,117)	(56,580,369)
Profit / (loss) before Zakat and tax		72,595,882	(331,768,662)	205,775,620	(53,977,264)
Zakat and income tax expense		(8,161,575)	(12,038,415)	(26,003,299)	(104,955,450)
Profit / (loss) for the period		64,434,307	(343,807,077)	179,772,321	(158,932,714)
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		(6,340,086)	(3,361,181)	(4,785,288)	(8,343,955)
Unrealized gain on equity investments – FVOCI		209,836	-	735,005	-
Other comprehensive income		(6,130,250)	(3,361,181)	(4,050,283)	(8,343,955)
Total comprehensive income / (loss)		58,304,057	(347,168,258)	175,722,038	(167,276,669)
Profit attributable to:					
Owners of the parent		63,033,741	(355,407,124)	175,507,176	(162,618,445)
Non-controlling interest		1,400,566	11,600,047	4,265,145	3,685,731
		64,434,307	(343,807,077)	179,772,321	(158,932,714)
Total comprehensive income attributable to:					
Owners of the parent		56,903,491	(358,768,305)	171,456,893	(170,962,400)
Non-controlling interest		1,400,566	11,600,047	4,265,145	3,685,731
		58,304,057	(347,168,258)	175,722,038	(167,276,669)
Earnings per share					
Basic and diluted earnings per share	17	0.21	(1.18)	0.59	(0.54)
Weighted average number of shares in issue throughout the period	17	300,000,000	300,000,000	300,000,000	300,000,000
			(restated)		(restated)

Majed Aydel Al Nifaie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group 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 FINANCIAL STATEMENTS (UNAUDITED)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

(SAUDI RIYALS)

	Other reserves												
	Share capital	Share premium	Statutory reserve	Translation 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 interests	Total Equity
Balance at 1 January 2019 (restated)	2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	(15,681,534)	-	2,210,763,493	5,627,876,959	7,103,222	5,634,980,181
Effect of transition to IFRS 16	6	-	-	-	-	-	-	-	-	(7,635,113)	(7,635,113)	-	(7,635,113)
Balance at 1 January 2019, adjusted	2,096,500,000	707,345,000	628,950,000	(127,637,757)	87,503,210	24,271,338	181,675	(15,681,534)	-	2,203,128,380	5,620,241,846	7,103,222	5,627,345,068
Profit for the period		-	-	-	-	-	-	-	-	175,507,176	175,507,176	4,265,145	179,772,321
Other comprehensive income		-	-	(4,785,288)	-	-	735,005	(4,050,283)	-	-	(4,050,283)	-	(4,050,283)
Total comprehensive income		-	-	(4,785,288)	-	-	735,005	(4,050,283)	-	175,507,176	171,456,893	4,265,145	175,722,038
Net movement of staff general fund reserve		-	-	-	-	(727,158)	-	-	(727,158)	-	-	-	(727,158)
Net movement of charity fund reserve		-	-	-	-	-	(14,134,472)	-	(14,134,472)	-	-	-	(14,134,472)
Transactions with shareholders													
Increase in share capital	903,500,000	-	(196,150,000)	-	-	-	-	-	-	(707,350,000)	-	-	-
Issuance of treasury shares	-	-	-	-	-	-	-	-	(64,900,000)	64,900,000	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(1,812,266)	(1,812,266)
Share based payment expense	-	-	-	-	9,735,000	-	-	9,735,000	-	-	9,735,000	-	9,735,000
Changes in ownership interests													
Translation reserve realized on disposal of a subsidiary	-	-	-	11,273,269	-	-	-	11,273,269	-	-	11,273,269	-	11,273,269

Majed Aydeh Al-Nafie (Board Member)

Abdullah Nasser Al Dawood (CEO)

Yousif Mousa Yousif (Group CFO)

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SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(SAUDI RIYALS)

	Share Capital	Share premium	Statutory reserve	Translation reserve	Other reserves			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 2018 (restated)	2,096,500,000	707,345,000	628,950,000	(115,475,080)	88,054,182	35,419,269	-	7,998,371	-	5,991,330,346
Profit / (loss) for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(8,343,955)	-	-	-	(8,343,955)	-	(8,343,955)
Total comprehensive income	-	-	-	(8,343,955)	-	-	-	(8,343,955)	-	(8,343,955)
Transferred to statutory reserve	-	-	-	-	-	-	-	-	-	-
Net movement of staff general fund reserve	-	-	-	(468,942)	-	-	-	(468,942)	-	(468,942)
Net movement of charity fund reserve	-	-	-	-	-	(8,920,931)	-	(8,920,931)	-	(8,920,931)
Transactions with shareholders										
Dividends	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests										
Translation reserve realized on disposal of a subsidiary	-	-	-	-	-	-	-	(104,825,000)	(5,760,450)	(110,585,450)
	-	-	-	-	-	-	-	(76,965,504)	-	(76,965,504)

Balance at 30 September 2018 (restated)	2,096,500,000	707,345,000	628,950,000	(123,819,035)	87,585,240	26,498,338	-	(9,735,457)	-	5,627,112,850
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Majed Aydin Al Nifaie (Board Member)




Abdullah Nasser Al Dawood (CEO)

Yousif Mousif Yousif (Group CFO)

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(SAUDI RIYALS)

	Note	30 September 2019	30 September 2018
Cash flows from operating activities			
Profit / (loss) before zakat and tax		205,775,620	(53,977,264)
<i>Adjustments to reconcile before zakat and tax to net cash flow</i>			
- Depreciation		136,029,756	111,130,305
- Amortization		18,211,331	6,246,111
- Share based payment		9,735,000	-
- Impairment loss for trade receivables	9	14,598,694	(38,953,302)
- Net finance cost		43,280,053	47,243,570
- Return on investments		(904,227)	-
- Recognized foreign currency loss on disposal of subsidiaries		11,273,269	-
- Gain on disposal of subsidiaries		(16,896,409)	-
- Impairment loss on equity-accounted associates, net of tax		-	426,942,864
- Share of loss on equity-accounted associates, net of tax		5,967,117	56,580,369
- (Gain) / loss on sale of property and equipment		(187,981)	34,641,402
- Provision of employees' benefits		20,751,163	16,422,227
Net changes in working capital:			
- Trade and other receivables		(165,826,453)	534,762,719
- Prepayments and advances		2,366,895	(69,673,089)
- Related parties, net		(23,213,584)	(93,328,848)
- Trade and other payables		(321,178,724)	(261,212,815)
- Contract liabilities		(47,088,146)	(5,038,438)
Cash (used in) / generated from operating activities		(107,306,626)	711,785,811
Finance expense paid		(36,969,257)	(57,973,490)
Finance income received		2,516,313	8,506,552
Leased liabilities paid	14	(6,077,887)	-
Employees' benefits paid		(12,322,920)	(11,172,124)
Zakat and income taxes paid		(65,438,266)	(34,135,501)
Net cash (used in) / generated from operating activities		(225,598,643)	617,011,248
Cash flows from investing activities			
Proceeds from sale of property and equipment		99,356,885	57,106,446
Proceeds from sale of intangible asset		-	-
Disposal of a subsidiary		(19,639,199)	-
Proceeds from disposal of a subsidiary		10,708,500	-
Additions of property and equipment		(390,355,263)	(152,947,664)
Additions of intangible assets		(3,049,978)	(1,216,292)
Acquisition of equity-accounted associates		(18,033,295)	-
Acquisition of subsidiary, net of cash acquired		(17,768,021)	(6,965,504)
Proceeds from disposal of short term investments		400,000,000	-
Cash paid on acquisition of minority share		-	(70,000,000)
Net movement in capital work in progress		(114,655,627)	(32,374,114)
Net cash used in investing activities		(53,435,998)	(206,397,128)
Cash flows from financing activities			
Proceeds from loans and borrowings	13	834,116,951	1,008,335,624
Repayment of loans and borrowings	13	(467,201,227)	(1,587,676,709)
Staff general fund reserve paid		(727,158)	(468,942)
Charity fund reserve paid		(14,134,472)	(8,920,931)
Dividends paid		(1,812,266)	(110,585,450)
Net cash generated from / (used in) financing activities		350,241,828	(699,316,408)
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 January		71,207,187	(288,702,288)
Effect of movements in exchange rates on cash held	10	229,095,001	970,799,467
		7,386,931	(5,167,077)
Cash and cash equivalents at 30 September	10	307,689,119	676,930,102
Non-cash transactions:			
Right of use of assets		56,742,541	-
Lease liability		(62,153,279)	-
			
Majed Aydeh Al Nifaie (Board Member)		Abdullah Nasser Al Dawood (CEO)	
			
		Yousif Mousa Yousif (Group CFO)	
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SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(SAUDI RIYALS)

1. LEGAL STATUS AND NATURE OF OPERATIONS

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

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

The Group is primarily involved in selling tickets for scheduled air travel services, tourism, cargo, transportation, Hajj and Umrah, arranging conference and events, education, chartered flights, furnished suites and hotels, shipping and other travel related products and services (refer operating segments note 16) through its 327 branches (31 December 2018: 347) inside and outside the Kingdom of Saudi Arabia.

The Company’s registered address is: P.O. Box 52660, Riyadh 11573, Kingdom of Saudi Arabia

1.1 Interest in subsidiaries

Name of subsidiary	Activities	Country of incorporation	30 September 2019	31 December 2018	1 January 2018
National Travel and Tourism Bureau Limited (NTTB)	Travel and tourism business	KSA	100%	100%	100%
Al Sarh Travel and Tourism Limited (ASTT)	Travel and tourism business	KSA	80%	80%	80%
Elaa Air Transportation Agency Company Limited (EAT) (formerly Al Tayyar International Air Transportation Agency Company Limited)	Travel and tourism business	KSA	100%	100%	100%
Seera Holiday for Travel and Tourism Company Limited (SHT) (formerly Al Tayyar Holiday for Travel and Tourism Company Limited)	Travel and tourism business	KSA	100%	100%	100%
Elaa Travel, Tourism and Cargo Company Limited (ECC) (formerly Al Tayyar Travel, Tourism and Cargo Company Limited)	Travel and cargo business	KSA	100%	100%	100%
Al Tayyar Holidays Travel Group Company (ATE)	Travel and tourism business	Egypt	100%	100%	100%
Al Tayyar Cargo and Custom Clearance Company (ATCC)	Travel and cargo business	Egypt	100%	100%	100%
E Al Tayyar Tourism Company (ATT) *	Rent a car business	Egypt	-	100%	100%
E Al Tayyar Tours Company (ALC)	Rent a car business	Egypt	100%	100%	100%
Nile Holidays Tourism Company (NALC)	Rent a car business	Egypt	100%	100%	100%
Al Tayyar Rent A Car Company (ARC)	Rent a car business	Egypt	100%	100%	100%
Lena Tours & Travel (LTT)	Travel and tourism business	Lebanon	100%	100%	100%
Al Tayyar Travel and Tourism (ATD)	Tourism business	UAE	100%	100%	100%
Taqniatech Company for Communication Technology Limited (TAQ)	Telecommunication services	KSA	100%	100%	100%
Seera Hospitality Company (SHC) (formerly Al Tayyar Real Estate, Tourism Development and Investment Company Hotels)	Hotel and property business	KSA	100%	100%	100%
Lumi Rental Co. (LRC) (formerly Al Tayyar Rent A Car)	Rent a car business	KSA	100%	100%	100%
High Speed Company for Transportation (HSC)	Transportation business	KSA	100%	100%	100%
Tajawal Travel and Tourism Company Limited (TTC)	Travel and tourism business	KSA	100%	100%	100%
Tajawal General Trading, LLC (TGT)	Travel and tourism business	UAE	100%	100%	100%
Al Mousim Travel & Tours (AMTT)	Travel and tourism business	KSA	100%	100%	100%
Jawlah Tours Establishment for Tourism (JTET)	Tourism business	KSA	51%	51%	51%
Mawasim Tourism and Umrah Services (MWT)	Tourism business	KSA	51%	51%	51%
Fly IT (FIT)	SMS / MMS services	KSA	60%	60%	60%
Muthmerah Real Estate Investment Company (MREIC)	Property rental business	KSA	100%	100%	100%
Mawasem Travel and Tourism Limited (MTT)	Travel and tourism business	UK	100%	100%	100%
Elegant Resorts Limited and subsidiaries (ERL)	Tourism business	UK	100%	100%	100%
Elite Private Jet Services Company (EPJS)	Own and operate aircraft	KSA	100%	100%	100%
Al Hanove Tourism and Services Company (AHTS)	Tourism business	Egypt	70%	70%	70%
Mawasem Limited (formerly Co-op Group Travel 1 Limited (CTM)	Transportation service	UK	100%	100%	100%
Connecting Trade & Services (CTS)	Travel and tourism business	Lebanon	51%	51%	51%
Payfa Travel & Tourism Agency Company (FTT)	Travel and tourism business	KSA	100%	100%	100%
Saudi Conference & Incentive Tours Company (SCI)	Event management services	KSA	100%	100%	100%
B2B Travel Group S.L. (B2B)	Travel and tourism business	Spain	100%	100%	100%
Hanay Trading Company Limited (HTCL)	Rent a car business	KSA	80%	80%	80%
Saudi Company for Transportation United (SCT)	Rent a car business	KSA	100%	100%	100%
Almosafer Company for Travel and Tourism (MCT)	Tourism business	KSA	100%	100%	60%
Wadi Saudi Trading Co. (WSTC)	Online shopping for fashion and accessories	KSA	100%	100%	100%
Portman Group International S.A.R.L. (PGI)	Travel and tourism business	UK	100%	100%	100%
Sheraton Makkah Company (SMC)	Hotel	KSA	100%	100%	-
Ian Allan (Retail and Travel) Limited*	Travel and tourism business	UK	100%	-	-

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1.1 Interest in subsidiaries (continued)

*On 30 January 2019 the Company signed an agreement to dispose of its 100% interest in ATT to Family Corporation Car Rental Company for a total consideration of EGP 125 million equivalent to SR 26.8 million, a net gain of SR 5.4 million is recognized in the Company's interim financial statements.

*On 1 May 2019 the Company acquired 100% shareholding of Ian Allan (Retail and Travel) Limited for a total consideration of GBP 4.8 million equivalent to SR 23.56 million. The difference of GBP 3.98 million equivalent to SR 19.56 million, between the fair value of identifiable assets and liabilities and the total consideration paid is recognized as goodwill in interim financial statements.

1.2 Interest in associates

Name of associates	Activities	Country of Incorporation	30 September 2019	31 December 2018	1 January 2018
Felix Airways Limited (FAL)	Travel business	Yemen	30%	30%	30%
Al Shamel International Holding Company KSC (ASI)	Travel business	Kuwait	30%	30%	30%
Taqniattech Company for Communication Technology JV (TAQJIV)	Telecommunication services	KSA	70%	70%	70%
Al Tayyar Travel and Tourism – Abu Dhabi (TTAD)	Travel business	UAE	49%	49%	49%
Voyage Amro Travel (VAT)	Travel business	Canada	49%	49%	49%
2share United Communication Company (TUCC)	Call Centre services	KSA	35%	35%	35%
Net Tours & Travels LLC (NT)	Tourism business	UAE	44.3%	44.3%	44.3%
Careem Inc.	Rent a car business	BVI	15.3%	15.1%	14.7%
Saudi Heritage Hospitality Company (SHHC)	Hospitality services	KSA	20%	20%	20%
Equinox Group Limited (EGL)	Hospitality services	UAE	40%	40%	40%
Thaker Investment and Real Estate Company (TIREC)	Real estate business	KSA	-	-	30%
Wadi Middle East S.A.R.L (WME)	Trading companies and distributors	LUX	33.3%	33.3%	33.3%
CHME Limited (CHM)	Hospitality services	UAE	40%	40%	40%

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

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

The Company has not reclassified this investment as held for sale in these interim financial statements, as it does not believe that, as at 30 September 2019, all the conditions of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations* have been satisfied.

2 STATEMENT OF COMPLIANCE

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed in Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Certified Public Accountants – SOCPA (“IFRSs”). These interim financial statements should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2018 (‘last annual financial statements’). The accompanying financial statements do not include all the information that is required to prepare a complete set of financial statements in accordance with International Financial Reporting Standards as endorsed by SOCPA. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

This is the first set of the Group’s financial statements where IFRS 16 has been applied. Changes to significant accounting policy are described in note 6.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments adopted

In preparing the Group’s interim financial statements, the significant accounting policies adopted are based on IFRSs effective on 30 September 2019.

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4. BASIS OF PREPARATION

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

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

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

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

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

5. USE OF JUDGEMENT AND ESTIMATES

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 16, which are described in Note 6.

5.1 Measurement of fair values

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

6. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

CHANGES IN SIGNIFICANT ACCOUNTING POLICY

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2019

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

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

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IFRS 16 Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

incentives received, and increased for:

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

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

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

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IFRS 16 Leases (continued)

Financial impact of adoption IFRS 16 is as follows:

Impact on statement of financial position

As at 1 January 2019

	Before application of IFRS 16	Impact	After Application of IFRS 16
Property and equipment	3,373,349,367	56,742,541	3,430,091,908
Prepayments and other assets	318,992,407	(2,224,375)	316,768,032
Lease liability	-	62,153,279	62,153,279
Retained earnings	2,210,763,493	(7,635,113)	2,203,128,380

Impact on statement of profit or loss and other comprehensive income

For the period ended 30 September 2019

	Before application of IFRS 16	Impact	After application of IFRS 16
Selling expenses	338,597,942	1,744,175	340,342,117
Administrative expenses	396,800,150	2,616,263	399,416,413
Finance charges	43,573,046	2,187,924	45,760,970

Impact on statement of cash flows

For the period ended 30 September 2019

	Before application of IFRS 16	Impact	After application of IFRS 16
Net cash flow from operating activities	(225,598,643)	-	(225,598,643)
Net cash flow from investing activities	(53,435,998)	-	(53,435,998)

Treasury shares

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

Share-based scheme

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 interim consolidated statement of profit or loss and other comprehensive income, together with a corresponding increase in other reserves, in equity, over the period of three years 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.

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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7. PROPERTY AND EQUIPMENT

	Land & buildings	Furniture & fixtures	Office equipment	Vehicles	Air conditioners	Telecom & security systems	Tools & hardware	Aircrafts	Right-of-use assets	Total
Cost:										
Balance at 1 January 2018	2,962,141,478	204,850,641	87,920,861	268,375,497	34,095,787	30,056,628	27,965,182	101,285,428	-	3,716,691,502
Additions	8,057,183	9,037,900	4,145,442	209,639,594	1,406,697	2,850,857	886,839	-	-	236,024,512
Transfer from capital work in progress	-	-	23,636	1,317,392	-	-	2,000	-	-	1,343,028
Disposals during the year	-	(21,327,904)	(4,544,480)	(65,729,299)	(1,212,735)	(601,465)	(1,805,954)	(101,285,428)	-	(196,507,265)
Effect of movement in exchange rates	(142,692)	(586,932)	(1,426,028)	(134,156)	(1,976)	(2,142)	(4,097)	-	-	(2,298,023)
Balance at 31 December 2018	2,970,055,969	191,973,705	86,119,431	413,469,028	34,287,773	32,303,878	27,043,970	-	-	3,755,253,754
Effect of transition to IFRS 16	-	-	-	-	-	-	-	-	56,742,541	56,742,541
Balance at 1 January 2019	2,970,055,969	191,973,705	86,119,431	413,469,028	34,287,773	32,303,878	27,043,970	-	56,742,541	3,811,996,295
Additions	34,928,513	1,839,712	8,355,104	344,130,133	298,127	982,621	86,440	-	-	390,620,650
Transfer from capital work in progress	-	-	-	-	-	-	-	-	-	-
Disposals during the period	(43,760,070)	(2,599,041)	(951,823)	(109,137,968)	(304,674)	(329,279)	(74,826)	-	-	(157,157,681)
Effect of movement in exchange rates	1,702,688	(124,697)	(672,662)	2,672,678	23,083	29,649	2,957	-	-	3,633,696
Balance at 30 September 2019	2,962,927,100	191,089,679	92,850,050	651,133,871	34,304,309	32,986,869	27,058,541	-	56,742,541	4,049,092,960

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7. PROPERTY AND EQUIPMENT (continued)

	Land & buildings	Furniture & fixtures	Office equipment	Vehicles	Air conditioners	Telecom & security systems	Tools & hardware	Aircrafts	Right-of-use assets	Total
Accumulated depreciation:										
Balance at 1 January 2018	114,234,870	73,482,351	40,044,189	49,573,625	9,659,465	8,550,761	7,962,034	29,119,560	-	332,626,855
Charge for the year	14,283,390	26,564,913	13,757,600	64,890,033	4,756,262	5,482,308	2,459,780	1,899,102	-	134,093,388
Disposals during the year	-	(11,558,306)	(3,335,161)	(34,589,174)	(259,478)	(557,856)	(1,804,468)	(31,018,662)	-	(83,123,105)
Effect of movement in exchange rates	(25,717)	(302,809)	(1,294,893)	(63,108)	(1,152)	(1,163)	(3,909)	-	-	(1,692,751)
Balance at 31 December 2018	128,492,543	88,186,149	49,171,735	79,811,376	14,155,097	13,474,050	8,613,437	-	-	381,904,387
Effect of transition to IFRS 16	-	-	-	-	-	-	-	-	-	-
Balance at 1 January 2019	128,492,543	88,186,149	49,171,735	79,811,376	14,155,097	13,474,050	8,613,437	-	-	381,904,387
Charge for the period	10,256,947	17,773,070	10,145,627	72,389,753	3,394,967	4,303,243	1,774,329	-	4,360,439	124,398,375
Disposals during the period	(4,528,080)	(1,829,969)	(409,552)	(50,754,935)	(165,601)	(225,818)	(74,822)	-	-	(57,988,777)
Effect of movement in exchange rates	82,998	(41,632)	(574,023)	1,175,806	17,152	20,584	90	-	-	680,975
Balance at 30 September 2019	134,304,408	104,087,618	58,333,787	102,622,000	17,401,615	17,572,059	10,313,034	-	4,360,439	448,994,960
Carrying amounts:										
At 1 January 2018	2,847,906,608	131,368,290	47,876,672	218,801,872	24,436,322	21,505,867	20,003,148	72,165,868	-	3,384,064,647
At 31 December 2018	2,841,563,426	103,787,556	36,947,696	333,657,652	20,132,676	18,829,828	18,430,533	-	-	3,373,349,367
At 30 September 2019	2,828,622,692	87,002,061	34,516,263	548,511,871	16,902,694	15,414,810	16,745,507	-	52,382,102	3,600,098,000

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8. INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

	Percentage holding					
	30 September 2019	31 December 2018	1 January 2018	30 September 2019	31 December 2018	1 January 2018
Al Shamel International Holding Co. KSC (ASI)	30%	30%	30%	25,960,459	24,990,641	23,318,009
Taqniatech Company for Communication Technology JV (TAQJV)	70%	70%	70%	-	-	-
Al Tayyar Travel and Tourism - Abu Dhabi (TTAD)	49%	49%	49%	-	-	-
Voyage Amro Travel (VAT)	49%	49%	49%	-	-	6,419,483
2Share Emerging Technology (TSET)	35%	35%	35%	-	-	-
Net Tours & Travels LLC (NT)	44.3%	44.3%	44.3%	-	-	-
Careem Inc. *	15.3%	15.1%	14.7%	13,533,295	-	9,268,648
Saudi Heritage Hospitality Company (SHHC)	20%	20%	20%	9,041,074	9,487,560	9,872,522
Equinox Group Limited (EGL)	40%	40%	40%	13,516,553	13,714,668	13,843,765
Thakher Investment and Real Estate Co. (TIREC)	-	-	30%	-	-	801,600,100
Wadi Middle East S.A.R.L. (WME)	33.3%	33.3%	33.3%	-	-	51,055,338
CHME Limited (CHM)	40%	40%	40%	113,624	1,905,958	6,111,960
				62,165,005	50,098,827	921,489,825

* On 20 May 2019 the Company signed an agreement to acquire 123,275 class E-1 shares of Careem Inc. from Holly Universal Limited for a consideration of US\$ 39 per share amounting to US\$ 4,807,725 (equivalent to SR 18,033,295).

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9. TRADE AND OTHER RECEIVABLES

	30 September 2019	31 December 2018	1 January 2018
Trade receivables	1,629,887,651	1,446,129,842	1,999,373,287
Impairment loss on trade receivables	(206,789,475)	(192,190,781)	(262,486,318)
	1,423,098,176	1,253,939,061	1,736,886,969
Other receivables:			
Accrued incentives	103,838,618	116,680,602	63,219,948
Employee receivables	19,593,808	9,921,441	13,951,748
Taxes	12,907,976	6,253,073	5,314,971
Consumables	4,657,828	3,804,197	8,160,016
Accrued finance income	12,917	48,313	690,306
Receivable from disposal of Thakher Investment and Real Estate Co.	300,000,000	300,000,000	-
Others	66,476,548	53,982,790	35,902,813
	1,930,585,871	1,744,629,477	1,864,126,771

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

	30 September 2019	31 December 2018	1 January 2018
Opening balance	192,190,781	262,486,318	242,904,966
Impairment loss for the period	14,598,694	(70,295,537)	19,581,352
Closing balance	206,789,475	192,190,781	262,486,318

Information about the Group's exposure to credit and market risks, and impairment losses in trade and other receivables is included in note 18.

10. CASH AND CASH EQUIVALENTS

	30 September 2019	31 December 2018	1 January 2018
Cash in hand	12,787,943	5,791,466	7,289,806
Bank balances – current account	299,718,140	254,607,747	469,587,040
Call deposits	-	-	504,321,786
Cash held with fund manager	76,923	3,488,679	-
Cash and cash equivalents in the statement of financial position	312,583,006	263,887,892	981,198,632
Cash held with fund manager	(76,923)	(3,488,679)	-
Bank overdrafts used for cash management purposes	(4,816,964)	(31,304,212)	(10,399,165)
Cash and cash equivalents in the statement of cash flows	307,689,119	229,095,001	970,799,467

11. CAPITAL AND RESERVES

Share capital

On 14 April 2019 corresponding to 9 Shaban 1440, shareholders during the Annual General Meeting ("AGM"), approved to increase the Company's share capital by 83.86 million shares, through issue of bonus shares of two ordinary shares for every five ordinary shares held by the shareholders. Additionally, the AGM approved to allocate 6.49 million shares to Company's employees under share based payment scheme. The increase in share capital is funded through retained earnings of SR 707.35 million and SR 196.15 million through statutory reserves. This has resulted in Company's share capital increased from SR 2.097 billion to SR 3 billion consisting 300 million ordinary shares of SR 10 each.

	30 September 2019	31 December 2018	1 January 2018
Ordinary shares - issued and fully paid	300,000,000	209,650,000	209,650,000
Par value @ SR 10 each	3,000,000,000	2,096,500,000	2,096,500,000

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

Ordinary shares

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

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11. CAPITAL AND RESERVES (continued)

Statutory reserves

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

12. LONG - TERM INCENTIVE PROGRAM

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 years 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 related to the program for the period ended September 30, 2019 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 No. (2) "Share-based Payment".

Treasury shares

	30 September 2019	31 December 2018	1 January 2018
At beginning of the period / year	-	-	-
Acquired during the period / year	64,900,000	-	-
	64,900,000	-	-

13. LOANS AND BORROWINGS

	30 September 2019	31 December 2018	1 January 2018
Non-current liabilities			
Secured bank loan	432,142,857	480,096,391	861,000,000
Unsecured bank loan	104,507,448	-	19,433,761
	536,650,305	480,096,391	880,433,761
Current liabilities			
Current portion of secured bank loans	78,571,429	69,903,609	-
Unsecured bank loans	465,000,000	163,306,010	497,429,810
	543,571,429	233,209,619	497,429,810

The secured bank loans are secured against land and buildings with a carrying amount of SR 1.94 billion (31 December 2018: SR 1.94 billion) (1 January 2018: SR 2 billion).

The Group has a secured bank loan with a carrying amount of SR 511 million at 30 September 2019 (31 December 2018: SR 550 million) (1 January 2018: SR 861 million). This loan is repayable in tranches over the seven years.

The unsecured bank loans are payable over a period of one year.

The outstanding secured and unsecured loans as of 30 September 2019 have an average commission rate of 4 - 5% above the Banks' lending base rate (31 December 2018: 3 - 4%) (1 January 2019 : 2.7%- 4%).

The Group has utilized SR 1,080 million of murabaha financing from the facilities it obtained from various commercial banks in the Kingdom of Saudi Arabia (31 December 2018: SR 713 million) (1 January 2018: SR 1,378 million).

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14. LEASE LIABILITY

	30 September	31 December	1 January
Lease Liability	<u>2019</u>	<u>2018</u>	<u>2018</u>
Balance at the beginning of the period / year (note 6)	62,153,279	-	-
Commission charges	2,187,924	-	-
Paid	(6,077,887)	-	-
Balance at end of period / year	58,263,316	-	-
Divided into			
Current portion	6,921,428	-	-
Non-current portion	51,341,888	-	-
	58,263,316	-	-

15. COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 30 September 2019, the Group has capital commitments of SR nil (31 December 2018: SR 60 million) (1 January 2018: SR 91 million) with respect to property developments, software development and construction of new office premises.

Contingencies

On 30 September 2019, the Group has letters of guarantees totaling SR 387 million (31 December 2018: SR 389 million) (1 January 2018: SR 295 million) issued by the Company's banks in favor of certain suppliers. Included within, this is advances for a letter of guarantee margins totalling SR 39.7 million (31 December 2018: SR 41.2 million) (1 January 2018: SR 28.7 million)

16. REVENUE

	Three Months		Nine Months	
Commission	30 September	30 September	30 September	30 September
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Airline ticketing & incentives	306,788,848	234,586,324	712,186,602	805,615,165
Hotel booking	55,429,098	26,826,470	113,151,609	77,272,916
Shipments	3,130,012	4,956,892	11,213,430	12,126,553
Train ticketing	4,755,673	-	16,435,013	12,293,879
	370,103,631	266,369,686	852,986,654	907,308,513
Other revenue				
Package holidays	105,897,870	128,398,485	314,194,919	361,533,723
Car rentals	71,389,278	45,559,388	180,983,038	114,330,019
Property and room rentals	27,019,322	36,090,625	66,515,624	74,864,102
Chartered flights	63,515,421	136,119,529	163,885,375	258,076,455
Others	4,049,467	2,584,055	17,790,636	19,803,403
	271,871,358	348,752,082	743,369,592	828,607,702
	641,974,989	615,121,768	1,596,356,246	1,735,916,215

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

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

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market. The table also includes a reconciliation of the disaggregated revenue with the Group's five strategic divisions, which are its reportable segments (see note 19).

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Disaggregation of revenue (continued)

30 September 2019 (Three Months)							
Primary geographical markets	Reportable segments					All other segments	Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>		
Kingdom of Saudi Arabia	315,187,084	36,866,680	138,007,602	27,019,322	-	2,002,024	519,082,712
United Kingdom	24,138,451	119,317,630	-	-	-	-	143,456,081
Egypt	205,261	1,495,272	27,109	-	-	85,645	1,813,287
United Arab Emirates	(29,156,347)	3,159,664	-	-	-	-	(25,996,683)
India	-	-	-	-	-	-	-
Spain	-	184,165	-	-	-	1,961,798	2,145,963
Lebanon	1,170,072	303,557	-	-	-	-	1,473,629
Malaysia	-	-	-	-	-	-	-
	311,544,521	161,326,968	138,034,711	27,019,322	-	4,049,467	641,974,989
Timing of revenue recognition							
Services transferred at a point in time	311,544,521	55,429,098	3,130,012	27,019,322	-	-	397,122,953
Services transferred over time	-	105,897,870	134,904,699	-	-	4,049,467	244,852,036
	311,544,521	161,326,968	138,034,711	27,019,322	-	4,049,467	641,974,989

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Disaggregation of revenue (continued)

30 September 2018 (Three Months)							
Primary geographical markets	Reportable segments						Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	
Kingdom of Saudi Arabia	202,691,506	77,897,241	181,827,902	36,090,625	-	491,784	498,999,058
United Kingdom	24,556,835	70,458,308	-	-	-	-	95,015,143
Egypt	719,242	2,450,014	4,807,907	-	-	(548,233)	7,428,930
United Arab Emirates	4,964,233	3,288,200	-	-	-	(194,275)	8,058,158
India	-	-	-	-	-	546,240	546,240
Spain	-	833,072	-	-	-	2,288,539	3,121,611
Lebanon	1,654,508	186,151	-	-	-	-	1,840,659
Malaysia	-	111,969	-	-	-	-	111,969
	234,586,324	155,224,955	186,635,809	36,090,625	-	2,584,055	615,121,768
Timing of revenue recognition							
Services transferred at a point in time	234,586,324	26,826,470	4,956,892	36,090,625	-	-	302,460,311
Services transferred over time	-	128,398,485	181,678,917	-	-	2,584,055	312,661,457
	234,586,324	155,224,955	186,635,809	36,090,625	-	2,584,055	615,121,768

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Disaggregation of revenue (continued)

30 September 2019 (Nine Months)							
Primary geographical markets	Reportable segments					All other segments	Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>		
Kingdom of Saudi Arabia	668,779,328	146,570,075	355,878,097	66,515,624	-	11,596,971	1,249,340,095
United Kingdom	78,520,252	266,722,110	-	-	-	-	345,242,362
Egypt	1,458,360	8,789,595	203,746	-	-	191,235	10,642,936
United Arab Emirates	(23,646,539)	3,656,158	-	-	-	9,867	(19,980,514)
India	-	-	-	-	-	-	-
Spain	-	697,919	-	-	-	5,992,563	6,690,482
Lebanon	3,510,214	910,671	-	-	-	-	4,420,885
Malaysia	-	-	-	-	-	-	-
	728,621,615	427,346,528	356,081,843	66,515,624	-	17,790,636	1,596,356,246
Timing of revenue recognition							
Services transferred at a point in time	728,621,615	113,151,609	11,213,430	66,515,624	-	-	919,502,278
Services transferred over time	-	314,194,919	344,868,413	-	-	17,790,636	676,853,968
	728,621,615	427,346,528	356,081,843	66,515,624	-	17,790,636	1,596,356,246

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Disaggregation of revenue (continued)

30 September 2018 (Nine Months)							
Primary geographical markets	Reportable segments						Total
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property</u>	<u>All other segments</u>	
Kingdom of Saudi Arabia	741,995,574	188,797,903	373,206,829	74,864,102	-	9,592,998	1,388,457,406
United Kingdom	81,198,819	236,583,991	-	-	-	-	317,782,810
Egypt	924,757	6,590,591	11,326,198	-	-	214,905	19,056,451
United Arab Emirates	(10,558,265)	4,740,859	-	-	-	1,167,491	(4,649,915)
India	-	-	-	-	-	1,867,780	1,867,780
Spain	-	815,950	-	-	-	6,960,229	7,776,179
Lebanon	4,348,159	855,326	-	-	-	-	5,203,485
Malaysia	-	422,019	-	-	-	-	422,019
	817,909,044	438,806,639	384,533,027	74,864,102	-	19,803,403	1,735,916,215
Timing of revenue recognition							
Services transferred at a point in time	817,909,044	77,272,916	12,126,553	74,864,102	-	-	982,172,615
Services transferred over time	-	361,533,723	372,406,474	-	-	19,803,403	753,743,600
	817,909,044	438,806,639	384,533,027	74,864,102	-	19,803,403	1,735,916,215

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17. EARNINGS PER SHARE (EPS)

Basic and diluted EPS

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

Profit attributable to ordinary shareholders (basic)

	Three Months ended		Nine Months ended	
	30 September	30 September	30 September	30 September
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit / (loss) attributable to ordinary shareholders	63,033,741	(355,407,124)	175,507,176	(162,618,445)

Weighted-average number of ordinary shares (basic)

	30 September	30 September
	<u>2019</u>	<u>2018</u>
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

	Three Months ended		Nine Months ended	
	30 September	30 September	30 September	30 September
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Basic and diluted	0.21	(1.18)	0.59	(0.54)

18. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

A. Accounting classification and fair value

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

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A. Accounting classification and fair value (continued)

	<u>Carrying amount</u>		<u>Total</u> Carrying amount	<u>Fair value</u>			<u>Total</u>
	FVOCI – equity instrument	Financial assets at amortized cost		Level 1	Level 2	Level 3	
30 September 2019							
Financial assets measured at fair value							
Equity investment at FVOCI	57,381,941	45,000,000	102,381,941	57,381,941	45,000,000	-	102,381,941
Current:							
Cash and cash equivalents	-	312,583,006	312,583,006	-	-	-	312,583,006
Trade and other receivables	-	1,723,098,176	1,723,098,176	-	-	-	1,723,098,176
Due from related parties	-	34,503,276	34,503,276	-	-	-	34,503,276
Total financial assets	57,381,941	2,115,184,458	2,172,566,399	57,381,941	45,000,000	-	2,172,566,399
Financial liabilities							
Non-current:							
Loans and borrowings	-	536,650,305	536,650,305	-	-	-	536,650,305
Lease liabilities	-	51,341,888	51,341,888	-	-	-	51,341,888
	-	587,992,193	587,992,193	-	-	-	587,992,193
Current:							
Bank overdraft	-	4,816,964	4,816,964	-	-	-	4,816,964
Loans and borrowings	-	543,571,429	543,571,429	-	-	-	543,571,429
Lease liabilities	-	6,921,428	6,921,428	-	-	-	6,921,428
Trade and other payables	-	557,852,031	557,852,031	-	-	-	557,852,031
Due to related parties	-	1,283,575	1,283,575	-	-	-	1,283,575
Total financial liabilities	-	1,702,437,620	1,702,437,620	-	-	-	1,702,437,620

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A. Accounting classification and fair value (continued)

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

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19. OPERATING SEGMENTS

Basis for segmentation

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

The following summary describes the operations of each reportable segment:

Reportable segments Operations

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

Other operations include sundry services such as event management, IT support, advertising, drivers professional fee, insurance brokerage, triptyque and international driving license. None of these segments met the quantitative thresholds for reportable segments in 2019 or 2018.

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

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

Information about reportable segments

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

30 September 2019							
Reportable segments							
	<u>Ticketing</u>	<u>Tourism</u>	<u>Transportation</u>	<u>Hospitality</u>	<u>Property rentals</u>	<u>All other segments</u>	<u>Total</u>
External revenues	-	314,194,919	344,868,413	66,515,624	-	17,790,636	743,369,592
Inter-segment revenue	-	-	4,037,506	-	52,500,000	-	56,537,506
External commissions	728,621,615	113,151,609	11,213,430	-	-	-	852,986,654
Segment revenue	728,621,615	427,346,528	360,119,349	66,515,624	52,500,000	17,790,636	1,652,893,752
Segment profit / (loss) before zakat and tax	130,937,126	27,200,421	17,965,450	(8,733,885)	36,539,139	1,867,369	205,775,620
Segment assets	3,042,086,313	631,952,363	1,017,332,162	3,087,800,572	1,353,110,040	43,384,926	9,175,666,376
Segment liabilities	1,129,599,697	234,659,088	981,461,270	17,711,457	4,843,815	16,109,865	2,384,385,192

30 September 2018							
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	-	361,533,723	372,406,474	74,864,102	-	19,803,403	828,607,702
Inter-segment revenue	-	-	22,574,995	-	52,500,000	-	75,074,995
External commissions	817,909,044	77,272,916	12,126,553	-	-	-	907,308,513
Segment revenue	817,909,044	438,806,639	407,108,022	74,864,102	52,500,000	19,803,403	1,810,991,210
Segment profit / (loss) before zakat and tax	(43,279,478)	(6,155,268)	(33,817,010)	(10,579,848)	40,595,591	(741,251)	(53,977,264)
Segment assets	3,167,015,255	450,417,314	482,743,965	3,598,823,240	1,405,551,664	54,241,684	9,158,793,122
Segment liabilities	2,025,785,197	288,109,989	167,427,122	16,015,841	6,747,130	34,695,760	2,538,781,039

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19. OPERATING SEGMENTS (continued)

Reconciliations of information on reportable segments to IFRS measures

	30 September 2019	30 September 2018
Revenues		
Total revenue for reportable segments	1,635,103,116	1,791,187,807
Revenue for other segments	17,790,636	19,803,403
Elimination of inter-segment revenue	(56,537,506)	(75,074,995)
Consolidated revenue	1,596,356,246	1,735,916,215
	30 September 2019	30 September 2018
Profit / (loss) before zakat and tax		
Total profit / (loss) before zakat and tax for reportable segments	204,139,954	(53,236,013)
Profit / (loss) before zakat and tax for other segments	1,635,666	(741,251)
Consolidated profit / (loss) before zakat and tax	205,775,620	(53,977,264)

	30 September 2019	31 December 2018	1 January 2018
Assets			
Total assets for reportable segments	9,132,281,450	8,946,013,054	10,276,389,546
Assets for other segments	43,384,926	47,477,101	58,564,347
Inter-segment eliminations	(983,879,705)	(1,000,221,605)	(991,759,920)
Consolidated assets	8,191,786,671	7,993,268,550	9,343,193,973

	30 September 2019	31 December 2018	1 January 2018
Liabilities			
Total liabilities for reportable segments	2,368,275,327	2,338,516,820	3,313,493,478
Liabilities for other segments	16,109,865	19,771,549	38,370,149
Consolidated liabilities	2,384,385,192	2,358,288,369	3,351,863,627

20. CORRECTION OF ACCOUNTING ERROR

The Group restated its opening retained earning of the prior year, details are as follows:

	Note	Amount in SAR
Retained earnings as at 31 December 2017		2,594,564,298
Sales incentive commission	A	(33,786,469)
Effect of transition to IFRS 9		(19,581,352)
Retained earnings as at 1 January 2018 (restated)		2,541,196,477
Profit for the year ended 31 December 2018 (reported)		(147,192,437)
Dividends (reported)		(104,825,000)
Increase in ownership stake in a subsidiary (reported)		(78,415,547)
Retained earnings as at 31 December 2018 (restated)		2,210,763,493

Explanatory note:

- A.** The Company's management identified that sales incentive commission of SR 33.8 million was not accrued for the year ended 31 December 2016. This was identified through a court order received against the Company during the period. Therefore, the Company has adjusted this expense in its opening retained earnings as at 1 January 2018 with a corresponding increase in its trade and other payables for the same amount.

SEERA HOLDING GROUP (A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019
(Saudi Riyals)

21. SUBSEQUENT EVENTS

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

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been approved by the board of directors on 3 November 2019 corresponding to 6 Rabi 'I 1441.
