

LUMI RENTAL COMPANY
(Closed Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW REPORT**

LUMI RENTAL COMPANY (Closed Joint Stock Company)

**CONDENSED FINANCIAL STATEMENT
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كي بي إم جي للاستشارات المهنية

واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Lumi Rental Company (Closed Joint Stock Company)

Introduction

We have reviewed the accompanying 30 September 2022 condensed interim financial statements of Lumi Rental Company ("the Company"), which comprises:

- the condensed statement of financial position as at 30 September 2022;
- the condensed statement of profit or loss and other comprehensive income for the three month and nine month periods ended 30 September 2022.
- the condensed statement of changes in equity for the nine months period ended 30 September 2022.
- the condensed statement of cash flows for the nine months period ended 30 September 2022; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 financial information 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.



Independent auditor's report on review of condensed interim financial statements

To the Shareholders of Lumi Rental Company (Closed Joint Stock Company)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2022 condensed interim financial statements of Lumi Rental Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Abdulaziz Abdullah Alnaim
License No: 394

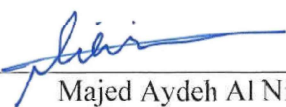
Riyadh: 21 Rabi II 1444H
Corresponding to 15 November 2022




LUMI RENTAL COMPANY (Closed Joint Stock Company)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	<u>Notes</u>	30 September 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Vehicles	5	1,198,998,576	1,051,353,034
Property and equipment	6	76,621,817	38,067,143
		1,275,620,393	1,089,420,177
Current assets			
Inventories		1,057,518	390,965
Trade receivables	7	178,392,386	191,596,294
Prepayment and other receivables		55,236,536	59,264,884
Due from related parties	8	-	5,075,993
Cash and bank balances	9	21,052,977	17,341,631
		255,739,417	273,669,767
TOTAL ASSETS		1,531,359,810	1,363,089,944
EQUITY AND LIABILITIES			
Equity			
Share capital	10	550,000,000	550,000,000
Statutory reserve		15,110,677	15,110,677
Retained earnings		236,368,076	133,846,161
TOTAL EQUITY		801,478,753	698,956,838
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits		12,997,216	9,184,056
Loans and borrowings	11	355,590,909	-
Lease liabilities		41,429,865	8,806,784
		410,017,990	17,990,840
Current liabilities			
Trade payables		159,785,422	231,746,778
Loans and borrowings	11	108,227,273	-
Lease liabilities		34,004,670	13,046,800
Accruals and other liabilities		14,896,353	15,685,567
Due to related parties	8	-	382,610,643
Zakat payable	13	2,949,349	3,052,478
		319,863,067	646,142,266
TOTAL LIABILITIES		729,881,057	664,133,106
TOTAL EQUITY AND LIABILITIES		1,531,359,810	1,363,089,944


Majed Aydeh Al Nifaie
Chairman


Azfar Shakeel
Head of Business


Sulaiman Al Rasheed
Head of Finance

The accompanying notes from 1 to 19 form an integral part of these condensed interim financial statements

LUMI RENTAL COMPANY (Closed Joint Stock Company)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)
FOR THE THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022

	Notes	<i>Three - months period ended</i>		<i>Nine - months period ended</i>	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
Revenue	12	188,156,595	138,707,043	524,764,341	375,816,032
Cost of revenue		(132,999,910)	(94,469,747)	(355,427,525)	(260,259,687)
Gross profit		55,156,685	44,237,296	169,336,816	115,556,345
Operating expenses					
General and administrative expenses		(13,616,017)	(10,830,760)	(38,606,420)	(31,801,561)
Impairment loss on trade and other receivables		(6,448,868)	(1,720,527)	(13,712,046)	(14,917,117)
Operating Profit		35,091,800	31,686,009	117,018,350	68,837,667
Other Income		2,935,730	4,334,992	3,194,019	7,345,031
Finance charges		(6,678,992)	(544,976)	(14,741,105)	(1,913,989)
Profit before zakat		31,348,538	35,476,025	105,471,264	74,268,709
Zakat charge for the year	13	(876,616)	(992,035)	(2,949,349)	(2,076,815)
Profit for the period		30,471,922	34,483,990	102,521,915	72,191,894
Other comprehensive income: Re-measurement of employees' end of service benefits		-	-	-	-
Total comprehensive income for the period		30,471,922	34,483,990	102,521,915	72,191,894
Earnings per share – Basic and Diluted, net profit for the period attributable to equity holders (in Saudi Riyals)	14	0.55	0.63	1.86	1.60



Majed Aydeh Al Nifaie
Chairman



Azfar Shakeel
Head of Business



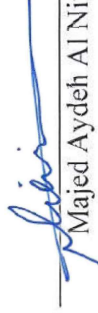
Sulaiman Al Rasheed
Head of Finance


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LUMI RENTAL COMPANY (Closed Joint Stock Company)

**CONDENSED STATEMENT OF CHANGES IN EQUITY (Un audited)
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	Notes	Share Capital SR	Additional Capital SR	Statutory Reserve SR	Retained Earning SR	Total SR
Balance as at 1 January 2021		15,000,000	535,000,000	4,500,000	38,775,207	593,275,207
Profit for the period		-	-	-	72,191,894	72,191,894
Other comprehensive result for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	72,191,894	72,191,894
Transferred to additional capital (Note 14)		535,000,000	(535,000,000)	-	-	-
Balance as at 30 September 2021 (Unaudited)		550,000,000	-	4,500,000	110,967,101	665,467,101
Balance as at 1 January 2022		550,000,000	-	15,110,677	133,846,161	698,956,838
Profit for the period		-	-	-	102,521,915	102,521,915
Other comprehensive result for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	102,521,915	102,521,915
Balance as at 30 September 2022 (Unaudited)		550,000,000	-	15,110,677	236,368,076	801,478,753


Majed Aydeh Al Nifaie
Chairman


Azfar Shakeel
Head of Business

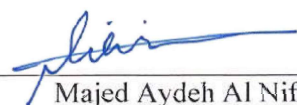

Sulaiman Al Rasheed
Head of Finance

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LUMI RENTAL COMPANY (Closed Joint Stock Company)

**CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	<u>Notes</u>	30 September 2022 Unaudited	30 September 2021 Unaudited
<i>Cash flows from operating activities</i>			
Profit After Zakat		102,521,915	72,191,894
<i>Adjustments to reconcile profit before zakat:</i>			
Depreciation of:			
- Vehicles	5	186,904,257	138,059,010
- Property plant and equipment	6	16,585,444	7,461,936
Employee end of service benefits provision		3,933,840	275,289
Impairment loss on Trade and other receivables		13,712,046	14,917,117
Net book value of vehicles disposed		77,470,153	46,108,648
Gain on disposal of land		(181,840)	-
Financial charges		13,305,980	1,324,815
Finance charge on lease liability		1,435,125	589,174
Provision for zakat	13	2,949,349	2,076,815
<i>Net changes in working capital:</i>			
Trade receivables		3,146,776	(71,986,563)
Inventories		(666,553)	(400,728)
Prepayments and other receivables		373,433	(9,921,106)
Related parties, net		68,171,136	6,790,590
Trade payables		(71,961,356)	56,346,797
Accruals and other payables		(789,214)	7,173,390
Cash generated from operating activities		416,910,491	271,007,078
Interest paid		(13,305,980)	(1,324,815)
Employee benefits paid		(166,572)	(337,054)
Additions to the vehicles	5	(412,019,952)	(355,050,749)
Net cash used in operating activities		(8,582,013)	(85,705,540)
<i>Cash flows from investing activities</i>			
Sale proceeds from disposal of land		12,500,000	-
Acquisition of investment		(2,000,000)	-
Acquisition of property and equipment		(1,935,707)	(1,478,372)
Net cash from / (used) in investing activities		8,564,293	(1,478,372)
<i>Cash flow from financing activities</i>			
Repayment of loans and borrowings		(23,181,818)	(17,417,871)
Proceeds from loans and borrowings		487,000,000	-
Related party, net		(446,758,264)	103,998,848
Lease interest paid		(1,435,125)	(589,174)
Principal repayment of lease liabilities		(11,895,727)	(4,292,488)
Net cash flows from financing activities		3,729,066	81,699,315
Net increase/(decrease) in cash and cash equivalents		3,711,346	(5,484,597)
Cash and cash equivalents at 1 January		17,341,631	16,275,551
Cash and cash equivalents at 30 September		21,052,977	10,790,954



Majed Aydeh Al Nifaie
Chairman



Azfar Shakeel
Head of Business



Sulaiman Al Rasheed
Head of Finance

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

1. LEGAL STATUS AND NATURE OF OPERATIONS

Lumi Rental Company (the “Company”) was a Limited Liability Company registered in Riyadh, Kingdom of Saudi Arabia under commercial registration numbered 1010228226 issued on 23 Muharram 1428H (corresponding to 10 February 2007). The Company on 21 February 2021 changed its status to Closed Joint Stock Company (Refer Note 14).

The Company is 100% owned subsidiary of Seera Group Holding (A Saudi Joint Stock Company) (the “Parent”), a company registered in Riyadh, the Kingdom of Saudi Arabia.

The objective of the Company is buying, leasing and renting vehicles, through its 44 Branches across the Kingdom of Saudi Arabia.

1.1 Interest in subsidiaries

Name of subsidiary	Activities	Country of incorporation	30 September 2022	31 December 2021
Hanay Trading Company Limited (HTCL)	Rent a car business	KSA	-	80%

During the period, on 21 March 2022, the Company purchased the remaining 20% of the Shareholding in the subsidiary from the minority shareholder for a consideration of SR 2 million. The Company then on 27 March 2022 entered into an agreement through which it disposed its entire shareholding in the subsidiary to a fellow subsidiary for a consideration of SR 2 million.

1.2 Impact of COVID-19

The pandemic of COVID-19 that has rapidly spread across the world has not only endangered human lives but has also adversely impacted the global economy. The company evaluated the nature and scope of the impact of COVID-19 on its operations and financial results. The extent to which the pandemic impacts Company’s business and operations is ascertainable but the financial impact over the next 12 months cannot be measured reliably as it depends on various factors and future developments, that the Company may currently not be able to estimate reliably. These factors include virus transmission rate, duration of the outbreak or vaccination of significant percentage of population, advent of subsequent waves of the virus, etc. and the resulting precautionary actions that may be taken by the authorities to control spread of the virus and impact of such measures on economic activities and Company’s customers. During 2022 the KSA government has eased restrictions .

Following a detailed assessment by the Company's management, it was concluded that COVID-19 did not significantly impact the Company's operations in the nine-months financial period ended on 30 September 2022. The company will continue to assess the nature and extent of COVID-19 and its impact on commercial and financial performance.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with requirements of IAS 34 “Interim Financial Reporting” that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants (“SOCPA”) and should be read in conjunction with annual financial statements as at 31 December 2021.

The condensed interim financial statements do not include all the information required for the full financial statements in accordance with the International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA. However, the condensed interim financial statements include some disclosures to explain some material events and transactions in order to understand the changes in the Company's financial position and performance since the last annual financial statements. The condensed interim financial statements have been prepared for information purpose only in relation to initial public offering of the Company's shares in Tadawul in KSA. In addition, results for the interim period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

2.2 Basis of measurement

The condensed interim financial statements have been prepared in accordance with the historical cost basis, except for the provision for employees' end-of-service benefits, which is measured at present value using the projected unit credit method. Further, the condensed interim financial statements are prepared using the accrual basis of accounting and the going concern concept.

2.3 Functional and presentation currency

The condensed interim financial statements of the Company are presented in Saudi Riyals (SR) which is the Company's functional currency.

2.4 Use of judgments and estimates

The preparation of the Company's condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA for the year ended 31 December 2021. For the assumptions used in estimating liability of employees defined benefit liabilities, it has been assumed that there is no change in the assumptions which were used for determining the liability for Company's annual financial statements as at 31 December 2021.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

3. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS

a) Standards, interpretations and amendments issued

This table lists the recent changes to the standards that are required to be applied for an annual period beginning after 1 January 2022

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Annual Improvements	Annual Improvements to IFRS Standards 2018–2020	1 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
IFRS 3	Business Combinations-Amendments updating a reference to the Conceptual Framework	1 January 2022

b) Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	1 January 2023
IAS 1 and IFRS practice statement 2	Amendments to IAS 1: Disclosure of Accounting policies	1 January 2023
IAS 17	Insurance contracts	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction	1 January 2023
IAS 8	Definition of Accounting Estimate	1 January 2023
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

The standards, interpretations and amendments with effective date of 1 January 2022 do not have any material impact on the Company's condensed interim financial statements, whereas for other above-mentioned standards, interpretations and amendments, the company is currently assessing the implications on the company's interim financial statements on adoption.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied on these condensed interim financial statements have been prepared in accordance with in the International Financial Reporting Standards endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization of Chartered and Professional Accountants (SOCPA). These accounting policies are the same accounting policies applied on the financial statements for the Company which were prepared in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia as at the financial year ended 31 December 2021.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

5. VEHICLES

	30 September 2022	31 December 2021
Vehicles		
Cost:		
Balance at the beginning	1,401,676,489	929,021,760
Additions during the period/year	412,019,952	600,028,435
Transferred to inventory during the year*	(154,826,334)	(127,373,706)
Balance at the end	1,658,870,107	1,401,676,489
Accumulated depreciation:		
Balance at the beginning	350,323,455	222,694,749
Charge for the period/year	186,904,257	195,222,682
Elimination on Transfer	(77,356,181)	(67,593,976)
Balance at the end	459,871,531	350,323,455
Net book value	1,198,998,576	1,051,353,034

Depreciation costs for the period were expensed against the cost of revenues.

*Inventory with the net book value of SR 0.7 million remained unsold at the period ended 30 September 2022 (31 December 2021: nil)

** During the period ended 30 September 2022, the management have reassessed their residual values of leased and rental vehicles to capture current market factors which have increased the resale value of used vehicles.

6. PROPERTY AND EQUIPMENT

	Right of use asset	Other fixed assets SR (Unaudited)	Total as at 30 September 2022	Total as at 31 December 2021 SR (Audited)
Cost:				
Balance at the beginning	30,139,975	27,125,979	57,265,954	44,009,253
Additions during the period/year*	65,554,729	1,935,707	67,490,436	20,148,443
Disposal during the period/year	(1,546,732)	(12,350,318)	(13,897,050)	(6,891,742)
Balance as at the end	94,147,972	16,711,368	110,859,340	57,265,954
Accumulated depreciation:				
Balance at the beginning	10,473,624	8,725,187	19,198,811	15,683,473
Charge for the period / year	15,151,098	1,434,346	16,585,444	10,407,080
Elimination of disposal during the period / year	(1,546,732)	-	(1,546,732)	(6,891,742)
Balance as at the end	24,077,990	10,159,533	34,237,523	19,198,811
Net book value	70,069,982	6,551,835	76,621,817	38,067,143

*The additions during the period to the right of use asset primarily includes the Dammam airport and Jeddah airport parking yard leases.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

7. TRADE RECEIVABLES, NET

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Trade receivables	220,471,102	223,617,878
Impairment loss on trade receivables	<u>(42,078,716)</u>	<u>(32,021,584)</u>
	<u>178,392,386</u>	<u>191,596,294</u>

Movement of impairment loss on trade receivables is as follows:

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Opening balance	32,021,584	17,879,368
Charge for the period / year *	<u>10,057,132</u>	<u>14,142,216</u>
Closing balance	<u>42,078,716</u>	<u>32,021,584</u>

*the company has also charged SR 3.7 million as provision for impairment loss against other receivables

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company, in the normal course of business, enters into transactions with other entities that fall within the definition of a related party contained in International Accounting Standard 24. Related parties represent major shareholders, fellow subsidiaries and key management personnel of the company. The transactions with related parties are made at approved contractual terms.

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

LUMI RENTAL COMPANY (Closed Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Significant transactions and balances with related parties in the ordinary course of business which are included in the financial statements are summarized as follows:

	Nine-months ended 30 September 2022		
	<u>Relationship</u>	<u>Sales</u>	<u>Purchases</u> / <u>(Receipts)/Payments*</u>
Seera Group Holding	Parent company	285,225	(8,081)
Elaa Air Transportation	Fellow subsidiary		(2)
Seera Holiday for Travel and Tourism Company Limited (SHT)	Fellow subsidiary	1,640,585	(123,936)
Elaa Travel, Tourism and Cargo Company Limited (ECC)	Fellow subsidiary	2,524,594	(22,982)
National Travel and Tourism Bureau Limited (NTTB)	Fellow subsidiary		18,425
Al Mousin Traavel & Tours (AMTT)	Fellow subsidiary		(129,605)
Fayfa Travel & Tourism	Fellow Subsidiary		4,497
Almosafer Company for Travel and Tourism (MCT)	Fellow subsidiary	1,057,352	(21,965)
Seera Hospitality Company (SHC)	Fellow subsidiary		(62,500)
Taqniatech Company For Communication Technology Limited (TAQ)	Fellow subsidiary		(144,083)
Hanay Trading Company Limited (HTCL)	Fellow subsidiary		(7,607)
Mawasim Tourism and Umrah Services	Fellow subsidiary	105,095	
Discover Saudi for Travel and Tourism (DSTT)	Fellow subsidiary	3,231,883	(600)
Jawalah Travels	Fellow subsidiary		(3,996,058)
Seera LLC	Fellow subsidiary		(276,875)
Tajawal General Trading, LLC (TGT)	Fellow subsidiary		364,179
Tajawal General Trading, LLC (TGT)	Fellow subsidiary		116,826
Al Tayyar Holidays Travel Group Company (ATE)	Fellow subsidiary		(18,409)
Al Tayyar Rent A Car Company (ARC)	Fellow subsidiary		(4,400)
Movenpick City Star jeddah	Fellow subsidiary	79,935	(1,625)
			(144,858)

*These cashflow movements represent operational support or settlement of related party balances

LUMI RENTAL COMPANY (Closed Joint Stock Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Nine -months ended 30 September 2021			
	Sales	Purchases	(Receipts)/ Payments*	(Other costs)/income
<u>Related Party</u>				
Seera Group Holding	421,495	2,169,783	(103,998,848)	-
Elaa Air Transportation	-	-	-	(190,917)
Seera Holiday for Travel and Tourism Company Limited (SHT)	5,748,276	(226,578)	(6,380,471)	(5,094,092)
Elaa Travel, Tourism and Cargo Company Limited (ECC)	2,537,879	-	(2,251,528)	(3,407,936)
Almosafer Company for Travel and Tourism (MCT)	932,256	(310)	(575,170)	-
Hanay Trading Company Limited (HTCL)			(13,912)	71,414
Mawasim Tourism and Umrah Services	6,103	-	-	-
Discover Saudi for Travel and Tourism (DSTT)	263,925	-	(559,795)	10,505
Seera LLC			(271,607)	-
Movenpick City Star Jeddah	77,630	-	-	(57,540)

*these cashflow movements represent operational support or settlement of related party balances.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

8. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Due balances from related parties

		30	31
		September	December
<u>Related Party</u>	<u>Relationship</u>	<u>2022</u>	<u>2021</u>
Al Mousin Traavel & Tours (AMTT)	Fellow subsidiary	-	129,605
Elaa Air Transportation Company	Fellow subsidiary	-	3,608,799
Seera Hospitality Company (SHC)	Fellow subsidiary	-	62,500
Taqniatech Company For Communication Technology Limited (TAQ)	Fellow subsidiary	-	144,083
Discover Saudi for Travel and Tourism (DSTT)	Fellow subsidiary	-	764,775
Tajawal General Trading, LLC (TGT)	Fellow subsidiary	-	18,409
Jawalah Travels	Fellow subsidiary	-	276,875
Al Tayyar Holidays Travel Group Company (ATE)	Fellow subsidiary	-	4,400
Al Tayyar Rent A Car Company (ARC)	Fellow subsidiary	-	1,625
Movenpick City Star - Jeddah	Fellow subsidiary	-	64,922
Total		-	5,075,993

Due balances to related parties

		30	31
		September	December
<u>Related Party</u>	<u>Relationship</u>	<u>2022</u>	<u>2021</u>
Seera Group Holding	Parent company	-	363,153,281
Seera Holiday for Travel and Tourism Company Limited (SHT)	Fellow subsidiary	-	9,468,294
Fayfa Travel & Tourism	Fellow subsidiary	-	4,497
Elaa Travel, Tourism and Cargo Company Limited (ECC)	Fellow subsidiary	-	3,744,835
Almosafer Company for Travel and Tourism (MCT)	Fellow subsidiary	-	4,813,570
Hanay Trading Company Limited (HTCL)	Fellow subsidiary	-	470,239
Mawasim Tourism and Umrah Services	Fellow subsidiary	-	456,497
Seera Travel and Tourism	Fellow subsidiary	-	364,179
Tajawal General Trading, LLC (TGT)	Fellow subsidiary	-	116,826
National Travel and Tourism Bureau Limited (NTTB)	Fellow subsidiary	-	18,425
Total		-	382,610,643

9. CASH AND CASH EQUIVALENTS

	30 September	31 December
	<u>2022</u>	2021
	<u>(Unaudited)</u>	<u>(Audited)</u>
Cash in hand	11,453	-
Bank balances	21,041,524	17,341,631
	<u>21,052,977</u>	<u>17,341,631</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

10. SHARE CAPITAL

The share capital of the Company consists of 55,000,000 fully paid ordinary shares of SR 10 each. The total share capital is SR 550,000,000 as at 30 September 2022 (31 December 2021: SR 15,000,000) (Refer Note 14).

	<u>Percentage</u>	<u>Number of shares</u>	<u>Value per share</u>	<u>Total</u>
Seera Holding Group	100%	55,000,000	10	550,000,000

During the current period, the shareholding comprising of 5% of Seera Holidays for Travel and Tourism Company Limited (SHT) (a group company) in the company was transferred to Seera Holding Group resulting in the Company becoming a wholly owned subsidiary of Seera Holding Group.

11. LOANS AND BORROWINGS

	<u>30 September 2022</u>	<u>31 December 2021</u>
Unsecured bank loans	<u>463,818,182</u>	<u>-</u>
Classified as:		
Non-current portion	<u>355,590,909</u>	<u>-</u>
Current portion	<u>108,227,273</u>	<u>-</u>

On 15 Dhu Al-Qidah 1443H and 24 Ramadan 1443H (corresponding to 14 June 2022 and 25 April 2022, respectively) the Company entered into financing contracts with local banks. The Company utilized SR 487 million of the total loan facilities. This financing is being repaid on a quarterly basis for three years at the prevailing market rate. The purpose of the loans was to settle the balances with the parent company and to finance the operations of the company. The loan is secured against assignment of revenue related cashflows.

12. REVENUE

	<u>For the three months period ended</u>		<u>For the nine months period ended</u>	
	<u>30 September 2022</u>	<u>30 September 2021</u>	<u>30 September 2022</u>	<u>30 September 2021</u>
Revenue from contracts with customer				
Vehicle lease and rental agreement	<u>148,121,036</u>	115,239,501	<u>411,331,679</u>	311,742,455
Revenue from sale of vehicles	<u>40,035,559</u>	23,467,542	<u>113,432,662</u>	64,073,577
Total Revenue	<u>188,156,595</u>	138,707,043	<u>524,764,341</u>	375,816,032
Timing of revenue recognition				
Services transferred overtime	<u>148,121,036</u>	115,239,501	<u>411,331,679</u>	311,742,455
Services transferred at point in time	<u>40,035,559</u>	23,467,542	<u>113,432,662</u>	64,073,577
Total Revenue	<u>188,156,595</u>	138,707,043	<u>524,764,341</u>	375,816,032

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

13. ZAKAT PROVISION

	30 September 2022	31 December 2021
At the beginning	3,052,478	1,691,756
Provided during the period	2,949,349	3,052,478
Payments made during the period	<u>(3,052,478)</u>	<u>(1,691,756)</u>
At the end	<u>2,949,349</u>	<u>3,052,478</u>

The Zakat returns of the Company are filed on a consolidated basis with its Parent company.

14. EARNINGS PER SHARE (EPS)**Basic and diluted EPS**

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

The Company changed its legal status from Limited Liability Company to closed joint stock company and as part of this process the additional capital of SR 535 million was transferred to share capital on 21 February 2021 as per the terms agreed with the Ministry of Commerce on changing the legal status of the Company as described above.

	For the three-months period ended		For the nine-months period ended	
	(unaudited) 30 September 2022	(unaudited) 30 September 2021	(unaudited) 30 September 2022	(unaudited) 30 September 2021
Profit attributable to ordinary shareholders	<u>30,471,922</u>	34,483,990	<u>102,521,915</u>	72,191,894
Weighted-average number of ordinary shares at the end of the period	<u>55,000,000</u>	55,000,000	<u>55,000,000</u>	45,005,495
Basic and diluted	<u>0.55</u>	0.63	<u>1.86</u>	1.60

15. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Company measures financial instruments 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 Company. 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 best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

15. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Financial instrument category

		30 September 2022	31 December 2021
Financial assets at amortized cost	Note		
Trade receivables, net	7	178,392,386	191,596,294
Other receivables		5,113,204	19,088,043
Due from related parties	8		5,075,993
Cash and cash equivalents	9	21,052,977	17,341,631
		204,558,567	233,101,961
Financial liabilities at amortized cost			
Trade payables		159,785,422	231,746,778
Loans and borrowings	11	463,818,182	-
Lease liabilities		75,434,535	21,853,584
Due to related party	8	-	382,610,643
Accruals and other liabilities		14,896,353	15,685,567
Total		713,934,492	651,896,572

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade receivables, due from related parties, due to related parties, trade payables, lease liabilities, loans and borrowings and accruals and other liabilities.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade receivables, due from related parties, due to related parties, trade payables, loans and borrowings and accruals and other liabilities approximates their fair value.

There were no transfers between levels during the period.

General objectives, policies and processes

The Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Management receives periodic reports from the Company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Credit risk

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

Market risk

Market risk arises from the Company's use of interest bearing, tradable and foreign currency financial instruments, if any. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commission rates (interest rate risk).

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2022**

15. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

Interest rate risk

Fair value and cash flow interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial position and cash flows. The Company is not exposed to fair value as it does not have any financial instrument that is categorised as fair value through profit or loss.

Management of the Company does not enter into future agreements to hedge its interest rate risk. However, these are monitored on a regular basis and corrective measures initiated wherever required.

For borrowings at floating rate, a reasonable possible change of 100 basis points in interest rates at the reporting date would have increase (decreased) separate statement of profit or loss by the amounts below. This analysis assumes that all other variables remain constant.

	100 bps increase	100 bps decrease
30 September 2022	(4,638,182)	4,638,182

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

16. OPERATING SEGMENTS

Basis for segmentation

The Company has the following two 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

Leasing	Providing vehicles on long term leases to corporate and government customers .
Rental	Providing vehicles on daily, weekly, monthly rentals to walking and corporate customers.

Other operations include disposal of vehicles after the completion of lease term along with sale of rental vehicles. This segment did not meet the quantitative and qualitative thresholds for reportable segments in 2022 or 2021.

The Company's Executive Committee reviews the internal management reports of each segment on a monthly basis.

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

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

LUMI RENTAL COMPANY (Closed Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022

16. OPERATING SEGMENTS (CONTINUED)

Measurement of operating segment profit or loss, assets and liabilities

The Company evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS but excluding non-recurring losses.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities and defined benefit liabilities. Information about reportable segment is set out below:

	<i>For the three months period ended 30 September 2022</i>							
	Leasing		Rental		Others		Total	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
Revenue	77,810,321	65,602,287	70,310,715	49,637,214	40,035,559	23,467,542	188,156,595	138,707,043
Depreciation of Vehicles	(35,022,816)	(32,662,115)	(33,126,082)	(17,605,800)	-	-	(68,148,898)	(50,267,915)
Segmental Profit	42,787,505	32,940,172	37,184,633	32,031,414	40,035,559	23,467,542	120,007,697	88,439,128
Unallocated Income / Expenses								
Segmental profit							120,007,697	88,439,128
Cost of Revenue							(64,851,012)	(44,201,832)
General & Admin Expense							(13,616,017)	(10,830,760)
Provision for expected credit loss							(6,448,868)	(1,720,527)
Other Income/Expenses							2,935,730	4,334,992
Finance Cost							(6,678,992)	(544,976)
Profit before Zakat							31,348,538	35,476,025

LUMI RENTAL COMPANY (Closed Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022

16. OPERATING SEGMENTS (CONTINUED)

For the nine months period ended 30 September 2022

	Leasing		Rental		Others		Total	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
Revenue	219,644,941	187,134,543	191,686,738	124,607,912	113,432,662	64,073,577	524,764,341	375,816,032
Depreciation of Vehicles	(99,171,875)	(93,203,227)	(87,732,382)	(44,855,783)	-	--	(186,904,257)	(138,059,010)
Segmental Profit	120,473,066	93,931,316	103,954,356	79,752,129	113,432,662	64,073,577	337,860,084	237,757,022

Unallocated Income / Expenses

Segmental profit	337,860,084	237,757,022
Cost of Revenue	(168,523,268)	(122,200,677)
General & Admin Expense	(38,606,420)	(31,801,561)
Provision for expected credit loss	(13,712,046)	(14,917,117)
Other Income/Expenses	3,194,019	7,345,031
Finance Cost	(14,741,105)	(1,913,989)
Profit before Zakat	105,471,264	74,268,709

	Leasing		Rental		Others		Total	
	30 Sep 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Segment Assets	691,432,287	621,240,260	507,566,289	430,112,774	332,361,234	311,736,910	1,531,359,810	1,363,089,944
Segment Liabilities	(205,219,018)	(81,830,984)	(228,979,083)	(145,139,571)	(295,682,956)	(436,388,556)	(729,881,057)	(664,133,106)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2022

17. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

As at 30 September 2022, the Company has letters of guarantees amounting to SR 274.3 million (31 December 2021: SR 0.3 million)

Capital commitments

The Company has no outstanding capital commitments as at 30 September 2022 (31 December 2021: SR nil).

18. SUBSEQUENT EVENTS

There are no subsequent events to disclose in the financial statements.

19. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the management on 20 Rabi II 1444H (corresponding to 14 November 2022)