

LUMI RENTAL COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REVIEW REPORT**

LUMI RENTAL COMPANY
(A Saudi Joint Stock Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023

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KPMG Professional Services

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Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

واجهة روشن، 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 Shareholder of Lumi Rental Company (Joint Stock Company)

Introduction

We have reviewed the accompanying 30 September 2023 condensed interim financial statements of Lumi Rental Company ("the Company"), which comprises:

- the condensed statement of financial position as at 30 September 2023;
- the condensed statement of profit or loss and other comprehensive income for the three and nine-month periods ended 30 September 2023;
- the condensed statement of changes in equity for the nine-months period ended 30 September 2023;
- the condensed statement of cash flows for the nine-months period ended 30 September 2023; 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 interim 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2023 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

Dr. Abdullah Hamad Al Fozan
License No: 348

Riyadh 23 Rabi' II 1445
Corresponding to: 7 November 2023



KPMG professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of (40,000,000) SAR. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

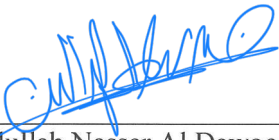
كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مغلقة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبين ومراجعين قانونيين". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

LUMI RENTAL COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023

(Amount in Saudi Riyals)

	<i>Notes</i>	30 September 2023 (Unaudited)	31 December 2022 (Audited)
ASSETS			
Non-current assets			
Vehicles	5	2,033,435,505	1,472,019,728
Other property and equipment	6	95,961,444	79,454,467
Capital work in progress	7	53,713,605	9,530,886
		<u>2,183,110,554</u>	<u>1,561,005,081</u>
Current assets			
Inventories		1,583,282	1,453,536
Trade receivables, net	8	232,721,068	173,600,069
Prepayments and other receivables		52,224,668	58,801,334
Due from related parties	9	15,190,885	-
Cash and bank balances	10	75,625,517	49,466,261
		<u>377,345,420</u>	<u>283,321,200</u>
TOTAL ASSETS		<u>2,560,455,974</u>	<u>1,844,326,281</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	550,000,000	550,000,000
Statutory reserve		29,476,955	29,476,955
Other reserve	9	15,190,885	-
Retained earnings		399,056,717	264,065,315
TOTAL EQUITY		<u>993,724,557</u>	<u>843,542,270</u>
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits		17,188,400	13,173,682
Loans and borrowings	12	629,574,779	364,659,091
Lease liabilities		43,580,425	46,024,404
		<u>690,343,604</u>	<u>423,857,177</u>
Current liabilities			
Trade payables		436,354,845	392,122,179
Loans and borrowings	12	356,735,572	128,227,273
Lease liabilities		37,706,342	28,384,838
Accruals and other liabilities		40,853,337	23,513,491
Due to related parties	9	-	-
Zakat payable	14	4,737,717	4,679,053
		<u>876,387,813</u>	<u>576,926,834</u>
TOTAL LIABILITIES		<u>1,566,731,417</u>	<u>1,000,784,011</u>
TOTAL EQUITY AND LIABILITIES		<u>2,560,455,974</u>	<u>1,844,326,281</u>


Abdullah Nasser Al Dawood
Board Member


Azfar Shakeel
CEO


Sulaiman Al Rasheed
CFO

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

LUMI RENTAL COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Unaudited)
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2023
(Amount in Saudi Riyals)

	<i>Notes</i>	<i>Three - months period ended 30 September</i>		<i>Nine - months period ended 30 September</i>	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
Revenue	13	291,384,740	188,156,595	791,418,073	524,764,341
Cost of revenue		(196,465,946)	(132,999,910)	(523,815,193)	(355,427,525)
Gross profit		94,918,794	55,156,685	267,602,880	169,336,816
Operating expenses					
General and administrative expenses		(23,771,527)	(13,616,017)	(65,601,167)	(38,606,420)
Impairment loss on trade and other receivables		(3,033,921)	(6,448,868)	(13,973,245)	(13,712,046)
Employee incentive	9	(15,190,885)	-	(15,190,885)	-
Other income		74,214	2,935,730	10,425,605	3,194,019
Operating Profit		52,996,675	38,027,530	183,263,188	120,212,369
Finance charges		(16,294,148)	(6,678,992)	(43,534,069)	(14,741,105)
Profit before zakat		36,702,527	31,348,538	139,729,119	105,471,264
Zakat charge for the year	14	(1,738,014)	(876,616)	(4,737,717)	(2,949,349)
Profit for the period		34,964,513	30,471,922	134,991,402	102,521,915
Other comprehensive income: Re-measurement of employees' end of service benefits		-	-	-	-
Total comprehensive income for the period		34,964,513	30,471,922	134,991,402	102,521,915
Earnings per share – Basic and Diluted, net profit for the period attributable to equity holders (in Saudi Riyals)	15	0.64	0.55	2.45	1.86



Abdullah Nasser Al Dawood
Board Member



Azfar Shakeel
CEO



Sulaiman Al Rasheed
CFO


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LUMIRENTAL COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(Amount in Saudi Riyals)

	<u>Notes</u>	<u>Share Capital</u> <u>SR</u>	<u>Statutory</u> <u>Reserve</u> <u>SR</u>	<u>Other reserve</u> <u>(Note 9)</u> <u>SR</u>	<u>Retained</u> <u>Earning</u> <u>SR</u>	<u>Total</u> <u>SR</u>
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
Balance as at 1 January 2023		550,000,000	29,476,955	-	264,065,315	843,542,270
Profit for the period		-	-	-	134,991,402	134,991,402
Other comprehensive result for the period		-	-	-	-	-
Total comprehensive income for the period		-	-	-	134,991,402	134,991,402
Transaction with Parent		-	-	15,190,885	-	15,190,885
Balance as at 30 September 2023 (Unaudited)		550,000,000	29,476,955	15,190,885	399,056,717	993,724,557


Abdullah Nasser Al Dawood
Board Member


Azfar Shakeel
CEO

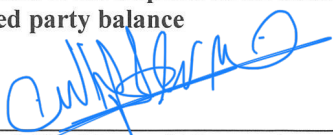

Sulaiman Al Rasheed
CFO

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LUMI RENTAL COMPANY
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CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023
(Amount in Saudi Riyals)

	<i>Notes</i>	30 September <u>2023</u>	30 September <u>2022</u>
Cash flows from operating activities			
Profit After Zakat		134,991,402	102,521,915
<i>Adjustments to reconcile profit after zakat:</i>			
Depreciation of:			
- Vehicles	5	193,962,752	186,904,257
- Property plant and equipment	6	22,403,337	16,585,444
Employee end of service benefits provision		4,287,978	3,933,840
Impairment loss on Trade and other receivables		13,973,245	13,712,046
Net book value of vehicles disposed		187,323,319	77,470,153
Employee Incentive	9	15,190,885	-
Gain on sale of land		-	(181,840)
Zakat charge for the period		4,737,717	2,949,349
Financial charges		41,712,304	13,305,980
Finance charge on lease liability		1,821,765	1,435,125
Net changes in working capital:			
Trade receivables		(72,956,683)	3,146,776
Inventories		(129,746)	(666,553)
Prepayments and other receivables		6,576,666	373,433
Related parties, net		-	68,171,136
Trade payables		44,232,666	(71,961,356)
Accruals and other payables		17,339,846	(789,214)
Cash generated from operating activities		<u>615,467,453</u>	<u>416,910,491</u>
Interest paid		(41,724,663)	(13,305,980)
Zakat Paid		(4,679,053)	-
Employee benefits paid		(273,260)	(166,572)
Additions to the vehicles	5	(942,701,848)	(412,019,952)
Net cash used in operating activities		<u>(373,911,371)</u>	<u>(8,582,013)</u>
Cash flows from investing activities			
Sale proceeds from disposal of land		-	12,500,000
Acquisition of investment		-	(2,000,000)
Acquisition of property and equipment		(9,222,732)	(1,935,707)
Acquisition of CWIP		(44,182,719)	-
Net cash used in investing activities		<u>(53,405,451)</u>	<u>8,564,293</u>
Cash flow from financing activities			
Repayment of loans and borrowings	12	(148,874,242)	(23,181,818)
Proceeds from loans and borrowings	12	642,298,229	487,000,000
Related party, net		(15,190,885)	(446,758,264)
Lease interest paid		(1,821,765)	(1,435,125)
Principal repayment of lease liabilities		(22,935,259)	(11,895,727)
Net cash flows from financing activities		<u>453,476,078</u>	<u>3,729,066</u>
Net changes in cash and cash equivalents		<u>26,159,256</u>	<u>3,711,346</u>
Cash and cash equivalents at 1 January		<u>49,466,261</u>	<u>17,341,631</u>
Cash and cash equivalents at 30 September		<u>75,625,517</u>	<u>21,052,977</u>
Non cash Transaction:			
Proceeds from disposal of investment settled through related party balance		-	2,000,000


Abdullah Nasser Al Dawood
Board Member


Azfar Shakeel
CEO


Sulaiman Al Rasheed
CFO

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

1. LEGAL STATUS AND NATURE OF OPERATIONS

Lumi Rental Company (the "Company") is a Saudi Joint Stock 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 is 70% 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 51 Branches, Workshops, Showrooms and Parking yards across the Kingdom of Saudi Arabia.

The Capital Market Authority (CMA) provided approval on 29 March 2023 to Lumi Rental Company to register and offer 16.5 million shares, or 30% of its share capital, on the Saudi Exchange (Tadawul). On 25 September 2023, the Company's shares started trading on Tadawul as a Joint Stock Company.

The legal procedures of the updating the commercial registration and other formalities to reflect the change to Joint Stock Company are in process.

The new Companies Law issue through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is in process of assessing the impact of the New Companies Law and will amend its Articles of Association/By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company shall present the amended Articles of Association/By-Laws to the shareholders/partners in their Extraordinary/Annual General Assembly meeting for their ratification.

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 2022.

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 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Certain figures of the comparative period have been reclassified to conform to the current period presentation.

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

2 BASIS OF PREPARATION (CONTINUED)

2.2 Basis of measurement (continue)

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 2022. 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 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 2023

<u>Standards</u>	<u>Title</u>	<u>Effective date</u>
IAS 1 and IFRS practice statement 2	Amendments to IAS 1: Disclosure of Accounting policies	1 January 2023
IFRS 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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

(Amount in Saudi Riyals)

3. STANDARDS, INTERPRETATIONS, AND AMENDMENTS TO EXISTING STANDARDS (CONTINUED)

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 2024
IAS 1	Amendments to IAS 1: Noncurrent liabilities with Covenants	1 January 2024
IFRS 16	Amendment to IFRS 16: Lease liability in sale and leaseback	1 January 2024
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 2023 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 2022.

5. VEHICLES

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
Vehicles		
Cost:		
Balance at the beginning	1,929,533,693	1,401,676,489
Additions during the period/year	942,701,848	807,716,871
Transferred to inventory during the year*	(341,601,473)	(279,859,667)
Balance at the end	2,530,634,068	1,929,533,693
Accumulated depreciation:		
Balance at the beginning	457,513,965	350,323,455
Charge for the period/year	193,962,752	241,648,997
Elimination on Transfer	(154,278,154)	(134,458,487)
Balance at the end	497,198,563	457,513,965
Net book value	2,033,435,505	1,472,019,728

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

* Inventory with the net book value of SR 1,423,977 remained unsold at the period ended 30 September 2023 (31 December 2022: SR 1,030,680)

LUMI RENTAL COMPANY
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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

(Amount in Saudi Riyals)

6. OTHER PROPERTY AND EQUIPMENT

	Right of use asset	Other fixed assets (Unaudited)	Total as at 30 September 2023 (Unaudited)	Total as at 31 December 2022 (Audited)
Cost:				
Balance at the beginning	100,693,784	17,335,246	118,029,030	57,265,954
Additions during the period/year	30,717,272	9,222,732	39,940,004	76,947,749
Transfer	-	-	-	256,592
Disposal during the period/year	(10,800,557)	-	(10,800,557)	(16,652,114)
Balance as at the end	120,610,499	26,557,978	147,168,477	117,818,181
Accumulated depreciation:				
Balance at the beginning	27,976,296	10,598,267	38,574,563	19,198,811
Charge for the period / year	20,585,903	1,817,434	22,403,337	23,127,382
Elimination or disposal during the period / year	(9,770,867)	-	(9,770,867)	(3,962,479)
Balance as at the end	38,791,332	12,415,701	51,207,033	38,363,714
Net book value	81,819,167	14,142,277	95,961,444	79,454,467

7. CAPITAL WORK IN PROGRESS

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Advance provided for capital expenditure	1,046,433	-
Advance provided for Purchase of vehicles	52,667,172	9,530,886
	53,713,605	9,530,886

8. TRADE RECEIVABLES, NET

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Trade receivables	294,859,318	221,902,635
Impairment loss on trade receivables	(62,138,250)	(48,302,566)
	232,721,068	173,600,069

Movement of impairment loss on trade receivables is as follows:

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Opening balance	48,302,566	32,021,584
Charge for the period / year *	13,835,684	16,280,982
Closing balance	62,138,250	48,302,566

*The company has also charged SR 0.137 million as provision for impairment loss against other receivable

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2023**

(Amount in Saudi Riyals)

9. 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.

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

Related Party	Relationship	Nine months ended 30 September 2023		
		Sales	Purchases	(Receipts) / Payments*
Seera Holding Group**	Parent company	288,580		14,902,305
Seera Holiday for Travel and Tourism Company Limited (SHT)	Fellow subsidiary	1,455,620		(1,455,620)
Elaa Travel, Tourism and Cargo Company Limited (ECC)	Fellow subsidiary	2,469,867		(2,469,867)
Almosafer Company for Travel and Tourism (MCT)**	Fellow subsidiary	703,083	(1,859)	(701,224)
Mawasim Tourism and Umrah Services	Fellow subsidiary	45,310		(45,310)
Discover Saudi for Travel and Tourism (DSTT)	Fellow subsidiary	3,491,998		(3,491,998)
Movenpick City Star jeddah	Fellow subsidiary	84,375		(84,375)

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

** As at 30 September 2023 the company has accrued a cross charge from Seera Holding group for facility management services amounting to SR 0.3 million and from Al Mosafer Travel and Tourism for IT-related services and Travel booking services equivalent to SR 2.4 million and SR 0.1 million, respectively.

The cash flow movement between the Company and Seera Holding Group includes a contribution of SAR 15.19 million from the parent in relation to employee incentives of the Company. This contribution is shown in other reserves.

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9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

<u>Transactions</u>	<u>Relationship</u>	<u>Nine months ended 30 September 2022</u>		
		<u>Sales</u>	<u>Purchases</u>	<u>(Receipts) / Payments*</u>
Seera Group Holding	Owner	285,225	(8,081)	362,876,137
Elaa Air Transportation	Fellow Subsidiary	-	(2)	(3,608,797)
Seera Holiday for Travel and Tourism Company Limited (SHT)	Fellow Subsidiary	1,640,585	(123,936)	7,951,645
Elaa Travel, Tourism and Cargo Company Limited (ECC)	Fellow Subsidiary	2,524,594	(22,982)	1,243,223
Almosafer Company for Travel and Tourism (MCT)	Fellow Subsidiary	1,057,352	(21,965)	3,778,182
Hanay Trading Company Limited (HTCL)	Fellow Subsidiary	-	(7,607)	477,846
Mawasim tourism and Umrah services	Fellow Subsidiary	105,095	-	351,402
Discover Saudi for Travel and Tourism (DSTT)	Fellow Subsidiary	3,231,883	(600)	(3,996,058)
Seera LLC	Fellow Subsidiary	-	-	364,179
Movenpick City Star Jeddah	Fellow Subsidiary	79,935	-	(144,858)
National Travel and Tourism Bureau Limited (NTTB)	Fellow Subsidiary	-	-	18,425
Fayfa Travel & Tourism Agency Company (FTT)	Fellow Subsidiary	-	-	4,497
Tajawal General Trading, LLC (TGT)	Fellow Subsidiary	-	-	116,826
Al Mousim Travel & Tours (AMTT)	Fellow Subsidiary	-	-	(129,605)
Seera Hospitality Company (SHC)	Fellow Subsidiary	-	-	(62,500)
Taqniatech Company for Communication Technology Limited (TAQ)	Fellow Subsidiary	-	-	(144,083)
Jawalah Travels	Fellow Subsidiary	-	-	(276,875)
Tajawal Trading company limited	Fellow Subsidiary	-	-	(18,409)
Al Tayyar Holidays Travel Group Company (ATE)	Fellow Subsidiary	-	-	(4,400)
Al Tayyar Rent A Car Company (ARC)	Fellow Subsidiary	-	-	(1,625)

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

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9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Due balances from related parties

<u>Related Party</u>	<u>Relationship</u>	30 September	31 December
		<u>2023</u>	<u>2022</u>
Seera Group Holding*	Parent company	15,190,885	-
Elaa Air Transportation Company	Fellow subsidiary	-	-
Seera Hospitality Company (SHC)	Fellow subsidiary	-	-
National Travel and Tourism Bureau Limited (NTTB)	Fellow subsidiary	-	-
Fayfa Travel & Tourism	Fellow subsidiary	-	-
Almosafer Company for Travel and Tourism (MCT)	Fellow subsidiary	-	-
Seera Holiday for Travel and Tourism Company Limited (SHT)	Fellow subsidiary	-	-
Taqniatech Company For Communication Technology Limited (TAQ)	Fellow subsidiary	-	-
Hanay Trading Company Limited (HTCL)	Fellow subsidiary	-	-
Mawasim Tourism and Umrah Services	Fellow subsidiary	-	-
Tajawal General Trading, LLC (TGT)	Fellow subsidiary	-	-
Total		15,190,885	-

Due balances to related parties

<u>Related Party</u>	<u>Relationship</u>	30 September	31 December
		<u>2023</u>	<u>2022</u>
Al Mousim Traavel & Tours (AMTT)	Fellow subsidiary	-	-
Elaa Travel, Tourism and Cargo Company Limited (ECC)	Fellow subsidiary	-	-
Seera Travel and Tourism	Fellow subsidiary	-	-
Tajawal General Trading, LLC (TGT)	Fellow subsidiary	-	-
Seera Holiday for Travel and Tourism Company Limited (SHT)	Fellow subsidiary	-	-
Fayfa Travel & Tourism	Fellow subsidiary	-	-
Almosafer Company for Travel and Tourism (MCT)	Fellow subsidiary	-	-
Hanay Trading Company Limited (HTCL)	Fellow subsidiary	-	-
Mawasim Tourism and Umrah Services	Fellow subsidiary	-	-
Total		-	-

10. CASH AND CASH EQUIVALENTS

	30 September	31 December
	<u>2023</u>	<u>2022</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Cash in hand	53,432	-
Bank balances*	75,572,085	49,466,261
	75,625,517	49,466,261

*Cash at bank included restricted amount of SR 6,405,015 (December 2022: SR 7,480,557)

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11. 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 2023 (31 December 2022: SR 550,000,000).

	<u>Percentage</u>	<u>Number of shares</u>	<u>Value per share</u>	<u>Total</u>
Seera Holding Group	70%	38,500,000	10	385,000,000
Others	30%	16,500,000	10	165,000,000

12. LOANS AND BORROWINGS

	<u>30 September 2023</u> <u>(Unaudited)</u>	<u>31 December 2022</u> <u>(Audited)</u>
Opening balance	492,886,364	-
Loans obtained during the period/year	642,298,229	547,000,000
Interest expense for the period/year	39,622,758	13,114,690
Loans repaid during the period/year	<u>(188,497,000)</u>	<u>(67,228,326)</u>
Closing balance	<u>986,310,351</u>	<u>492,886,364</u>
Non-Current Liabilities	<u>629,574,779</u>	<u>364,659,091</u>
Classified as:		
Secured bank loans	<u>509,905,314</u>	<u>364,659,091</u>
Unsecured Bank Loans	<u>119,669,465</u>	<u>-</u>
Current Liabilities	<u>356,735,572</u>	<u>128,227,273</u>
Classified as:		
Secured bank loans	<u>307,511,354</u>	<u>128,227,273</u>
Unsecured Bank Loans	<u>49,224,218</u>	<u>-</u>

These represent loans obtained by the Company with local banks at the rate of prevailing market interest rate with last payment to be made between September 2024 and March 2029. 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 secured loans are secured against assignment of revenue related cashflows.

13. REVENUE

	<u>For the three months period ended 30 September</u>		<u>For the nine months period ended 30 September</u>	
	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>	<u>30 Sep 2023</u>	<u>30 Sep 2022</u>
Revenue from contracts with customer				
Vehicle lease and rental agreements	195,350,199	148,121,036	540,777,185	411,331,679
Revenue from sale of vehicles	96,034,541	40,035,559	250,640,888	113,432,662
Total Revenue	<u>291,384,740</u>	<u>188,156,595</u>	<u>791,418,073</u>	<u>524,764,341</u>
Timing of revenue recognition				
Services transferred overtime	195,350,199	148,121,036	540,777,185	411,331,679
Services transferred at point in time	96,034,541	40,035,559	250,640,888	113,432,662
Total Revenue	<u>291,384,740</u>	<u>188,156,595</u>	<u>791,418,073</u>	<u>524,764,341</u>

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14. ZAKAT PROVISION

	30 September 2023	31 December 2022
	(Unaudited)	(Audited)
At the beginning	4,679,053	3,052,478
Provided during the period	4,737,717	4,679,053
Payments made during the period	<u>(4,679,053)</u>	<u>(3,052,478)</u>
At the end	<u>4,737,717</u>	<u>4,679,053</u>

The Zakat returns of the Company was filed on a consolidated basis with its Parent company for the year ended 31 December 2022. Following the listing and sale of 30% shareholding by the parent company, the zakat return for the year ended 31 December 2023 will be filed on a standalone basis.

15. 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.

	For the three-months period ended 30 September		For the nine-months period ended 30 September	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
Profit attributable to ordinary shareholders	<u>34,964,513</u>	30,471,922	<u>134,991,402</u>	102,521,915
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>	55,000,000
Basic and diluted	<u>0.64</u>	0.55	<u>2.45</u>	1.86

16. 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.

16. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (CONTINUED)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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Financial instrument category		30 September 2023 (Unaudited)	31 December 2022 (Audited)
Financial assets at amortized cost	<i>Note</i>		
Trade receivables, net	8	232,721,068	173,600,069
Other receivables		5,793,146	3,100,274
Cash and cash equivalents	10	75,625,517	49,466,261
Due from related party		15,190,885	-
		<u>329,330,616</u>	226,166,604
Financial liabilities at amortized cost			
Trade payables		436,354,845	392,122,179
Loans and borrowings	12	986,310,351	492,886,364
Lease liabilities		81,286,767	74,409,242
Accruals and other liabilities		35,044,375	18,683,936
Total		<u>1,538,996,338</u>	<u>978,101,721</u>

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).

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16. 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.

	<u>100 bps increase</u>	<u>100 bps decrease</u>
30 September 2023	(9,863,104)	9,863,104

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 45 days.

17. 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:

<u>Reportable segments</u>	<u>Operations</u>
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 thresholds for reportable segments in 2023 or 2022.

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.

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17. OPERATING SEGMENTS (CONTINUED)

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.

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 month period ended 30 September 2023</i>							
	Leasing		Rental		Others		Total	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
Revenue	101,823,895	77,810,321	93,526,304	70,310,715	96,034,541	40,035,559	291,384,740	188,156,595
Depreciation of Vehicles	(37,470,331)	(35,022,816)	(29,748,142)	(33,126,082)	-	-	(67,218,473)	(68,148,898)
Segmental Profit	<u>64,353,564</u>	<u>42,787,505</u>	<u>63,778,162</u>	<u>37,184,633</u>	<u>96,034,541</u>	<u>40,035,559</u>	<u>224,166,267</u>	<u>120,007,697</u>
Unallocated Income / Expenses								
Segmental profit							224,166,267	120,007,697
Cost of Revenue							(129,247,473)	(64,851,012)
General & Admin Expense							(23,771,527)	(13,616,017)
Provision for expected credit loss							(3,033,921)	(6,448,868)
Employee incentive							(15,190,885)	-
Other Income/Expenses							74,214	2,935,730
Finance Cost							(16,294,148)	(6,678,992)
Profit before Zakat							<u>36,702,527</u>	<u>31,348,538</u>

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17. OPERATING SEGMENTS (CONTINUED)

For the nine months period ended 30 September 2023

	Leasing		Rental		Others		Total	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
Revenue	273,918,620	219,644,941	266,858,565	191,686,738	250,640,888	113,432,662	791,418,073	524,764,341
Depreciation of Vehicles	(100,703,348)	(99,171,875)	(93,259,404)	(87,732,382)	-	-	(193,962,752)	(186,904,257)
Segmental Profit	173,215,272	120,473,066	173,599,161	103,954,356	250,640,888	113,432,662	597,455,321	337,860,084

Unallocated Income / Expenses

Segmental profit							597,455,321	337,860,084
Cost of Revenue							(329,852,441)	(168,523,268)
General & Admin Expense							(65,601,167)	(38,606,420)
Provision for expected credit loss							(13,973,245)	(13,712,046)
Employee incentive							(15,190,885)	-
Other Income/Expenses							10,425,605	3,194,019
Finance Cost							(43,534,069)	(14,741,105)
Profit before Zakat							139,729,119	105,471,264

	Leasing		Rental		Others		Total	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Segment Assets	1,209,330,414	816,538,485	824,105,091	655,481,243	527,020,469	372,306,553	2,560,455,974	1,844,326,281
Segment Liabilities	(594,630,048)	(434,860,432)	(388,215,609)	(425,058,834)	(583,885,760)	(140,864,745)	(1,566,731,417)	(1,000,784,011)

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18. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

As at 30 September 2023, the Company has letters of guarantees amounting to SR 703.2 million (31 December 2022: SR 387 million)

Capital commitments

The Company has outstanding capital commitments as at 30 September 2023 amounting to SR 217 million (31 December 2022: SR nil).

19. SUBSEQUENT EVENTS

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

20. APPROVAL OF THE FINANCIAL STATEMENTS

These interim condensed financial statements have been approved by the Board of Directors on 22 Rabi' II1445H (corresponding to 6 November 2023).