



Annual Report 2019

Celebrating the spirit of travel to foster closeness and harmony between cultures



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Company overview

Seera is the leading provider of diverse travel services in the Middle East and North Africa region. With its balanced portfolio of brands across five verticals, Seera is regarded as the most knowledgeable and accomplished travel service provider from KSA.

The Group is a significant contributor to the growth of the domestic, inbound and outbound tourism economies of the Kingdom of Saudi Arabia and a best-in-class business partner in unlocking the opportunities in the region.

Our vision

To continue leading in the field of travel and tourism services through a robust portfolio of trusted, reputable brands and to provide outstanding service that unfailingly exceeds our customers' expectations.





Ready and equipped to tackle a new era of travel services

2019 was a year in which Seera Group faced a number of challenges within its key markets in Saudi Arabia, as did many similar companies. Our travel services and tourism unit, through its digital platforms, performed well, as did the car rental unit. We have also expanded our investments in the United Kingdom to reinforce our strong presence, thus concluding the year with several significant achievements that will further strengthen our leading position in the market.

Our most prominent achievements

These include Seera Group's completion and transition to its new brand, which symbolizes the journey of travellers around the world. We are very excited about this new phase, which will enrich our successful journey as market leaders in travel and tourism. We expect our new brand identity to play a significant role in boosting further growth and progress, create opportunities to reinforce the confidence of our customers and shareholders and forge the way to more successes and achievements.

The Kingdom of Saudi Arabia is witnessing an unprecedented economic and social transformation with the launch of the ambitious 2030 Vision strategy under the auspices of the Custodian of the Two Holy Mosques (may God protect him). It is a certainty that travel and tourism will be at the forefront of this transformation - and Seera Group is determined to be one of the leaders in these developments. This stems from our deep commitment and tireless pursuit to make travel and tourism accessible to all, to build bridges between all cultures to promote the spirit of travel worldwide and encourage closeness and harmony between cultures.

Leading the transition in the tourism sector

The authorization of the new tourist visa system in September 2019 is a leap towards a new era filled with promising opportunities. It is a qualitative transition that will place Saudi Arabia in a prominent position on the global tourism map. This goal will be achieved through a tourism development strategy focusing on boosting internal tourism and attracting visitors from around the world. It is expected that the private sector will play a major role in enabling visitors to experience our rich and diverse cultural heritage at tourist destinations throughout the Kingdom.

Within the framework of these efforts, Seera has committed to investing more than one billion SAR towards the development of the tourism sector and its enrichment by promoting KSA as a popular tourist destination. In addition, the company will provide services for the distribution and inauguration of new tourist infrastructure projects as well as initiatives for training and developing new cadres. This substantial investment reflects our strong commitment to fostering tourism in the Kingdom as we stand on the threshold of progress and prosperity.

Establishing strategic partnerships and developing new business units

This year witnessed the formation of several new partnerships with international hotel groups and leisure brands. These included the Intercontinental Hotel Group, a leading international brand and Disneyland Paris to serve travelers in KSA and GCC countries.

In addition, Seera announced in 2019 the establishment of its new business unit "Discover Saudi" for the management of strategic tourist destinations. It is the first comprehensive division of its kind in Saudi Arabia. The launch of the unit is part of the Group's investment strategy to develop the tourism sector and provide added value. Our goal is to become the preferred tourist destination for visitors from around the world. We hope to achieve this by providing diverse and culturally-rich tourist experiences as well as delivering outstanding and streamlined service. In addition to all of this is our cooperation with relevant national agencies in order to boost the national economy and provide lucrative employment opportunities for citizens.

As for the Hajj and Umrah business unit, it is well on its way to increased growth, as visitors from many countries are now able to practice the Umrah rites at all times throughout the year without a special visa. Hajj and Umrah visitors comprise one of the main categories of visitors to KSA. Their numbers are expected to rise under the government's 2030 Vision strategy.

Financial performance

Seera achieved its highest ever value in bookings in the fiscal year 2019, with a total of 10.8 billion SAR. Additionally, the consumer travel unit saw a 49% increase in revenue during the same period. Overall, the termination of our contract with the Ministry of Education has been compensated by the robust and consistent growth of the consumer travel unit and the car rental unit.

The net value of bookings by the consumer travel unit was 3.9 billion SAR for the fiscal years of 2019 – a 49% increase from 2.6 billion SAR in the previous year. The volume of car rental services saw a dramatic leap to 83% in the fiscal years of 2019.

The net value of the Group experienced a slight decline of 4.8% for the fiscal year of 2019 against the previous year due to our more competitive pricing for some services in order to maintain and expand our market share.

The net revenue of the Group after the deduction of Zakat and taxes was 189 million SAR against a net loss of 142 million SAR the previous year.

Social responsibility

Seera has launched the Almosafer Academy to support and promote Saudi capabilities in the tourism sector by developing the skills and expertise of Saudi youth. The academy started its first course in September 2019. It offers a 10-week intensive employment program geared towards attracting multi-talented Saudi youth and the training of a new generation of male and female travel consultants.

The Group has also launched the intensive training programme "Jadarah" in partnership with a prestigious group of renowned companies including Google, Twitter and Amadeus. The programme, which runs for five months, is designed to be a professional launching ground for graduates and helps provide employment opportunities in the business and technology sectors. The programme aims at developing capabilities, diversifying skills and guiding participants to build a promising professional future.

Leadership and vision

We are grateful for our wise leadership embodied in the honorable Custodian of the Two Holy Mosques and His Highness the Crown Prince, whose efforts have enabled us to comprehend the true potential of the sector and inspired us to explore wider horizons to create a new model of tourism development in KSA.

On behalf of my colleagues on the board, I would like to express my deepest thanks and appreciation to our esteemed shareholders and strategic partners for their continued support and confidence in our brands. This has enabled us to continue to achieve profits and maintain our leadership in the travel sector. I also extend my sincere thanks to the Executive management team and all of our employees for their dedicated efforts. We would not have achieved our level of performance in 2019 without their commitment and dedication.

Engineer Mohammed Bin Saleh Al-Khalil

Chairman of the Board

CEO's statement

2019 was an outstanding year in the Group's history. We announced the launch of our new brand identity and finalized the transition from Al Tayyar Travel to Seera Holding Group.



Today, our company is fundamentally different from what it was three years ago. 2019 was proof that the changes we implemented were essential and made at the right time. They created a strong foundation that has enabled us to confront the uncommon challenges that have occurred in the travel industry globally, regionally and locally since the beginning of the current year. These changes have paved the way for the Group to grow at a faster pace than was expected after various challenges were overcome. Despite the hurdles, the past year has been one of the significant achievements, the realization of some ambitious goals and the launch of several initiatives and projects. We have restructured our portfolio into strategic business units, expanded into new activities and launched our new customized brand for destination management in KSA, "Discover Saudi", all of which contribute to the vision and ambitious strategy of KSA in the field of tourism.

In the fiscal year of 2019, Seera Group achieved its highest ever revenue in gross booking value (GBV), of 10.8 billion SAR (2.9 billion dollars). This was due mainly to the increase in bookings through our consumer travel unit of 49% against a net value of 3.9 billion SAR in 2018. Our online platforms recorded a 64% growth rate against 3.3 billion SAR in 2018. The car rental business unit recorded a big leap in revenue growth, reaching 83%, at 343 million SAR.

With our strategy, we have been able to successfully overcome many tough challenges in 2019.

The Group was able to absorb and minimize the impact of the modest performance of hotel assets and the termination of our contract with the Ministry of Education, which at times, accounted for 30% of total gross booking value (GBV) for the Group. Credit is due to the excellent results achieved by the consumer travel unit and the car rental unit. The goal of the consumer travel unit was to achieve a net booking value of 3 billion SAR, while the goal of the car rental unit was to reach a net value of 350 million SAR. Both goals were not only successfully attained but significantly exceeded.

Seera ended 2019 in a stronger fiscal position, as it was able to maintain a high level of cash flow amounting to 350 million SAR. The ratio of working capital was 1: 1.3 at the end of the fiscal year. The percentage of net loans against total equity was less than 20%, an indication of the stability and strength of our financial position. This will enable us to hopefully bypass the economic repercussions that the world is expected to face in 2020. Moreover, the Group's net value for bookings in the fiscal year 2019 was a record 10.8 billion SAR, the highest ever achieved in our history.

Seera Group has the long experience, financial strength, robust capacity and vision required to launch a new era of growth in the travel and tourism industry in the Middle East and North Africa. This is due to its capacity as the leading and most technology-reliant travel and tourism service company in the region. Our operations extend to the management of travel destinations, business travel, consumer travel, Hajj and Umrah services, car rentals, hospitality and investment.

Since its establishment in 1979 as a small travel agency, Seera has been providing travel and tourism services to consumers and has been an active participant in developing the travel and tourism industry in the region. In 2005, the company, known then as Al Tayyar Travel, became a closed shareholding company. Its business relied mainly on a number of government contracts and the acquisition of small companies. By 2012, we had become the first company in the travel and tourism industry to offer shares on the Saudi stock market. The Group utilized the additional cash flow by investing in a wide range of sectors, including leading technology-based companies like Careem (later acquired by Uber), as well as traditional and online travel and tourism companies like tajawal and Almosafer. This has gone hand in hand with the expansion of our presence in the United Kingdom and GCC states.

However, this journey was not without challenges

The volume of travel services in the government and business industries was around 10 billion SAR, less than 10% of the total market value of travel and tourism in KSA. Despite our leading position in the industry, our over-dependence upon it caused us to be negatively affected by related organizational and legislative changes. What further complicated matters is that the Group's associate companies had exceeded 52 following a wave of uncoordinated acquisitions. This created a state of ambiguity for shareholders and investors regarding our identity and key vision. It became clear that we urgently needed to systematize our investments for maximum benefit in terms of value and revenue.



10.8 billion
Total bookings

3.9 billion
Consumer travel

343 million
Car rentals

In 2016, we determined that a storm of challenges was brewing. We realized that we urgently needed to concentrate our business portfolio and synchronize our operations framework, which depended primarily on government contracts. If we were to avoid tremendous losses, we needed to discover new opportunities. It was during this time that we took our first steps to transition from a family company that provided travel services to the government sector to becoming a more strategic, coordinated and technology-reliant entity. The Group adopted the strategy of a start-up and began its challenging journey of comprehensive, fast-paced change.

Continuing in our early footsteps, we launched a desperately-needed comprehensive transition program in 2017. The goal was to formulate a new distinct vision and lay the foundations for our future strategy. And since our business revolves around understanding the needs of our customers and providing superior service, our transformation was geared towards comprehensive change. This would come through the restructuring of our business portfolio, improving performance, a robust governance system and developing a culture grounded in boosting performance levels; all of this within the framework of a renewed vision. Through this vision we will strive to become leaders in the travel and tourism industry with a robust portfolio of brands. Our goal is to become a leading company recognized for outstanding service that consistently exceeds customer expectations.

Seera's strategy revolves around three main axes aimed at creating value. They can be summarized as follows: Firstly: Market Volume. The volume of travel in KSA is huge. However, the available services do not match the massive and growing volume of the market. Secondly: The Importance of Brand Trust and Local Expertise. Thirdly: Achieving Sustainable Economies of Scale is essential and provides a strong competitive edge.

The transformation program has allowed us to better focus on our business portfolio. The Group's subsidiaries number 52 independent companies. They were restructured into 6 strategic business units specialized in travel and tourism. The business units will cover destination management, travel management (for the businesses and government agencies), consumer travel, Hajj and Umrah services, car rentals and hospitality and lastly, investments. The Group's portfolio has been carefully developed according to specific standards that cover potential growth, economic and profit considerations, our competitive position and the asset advantages of each unit.

And since achieving sustainable economies of scale is one of the key axes of our strategy, Seera's role is to be the hub of these strategic business units rather than just a traditional holding company. It will actively participate in providing combined services and strategic guidance. It will also play a role in developing digital platforms and databases and managing relationships and contracts for all suppliers. This will allow the business units to focus entirely on the goals of their operation. In this way, the Group will achieve sustainable economies of scale.

The three main axes of the transformation program will be the focal point when concluding contracts and completing travel reservations. This will be done through a comprehensive platform that contains all travel services, from hotel and airline bookings to tour packages, which are offered to customers according to what suits them.

The Centre of Excellence will manage all business agreements and operations of the Group to improve operational capability in order to procure the best prices, products and digital solutions.

The utilization of data analysis and artificial intelligence are an essential component for achieving sustainable economies of scale. In order to accomplish this, we have established an independent data unit. This will act as a catalyst to help the Group achieve transparency, make informed decisions, understand customer needs, support creativity and come up with innovative products. The data analysis unit, established in April 2019 has played a big role in helping the Group and its customers make better and more timely decisions.

Guaranteeing the success of these ambitious plans for developing the travel and tourism requires skilled and qualified cadres. We at Seera are committed to recruiting, training and employing Saudi youth in order to develop a new and qualified generation of travel consultants. In order to achieve this goal, we have launched the Almosafer Academy in order to support young capabilities and cadres, and to utilize our experience in tourism and travel in all fields of sales, share unique customer experiences as well as operations and leadership expertise.

CEO's statement continued

We are also proud of our social contribution through the Jadarah Talent Accelerator programme, which is concerned with endorsing the capabilities of Arab youth and the development of their skills through comprehensive training programs.

There are four main strategic business units within the Group: the consumer travel unit, business travel management, Hajj and Umrah services and KSA destination management. This is in addition to two strategic support units: car rental and hospitality. These are geared towards providing stable cash flow to help fund other high-growth travel areas. As for the investment unit, it is independent of the other business units and has been modernized to unify and increase future investment revenue

Consumer Travel – Almosafer and tajawal

In 2019, we established the consumer travel unit, which incorporates all Seera companies geared towards individual travelers. This includes travel services via online platforms and applications. The customer division of the tajawal brand, provides travel services via digital platforms and applications in the UAE. The second brand is Almosafer, a leading travel service provider that operates via comprehensive and diverse channels in KSA and Kuwait. Almosafer was first launched on social media platforms as a provider of local travel services to meet the needs of Saudi travelers. Today, it is the leading consumer travel brand throughout KSA and the region.

The online travel and tourism services market is enjoying rapid growth in KSA, Kuwait and the UAE (the volume of spending exceeds 80 billion SAR annually). In 2019, we adopted a new strategy to merge and consolidate our services to enable easier access to them via diverse channels. These include online platforms, a network of branches, a call center and a WhatsApp application. Moreover, we utilize the best technology and statistics solutions to ensure that we meet customer requirements and provide a streamlined user experience.

We have continued to grow rapidly while maintaining our leading position in the travel service industry via our online platforms in KSA and Kuwait, with a market share of nearly 60%. Over the last three years, we have enjoyed an annual accumulated growth rate exceeding 82% in Saudi Arabia. Our annual growth rate in Kuwait during 2019 reached 600%. All of this is due to our continuous efforts to understand and respond to customer needs.

We are currently on the verge of launching our first retail branch for our consumer travel brand Almosafer in Kuwait in the next few months. In the UAE, our OTA tajawal continued to expand, achieving a market share of nearly 30% increase in online bookings.

Our investment in marketing, technology and customer service for the consumer travel unit has reflected positively in the volume of bookings. The net value of bookings in 2019 reached 3.9 billion SAR. Our investment in technology and online platforms was focused on the development of a wide range of innovative digital products. They include linking to two of the biggest loyalty programmes in KSA, Alfursan and Qitaf and the improvement of hotel-related content, in addition to new payment services like mada Apple Pay and Knet.

The development of our products and services was based on extensive market research and detailed customer surveys. We have launched a customer service platform on WhatsApp, which became a main communication channel within a few months of its launch. This led to a positive impact on the percentage of booking completions by customers at nearly 60% which has enabled us to better retain customers, foster loyalty and provide future added value. All of this will guarantee positive long-term returns and maximum gains from our marketing investments to win more customers.

We will continue our rapid growth throughout 2020 while growing our brands in the region. Our goal is to achieve a net value for bookings totaling 6 billion SAR. This is in the event that the travel and tourism industry does not deteriorate further due to the spread of Coronavirus, which will directly impact our operations. Nevertheless, we will continue our transformation in order to offer our services through numerous and diverse channels. This includes the launch of over 50 retail branches for our consumer travel brand in KSA and Kuwait, in addition to our continued investment in technology and data and the development of our human resources.

Our Consumer travel unit is a fundamental axis for the evolution of the Group. Therefore, we will continue to provide financial support and every requirement to ensure our continued leadership as providers of consumer travel. Our ambitions are great, as is our determination to achieve them

Travel management - elaa

Elaa is the new brand launched by the travel management unit. It serves Seera's customers in the government and business sectors by providing travel bookings and consultancy services that are smarter, technology-reliant, streamlined and carefully designed to meet customer needs. Elaa holds more than a quarter of the market share for business travel management with a net value exceeding 10 billion SAR.

As part of its transition programme, the Group has endeavored to comprehensively develop the travel management unit. This is being done through the implementation of smart technology solutions in order to better serve customers. As a result of this digital orientation, the unit has reduced its reliance on subsidiary branches from 120 at the start of 2019 to 68 by the end of the same year.

Elaa offers customized solutions to meet the diverse needs of all our clients. As a result, the Ministry of Sports of Saudi Arabia has awarded the Group its main operations contract for talent scholarships as part of the strategy to develop Saudi football. The contract runs from January 2019 to December 2022. The programme aims to advance the sport of football through the development of young Saudi football talents. The programme sends them to train at a specialized center in Spain, which will allow them to participate in friendly competitions throughout Europe for a trial period before signing/loaning them to clubs in the region. The contract stipulates that we are fully responsible for the operation of the program through a team of 20 employees, who will work on the ground in Spain.

The elaa call center and a wide network of branches work to provide customer support related to all types of reservations, booking changes and inquiries, regardless of their complexity, timing or classification. The call center follows up with travelers all around the world and provides contact numbers for 20 key local destinations. Elaa also provides shipping services via air, land and sea, in addition to being the sole Saudi company to be certified by the World Air Cargo Organization (WACO), in addition to being a certified shipping agent by the General Authority of Civil Aviation (GACA).

Elaa is a trusted travel services partner for more than 400 clients in the business and government sectors. They include leading companies such as Saudi Entertainment Ventures, Red Sea Development Co., NEOM and Qiddiya. This is in addition to our role in organizing prominent events such as the Future Investment Initiative, as well as our strong relationship with a number of ministries, hospitals and major universities in the Kingdom.

In order to give priority to more complex services with higher profit margins, maintain our competitive advantage and boost operational capacity, we have greatly enhanced elaa's digital platform in 2019. Additional features include customer relations management, artificial intelligence and big data analysis. We have also launched several digital products and improved current products and services to meet customer requirements and provide unique customer experiences. In 2019, we launched a new digital platform for travel services, Elaa for Business. The platform is streamlined, user-friendly, efficient and cost-effective. It is ideal for our clients in the business and government sectors and their subsidiaries, as users can customize elaa solutions to their specific needs. They can also use it to monitor compliance to travel policies. The elaa platform additionally offers users flexibility and the ability to control their travel selections.

Lastly, despite the termination of our contract with the Ministry of Education, the travel management unit has been able to maintain bookings at a value of nearly 2.9 billion SAR in 2019. It is expected that the unit will continue to increase its market share in the industry.

Hajj and Umrah services – Mawasim

The Hajj and Umrah sector is promising with massive growth potential. The Kingdom's vision strategy includes the goal of increasing the number of visitors to 30 million by 2030. The potential annual value of the sector is expected to reach 310 billion SAR.

Seera has identified the potential opportunities in order to benefit from the projected growth in the Hajj and Umrah sector and to improve the quality of service. We have established a strategic business unit for Hajj and Umrah that offers services via its brand Mawasim. Mawasim focuses on providing Hajj and Umrah services to companies and agents in key markets in order to lower the high costs, and the challenge of reaching pilgrims directly due to their large numbers.

Companies and agents must be able to comprehensively meet customer needs and growing demand in key markets.

The central booking engine Maqam, launched by the Ministry of Hajj and Umrah is the first key step to providing services and products on our digital platform, then via numerous other platforms. This will allow Mawasim to deliver its products and services to all travel agents and tour organizers in key markets – after the repercussions of Coronavirus have subsided.

It is expected that the Ministry of Tourism will take strong measures to support the Umrah system. These include access to tourist visas everywhere in the world, which allow holders to practice the Umrah rites. If these measures fulfill expectations, they will open new markets for Mawasim. Mawasim will soon cooperate with Discover Saudi in order to meet demand and keep up with growing changes in the market.

We will continue throughout 2020 to build our internal capabilities through consolidation with Discover Saudi to ensure our ability to deal with all markets with a joint work plan. Mawasim will also modernize its service delivery system and penetrate markets through enhancing internal capabilities in human resources, operations and technology.

In the short-term, the Group will undoubtedly be affected by the temporary suspension of Umrah visas due to the spread of Coronavirus. However, the long-term expectations are extremely encouraging in light of the Kingdom's strategy to increase the number of pilgrims.

Destination Management – Discover Saudi

The Kingdom's government realizes the massive potential of the tourism industry as a powerful economic catalyst. The government has therefore positioned the tourism industry as a focal point for achieving the Kingdom's vision for 2030. The vision encompasses the diversification of the national economy to achieve sustainable development. For the first time the scope of interest has expanded to include tourists alongside local travelers and visitors for Hajj and Umrah.

The government has made ambitious plans in this context, which can be summarized as follows:

The attraction of 100 million tourists and a resulting revenue of 115 billion dollars by 2030. Increasing the contribution of the tourism industry to GNP from 3% to 10% by 2030.

To achieve these goals, the Kingdom has allocated large-scale resources for building a tourism and leisure infrastructure. Although outbound travel is the biggest source of revenue for our consumer travel unit, we have begun to notice an increasing demand for local tourism from all sectors of society.

For a long time, tourists have been interested in discovering the cultural sites of Saudi Arabia. But the mechanisms for foreign tourism were far from simple, visas were technically restricted to individuals coming for work or visits (with very rigid stipulations) and visitors for Hajj and Umrah. All of this changed last September when the Saudi Commission for Tourism and National Heritage (currently the Ministry of Tourism) announced a new simplified system for issuing visas in 49 countries. In the six months since the launch of the new system, an estimated 400,000 tourist visas have been issued.

The Group has launched a strategic unit for tourist destination management, "Discover Saudi", the first of its kind in the Kingdom. The goal is to maximize on opportunities resulting from the Kingdom opening its doors to tourists.

Additionally, we hope to benefit from the massive government investments in cultural, touristic and leisure projects in order to develop the tourist industry by 2030. This is in addition to the Group's investments in the sector with 500 million SAR. Discover Saudi will strive to meet the rising local and international demand for tourism by establishing a number of tourist assets. These include desert campsites and tour packages, in addition to cooperating with the Saudi Ministry of Tourism to create tourist programs aimed at highlighting the rich and varied cultural, touristic and leisure destinations.

The main focus of Discover Saudi will be to market KSA as a popular tourist destination by developing and offering tour packages to travel companies and agents worldwide, as well as via online platforms. This will be aided by the Group's close relationships with hotels and resorts. Discover Saudi will provide tourists with outstanding experiences and superior service – which will motivate them to repeat the experience

CEO's statement continued

Car rentals – Lumi

We have integrated three companies to form one of the fastest-growing car rental companies in KSA – the Lumi brand. Lumi provides ease and comfort to our clients thanks to its innovative energy and technology solutions.

Through our presence at major Saudi airports, Lumi enables us to offer our services to individuals. We also provide services to the business and government sectors. The company benefits from the government's strategy of abandoning the purchase of vehicles in favor of rental contracts.

Lumi recorded outstanding performance in 2019 with an 83% increase in revenue. The size of its fleet currently exceeded 11,000 vehicles. Due to the effective management of our fleet and our efforts to boost operational performance and expand sales, we anticipate the unit to continue achieving positive outcomes. This year, we seek to increase revenue by 40 – 50% to exceed 500 million SAR. However, this will depend primarily on the impact of Coronavirus on the travel sector and budget allocations by the government. Medium and long-term revenue increases in this sector will play a key role in allowing us to fund new and promising business units. This applies specifically to the consumer travel unit, which manages the Almosafer and tajawal brands.

In 2020, Lumi will benefit from the Group's technical expertise in order to develop automated car rental solutions. These advanced technologies and services will enable Lumi to maintain its leading position in the sector.

Hospitality

The hospitality business unit owns and operates five hotels with a total of 1,880 rooms, all in strategic areas throughout KSA. The Group's other units benefit from these hotels, including our Mawasim brands which specialize in Hajj and Umrah services, elaa which specializes in travel management and Almosafer for consumer travel.

Asset revenues for the hospitality unit exceeded 150 million SAR. These include Sheraton Jabal Al Kaaba (Makkah) and Movenpick City Star (Jeddah) in addition to three other properties in Makkah. These hotels provide a stable cash flow that is used to fund other business units. However, this revenue will be affected in 2020 by the suspension of visas for Umrah.

We acquired Sheraton Jabal Al Kaaba in 2015 for a relatively high value, when property prices in Makkah were high. The hotel has not been ideally utilized due to the expansion work at the site of the Holy Mosque in the vicinity of the hotel, which made reaching it difficult. We are now working to make a return of our capital through the conversion and sale of 110 luxury flats. The deeds to the flats are finalized and will be put on the market in 2020, depending on the market situation. We do not expect any capital gains from the sale of these flats due to the high acquisition value.

Our concern during 2019 was to invest in the development of medium-scale hotels to take advantage of the increase in business travelers and a new generation of tech-savvy and cost-conscious individuals.

To expand our range of offerings in the region consistently and reliably, we have invested more than 500 million SAR in a huge partnership franchise with Choice Hotels. We will develop the second-largest hotel chain in the world on property owned by the Group, and launch the famous Comfort, Quality and Clarion brands in strategic tourist sites. We are currently developing six hotels in Riyadh and Jeddah on land owned by the Group.

The investment unit

As part of our investment strategy, all non-strategic subsidiary companies and businesses were consolidated under the umbrella of the strategic investment unit. This was done to achieve maximum gain from these companies in terms of value and revenue. We have divided our investments into several categories, each with a specific strategy. They are: immediate exit from the investment, increasing short-term and middle-term value through coordination, integration mechanisms.

In this context, we have managed to exit from Zaher Investments & Property Development in exchange for 377 million SAR. We transferred 6 land properties with a book value of 190 million SAR to the hospitality unit to build 6 medium-scale hotels. We have sold a transport company in Egypt and travel companies in Kuwait, Lebanon, Malaysia and Sudan for approximately 40 million SAR.

In the second category, we were one of the first investors in Careem and its largest shareholder. We concluded a deal to sell the company to Uber and expect to collect 1.5 billion SAR.

Our investment in Portman Travel Group Ltd. falls under the third category, where we are currently one of the biggest specialized travel groups in the UK. Portman adopts a strategy of self-expansion through the corporate acquisition of leading UK companies in the sector to benefit from sustainable economies of scale, then exit with a higher value. The gross booking value (GBV) in the unit in 2019 was 500 million pounds sterling and revenue was 45 million pounds sterling with profits of 4 million. As for the forecast for gross booking value (GBV) for 2020, it has risen by 15%, 10% and 20%, respectively. We intend to continue with these carefully selected acquisitions to enhance shareholder value during the year 2020.

In conclusion

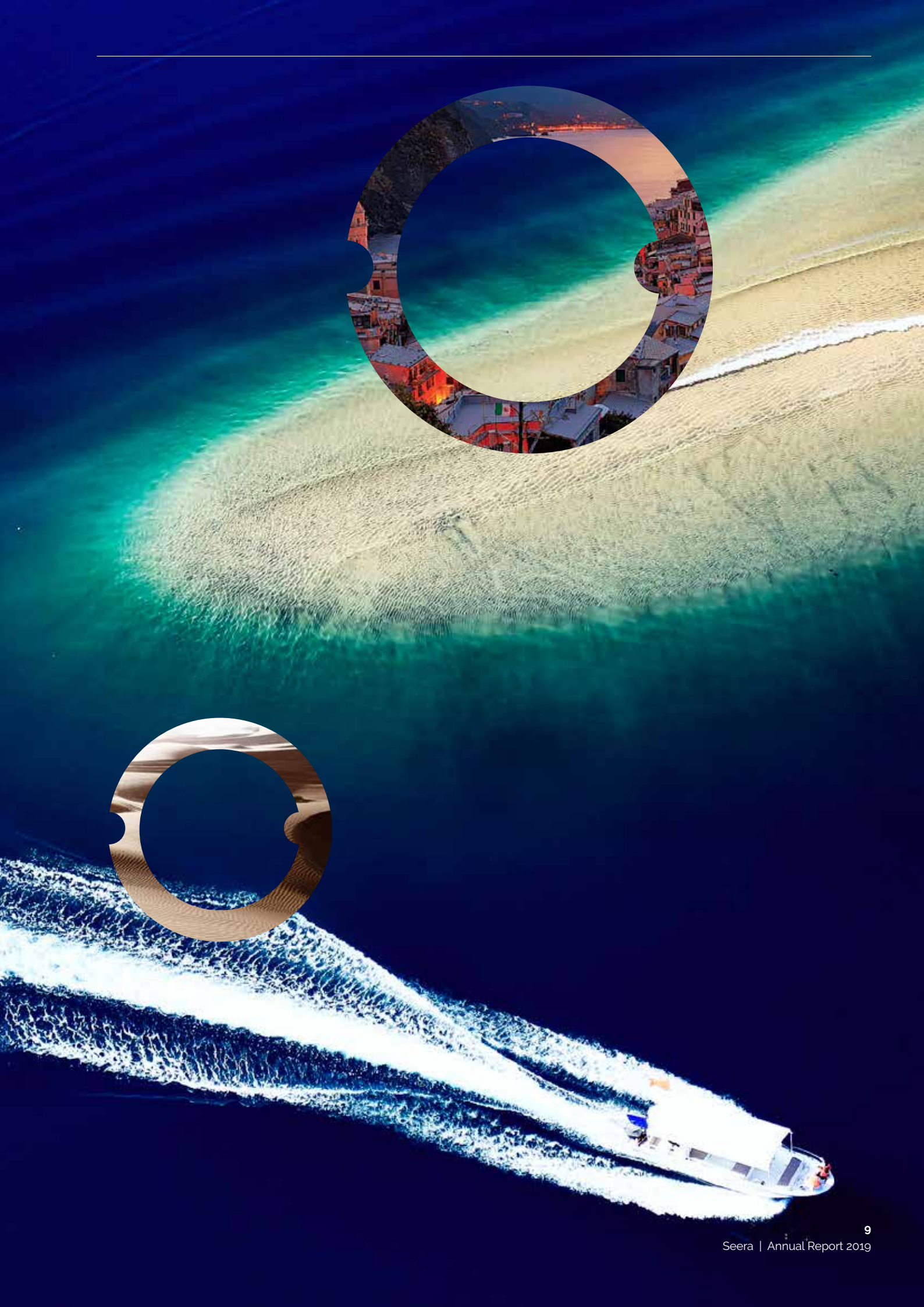
We intend to focus on the sectors that have more opportunities for sustainable growth. We will continue to make use of our expertise in understanding and analyzing data to improve decision-making and operational capability.

Clearly, the spread of Coronavirus will have a negative impact on the travel and tourism industry but its extent is unpredictable at the present time. Nevertheless, we have a robust cash flow to maintain the funding of our operations. We will take the necessary precautions to manage the situation with prudence and caution. We will continue to closely monitor the situation as we operate the Group with responsible strategies and deliberate steps in order to adapt to changes as required.

Our work at Seera stems from our firm commitment to provide travel opportunities for everyone. In light of this, we have developed brands, online platforms, strong data systems, motivated teams and a clear vision to understand the needs of travelers and deliver superior service through solutions and products that are hard to compete with.

As the name of our Group implies, we will continue in our extended journey into the future. We have already come a long way by restructuring our business portfolio and working in the style of a start-up in order to compete in bigger markets and take advantage of better opportunities. There are definitely headwinds and we can discuss ways to confront them. Certainly, the journey will take time but we continue to be optimistic about the future.

Mr. Abdullah Bin Nasser Al Dawood
Chief Executive Officer



Board of Directors



Engineer Mohammed Bin Saleh Al Khalil
Board Chairman



**Ahmed Samer Bin Mohammed
Hamdi Al Zaim**
Vice Chairman



Dr. Sulaiman Ali Alhudaif
Board Member



Abdullah Abdulrahman Al Ayadhi
Board Member



Majed Bin Ayed AlNefaie
Board Member



Mazen Bin Ahmed Al Jubeir
Board Member



Yazeed Khalid Al Muhaizaa
Board Member



Ibrahim Bin Abdulaziz Alrashed
Board Member



Abdullah Bin Nasser Al Dawood
Board Member
Group CEO

Executive management



Abdullah Bin Nasser Al Dawood
Board Member
Group CEO



Abdulrahman Bin Abdulaziz Bin Mutrib
Executive Vice President
Group CTO



Yousef Mousa Yousef
Executive Vice President
Group CFO



Saud Bin Mohammed Al Arifi
Executive Vice President
Travel Management



Muzzammil Ahussain
Executive Vice President
Consumer Travel



Tarek Khaterly
Executive Vice President
Center Of Excellence



Redmond Walsh
Executive Vice President
Portman Travel Group



Syed Mohammed Azfar Shakeel
Vice President
Car Rental



Saeed Bin Hussain Al Furaih
Vice President
Corporate & Government Travel



Executive management continued



Abdullah Bin Saleh Al-Saify

Vice President Business Travel Management
Governments and Business Sector



Fahad Bin Mohamed Alubailan

Vice President Consumer travel – Retail



Louise Blake

Vice President Data Center



Ross McCauley

Vice President Marketing
& Communications



Mohamed Khaled

Vice President Finance Division



Maher Bin Fahad Alqufi

Vice President Procurement
& Facilities Management



Alwaleed Bin Abdulaziz Al Nasser

Vice President Legal



Moataz Mohammed Safwat

Senior Director Internal Audit

Organizational structure

Central units provide a unified platform for resource management, commercial contracts, data, technical solutions and support services that serve all strategic business units



A diverse portfolio of business units geared towards providing specialized services to different customer sectors

Summary of operations and historical growth for key global performance indicators





Operational summary

Travel Management unit - elaa

Elaa is the leading business travel management brand in KSA. It strives to improve the standards of this sector to meet the needs of its customers in the government and private business sectors, utilizing Seera's expertise and 40 years of experience in travel and tourism. Through elaa, we strive to provide a smooth, integrated, outstanding experience through the development of smart solutions for business travel, specifically designed to meet our customers' needs. Our most prominent customers include The Public Investment Fund, the Ministry of Health, military hospital, Qiddya and a number of other companies.

Elaa provides business travel services such as airline and hotel bookings in addition to shipping services. It is also the leading provider of chartered airplane rentals in KSA. It manages airplane rentals for many government agencies and VIPs.

Elaa's market share is 25% with a gross value of bookings totaling 2.9 billion SAR in 2019. Elaa has also been awarded numerous contracts, the most important of which is its travel services contract for military hospitals and a logistics services contract with NUBCO owned by the Public Investment Fund.

Elaa has participated in the organization of many events, such as the Future Investment Initiative, where it arranged air and road travel for over 50 international speakers and CEOs. It also arranged reception services for more than 200 international arrivals at various airports in the Kingdom.

In order to boost operational efficiency and transparency, elaa has developed a number of electronic systems to finalize travel bookings and boarding passes. It launched the program for the Ministry of Health in mid-2019, linking it to the internal systems of the ministry. By the end of the year, 80% of paper boarding passes became digital for ministry users. Following the successful launch of the system, elaa is now working to integrate it for all beneficiaries of the ministry's services.

The system allows us to deal with travel requests with a high degree of efficiency and transparency through the communication center, which helps lower operational costs. The percentage of tickets issued from the elaa communications center was 90% of the total monthly tickets. The percentage of customer satisfaction was 88%.

Elaa will continue working to automate all of its services to achieve higher operational proficiency and to lower costs.

Consumer travel - Almosafer and tajawal

Near the end of 2019, the consumer travel unit was established as an umbrella unit that integrated all Seera entities offering travel services to consumers. The unit consists of tajawal a brand dedicated to online travel in the UAE. Secondly is "Almosafer", a leading brand for travel via diverse channels that currently operate in KSA, Kuwait and Bahrain.

With the addition of new channels, Almosafer is no longer limited to online platforms for delivering service. Its diverse offerings and channels include retail outlets in major cities throughout KSA that employ the latest interactive technologies.

Additionally, a comprehensive strategy is being implemented for all sales outlets, which is expected to boost Seera's sales network and allow expansion to new key areas.

The retail sales outlets play an important role in Almosafer's vision, which aims to diversify its business channels, guarantee a smooth customer journey via online platforms and traditional channels alike. It will rely on the latest technologies to create a consistent, unique experience for all customers.

Almosafer has taken firm steps in its plan to launch 50 new branches by mid-2020 and to benefit from Almosafer Academy graduates through an employment program launched in 2019 to train a new generation of travel consultants.

They will be trained to provide specialized consultations on diverse travel requirements through training courses by leading travel companies like Visit Britain.

Numerous initiatives have been launched to develop a range of innovative digital products. These include tie-ins with two of the biggest loyalty programs, Alfursan and Qitaf. Additionally, new payment services have been authorized, Mada, Apple Pay in KSA and K-Net in Kuwait.

The development of our products and services was based on extensive market research and detailed customer surveys. We have launched a customer service platform on WhatsApp, which became a main communication channel within a few months of its launch. These steps also include essential initiatives and digital projects that helped us achieve gross bookings value that exceeded 3.3 billion SAR through our online platforms.

In 2020, Almosafer will continue to invest in the expansion of its omnichannel offering in Kuwait and KSA. It is also working to implement numerous digital projects aimed at enhancing customer experience, in addition to marketing efforts to ensure more customized customer campaigns and better reach targeted segments. This includes the launch of digital portfolios for the two brands tajawal and Almosafer, which will bring added value to customers. In addition to the digital channels, there are plans to authorize more payment services and add a range of improvements to our products in 2020. The consumer travel unit will continue to develop its brands, raise brand awareness and ensure they are the top choice for customers. This will be through comprehensive promotions and selective marketing campaigns

2020 will be a year of continued effort to provide our customers with the best possible services, offers and products, be it through online platforms, smartphone applications, retail outlets and other service channels.

Hajj and Umrah – Mawasim

A new strategic business unit was launched as a subsidiary of the Group and specializes in providing Hajj and Umrah travel services.

Mawasim is a leading company in KSA in the field of Hajj and Umrah services. It provides inclusive packages for all types of Hajj and Umrah to customers in key markets. Its goal is to serve customers coming from abroad visiting the Holy Site and provide them with an outstanding, unique experience.

Mawasim total bookings achieved a value of 170 million SAR, with a lower growth rate the previous year. This was due to the radical changes that occurred to the visa system and related legislation in 2019.

In 2019, Mawasim focused on consolidating its position in key markets, resulting in a total customer base of 400 travel agents in 27 countries. The brand provides them with a range of packages combining a range of services at competitive prices. They include Umrah visas, hotel bookings, special services, etc. All of these are aimed at consolidating Mawasim's position as a comprehensive package provider for Umrah services.

Mawasim has been successfully restructured in order to better deal with the current challenges in the Hajj and Umrah sector. This was done following comprehensive market research of our customers' needs. Mawasim has successfully implemented a comprehensive range of technical solutions to raise its level of service to the highest standard.

By the end of the year, Mawasim had come a long way in integrating with Maqam, the central reservations engine for Hajj and Umrah. The engine was launched by the Ministry of Hajj and Umrah to supply clients with visas and other services. Full integration will be completed at the beginning of the year.

In 2020, Mawasim will focus on developing its system. It will also launch a new online platform through which all travel packages will be offered to companies, organizations and agents in key markets worldwide. It will deliver a streamlined booking experience and ensure top-quality service.

In order to maintain its competitive advantage, Mawasim will follow strategies based on market research and developments. This will allow it to keep pace with new requirements to guarantee the best packages and offers.

Mawasim also seeks to further strengthen its position in major markets as well as enter new markets. This will be through a skilled sales team qualified to offer services and packages to each market according to needs.

In order to provide the best prices for our customers, Mawasim seeks to benefit from the purchasing power and outstanding relations between Seera and major service providers. This will allow us to procure those services for our customers at the lowest possible prices.

Mawasim will also seek to benefit from tourist packages of the destination management unit Discover Saudi. By adding these to their Umrah packages, they will provide a more comprehensive service and give customers the opportunity to discover the Kingdom during their visit.

The tourist destination management unit – Discover Saudi

This is Seera's new strategic unit for the management of tourist destinations. Discover Saudi links travel arrangement companies and tourist agencies in order to attract more visitors to KSA and reinforce local tourism. The unit announced its new brand in 2019 at the World Travel Market in London. The brand depicts an Arabian leopard and the map of Saudi Arabia to embody strength, vitality and sophistication, which inspires customer confidence in what we have to offer. Discover Saudi is the first integrated brand of its kind in KSA for destination management.

The brand supports the goal of receiving more than 100 million visitors (for a minimum one-night stay) annually. This will help boost the tourism sector to produce 10% of GNP by 2030. Discover Saudi has more than 70 activities falling under six main categories. We seek to become the preferred brand for tourist destination management in KSA by 2022.

This step is expected to have positive and tangible economic results through the building of infrastructures at destinations throughout KSA. This will bring added value to the national economy and provide more job opportunities for citizens.

The new unit will provide Hajj and Umrah visitors with opportunities to discover the Kingdom after concluding their holy rites.

It will also provide business travelers with an ideal chance to discover the rich heritage of the Kingdom and its unique tourist and leisure destinations.

The unit has several diverse destinations, including some promoted by the Ministry of Tourism and listed as heritage sites by UNESCO. This is in addition to destinations recommended by experienced tour guides.

To emphasize the importance of the tourist destination management unit, it was chosen by The Royal Commission for AlUla (RCU) to be its partner in the second season of Winter at Tantora.

Hospitality

Mövenpick City Star in Jeddah has continued to achieve consistent results and continues to enjoy excellent reviews and feedback from guests on some of the biggest websites such as Booking.com and TripAdvisor.

As for Sheraton Jabal Al Kaaba in Makkah, its units have been divided where each unit will have a separate property deed. This will allow the Group to sell them as flats. The continued renovation work at the Holy Site in Makkah, in addition to a general drop in property prices continues to be a challenge for the hospitality unit.

The unit continues to build and develop 6 medium-scale hotels. It has achieved significant progress in the development of 3 hotels with 83% of the work already completed for the Quality Inn project. 70% of the work is completed on the Comfort Inn Jeddah and 8% for the Quality Inn project Riyadh. The completion of the three projects is expected in 2020. This will contribute to the improvements of the unit's revenue.

Operational summary continued

Car rentals - Lumi

The car rental unit achieved exceptional success in 2019, with an increase in revenue of 70% against the previous year. Its efforts to enhance performance and strengthen its contractual capabilities in all sectors have paid off. Operations profits have exceeded 100%, while the unit's fleet by the end of the year exceeded 11,000 vehicles, surpassing the target by 10%.

To further confirm its commitment to improving performance and quality, the unit was awarded the ISO certificate for adopting the highest quality standards in operations and service. We will intensify efforts to provide customers with the best possible experience through our new digital services. This year's success was driven to a large degree by long-term contracts with the government and private sector through services that were 80% automated.

Currently, Lumi is aggressively participating in a number of government and private sector tenders. It has a number of exclusive and guaranteed rental contracts for 2020, through which it will seek to achieve its key targets.

Finally, the car rental unit aspires to intensify its efforts for continued success in the coming years.

Investments

The Group has invested in Careem, an online platform for car booking, as well as delivering services through smart devices in the Middle East and North Africa. The acquisition of Careem by Uber has resulted in more cash flow for the Group and this has been a core factor in strengthening the other strategic units.

Through our investment in the UK in the Portman Group, which owns the Clarion and Elegant Resorts, we have achieved a 1% increase in overall sales. This is despite the currently changing and challenge-filled UK market – especially the travel sector following Brexit. The Group continues in its strategy to acquire specialized complementary companies through two main acquisitions this year.

The first is If Only, a company specializing in personalized luxury travel. Its annual sales exceed 40 million pounds sterling. The second acquisition was Ian Allan, which offers business travel services to many sectors including universities, business companies and non-governmental organizations. Its annual sales exceed 35 million pounds sterling.

Core Brands.

المسافر
Almosafer

مواسيم
mawasim

إيلاء
elaa

اكتشف
السعودية

لومي
lumi

تجول:

Historical growth of key financial indicators over 5 years

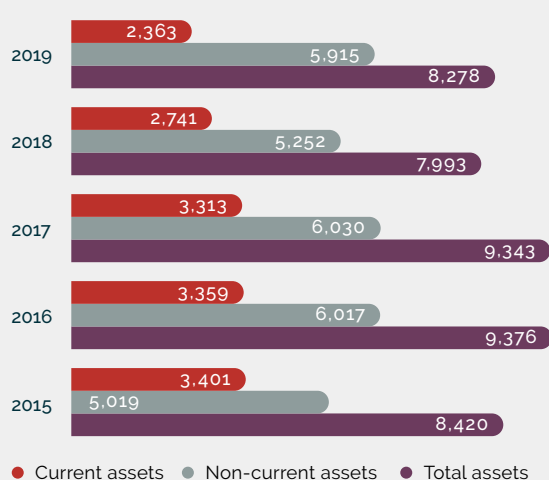
Assets (SAR million)

	2019	2018	2017	2016	2015
Current assets	2,363	2,741	3,313	3,359	3,401
Non-current assets	5,915	5,252	6,030	6,017	5,019
Total assets	8,278	7,993	9,343	9,376	8,420

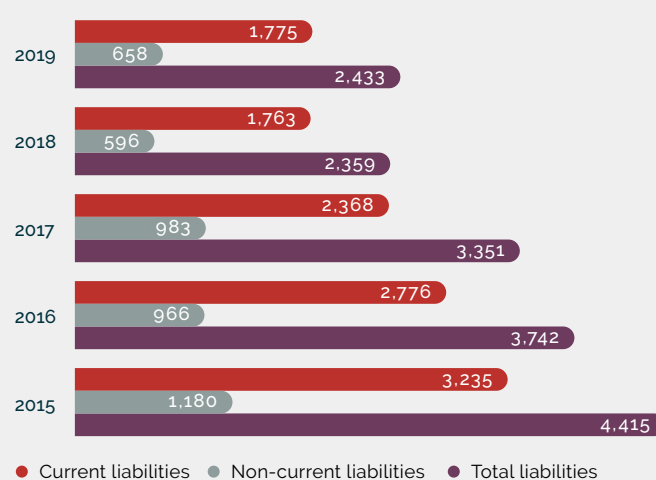
Liabilities (SAR million)

	2019	2018	2017	2016	2015
Current liabilities	1,775	1,763	2,368	2,776	3,235
Non-current liabilities	658	596	983	966	1,180
Total liabilities	2,433	2,359	3,351	3,742	4,415

Assets (SAR million)



Liabilities (SAR million)

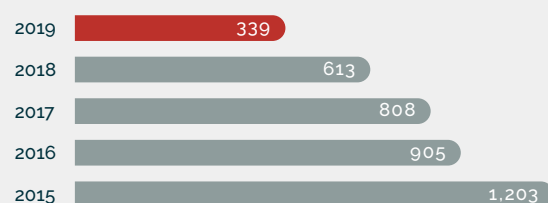


	2019	2018	2017	2016	2015
Revenue (SAR million)	2,190	2,301	2,107	2,144	2,440
Operating profit (SAR million)	339	613	808	905	1,203
Net profit/loss (SAR million)	189	(142)	489	816	1,161
Shareholders' equity (SAR million)	5,844	5,635	5,991	5,633	4,005

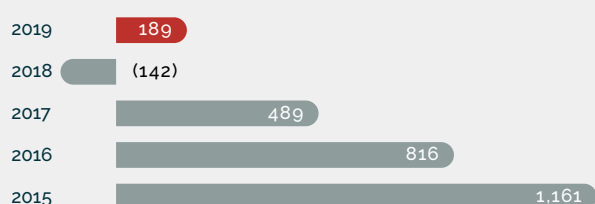
Revenue (SAR million)



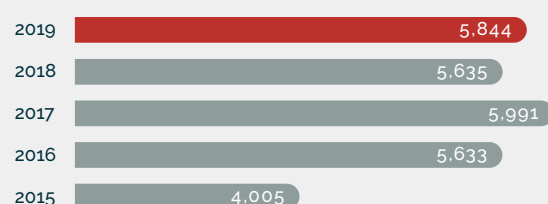
Operating Profit (SAR million)



Net profit/loss (SAR million)



Shareholders' equity (SAR million)



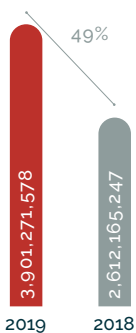
Financial performance during 2019

1. The gross booking value to strategic business units

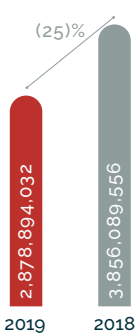
The Group aims to maintain the development process in all its strategic sectors and in light of employing all financial, and technical capabilities

Statement	2019	2018	%
Consumer Travel	3,901,271,578	2,612,165,247	49%
Travel management	2,878,894,032	3,856,089,556	(25)%
Hajj and Umrah	169,617,503	190,833,148	(11)%
KSA Destination management	3,000,000	-	-
Hospitality	150,005,780	155,398,189	(3)%
Car rental	343,292,203	187,730,436	83%
Investments	3,397,795,424	3,642,533,679	(7)%
Total	10,843,876,520	10,644,750,255	2%

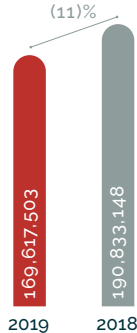
Consumer travel (SAR)



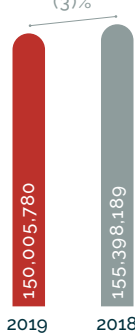
Travel management (SAR)



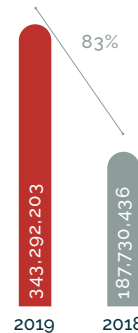
Hajj & Umrah (SAR)



Hospitality (SAR)



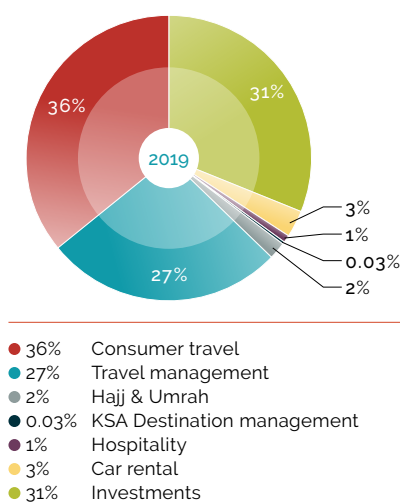
Car rental (SAR)



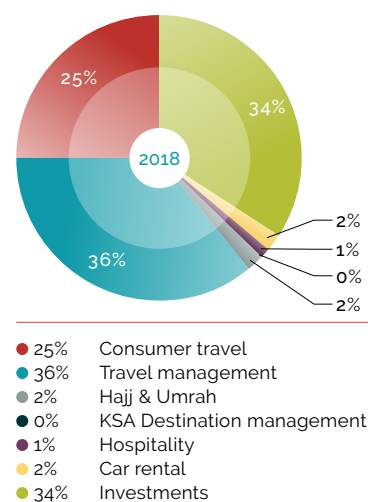
Investments (SAR)



Contribution of business units' in total bookings for 2019



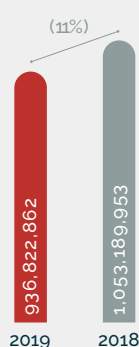
Contribution of business units' in total bookings for 2018



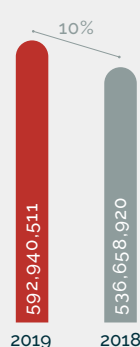
2. Revenue based on key operations and services

Statement	2019	2018	%
Airline ticketing and incentives revenue	936,822,862	1,053,189,953	(11%)
Hotel booking incentives and package holidays revenue	592,940,511	536,658,920	10%
Revenue from car rentals	325,281,780	202,637,198	61%
Revenue from property and room rentals	78,450,088	86,368,915	(9%)
Revenue from other services	256,758,083	422,278,942	(39%)
Total	2,190,253,324	2,301,133,928	(5%)

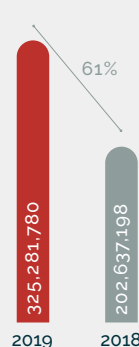
Airline ticketing and incentives revenue (SAR)



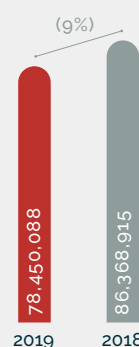
Hotel booking incentives and package holidays revenue (SAR)



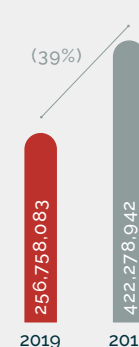
Revenue from car rentals (SAR)



Revenue from property and room rentals (SAR)



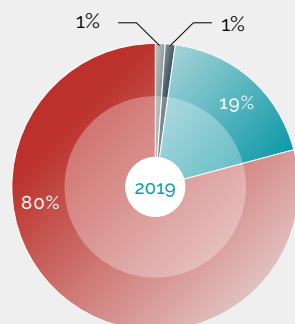
Revenue from other services (SAR)



3. Geographic analysis of revenue according to Group's operations and services

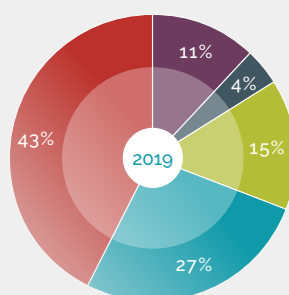
Statement	2019	%
Saudi Arabia	1,742,235,604	80%
United Kingdom	421,333,455	19%
Egypt	12,232,478	1%
Others	14,451,787	1%
Total	2,190,253,324	100%

Geographic analysis of the revenue according to Group's operations and services



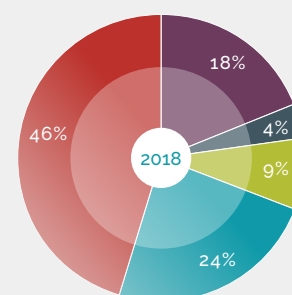
- 80% Saudi Arabia
- 19% United Kingdom
- 1% Egypt
- 1% Others

Contribution of key operations and services in overall revenue 2019



- 43% Airline ticketing and incentives revenue
- 27% Hotel booking incentives and package holidays revenue
- 15% Revenue from car rentals
- 4% Revenue from room and property rentals
- 11% Revenue from other services

Contribution of key operations and services in overall revenue 2018



- 46% Airline ticketing and incentives revenue
- 24% Hotel booking incentives and package holidays revenue
- 9% Revenue from car rentals
- 4% Revenue from room and property rentals
- 18% Revenue from other services

Financial performance during 2019 continued

4. Key changes in operations results

These key differences for the fiscal year 2019 reflect market changes especially in the government sector as well as the increase in sales and market share in accordance with the Group's plans, which were achieved through its online platforms for travel and tourism services.

A Key changes in revenue and gross profit

Table (1): Core changes in revenue and gross profit:

Statement	2019	2018	Change	
			Amount	%
Revenue	2,190,253,324	2,301,333,926	(111,080,602)	(4.8%)
Cost of revenues	(917,250,495)	(874,328,495)	42,922,000	5%
Gross profit	1,273,002,829	1,427,005,431	(154,002,602)	(11%)

Revenues in 2019 were SAR 2,190 million against SAR 2,301 million in 2018 with a decrease of 4.8% and reflect the following changes:

- A decrease in average commission margins and revenues for internal travel and tourism, especially in the government sector. This is due to many government authorities and corporate companies taking a more conservative approach to spending, which has directly affected the travel industry.
- Changes in some terms and conditions in the contracts of major clients. This has been compensated by other rapid-growth areas including online travel, car rentals and more competitive pricing to increase market share and profit margins.
- Applying more competitive prices for some services in order to protect and increase our market share which in turn has affected our profit margins
- Changes in product combinations in the United Kingdom that have lower profit margins in comparison to other sectors in the Group.
- It should be noted here that total booking volume for consumer travel business unit via our online platforms have increased by 64% this year from SAR 2 billion to SAR 3.3 billion. The sector is enjoying accelerated growth from the Group's strategy to focus on the consumer travel business unit through online platforms.

B Key changes in the results of operating profit

Table (2): Key changes in the results of operating profit:

Statement	2019	2018	Change	
			Amount	%
Gross profit	1,273,002,829	1,427,005,431	154,002,602	(11%)
Selling expenses	(411,046,931)	(373,678,249)	(37,368,682)	10%
Administrative selling expenses	(511,011,804)	(472,563,395)	(38,448,409)	8%
Impairment loss (reversal) of trade receivable	(25,345,879)	70,295,537	(95,641,416)	(136%)
Other expenses	(2,040,497)	(51,201,259)	49,160,762	(96%)
Other revenue	15,924,224	13,628,830	2,295,394	17%
Operating profit	339,481,942	613,486,895	(247,004,953)	(45%)

The Group recorded an operating profit of SAR 339 million with a decline of 45% which was due primarily to the following:

- An increase in sales costs due to more targeted marketing services via the Group's online platforms. This was in order to increase the Group's market share. Marketing costs for promoting the Group's hotels (Movenpick and Sheraton).
- Increased administrative costs to finalize the structuring of the Group's strategic units and function units. Investment costs related to Zakat and information technology.
- An Increase in Impairment loss of trade receivable by a value of SAR 25 million, to reflect the impact of the changes in calculating the credit loss rate for customer balances. This is according to the requirements of the International Reports Standard – Financial Instruments Standard No. (9).
- There was a decrease in other expenses by SAR 49 million as a result of recognizing the losses incurred from selling non-recurring assets during 2018, amounting to SAR 44 million.

C Key changes in net (loss)/profit for the year

Table (3): Key changes in net (loss)/profit for the year:

Statement	2019	2018	Change	
			Amount	%
Operating profit	339,481,942	613,486,895	(274,004,953)	(45%)
Finance income	2,565,358	11,453,922	(8,888,564)	(78%)
Finance costs	(69,522,159)	(65,461,265)	(4,060,894)	6%
Loss on disposal of equity-accounted associate	(16,634,316)	(420,523,381)	403,889,065	(96%)
Impairment loss on other receivables	(32,649,887)	(129,447,424)	96,797,537	(75%)
Share of loss from equity-accounted investees, net of tax	(7,185,213)	(67,073,502)	59,888,289	(89%)
Zakat and income tax	(32,806,652)	(84,019,724)	51,213,072	(61%)
Profit/(loss) for the year from continued operations	183,249,073	(141,584,479)	324,833,552	(229%)
Income/loss from discontinued operations	235,793	(398,548)	634,341	(159%)
Gain on disposal from discontinued operations	16,660,616	190,654	16,469,962	8639%
Recognized foreign currency loss on discontinued operations	(11,273,269)	(286,255)	(10,987,014)	3838%
Profit/(loss) for the year	188,872,213	(142,078,628)	330,950,841	(233%)

The net profit of the Group for year ended December 31, 2019 amounted to SAR189 million compared to a net loss of SR142 million for 2018. By excluding non-recurring losses for 2018, due to the Group's exit from its investments in Thakher Co. The Group acknowledged a loss of SAR 420 million and the Group's net profit for 2018 of SAR 278 million.

Thus, there was a decline in the net profit of the Group for a value of SAR 90 million in 2019, with a 32% decline. This reflects the most prominent changes in increase and decline as follows:

- Finance income from "Islamic Murabaha" in compliance with Islamic law decreased by SAR 8.8 million due to the decline in these funds held in banks in 2019.
- The increase of the financial costs of Murabaha and short-term financing in accordance with Islamic law, by SAR 4 million at 6%. This is due to an increase in Islamic transaction allocations in 2019 to fund working capital requirements.
- We have recognized the losses due to the exclusion of companies invested in, for equity at SAR 16.6 million. This is a result of the Group selling its share in Al Shamel Holding Co, which were 30% in 2019.
- The decrease in expenses for the provision of Zakat by SAR 51 million. Payments for the differences for zakat were completed for 2007-2017 and final certificates were obtained. For the year 2018, the Zakat statement has been submitted.

5. Basic and diluted earnings per share during the year

Table (4): Basic and diluted earnings per share during the year:

Statement	2019	2018	Change	
			Amount	%
Basic and diluted earnings per share during the year	0.62	(0.48)	1.1	(2.2)

The Group had a share profit of 0.62 at the end of the fiscal year of 2019. Most of the changes were reflected in the income statement.

6. Islamic Murabaha

A Short-term Murabaha

Table (5): Short-term Murabaha:

No.	Source of Murabaha	Category	Asset	Timeframe	Paid during the year	Balance at the end of the year	Guarantees provided to obtain Murabaha
1	Banks and financial institutions (1)	Short term	125,000,000	6 months	-	125,000,000	Promissory notes
2	Banks and financial institutions (2)	Short term	440,000,000	2 months	290,000,000	150,000,000	Promissory notes
3	Banks and financial institutions (3)	Short term	440,294,553	6 months	140,000,000	300,294,553	Promissory notes
4	Banks and Financial Institutions (4)	Short term	326,306,010	3 months	326,306,010	-	Promissory notes

Murabaha fundamentally represents the value of banking agreements in accordance with Islamic Sharia. They are short-term for one year and are used to finance working capital requirements of the Group. This is carried out through Islamic Murabaha and Tawarruq contracts in accordance with the requirements of Islamic Sharia, and all bank commissions are agreed upon according to the announced rates by all banks in the Kingdom or other banks related to our international subsidiaries.

Financial performance during 2019 continued

B Long-term Murabaha

Table (6): Long-term Murabaha:

No.	Source of Murabaha	Category	Asset	Timeframe	Paid during the year	Balance at the end of the year	Guarantees provided to obtain Murabaha
1	Banks and Financial Institutions (1)	Long term	550,000,000	7 years	78,571,429	471,428,571	Sheraton Jabal Al Kaaba
2	Banks and Financial Institutions (2)	Long term	116,116,951	5 years	17,415,679	98,701,272	Promissory notes

In 2015, long-term funding was acquired from a local bank, for a value of SAR 1.2 billion. This was to finance the acquisition of the Sheraton Jabal Al Kaaba Hotel in Makkah. The Murabaha was based on an agreed-upon rate based on the established bank rates, in addition to a profit margin specified in the Murabaha agreement.

C Other types of Islamic Murabaha

The nature of Islamic Murabaha is that it is used to fund working capital requirements. This is carried out through Tawarruq contracts in accordance with the requirements of Islamic Sharia, and all bank commissions are agreed upon according to the announced rates by all banks in the Kingdom or other banks related to our international subsidiaries. The value was SAR 31 million against SAR 10.4.

7. Changes in cash flow

The Group recorded a net increase/(decrease) in cash and cash equivalents amounting to SAR 99 million due to cash flow changes as follows:

Table (7): Changes in cash flow:

Statement	2019	2018
Net cash generated from operating activities	92	752
Net cash used in investing activities	(409)	(699)
Net cash generated from/(used in) financing activities	416	(787)
Net increase/(decrease) in cash and cash equivalents	99	(734)

The most prominent changes in cash flow from operating activities are due to:

- The decrease in cash collected from some key government agencies this year compared to the previous year.
- Cash provisions of the Group for exiting from its investment in Zakher Company, whereby SAR 300 million was provisioned.
- Repayment of debts to some key service providers of the strategic business units, totaling SAR 405.
- Zakat and income tax payments for SAR 67.

The most prominent changes in cash flow related to financing activities were due to:

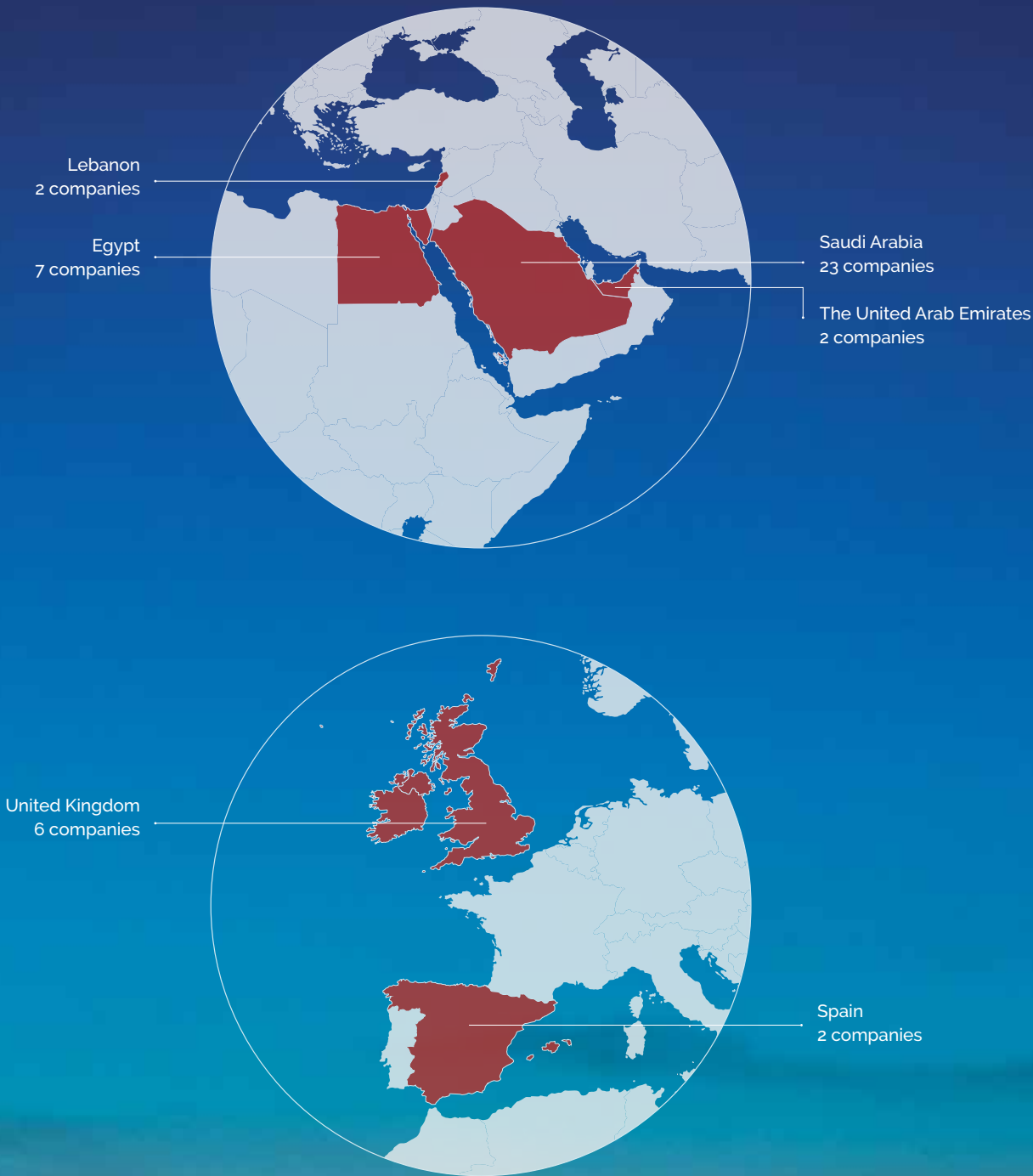
- Increase in the proceeds from the Islamic Murabaha, as nearly SAR 852 million has been paid, whereas SAR 1,284 million were obtained to fund working capital and the Group's current hospitality projects.

The most prominent changes in cash flow related to investing activities were due to:

- SAR 580 million were invested by the Group for the purchase of properties and to support the car rental fleet.
- SAR 217 million to fund the Group's hospitality projects.
- SAR 111 million for the acquisition of intangible assets (IT systems).
- SAR 18 million for shares in Careem.
- SAR 400 million for short-term Murabaha investments.
- SAR 11 million for the sale of one of the Group's subsidiary companies (Al-Tayyar Tourist Transport).

Group subsidiaries

Countries and Group subsidiaries in each country



Group subsidiaries continued

Current status of subsidiary companies and most important changes related to mergers and acquisitions

No.	Country	Number of subsidiaries
1	Kingdom of Saudi Arabia	23
2	United Kingdom	6
3	Egypt	7
4	United Arab Emirates	2
5	Lebanon	2
6	Spain	2
Total		42

Subsidiaries in Kingdom of Saudi Arabia

No.	Company	Activities	%
1	The National Co. for Tourism and Travel Ltd.	Travel and tourism	100%
2	Al Sarh Co. for Travel and Tourism Ltd.	Travel and tourism	80%
3	Elaa Agency for Air Transport Ltd. (formerly Al Tayyar International Agency for Air Transport)	Travel and tourism	100%
4	Serra Holidays for Travel and Tourism Ltd. (formerly Al Tayyar Holidays for Travel and Tourism Ltd.)	Travel and tourism	100%
5	Elaa for Travel, Tourism and Shipping Ltd. (formerly Al Tayyar for travel, Tourism and Shipping Ltd.)	Travel and shipping	100%
6	Seera Hospitality Ltd. (formerly Al Tayyar for development and Investment Ltd.)	Hotels and property	100%
7	Taqniyatek for IT	IT services	100%
8	Lumi Rentals (formerly Al Tayyar Car Rental)	Car rentals	100%
9	High Speed Company for Transportation Co. Ltd	Transport	100%
10	Tajawal for Travel and Tourism Ltd.	Travel and tourism	100%
11	Al Mawasim Co. for Travel and Tourism Ltd.	Travel and tourism	100%
12	Jawlah Co. for Tour Planning Ltd.	Tourism services	51%
13	Mawasim for Tourism, Hajj and Umrah Services	Tourism services	51%
14	Fi IT	SMS and multimedia	60%
15	Muthmera Property Investment	Property rentals	100%
16	Al Nukhba for Private Airplanes	Airplane ownership and rental	100%
17	Fayfa Travel & Tourism Agency	Travel and tourism	100%
18	The Saudi Arabia Co. for Conference and Event Tourism	Event organization	100%
19	High Co. for Trade	Car rentals	80%
20	Saudi Arabia Co. for Transport	Car rentals	100%
21	Almosafer for Travel and Tourism	Travel and tourism	100%
22	Discover Saudi for Travel and Tourism	Travel and tourism	100%
23	Saudi Arabia for Trade	Internet marketing	100%

Subsidiaries in United Kingdom

No.	Company	Activities	%
1	Portman International Group	Travel and tourism	100%
2	Elegant Desserts Ltd. And its subsidiaries	Tourism	100%
3	Ian Allan Ltd.	Travel and tourism	100%
4	Mawasim Ltd. (formerly Co-op Travel Ltd.)	Transport services	100%
5	If Only Holidays Ltd.	Travel and tourism services	100%
6	Mawasim for Travel and Tourism	Travel and tourism services	100%

Subsidiaries in Egypt

No.	Company	Activities	%
1	Hanouf Co. for Tourism and Services	Tourism	70%
2	Al Tayyar Travel Group Holidays	Travel and tourism	100%
3	Al Tayyar Tours	Car rental	100%
4	Al Tayyar Shipping and Customs Clearance	Shipping services	100%
5	Seera Holidays for Travel and Tourism (formerly Holiday Travel)	Travel and tourism	100%
6	Al Tayyar for Tourism	Car rental	-
7	Al Tayyar Car Rentals	Car rental	100%

Subsidiaries in United Arab Emirates

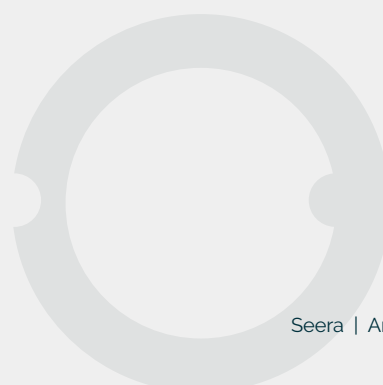
No.	Company	Activities	%
1	Seera Travel And Tourism LLC (formerly Al Tayyar Travel and Tourism LLC)	Tourism	100%
2	Tajawal General Trading LLC	Travel and tourism	100%

Subsidiaries in Lebanon

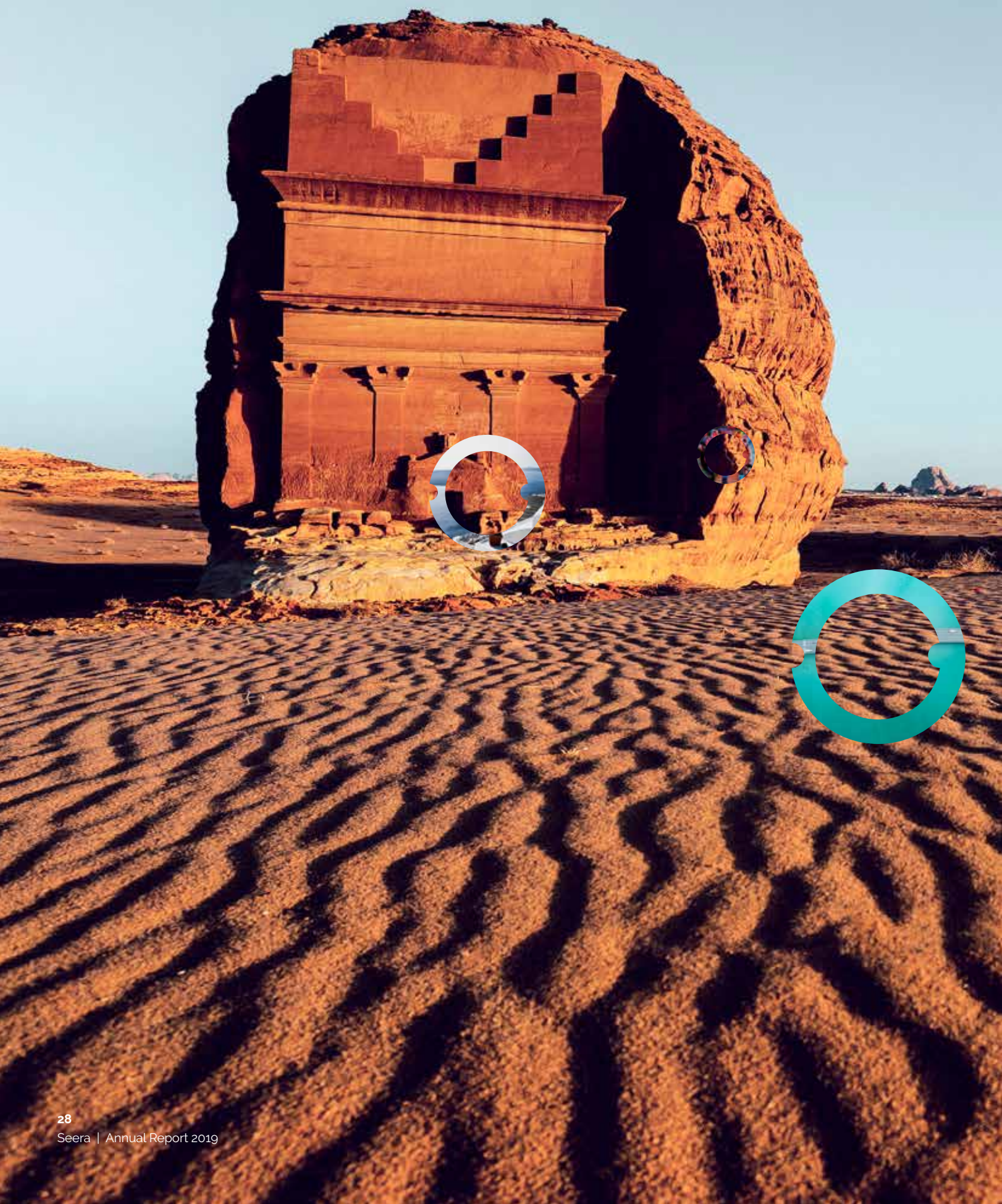
No.	Company	Activities	%
1	Connecting for Trade and Services	Travel and tourism	51%
2	Lina Tourism and Travel	Travel and tourism	100%

Subsidiaries in Spain

No.	Company	Activities	%
1	Seera Group Travel it Spain SL (B2B Travel Group)	Travel and tourism	100%
2	Seera Sports S.L.U	Sports	100%



Board of Directors and Governance





Board of Directors and Governance

1. The Board of Directors, Committees and Executive management

A. The Board of Directors

Seera Holding Group is managed by the Board of Directors comprising of (9) board members, who shall be appointed by the Ordinary General Assembly "AGM" every 3 years. Currently, 9 board members were appointed by the AGM convened on 28th March 2018. The Board shall have all the necessary powers and authorities to manage the Company. The Board of Directors' responsibilities are clearly defined in the Company's by-laws and its regulations titled "Board Membership Policies, Standards and Procedures".

Table (8): Board members' names for the current term expiring on 28 March 2021:

No.	Name	Current positions	Former positions	Qualification	Experiences
1	Eng. Mohammed Bin Saleh Al Khalil	- Chairman of the Board of Directors of Alujain Corp. - Chairman of Seera Holding Group	Board Member of Riyadh Chamber of Commerce, and Committees Member at Riyadh Chamber of Commerce and Council of Saudi Chambers	- Bachelor of Engineering - MBA	Chairman and Board Member at several companies in the areas of real estate, investment, industry, tourism and charitable and social sector.
2	Mr. Ahmed Bin Samer Al-Zaim	- Deputy Chairman of the Board of Directors of Seera Holding Group - Chairman of the Board of Directors of Saudi Modern Company for Minerals, Cables and Plastics - Board member in Riyadh Cables Group Company	Committee Member at Riyadh Chamber of Commerce and Council of Saudi Chambers	- Bachelor of Economics - Bachelor of Business Administration	Board member in Al-Rajhi Takaful Company, Riyadh Cables Group Company, Saudi Modern Company for Specialized Cables & Wires Industry, Gulf International Company for Contracting Real Estate Investment and Subsidiaries. He is also the Board Chairman in Saudi Modern Company for Metals and Plastic industry, Saudi Modern Company for Telephone Cables Industry and Lightech Company Ltd..
3	Dr. Sulaiman Ali AlHudaif	Deputy Chief of Strategy and Business Excellence Group, Alinma Bank	- Executive Manager Human Resources and Development at Al Rajhi Bank - CEO of Elite World for Administrative and Organizational Consulting Co.	- Bachelor of Administration - Master in International Relations - Master in Management - DBA	A well-known HR Executive in KSA, Dr. Sulaiman Ali Al-Hudaif has more than 30 years of experience within Corporate and Executive Governance, which includes Competitive HR Business Modeling & Processes, Corporate Communication, Change Management & Reengineering, Business Development Cooperation, Strategic Human Resources Planning & Design, Organizational Development, Executive Training, Assessment & Competency Development, Top Management Talent Selection, Acquisition & Succession and Project Consultation. In addition, he has also led the development of various HR initiatives.
4	Mr. Majed Bin Ayed Al Nefaie	CEO of Mawasim Company "MWT"	- Deputy Head of Revenue Department at Makka Construction & Development Co.	- Bachelor of Accounting - Advanced Diploma in Hotels Management	Board member in the Al-Hanove Travel Company Board member of companies working in tourism sector and hotel services.
5	Mr. Mazen bin Ahmed Al-Jubeir	- Chairman of the National Agricultural Development Company (NADEC) - Chairman of Fund of Funds Company (Jada)	- Deputy CEO of Amwal AlKhaleej Co. - Advisor to McKinsey Co.	- MBA	- Deputy CEO of Amwal AlKhaleej Co. - Offer advisory to McKinsey Co. - Board Memberships at several companies - An active investor in SMEs and fast-growing companies in the KSA and USA
6	Mr. Abdullah Bin Ahmed Al Ayadi	Head of Legal Affairs Department at the Prince Mohammed bin Salman bin Abdulaziz Foundation (MiSK).	Legal Counsel at several companies	- Bachelor of Law - Master in International Commercial Law	More than 20 years of legal and administrative experience in top-ranked institutions A key player in negotiations in one of the fastest growing companies in the Gulf Region (ACWA).

No.	Name	Current positions	Former positions	Qualification	Experiences
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	Chief Director of Colliers International	Advisor at several companies	<ul style="list-style-type: none"> - Bachelor of Accounting - Bachelor of Business Administration - SOCPA Primary Fellowship - SOCPA Secondary Fellowship 	An inspiring and motivational executive director with first-rate interpersonal skills at Colliers International – Saudi Operations, where he was a co-founder. He is equipped with more than 15 years of experience in various fields. He has also worked as a Senior Manager in the auditing department of Ernst and Young – Riyadh
8	Mr. Yazeed Khalid Al Muhaizaa	Assistant GM and Head of General Global Markets at Hassana Investment Company	Head of General Global Markets at Hassana Investment Company	- MBA	Representative of the General Organization for Social Insurance Assistant General Manager and Head of International Markets at Hassana Investment Company (since 2014). An Investment Analyst at the Portfolio Management Department at the General Organization for Social Insurance in the Kingdom of Saudi Arabia from 2007 to 2014.
9	Mr. Abdullah Bin Nasser Al Dawood	<ul style="list-style-type: none"> - CEO of Seera Holding Group - Chairman of Saudi Entertainment Ventures - Chairman of the Alraedah Finance Company 	Deputy Head of Corporate & Investment Banking MENA, Deutsche Bank	<ul style="list-style-type: none"> - Master's degree in Business Administration with first-class honors. - Master in International Politics 	Over 11 years of experience in investment banking, during which he held several executive positions. Former member of the Board of Directors of the Saudi Stock Exchange (Tadawul). Member of the Board of Directors of Rua AlMadinah Holding Company. Member of the Board of Directors of many prominent companies, such as Careem.

A.1. Composition of the Board of Directors

Table (9): Composition of Board of Directors and classification of its members:

No.	Name	Title	Classification
1	Eng. Mohammed Bin Saleh Al Khalil	Chairman	Independent
2	Mr. Ahmed Bin Samer Al-Zaim	Deputy Chairman	Non-executive
3	Dr. Sulaiman Ali AlHudaif	Board member	Independent
4	Mr. Majed Bin Ayed Al Nefae	Board member	Non-executive
5	Mr. Mazen bin Ahmed Al-Jubeir	Board member	Non-executive
6	Mr. Abdullah Bin Ahmed Al Ayadi	Board member	Independent
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	Board member	Independent
8	Mr. Yazeed Khalid Al Muhaizaa	Board member	Independent
9	Mr. Abdullah Bin Nasser Al Dawood	CEO and Board member of the Group	Executive

A.2. Board of Directors meetings

The Board members dedicated sufficient time for undertaking their responsibilities and well preparation for the board meetings and were very keen to attend the meetings. None of the board members submitted any written request for convening emergency board meetings during the financial year ended on 31 December 2019. Also, none of the board members rejected the board agendas and resolutions. The Board was keen to schedule its meetings at specific dates, regularly prepare for the board meetings before convention, ensure adherence by all board members to attend the meetings and discuss all agenda items introduced to the meeting, record the results of the meeting in minutes by the Company Secretary, and follow up execution of contents of the minutes with the Company's Executive management. Furthermore, the Board paid due attention to follow up the functions entrusted to each board member, ensure execution of the functions in accordance with the decisions taken by the board during its meetings, follow up the board sub-committees and its periodic meetings, make sure that the members performed their duties and responsibilities, and execute the contents of the minutes of the meetings.

In order to streamline the work flow, the Company's by-laws authorized the Board to take resolutions by circulation which shall be presented to the Board in its first following meeting for final approval. During 2019, number of resolutions taken by circulation were issued after prior deliberation thereon and were presented to the Board of Directors pursuant to paragraph (4) under Article (18) of the Company's by-laws.

Board of Directors and Governance continued

Table (10): 2019 Attendance register of Board meetings; total number of meetings (7):

No.	Name	Number of Meetings (7)							Total	Attendance %
		First 17.1.2019	Second 27.1.2019	Third 27.2.2019	Fourth 16.5.2019	Fifth 16.9.2019	Sixth 27.10.2019	Seventh 09.12.2019		
1	Eng. Mohammed Bin Saleh Al Khalil	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
2	Mr. Ahmed Bin Samer Al-Zaim	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
3	Dr. Sulaiman Ali AlHudaif	⊙	⊙	⊙	⊙	○	⊙	⊙	6	86%
4	Mr. Majed Bin Ayed Al Nefaie	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
5	Mr. Mazen bin Ahmed Al-Jubeir	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
6	Mr. Abdullah Bin Ahmed Al Ayadi	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
8	Mr. Yazeed Khalid Al Muhaizaa	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%
9	Mr. Abdullah Bin Nasser Al Dawood	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	100%

⊙ Attended ○ Not attended

A.3. The Board's key strategic resolutions during 2019

1. Approve the 2019 initial financial statements
2. Approve closure of the Uber Technologies Inc. acquisition of Careem Inc. assets.
3. Approve the Group's expansion and acquisition strategy in the UK.
4. Approve distribution of employee shares.
5. Approve the criteria for distribution of employee shares.
6. Approve the 2018 annual financial statements.
7. Approve the 2020 budget.
8. Approve the sale of a Sheraton Heliopolis land plot, Egypt.

A.4. Board members' shares ownership

Table (11): The shares owned by board members in the Company at the beginning and end of 2019 and their percentage out of the total number of the Company's shares inclusive of the board membership shares:

No.	Board Member Name	Owned Shares				Note
		No. of Shares at the beginning of 2018	% out of the total no. of shares	No. of Shares at the end of 2018	% out of the total no. of shares	
1	Eng. Mohammed Bin Saleh Al Khalil	601,873	0.29%	842,622	0.28%	Personal ownership
2	Mr. Ahmed Bin Samer Al-Zaim	2,917	0.0014%	4,083	0.001361%	Personal ownership
		754,726	0.36%	1,056,616	0.35%	The shares are owned by Gulf International Contracting Co. managed by him and in which he owns shares
3	Dr. Sulaiman Ali AlHudaif	66,403	0.0317%	102,964	0.034%	Personal ownership
4	Mr. Majed Bin Ayed Al Nefaie	7,000	0.003%	9,800	0.003%	Personal ownership
5	Mr. Mazen bin Ahmed Al-Jubeir	1,333	0.0006%	1,866	0.0006%	Personal ownership
6	Mr. Abdullah Bin Ahmed Al Ayadi	-	-	-	-	-
7	Mr. Ibrahim Bin Abdulaziz Al Rashed	1,000	0.0005%	1,400	0.0005%	Personal ownership
8	Mr. Yazeed Khalid Al Muhaizaa	-	-	-	-	A representative of GOSI which owns 11,523,864 shares representing 3.84% out of the total number of the Group's shares
9	Mr. Abdullah Bin Nasser Al Dawood	1,666	0.0008%	2,332	0.00077%	Personal ownership

A.5. The methods on which the Board of Directors used in the assessment of performance of the Board, Committees, Members and Executive management

The Board of Directors followed diverse methods to enable it to evaluate the performance of the Board and its members and committees based on the KPIs approved in "Board and Sub-committees members and Executive management Performance Evaluation Policy and Procedures" proposed by Remuneration and Nomination committee. The Board observes, while defining thereof, its fairness, suitability and consistency with the Company's activity, strategies and objectives, in addition to the extent of interaction by board members and his ability to offer creative and innovative ideas. The Policy consisted of several elements; the most important of which are:

A. Board and Sub-committees KPIs

1. Remuneration for the board is in cash sums and compensation for meeting attendance and transportation according to the sums specified by the board and the recommendations of the remuneration, and in accordance with the Companies Policy, or any other stipulations from related bodies. The board's report must be presented to the General assembly and contain a complete list of all sums received by board members throughout the year.
2. Effectiveness of discussions of board and committee members to achieve the company's objectives and strategy plan, and its reflection on the matters introduced during the year.
3. Compliance by board and committee members with the procedures to be applied in the meetings.
4. Compliance by the board sub-committees with the functions entrusted thereto by the Board of Directors.
5. Having clear and open communication channels during the board and sub-committees' meetings to introduce constructive participation and decisions.
6. Receiving a written agenda in advance by board members and a briefed notification about the meeting's matters and time in a sufficient period before the meeting.
7. Accuracy of board members in reviewing the annual financial statements and monitoring the cash flows, profitability, revenues and other financial indicators to ensure that the company operates within the achievement of its approved objectives.
8. Efficiency of board members in monitoring the company's performance and comparing information and data relevant to the industry in which the company operates.
9. Effectiveness of board members in discussing the matters which affect the company in the long term.
10. Recognize the difference between the board's role in preparing policies and the CEO's role in managing the company.
11. The role played by board members in assisting the CEO in developing a clear and understandable policy.
12. The Board's effectiveness in developing the Executive management succession plan, in case of vacancy.

B. Board and Committees members KPIs

1. Dedicate time for the matters and needs of the company to be able to make proper decisions. Understand the technical matters by the board and committee members.
2. Spend sufficient time with the CEO to understand the long-term plans. Ability of board and committee member to communicate with the Chairman of the Board of Directors, if necessary; and understanding and assimilation by members of the company's industry and field operating therein.
3. The ability of board members to offer opinions on the company's strategy and approach, where necessary.
4. The objectivity of board members in confronting difficult decisions and their ability to express their own opinion during the meeting, even if their point of view is different than other board members.
5. Ability of board members to gather the necessary information in order to have enough knowledge, in case they don't attend a meeting.
6. The initiative taken by board and committee members, when being appropriate, in order to obtain relevant information about the company.
7. Reaction and acceptance of board members for the participation of other board and committee members; their ability to introduce creative and innovative ideas; their reservation on confidential information received.
8. Sufficient experience to evaluate strategies and policies and market developments, and all specific factors related to the Group's long-term operations.

C. Executive management (CEO and Senior executive) KPIs

The performance of CEO and senior executives are assessed for reviewing the company's strategic objectives and operational objectives to be in alignment with job objectives to be accomplished and for defining objectives that must be developed periodically and as per the following criteria:

1. **Strategic planning:** work to ensure the development of a long-term strategy, set up objectives and plans which fulfill the needs of the shareholders, clients, employees and every stakeholder. Ensure consistent, appropriate and timely progress towards achievement of the strategic objectives. Get and allocate resources in a way that aligns with the strategic objectives; submit regular reports to CEO and Board of Directors on progress which is achieving the milestones of the strategic plan.
2. **Leadership:** develop and propose a clear and coherent view about the company's values and objectives and ensure they are completely understood and obtain wide support and effective implementation across the company. Enhance a culture across the company that works to encourage and remunerate for leadership, excellency and creativity. Ensure the concepts that promote the ethical norms, individual integrity and collaboration which build values.

Board of Directors and Governance continued

3. **Financial results:** set and achieve appropriate long-term and annual financial performance objectives. Ensure the development and maintenance of appropriate systems to safeguard the company's assets, and make sure that effective control over operations is in place.
4. **Operations management:** ensure the company has high-level management with appropriate budget to conduct daily business of the company. Encourage continuous improvement of quality, value and comparativeness of the company's products and business systems. Encourage and remunerate innovative solutions introduced to the business and administrative challenges faced by the company.
5. **Management development and executives succession planning:** develop, attract, retain and motivate a group of senior executives and ensure their efficiency and unity. Ensure that management development schemes and executives succession plans have required resources and directives so that future leadership can grow.
6. **Human resources:** ensure creating and developing effective programs for employment, training, compensation, continuity and motivation of employees. Ensure the provision of necessary human resources to achieve the company's objectives; set up and monitor workplace diversity programs and give appropriate recognition and appreciation for achievements made by individuals and groups.
7. **Communication:** serve as an official speaker of the company and effectively communicate with shareholders, investors, employees, clients and vendors. Effectively represent the company in business relations among the company, government agencies and financial institutions.
8. **Board of Directors relations:** work closely with board members to ensure that members are aware of the company's status, its business and relevant key matters, and are aware of the company's progress towards achievement of the operating plan and milestones of the strategic plan.

This is done in light of the core values of Seera Group Holding:

1. Promotion of the spirit of cooperation
2. Customer first
3. Efficient decision-making process
4. Focus on the actual value
5. Increase work environment efficiency and strengthen the sense of responsibility
6. Strategic thinking
7. Effective Leadership

A.6. Board and its Sub-committees members remuneration

The Board of Directors determined remunerations of the board and sub-committees' members and Executive management. The Board considers that the remunerations should be consistent with the company's strategy and objectives, taking into account the industry in which the company operates and the experience of board and sub-committees members, and also should be in light of the applicable laws and regulations. The remuneration policy is divided into three parts as follows:

A. Board members remuneration

1. The board members' remuneration includes a certain amount of meeting attendance allowance, travel expenses allowance, in-kind benefits or a certain percentage of net profits. Two or more of these benefits may be given together.
2. In all circumstances, the total amount received by the board member including remuneration, financial or in-kind benefits must not exceed SAR 500,000 per annum in accordance with Companies Law and controls placed by the competent authorities.
3. The annual Board of Directors Report presented to the AGM must include a comprehensive statement showing every amount received by the board member during the financial year including remuneration, travel expenses allowance and other benefits. It should also include a statement showing the amounts paid to the board members as employees or executives or the amounts paid in consideration for technical, administrative or consulting business (if any). Furthermore, the report should include the number of board meetings and the number of meetings attended by each member from the date of the last AGM.

B. Committee members, Company secretary and Committees remuneration

1. The Board of Directors approves the sub-committees' remuneration (except Audit committee), attendance allowance and other entitlements based upon the recommendation of the Remuneration and Nomination committee.
2. The board sub-committees membership remuneration consists of annual remuneration and meeting attendance allowance.
3. Audit committee members' remuneration is approved by the AGM based upon the recommendation of the Board of Directors.
4. On composition of the committees, the number of memberships that a board member can assume should be considered, provided that the total payment received by a member including remuneration for board and committee members should not exceed the maximum payment provided for in Companies Law applicable in the Kingdom of Saudi Arabia.

The Board and Sub-committees meetings remunerations and attendance allowance is detailed as follows:

Table (12): Board and its Sub-committees remuneration:

No.	Statement	Annual remuneration
1	Chairman of the board	SAR 400,000
2	Board members	SAR 300,000
3	Sub-committees excluding audit committee	SAR 50,000
Remuneration for meeting attendance		
4	Board meeting attendance	SAR 5,000
5	Committee meetings	SAR 4,000

- Remuneration for the members of the audit committee was decided by the general assembly, which met on March 28, 2018
- Remuneration for Executive management has been decided in accordance with the Group's human resources policy and performance evaluation methods based on the standards mentioned earlier.

A.7. Executive management remuneration

1. According to the Remuneration and Nomination committee's recommendation, the Board of Directors (Body) approves the types of remunerations granted for the senior executives of the Company, as for instance: fixed bonuses, performance-related bonuses, incentive bonuses, so as to not interfere with regulations and regulated procedures issued for joint-stock companies.
2. Remunerations of senior executives shall be consistent with the strategic objectives of the Company and consistent with its activity and the required skills to manage it, taking into consideration the sector and volume of the Company.
3. The Remuneration and Nomination committee shall continuously review the incentive plans of the senior executives and submit a recommendation to the Board of Directors to approve it.
4. Remunerations aim to offer the competitive environment required to attract and retain qualified and competent staff and assure a high level of skills needed by the Company.
5. The Chief Executive Officer (CEO) shall implement the remuneration policy for staff and senior executives in light of the plans and programs the Remuneration and Nomination committee recommends.
4. Annual performance-related bonuses shall be determined by the Remuneration and Nomination committee based in the recommendations and reports of the CEO and in the light of performance evaluation as well as the KPIs.
5. Plans, incentive programs, salaries adjustment and other benefits of senior executives shall be approved by the Remuneration and Nomination committee.
6. Some allowances are determined as a percentage of the basic salary, such as housing allowance at 25% of the basic salary and transportation allowance at 10% maximum.
7. Some employees of the Company, based on the nature of their work, receive in-kind benefits such as providing a car in accordance with the conditions and standards set by the management of the Company in this regard; and the CEO shall approve this. In case any of the executive employees receives a car, he/she does not deserve a transportation allowance.
8. Some other allowances such as fuel and telephone allowances could be provided, according to a clear internal policy set by the human resources department.
9. Non-Saudi employees and their families (one wife and two children maximum) shall be granted airline tickets once a year.
10. Achieving financial results and profits for strategic departments and units.
11. Accomplishing the results of the strategic transformation programs.
12. Achieving annual results of the management in operations assigned according to the tasks of the concerned department.
13. Assessment of departments for each other regarding common tasks and level of cooperation.
14. The quality of the results of the concerned department.
15. The contribution share in developing the Company in general aside from the tasks of the concerned department.

While the remunerations of the employees of the Company are determined according to the following criteria:

1. Abilities, professional performance and history of the employee of the company; in addition to his serving period in the Company shall be taken into consideration when determining and adjusting his/her basic salary.
2. Salaries of newly/recently hired executives of the Company shall be determined by a decision taken by the CEO of the Company, according to the policy of the Company and the salary structure adopted in accordance with the functional grades.
3. Concerning fixed bonuses, whether they are a lump sum or certain commission from sales, they shall be determined and approved according to internal incentives regulations.

Board of Directors and Governance continued

A.8. Remunerations of the Board of Directors

Table (13): Remunerations of the members of the Board of Directors in 2019:

Board Member	Fixed Bonuses						Variable Bonuses							Indemnity	Grand Total	Expense Allowance
	Board Members Bonus	Total Attendance Allowance	Total Attendance Allowance for Committee Meetings	In-kind Benefits	Technical, Administrative and Consultant works bonus	Remuneration of the Chairman, Managing Director or Secretary, if he/she is one of the members	Total	Profit Share	Periodic Remunerations	Short-term Incentive Plans	Long-term Incentive Plans	Granted Shares (value to be entered)	Total			
First: Independent members																
Eng. Mohammed Bin Saleh Al Khalil	400,000	30,000	50,000	20,000	-	-	500,000	-	-	-	-	-	-	-	500,000	-
Dr. Sulaiman Ali ALHudaif	300,000	30,000	50,000	12,000	-	-	392,000	-	-	-	-	-	-	-	392,000	-
Mr.Abdullah AbdulRahman AL-Ayadi	300,000	35,000	100,000	32,000	-	-	467,000	-	-	-	-	-	-	-	467,000	-
Mr. Ibrahim Bin Abdulaziz AL Rashed	300,000	35,000	100,000	32,000	-	-	467,000	-	-	-	-	-	-	-	467,000	-
Mr. Yazeed Khalid AL Muhaizaa	300,000	35,000	50,000	16,000	-	-	401,000	-	-	-	-	-	-	-	401,000	-
Second: Non-executive members																
Mr. Ahmed Bin Samer AL-Zaim	300,000	35,000	100,000	32,000	-	-	467,000	-	-	-	-	-	-	-	467,000	-
Mr. Mazen bin Ahmed AL-Jubeir	300,000	35,000	50,000	20,000	-	-	405,000	-	-	-	-	-	-	-	405,000	-
Mr. Majed Bin Ayed AL Nefae	300,000	35,000	50,000	12,000	-	-	397,000	-	-	-	-	-	-	-	397,000	-
Third: Executive members																
Mr. Abdullah Bin Nasser AL Dawood	300,000	35,000	50,000	20,000	-	-	405,000	-	-	-	-	-	-	-	405,000	-
Total	2,800,000	305,000	600,000	196,000	-	-	3,901,000	-	-	-	-	-	-	-	3,901,000	-

A.9. Membership of the Board of Directors in other companies

Table (14): Membership of the Board of Directors members in other companies according to the presentations submitted in 2019:

No.	Member Name	Name of companies where BoD member is a member in their existing BoD or manager	In/outside the KSA	Legal Entity	Name of companies where BoD member is a member in their former BoD or manager	In/out KSA	Legal Entity
1	Engineer Mohammed Bin Saleh Al-Khalil	Alujain	Inside the KSA	Listed joint-stock company	Thakher Investment and Real Estate Development Co.Ltd	Inside the KSA	Limited Liability Company
		Cannoli Food Industries	Inside the KSA	Limited Liability Company	-	-	-
		Cementra Cement	Outside the KSA	Private joint-stock company	-	-	-
		Tatweer Buildings	Inside the KSA	Limited Liability Company	-	-	-
		Fad International Company for Investment & Development	Inside the KSA	Limited Liability Company	-	-	-
		Enwan Al Makan for Investment and Real Estate Development Co.	Inside the KSA	Limited Liability Company	-	-	-
		Elite Doctors Medical Company	Inside the KSA	Limited Liability Company	-	-	-
		Arkan Steel Company	Inside the KSA	Limited Liability Company	-	-	-
		Unaizah Investment Company	Inside the KSA	Closed joint-stock company	-	-	-
		Unaizah Endowment Company	Inside the KSA	Limited Liability Company	-	-	-
		Al Tahaluf Real Estate Company	Inside the KSA	Closed joint-stock company	-	-	-
		Al Wedyan Saudi Real Estate Company	Inside the KSA	Closed joint-stock company	-	-	-

No.	Member Name	Name of companies where BoD member is a member in their existing BoD or manager	In/outside the KSA	Legal Entity	Name of companies where BoD member is a member in their former BoD or manager		
					In/out KSA	Legal Entity	
2	Ahmed Samer Bin Mohammed Hamdi Al-Zaim	AL-Rajhi Takaful Insurance Co.	Inside the KSA	Listed joint-stock company	-	-	-
		Riyadh Cables Group of Companies	Inside the KSA	Closed joint-stock company	-	-	-
		Saudi Modern Company for Metals and Plastic industry	Inside the KSA	Closed joint-stock company	-	-	-
		Saudi Modern Company for Specialized Cables & Wires Industry	Inside the KSA	Closed joint-stock company	-	-	-
		Modern Company for Cables Ltd.	Inside the KSA	Closed joint-stock company	-	-	-
		Saudi Modern Company for Telephone Wires Manufacturing and Lightech Company	Inside the KSA	Limited Liability Company	-	-	-
		Gulf International Company for Contracting Real Estate Investment	Inside the KSA	Limited Liability Company	-	-	-
		International Ceramic and Building Materials Trading Co	Inside the KSA	Limited Liability Company	-	-	-
		Gulf Int'l For Home Furnishings	Inside the KSA	Limited Liability Company	-	-	-
		Lighting Technology Co., Ltd.	Inside the KSA	Limited Liability Company	-	-	-
		Silver Crown Trading Co.	Inside the KSA	Limited Liability Company	-	-	-
3	Dr. Sulaiman Ali Al-Hudaif	AL Andalus Property Company	Inside the KSA	Listed joint-stock company	-	-	-
		Alinma Bank	Inside the KSA	Public joint-stock company	-	-	-
4	Majed Bin Ayed Al Nefaie	Mawasim Investment	Inside the KSA	Limited Liability Company	Seera Travel Group Holidays Company Ltd	Outside the KSA	Limited Liability Company
		AL-Mawasim Hajj and Umrah Services Company	Inside the KSA	-	-	-	-
		Mawasim Sports	Inside the KSA	-	-	-	-
		AL-Hanove Travel Company	Outside the KSA	-	-	-	-
		Al Takamul Group international company	Inside the KSA	Listed joint-stock company	-	-	-
		Sheraton Makkah	Inside the KSA	Listed joint-stock company	-	-	-
		Madad Al-Baraka Hotel Company	Inside the KSA	Listed joint-stock company	-	-	-
		KARIZMA AL Sharq Trading Company Ltd.	Inside the KSA	Listed joint-stock company	-	-	-
		Mawasim Tourism Investment Group Ltd.	Inside the KSA	Listed joint-stock company	-	-	-
		Saudi Conference & Incentive Tours Company	Inside the KSA	Listed joint-stock company	-	-	-
		Beige for Décor Company Inside the KSA	Inside the KSA	Listed joint-stock company	-	-	-
		Mawasim Al Sriyah Company Ltd.	Inside the KSA	Listed joint-stock company	-	-	-
		Darat AL Asryah for Real Estate Development	Inside the KSA	Listed joint-stock company	-	-	-
		Naqla Company for Audiovisual Media Production	Inside the KSA	Listed joint-stock company	-	-	-

No.	Member Name	Name of companies where BoD member is a member in their existing BoD or manager	In/outside the KSA	Legal Entity	Name of companies where BoD member is a member in their former BoD or manager		
					In/out KSA	Legal Entity	
5	Mazen Bin Ahmed AL-Jubeir	Diyar ALKhozama	Inside the KSA	Closed joint-stock company	National Metal Manufacturing and Casting Company (MAADANIYAH)	Inside the KSA	Listed joint-stock company
		Careem Incorporation	Inside the KSA	Closed joint-stock company	Al Sagr Insurance	Outside the KSA	Listed joint-stock company
		Public Pension Agency	Inside the KSA	Governmental institution	National Medical Care Company	Inside the KSA	Listed joint-stock company
		Maxis Communications Bhd. (Malaysia)	Outside the KSA	Closed joint-stock company	SaudiMed Investment Company	Inside the KSA	Closed joint-stock company
		Mohammed I. Alsubaei & Sons Investment Company	Inside the KSA	Closed joint-stock company	Capital Bank	Outside the KSA	Listed joint-stock company
		Riyadh Airports Company	Inside the KSA	Limited Liability Company	Derayah Financial Company	Inside the KSA	Closed joint-stock company
		Fund of Funds	Inside the KSA	Closed joint-stock company	Buan	Inside the KSA	Closed joint-stock company
		Al Ra'idah Investment Company	Inside the KSA	Closed joint-stock company	Lafana Holding Company	Inside the KSA	Closed joint-stock company
		SABIC Investment and Local Content Development Company	Inside the KSA	Closed joint-stock company	Northern Trust Company of Saudi Arabia	Inside the KSA	Closed joint-stock company
		The National Agricultural Development Company (Nadec)	Inside the KSA	Listed joint-stock company	-	-	-
6	Abdullah A. AL-Ayadhi	Food Industries & Packing Complex - FIPCO	Inside the KSA	Public joint-stock company	-	-	-
		Alujain	Inside the KSA	Public joint-stock company	-	-	-
7	Ibrahim Bin Abdulaziz AL-Rashed	Sleep High Company	Inside the KSA	Limited Liability Company	-	-	-
8	Yazeed Khalid AL-Muhaizaa	-	-	-	-	-	-
9	Abdullah Bin Nasser AL-Dawood	Saudi Entertainment Ventures	Inside the KSA	Closed joint-stock company	Thakher Investment and Real Estate Development Co.Ltd.	Inside the KSA	Closed joint-stock company
		Alraedah Finance Company	Inside the KSA	Closed joint-stock company	Muthmerah Real Estate Investment Company (MREIC)	Inside the KSA	Closed joint-stock company
		Rou'a Al Madinah	Inside the KSA	Closed joint-stock company	Hanay Trading Company	Inside the KSA	Closed joint-stock company
		MBC Group	Outside the KSA	Closed joint-stock company	Careem Incorporation	Outside the KSA	Closed joint-stock company
		-	-	-	Saudi Stock Exchange	Inside the KSA	Closed joint-stock company

B. Board of Directors committees

1. Composition of committees

In compliance with the Company systems, its corporate governance and optimal management of Company affairs, the Board of Directors, in its meeting held on 28th March 2018, restructured the committees as follows:

A. Executive committee

Table (15): Executive committee head and members:

No.	Name	Current Position	Former Positions	Qualifications	Experience
1	Engineer Mohammed Bin Saleh AL-Khalil	Chairman of both Seera Holding Group and Alujain	Member of the Real Estate Committee, Chamber of Commerce and Industry in Riyadh	He received a master's degree in business administration and Bachelor of Science and Engineering in Computer Engineering	Chairman and member of the Board of Directors of several companies in real estate, investment, and industry
2	Mazen Bin Ahmed AL-Jubeir	- Managing Director at Jawaris Ltd - Chairman of the National Agricultural Development Company (NADEC) - Chairman of Fund of Funds Company (Jada)	Executive Vice President for the Amwal AlKhaleej's Company	Master of Business Administration (MBA)	- Executive Vice President for the Amwal AlKhaleej's Company - Advisor at the "McKinsey & Company" - Member of BoD in several companies
3	Yazeed Khalid AL-Muhaizaa	Assistant General Manager and Director General Global Markets at Hassana Investment Company	Director of Global Markets General at Hassana Company Investment	Master of Business Administration (MBA)	- Representative of the General Organization for Social Insurance - Assistant General Manager and Head of Department International Markets at Hassana Investment Company since 2014. - Investment Analyst in the Portfolio Management Department at The General Organization for Social Insurance in the Kingdom Saudi Arabia from 2007 to 2014
4	Abdullah Bin Nasser AL-Dawood	- CEO of Seera Holding Group - Chairman of the Saudi Entertainment Projects Company - Chairman of the Alraedah Finance Company	Vice President of Investment Banking at Deutsche Bank in the Middle East and North Africa	Master's degree in Political Science and International Relations as well as a master's degree in Business Administration with honors	- Vice President of Investment Banking at Deutsche Bank in the Middle East and North Africa - CEO of Seera Holding Group
5	Ibrahim Bin Abdulaziz AL-Rashed	Co-founder of Colliers International – Saudi Operations	Consultant in several companies	- Bachelor's degree in Business Administration, where he majored in Accounting - Master of Business Administration in Finance and Accounting - Initial fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) - Secondary fellowship of the Saudi Organization for Certified Public Accountants (SOCPA)	- An inspiring and motivational executive director with first-rate interpersonal skills at Colliers International – Saudi Operations, where he was a co-founder. - He is equipped with more than 15 years of experience in various fields. He has also worked as a Senior Manager in the auditing department of Ernst and Young Riyadh.

Board of Directors and Governance continued

B. Remuneration and Nomination committee

Table (16): Remuneration and Nomination committee head and members:

No.	Name	Current Position	Former Positions	Qualifications	Experience
1	Dr. Sulaiman Ali Al-Hudaif	Deputy Chief of Strategy and Business Excellence Group, Alinma Bank	<ul style="list-style-type: none"> - Head of Human Resources and Development Al Rajhi Bank - CEO of Elite World Co for Professional Recruitment and Human Resource Services 	<ul style="list-style-type: none"> - Doctoral degree in Business Administration (DBA) - MS degree in Administration Science - MS in International Relations. 	A well-known HR Executive in KSA, Dr. Sulaiman Ali Al-Hudaif has more than 30 years of experience within Corporate and Executive Governance, which includes Competitive HR Business Modeling & Processes, Corporate Communication, Change Management & Reengineering, Business Development Cooperation, Strategic Human Resources Planning & Design, Organizational Development, Executive Training, Assessment & Competency Development, Top Management Talent Selection, Acquisition & Succession and Project Consultation. In addition, he has also led the development of various HR initiatives.
2	Majed Bin Ayed AlNefaie	CEO of the AlNefaie Mawasim Hajj and Umrah Services Company	Deputy Head of Revenue section at Makkah Construction and Development Company	<ul style="list-style-type: none"> - Bachelor of Accounting - Advanced Diploma in Hotel Management 	<ul style="list-style-type: none"> - CEO of the Al-Mawasim Hajj and Umrah Services Company - Hotel Manager at the Hilton Towers
3	Ibrahim Bin Abdulaziz Al-Rashed	Co-founder of Colliers International – Saudi Operations	Consultant in several companies	<ul style="list-style-type: none"> - Bachelor's degree in Business Administration, where he majored in Accounting - Master of Business Administration in Finance and Accounting - Initial fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) - Secondary fellowship of the Saudi Organization for Certified Public Accountants (SOCPA) 	<ul style="list-style-type: none"> - An inspiring and motivational executive director with first-rate interpersonal skills at Colliers International – Saudi Operations, where he was a co-founder. - He is equipped with more than 15 years of experience in various fields. He has also worked as a Senior Manager in the auditing department of Ernst and Young Riyadh.

C. Audit committee

Table (17) Audit committee head and members:

No.	Name	Current Position	Former Positions	Qualifications	Experience
1	Mr. Abdullah A. Al-Ayadhi	Head of Legal Affairs Department at the Prince Mohammed bin Abdulaziz Foundation (MiSK).	<ul style="list-style-type: none"> - Legal counsel in several companies - An executive at a well-known company in the KSA (Al Faisaliah Group) - CEO (Acting) at the King Abdullah foundation 	<ul style="list-style-type: none"> - Bachelor's degree in Law. - Master's degree in International Business Law 	<ul style="list-style-type: none"> - Legal counsel in several companies - More than 20 years of legal and administrative experience in top-ranked institutions - A key player in negotiations in one of the fastest growing companies in the Gulf Region (ACWA).
2	Mr. Ahmed Bin Samer Al-Zaim	<ul style="list-style-type: none"> - Vice Chairman of Seera Holding Group - A board member in Riyadh Cables Group Company. - Chairman of Saudi Modern Company for Metals and Plastic industry 	Member of the Chamber of Commerce and Industry in Riyadh and Council of Saudi Chambers	<ul style="list-style-type: none"> - Bachelor's degree in Economics - Bachelor's degree in Business Administration 	He is a board member in Al-Rajhi Takaful Company, Riyadh Cables Group Company, Saudi Modern Company for Specialized Cables & Wires Industry, Gulf International Company for Contracting Real Estate Investment and Subsidiaries. He is also the Board Chairman in Saudi Modern Company for Metals and Plastic industry, Saudi Modern Company for Telephone Cables Industry and Lightech Company Ltd..
3	Dr. Saleh Hamad Al-Shenefy	Associate Professor – Faculty of Business Administration – King Saud University	Assistant Professor – Faculty of Business Administration – King Saud University	PhD in Business Administration, major Accounting – University of Florida Atlantic	Membership of the Audit committee in several companies and BoD member of the Saudi Organization for Certified Public Accountants (SOCPA)

No.	Name	Current Position	Former Positions	Qualifications	Experience
4	Abdullah S. Alanizi	Chief Internal Audit – Saudi Telecom Company	General Manager, Network & IS Audit – Saudi Telecom Company	Master of Business Administration – King Fahd University of Petroleum & Minerals	He held several positions in the Auditing and Accounting fields in Samba Financial Group and Saudi Telecom Company

B. Tasks of committees and attending meetings

A. Executive committee

The Executive committee is comprised of five members according to the statement shown in Table 18 of this report. During 2019, the committee held five meetings. The committee performs its functions through the authority granted to it by the Board of Directors, which includes the following points:

- Submitting recommendations to the BoD to set and approve the financial and strategic objectives of the Company.
- Recommending the approval of the annual budget of the Company.
- Approval of investing in projects or acquisition of companies in which the Group or any of its subsidiaries is a party and which does not exceed a value of SAR 500m.
- Approval of the contracts of establishing and acquisition of companies, purchasing stocks and shares inside the Kingdom of Saudi Arabia (KSA), and selling stocks and shares owned by the Company inside the KSA.
- Giving approval on participation in investment projects, new partnerships or projects aiming to enhance and develop the existing activities of the Group, buying assets and selling or buying property in favor of the Company.

Table (18): Executive committee member names and committee meetings attendance rate.

No.	Name	Designation	Number of Meetings (5)					Attendance %
			6.1.2019	3.4.2019	2.9.2019	27.10.2019	27.11.2019	
1	Engineer Mohammed Bin Saleh Al-Khalil	Committee president	⊙	⊙	⊙	⊙	⊙	100%
2	Mazen Bin Ahmed Al-Jubeir	Committee member	⊙	⊙	⊙	⊙	⊙	100%
3	Ibrahim Bin Abdulaziz Al-Rashed	Committee member	⊙	⊙	⊙	⊙	⊙	100%
4	Yazeed Khalid Al-Muhaizaa	Committee member	⊙	⊙	⊙	⊙	○	80%
5	Abdullah Bin Nasser Al-Dawood	Committee member/CEO	⊙	⊙	⊙	⊙	⊙	100%

⊙ Attended ○ Not attended

B. Remuneration and Nomination committee

The Remuneration and Nomination committee is comprised of three members, three independent members and one non-executive member, according to the statement indicated in Table 19 of this report, and the committee held three meetings during 2019. The Remuneration and Nomination committee issued numerous decisions by passing them to members. The committee fulfills its role and authority through the regulations of the Remuneration and Nomination and Governance committees. Functions and responsibilities of the committee include the following:

- Submitting a recommendation to the BoD to nominate for the membership of the BoD, according to approved policies and procedures; taking into consideration not to nominate any person previously convicted with a crime of dishonor or dishonesty.
- Annual review of required needs of convenient skills for the BoD membership and preparation of a description of the capabilities and qualifications required for its membership including determination of the time a member would need to devote to the BoD affairs.
- Review the structure of the BoD and Executive management and submit recommendations on possible changes and determine weaknesses and strengths in the BoD while proposing solutions for them, according to the benefit of the Company.
- Annually assuring the autonomy of independent members.
- Assuring that there is no conflict of interest since the member is in the BoD of another company.
- Setting clear policies with regards to the compensations and remunerations of the BoD members and senior executives, taking into consideration using performance-related standards when setting these policies.

Table (19): Remuneration and Nomination committee members names and committee meetings attendance rate:

No.	Name	Designation	Number of Meetings (3)			Attendance %
			27.2.2019	16.5.2019	20.8.2019	
1	Dr. Sulaiman Ali Al-Hudaif	Committee president	⊙	⊙	⊙	100%
2	Majed Bin Ayed AlNefae	Committee member	⊙	⊙	⊙	100%
3	Ibrahim Bin Abdulaziz Al-Rashed	Committee member	⊙	⊙	⊙	100%

⊙ Attended ○ Not attended

Board of Directors and Governance continued

C. Audit committee

The Audit committee is comprised of four members, as mentioned in Table 20 of this report, two members from the BoD and two independent members out of the BoD; they are Dr. Saleh Hamad Al-Shenefy, Financial and Accounting Specialist, and Mr. Abdullah S. Alanizi, Internal Audit and Technical Risk Specialist. The committee held eight meetings in 2019; and it performs its duties according to its authority approved by the Audit committee, which is approved by the Extraordinary General Meeting (EGM) of the Company held on 28th March 2018, and the functions and responsibilities of the committee include the following:

1. Initial and annual financial statements

- Considering the initial and annual financial statements of the Company before submitting them to the BoD and giving their opinions on them; and recommending them to ensure their integrity, fairness and transparency.
- Giving technical opinion on whether the report of the BoD and the financial statements are fair, balanced and clear; and includes data that allows shareholders and investors to assess the Company's financial position, performance, business model and strategy.
- Considering any significant or unusual issues included in the financial reports.
- Considering any issues raised by the Financial Manager (or who covers him/her), Compliance Officer, or External Auditor of the Company.
- Reviewing accounting estimates of significant issues included in the financial reports.
- Overseeing accounting policies and principles followed in the Company and its subsidiaries; depending on the nature of their work; and submitting opinion and recommendation to the BoD on them.

2. Internal audit

- Monitor and supervise the performance and activities of the Internal Audit Department to ensure availability of the necessary resources and their effectiveness in performing the tasks and functions assigned to them.
- Oversee Internal Audit reports and following up the implementation of the corrective measures of the notes included therein.
- Study and review the internal control systems.
- Activate the reporting policy mechanism for the employees to confidentially provide their comments on any violation in the financial reports or elsewhere.
- Approve the Internal Audit regulations, policies, and procedures.
- Approve the annual internal audit plan proposed by the Internal Audit Manager.
- Ensure the independence of the Internal Audit Department and its effectiveness, according to the relevant standards
- Review the results of the reports of the supervisory authorities and ensure taking the required actions thereon.

3. External review

- Reviewing the work plan of the Company's auditor and its works, making sure that the auditor does not carry out technical or administrative works outside the scope of the audit work, and giving its views thereon.
- Ascertaining the independence, objectivity and fairness of the auditor and the effectiveness of the audit works, taking into account the relevant rules and standards.
- Examining the auditor's report and its observations on the financial statements and following up on what has been taken in this regard.

4. Compliance review

- Reviewing the contracts and transactions proposed to be entered by the Company with the related parties and presenting its views thereon to the Board of Directors.
- Checking the Company's compliance with the relevant regulations, instructions and policies.
- Raising such matters as it considers necessary for action to the Board of Directors and making recommendations on the actions to be taken.

Names of the members of the Audit committee and the committee meetings attended:

Table (20): Names of the members of the Audit committee and the committee meetings attendance rate:

No.	Name	Designation	Number of Meetings (8)								Attend- ance %
			29.1.2019	26.2.2019	5.5.2019	4.8.2019	2.10.2019	3.11.2019	12.11.2019	17.12.2019	
1	Mr. Abdullah Al Ayadhi	Committee chairman	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	100%
2	Mr. Ahmed Samer Al Zaim	Committee member	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	100%
3	Dr. Saleh Al Shanifi	Committee member	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	100%
4	Mr. Abdullah Al Enazi	Committee member	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	100%

⊙ Attended ○ Not attended

5. Findings of the internal review and evaluation of the effectiveness of the internal control system

5.1. Organizational structure and scope of operations

The Seera Group's Board of Directors is committed to use the Internal Audit Department as a key tool to control, improve and monitor the performance across the Group, and to develop the Group's business, governance and oversight practices. The Internal Audit Department is the group's "third line of defense," which means that it does not replace the role of the senior executives at the strategic business units and the joint central service units. Simply, they represent the Group's "first lines of defense", as they are required to minimize the risks and verify the effectiveness of the controls approved by the Board of Directors.

The Internal Audit Department submits a quarterly report to the Audit Committee, appointed by the General Assembly, and reports directly to the Group's CEO. The Internal Audit Department conforms to the IIA's International Professional Practices Framework (IPPF), which sets the definition, international professional standards and key principles of internal auditing.

The Internal Audit Department follows an approach based on risk management and focuses on the sectors and operations that comprise potential risks to the Group, if any.

Accordingly, the mission of the Internal Audit Department is to support and protect organizational value, through verification and providing the stakeholders with independent and objective consultation that is based on risk management.

The key achievements of the Internal Audit Department in 2019:

5.2. Internal audit and evaluating the effectiveness of internal auditing

The Internal Audit Department has focused on several tasks within its purview in accordance with the IIA's International Professional Practices Framework (IPPF) and the approved Internal Audit Activity Charter. These have helped enhance the audit controls, improve risk management, and achieve the desired goals including:

- Execution of the full internal audit plan for 2019, which covered nearly 28 key audit and consultancy tasks carried out upon the board and Audit Committee's request. The operations and activities mentioned earlier were audited during this process. This was to ensure the effectiveness of the auditing of these operations and to limit any risks involved.
- The execution of follow-up procedures with strategic sector managers and senior manager for all results listed in internal audit report for 2019 and earlier reports, in the light of the recommendations of the Internal Audit Department to ensure timely execution of the proposed corrective measures.
- A comprehensive update for the evaluation of risks for 2019 for all departments within the Group. This is to update the internal audit operational and strategic plans for 2020 and 2021. During this process, discussions were held with the main related bodies, such as the Audit Committee, operational units' managers, and senior management. All the key issues identified through these discussions were reflected in the operational review plan.
- The participation in investigation and the follow-up on issues related to violations in cooperation with concerned unites, and study of the results of the investigation to enhance the controls.
- An internal audit was carried out in 2019 to evaluate the quality of internal auditing practices and measure the Internal Audit Department's compliance with the IIA's International Professional Practices Framework (IPPF). The methodological evaluation revealed that the department conforms to the IPPF.
- Continue the ongoing the Internal Audit Department's workforce restructure according to the recommendations of the IIA Global Internal Audit Competency Framework. This process involves supporting the Department and hiring of new qualified, competent and experienced auditors to handle all the required tasks and duties.
- The Group and the Internal Audit Department invested in internal auditing technological solutions. For example, the department used "Teammate" system to digitally document its works.
- The internal audit team has attended some training courses and specialized seminars in 2019 to keep the team updated about the latest developments in this field.
- The Internal Audit Department submits a quarterly report to the Audit Committee, outlining the results of the internal auditing activities in the light of the approved KPIs. The report is discussed in meetings with the Audit Committee with the head of the Group's Internal Audit Department.

5.3 Initial & Annual Financial Statements

- The Internal Audit Department pays special attention to the financial statements and reports for the Seera Group. Therefore, it has allocated adequate hours for this task as part of its operation plan. In this respect, the Internal Audit Department reviews these financial reports and statements before submitting them to the Audit Committee along with the necessary recommendations to ensure their integrity, fairness, and transparency.
- Check the key risks associated with the financial statements, for example, important accounting estimates – changes in accounting policies and their financial effects on the statements – the compliance with the IFRS disclosure standards.
- Revision of key issues and accounting reports regularly.

Board of Directors and Governance continued

5.4 Governance operations

The Internal Audit Department has undertaken tasks related to governance, which in turn has confirmed the efficiency and adherence to the internal auditing procedures according to the IIA's 2110 performance standard, which stipulates that the internal audit activity must assess and make appropriate recommendations to improve the governance processes. In this context, the Internal Audit Department has reviewed the following:

- The decisions and minutes of the Board of Directors to ensure consistent decision-making and consistent strategy procedures
- Procedures for effective performance and the evaluation of the strategic business units to affirm that they are suitably structured
- Disclosure of risk-related information to the related bodies in the Group in a regular manner

6. The findings of the Audit committee

The committee has been made aware of the findings, through regular internal audit reports, as well as meeting with the external auditor and the report submitted by him. The committee regularly follows up on the efforts of the executive committee to ensure that its observations have been addressed and that sufficient controls have been put in place to remedy the issues. However, it should be clear that any internal audit system can only provide reasonable, but not absolute, assurances regarding integrity and effectiveness of the internal control system. Also, there is no conflict between the recommendations and decisions of the Audit Committee and that of the Board of Directors.

7. External audit

At its meeting held on 14 April 2019, the Extraordinary General Assembly of the Company approved the appointment of the Dr. Mohamed Al Amri & Co., from other candidates, as the Company's auditor for the financial year ended 31 December 2019 in consideration of remuneration of SAR 880,000.

Various proposals were obtained from major audit firms for auditing the Company's accounting records for the financial year 2019. Having been presented to the Audit committee and after discussion, the committee decided on the list of nominations which was reviewed by the Board of Directors and the General Assembly. Accordingly, the Company's auditor for the financial year 2019 was appointed.

3. Remuneration and allowances of the Board committees

Table (21): Remuneration and allowances of the Board committees during 2019:

No.		Fixed remuneration (except attendance allowance)	Attendance allowance	Total
Executive committee				
1	Eng. Mohammed bin Saleh Al Khalil	50,000	20,000	70,000
2	Mr. Mazen bin Ahmed Al Jubeir	50,000	20,000	70,000
3	Mr. Ibrahim bin Abdulaziz Al Rashed	50,000	20,000	70,000
4	Mr. Yazeed bin Khalid Al Muhaizaa	50,000	16,000	66,000
5	Mr. Abdullah bin Nasser Al Dawood	50,000	20,000	70,000
Total		250,000	96,000	346,000
Nominations and Remuneration committee				
1	Dr. Sulaiman bin Ali Al Hudaif	50,000	12,000	62,000
2	Mr. Majed bin Ayed AlNefaie	50,000	12,000	62,000
3	Mr. Ibrahim bin Abdulaziz Al Rashed	50,000	12,000	62,000
Total		150,000	36,000	186,000
Audit committee				
1	Mr. Abdullah bin Abdulrahman Al Ayadhi	100,000	32,000	132,000
2	Mr. Ahmed bin Samer Al Zaim	100,000	32,000	132,000
3	Dr. Saleh bin Hamad Al Shanifi	200,000	32,000	232,000
4	Mr. Abdullah bin Sayel Al Enezi	200,000	32,000	232,000
Total		600,000	128,000	728,000
Grand Total		1,000,000	260,000	1,260,000

C. Executive management

1. Positions, qualification and experience of the senior executives

Table (22): Positions, qualification and experience of the senior executives:

No.	Name	Current positions	Previous positions	Qualifications	Experience
1	Mr. Abdullah Nasser Al Dawood	<ul style="list-style-type: none"> - Chief Executive Officer, Seera Holding Group - Chairman of Saudi Arabia Entertainment Project - Chairman of Al Raeda Funding 	Vice President of Investment Banking MENA, Deutsche Bank	<ul style="list-style-type: none"> - Bachelor's degree in Business Administration - first class honors - Master's degree in Business Administration with honors - Master's degree in Political Science and International Relations 	<ul style="list-style-type: none"> - Over 11 years of experience in investment banking, during which he held several executive positions - Vice President of Investment Banking at Deutsche Bank in the Middle East and North Africa. - Former member of the Board of Directors of the Saudi Stock Exchange (Tadawul) - Member of the Board of Directors of Rua AlMadinah Holding Company - Member of the Board of Directors of many prominent companies, such as Careem. - Chief Executive Officer, Seera Holding Group
2	Mr. Yousef Mousa Yousef	<ul style="list-style-type: none"> - Executive Vice President, Finance 	<ul style="list-style-type: none"> - Audit Manager, Al Rashed Chartered Accountants Office - Internal Audit Supervisor, Verizon Communications, Virginia, USA 	<ul style="list-style-type: none"> - Certified Public Accountants (CPA) - The Membership of Virginia Society of Certified Public Accountants, Virginia, USA 	<ul style="list-style-type: none"> - Audit Manager, Al Rashed Chartered Accountants Office - Riyadh 2000 – 1995 - Deputy Controller, Marriott Group, Virginia, USA 2003-2000
3	Mr. Saud Mohammed Al Arifi	<ul style="list-style-type: none"> - Executive Vice President of Travel Management Seera Holding Group 	<ul style="list-style-type: none"> - Vice President, Eastern Region and Kingdom of Bahrain - Vice Chief Operating Officer, Seera Holding Group - Various positions throughout 25 years with Saudi Airlines 	<ul style="list-style-type: none"> - Bachelor of Business Administration, the USA, 1980 	<ul style="list-style-type: none"> - Saudi Airlines for 25 years from 1981 – 2006. He held various positions - Seera Holding Group from 2007 until now. He held the following: - Vice President of the Eastern Region and the Kingdom of Bahrain from 02.04.2007 to 30.06.2016 - Vice Chief Operating Officer from 01.07.2012 to 01.07.2018
4	Mr. Abdulrahman Mutrib	<ul style="list-style-type: none"> - Executive Vice President – Group CTO - Member of the Board of Directors, Almosafer - Member of the Board of Directors, other companies - Member of the Board of Directors, Tabadul 	<ul style="list-style-type: none"> - Technical advisor, Atheeb Group - Founder of Atheeb Telecommunications - Member of the Board of Directors, Intergraph Saudi Company 	<ul style="list-style-type: none"> - Bachelor of Computer Science, American University, Washington DC - Diploma of Financial Management, IRR Institute, London 	<ul style="list-style-type: none"> - Experience of more than 28 years in the field of Information technology, technical transformation, communications, and investment in information technology
5	Mr. Muzzammil Ahussain	<ul style="list-style-type: none"> - Executive Vice President - Consumer Travel 	<ul style="list-style-type: none"> - Senior manager, Accenture Co. 	<ul style="list-style-type: none"> - MBA with distinction from INSEAD - Bachelor's degree in Economics from the University of California, Irvine. 	<ul style="list-style-type: none"> - International consultant in online travel

Board of Directors and Governance continued

2. Remuneration and rewards paid to the senior executives

The total disbursements paid to the senior executives are 24.3 million Saudi Riyals for the year 2019 including, salaries, allowances, periodic and annual compensation and travel and accommodation allowances until 31 December 2019 as follows:

Table (23): Remuneration of the senior executives:

No.	Fixed Remunerations	Amount
1	Salaries	5,955,648
2	Allowances	3,641,531
	In-kind benefits	-
	Total	9,597,179
No.	Variable Remunerations	Amount
	Regular bonuses	8,337,360
3	Profits	-
	Short-term incentive plans	-
	Long-term incentive plans	1,531,250
	Shares awarded (value entered)	-
	Total	19,465,789
4	End of service gratuity	469,270
5	Total remuneration of the Board's Executives, if any	4,370,000
	Grand Total	24,305,059

2. The Company's compliance with the Corporate Governance Regulations

The management of Seera Holding Group is committed to implementing all the provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA) on 23rd April 2017 and approved by the Board of Directors, except for the guidance articles as described below:

Table (24): Shares held by the senior executives:

No.	Regulation	State	Stipulation of regulation	Reason for non-compliance
1	Seventy, seventy-one, seventy-two	For guidance	- Formation of risk management committee - Responsibilities of the committee - Risk management committee meeting	The Group currently implements the tasks and responsibilities related to this committee through the board and audit committee.
2	Ninety-three, part B, item four	For guidance	Disclosure of bonuses of five senior executives who received bonuses, including the CEO and finance manager	Bonuses for senior executives have been disclosed in the annual report in accordance with the Financial Market Committee (2018 -35-1) on 16.3.2018. This graph is for guidance purposes.
3	Ninety-five	For guidance	The formation of a governance committee	The Group currently implements the tasks and responsibilities related to this commission through the Board of Directors and its committees.

3. Rights of shareholders and General Assembly

A. Shareholders' rights

The Company is keen in enabling all shareholders to exercise their own lawful rights so that they receive their share of the distributed profits and a share of the company's assets in case of liquidation, attend shareholders' assembly meetings, participate in its discussions, vote on its resolutions, dispose of the shares, monitor the work of the Board of Directors, file a liability case against a member of the Board of Directors, and request information, provided that it may not prejudice the interest of the Company or conflict with the Capital Market Law and its executive regulations and that it shall be in line with the provisions of the Board of Directors approved by the Board.

B. Information to shareholders

The Company shall make all information available to all shareholders in accordance with the policies of disclosure of significant developments, financial statements and performance report in accordance with the applicable legal requirements and regulations and the instructions received from the competent authorities without discrimination amongst the shareholders, to enable them to exercise their rights to the fullest extent. Such information is required to be accurate, complete and updated in a regular and timely manner on the website of the Capital Market Authority (Tadawul), the Company's website and daily newspapers.

C. Dividend policy

The Company's policy to distributing the net annual profits is based on Article 37 of the Company's Articles of Association after deducting all general expenses and other costs as follows:

- 10% of the net profit shall be set aside to form a statutory reserve. The Ordinary General Assembly may cease such withholding once the said reserve reaches 30% of the paid-up capital.
- The Ordinary General Assembly, based on the Board of Directors' proposal, may set aside a percentage of the net profits to form a consensual reserve to be allocated for a certain purpose(s).
- The Company may distribute interim dividends to the shareholders on a semi-annual or quarterly basis after fulfilling the following requirements:
 - a. The General Assembly shall authorize the Board to distribute interim dividends under a resolution to be renewed annually.
 - b. The Company shall maintain good and regular profits.
 - c. The Company shall have reasonable cash flow and can reasonably predict its level of profitability.
 - d. The Company shall have available sufficient distributable profits according to the latest audited financial statements to cover the proposed dividends, after deducting the distributed and capitalized part of such profits after the date of these financial statements.
- The Board of Directors shall implement the General Assembly's resolution regarding the distribution of profits to the registered shareholders within 15 days from the date whereon such profits become due as specified in the General Assembly's resolution.
- The General Assembly may withhold 10% of the net profit for establishing social institutions for the Company's employees or for granting reward shares in the Company to the employees of the Company.
- The profits to be distributed to shareholders shall be paid in such time and place as may be determined by the Board of Directors in accordance with the instructions issued by the Ministry of Commerce and Industry or any competent authority.
- On April 14m 2019, the board agreed to the increase of capital by 43%. This increase was through the capitalization of SAR 903,500,000 consisting of SAR 707,345,000 from remaining profits and SAR 196,155,000 from reserves. This capital increased from SAR 2,096,500,000 to SAR 3,000,000,000. The number of shares increased from 209,650,000 shares to 300,000,000 shares. 83,860,000 shares were distributed to the shareholder, at 2 shares for every 5 shares owned. The issuance date for shareholders was on the date of the convening of the assemble until the following trading day. The General Assembly during its meeting on 14 April 2019 agreed to allot 6,490,000 shares for the establishment of a program for the Groups employees (long-term incentives plan).

D. Disclosure policies and procedures

The Board of Directors has developed written disclosure and transparency policies and procedures to ensure the fair provision of appropriate information in a timely manner to assist investors in making investment decisions based on correct and adequate information and to ensure no information is disclosed to some investors and not to the others.

The Company is committed to complying with the policies and procedures developed by the Board of Directors based on the relevant regulations and the instructions issued by the Capital Market Authority to enhance the level of transparency and disclosure

Table (25): details of treasury stocks maintained by the Group

Number of treasury stocks maintained by the Group	Value	Date	Usage details
6,490,000	SAR 6,490,000*	14 April 2019	Group's employees shares program (Long-term incentives plan)

* share book value

E. Group's applications for shareholders' register

Table (26): Group's applications for shareholders' register

No.	No. application date	Application date
1	15.1.2019	Updating the shareholder's register
2	27.1.2019	Updating the shareholder's register
3	29.1.2019	Updating the shareholder's register
4	28.3.2019	Updating the shareholder's register
5	8.4.2019	Updating the shareholder's register
6	14.4.2019	Corporate procedures
7	14.4.2019	Procedures for the meeting of the General Assembly
8	17.4.2019	Updating the shareholder's register

Actions taken by the Board of Directors to inform its members of the shareholders' proposals and their comments on the Company and its performance

Board of Directors and Governance continued

The Company took a number of measures to inform members of the Board of Directors, particularly the non-executive directors, of shareholders' proposals as follows:

1. Shareholders' proposals, namely, the Investor Relations Department. These proposals are then submitted to the Board of Directors during the Board meetings appropriate decision.
2. For years, the Company has been providing the shareholders with opinion and proposal cards at the General Assembly, so that each shareholder can record their observations on the Company and its performance as well as their own proposals.
3. The Company also allowed its shareholders to question the members of the Board of Directors about the performance of the Company during the AGM.

F. General Assembly

The Company's shareholders were convened to the General Assembly on 28 March 2018. The quorum was present, and the members of the Board of Directors were present according to the following schedule:

Table (27): Statement of the General Assembly Meeting attended by the members of the Board of Directors:

No.	Name	Attendance at the General Assembly meeting held on 14 April 2019
1	Eng. Mohammed bin Saleh Al Khalil	⊙
2	Mr. Ahmed Samer bin Hamdi Al Zaim	⊙
3	Mr. Abdullah Bin Nasser Al Dawood	⊙
4	Dr. Sulaiman Bin Ali Al Hudaif	⊙
5	Mr. Majed Bin Ayed AlNefaie	⊙
6	Mr. Mazen Bin Ahmed Al Jubeir	⊙
7	Mr. Abdullah Bin Abdulrahman Al Ayadi	⊙
8	Mr. Ibrahim Bin Abdulaziz Al Rashed	⊙
9	Mr. Yazeed bin Khalid Al Muhaizaa	⊙

⊙ Attended ○ Not attended

G. Disclosure policies and procedures

The Board of Directors has developed written disclosure and transparency policies and procedures to ensure the fair provision of appropriate information in a timely manner to assist investors in making investment decisions based on correct and adequate information and to ensure no information is disclosed to some investors and not to the others.

The Company is committed to complying with the policies and procedures developed by the Board of Directors based on the relevant regulations and the instructions issued by the Capital Market Authority and the competent authorities in order to enhance the level of transparency and disclosure.

4. The interests of the Board of Directors

Table (28): List of Interests of some members of the Company's Board of Directors:

No.	Statement	Nature of Relationship	Nature of Contract	Value	Contract Terms and Conditions	Contract Term
1	Gulf International Trading & Real Estate Investment Limited Company	Mr. Ahmed Samer Al Zaim, Board Member, holds 33% of its shares	Provision of travel services	SAR 200,000 per month	No specific conditions	Annual contract, automatically renewed
2	Riyadh Cables Company	Mr. Ahmed Samer Al Zaim, Board Member, holds 11.9% of its shares	Provision of travel services	SAR 50,000 per month	No specific conditions	Annual contract, automatically renewed
3	National Agricultural Development Company (NADEC)	Mr. Mazen bin Ahmed Al Jubeir, Board Member, holds 0.001% of its shares	Provision of travel services	SAR 600,000 per month	No specific conditions	Annual contract, automatically renewed
4	Riyadh Airports Co.	Mr. Mazen bin Ahmed Al Jubeir, Board Member – related party	Provision of travel and tourism services	SAR 1,000,000 per month	No specific conditions	Annual contract, automatically renewed

5. Undertakings of the Board of Directors

The Board of Directors affirms and acknowledges that:

1. The consolidated financial statements were prepared in accordance with the conceptual framework of the International Accounting Standards Board (IASB).
2. The accounting records were prepared correctly.

3. The internal audit system was duly developed and effectively implemented.
4. There is no doubt about the Company's ability to continue its activities.
5. The company always complies with the requirements of the Corporate Governance Regulations, including all disclosure and transparency policies and procedures.
6. The General Assembly did not convene during the last fiscal year and the Company received no request from the legal auditor to this effect.
7. The General Assembly did not convene during the last fiscal year and the Company received no request from any of the shareholders holding 5% or more of the capital to this effect.
8. None of the shareholders holding 5% or more of the company's capital requested to add an item or more to the agenda of the General Assembly upon its preparation.
9. No penalty, sanction or conservatory constraint has been imposed on the Company by CMA or any other supervisory, regulatory or judicial body.
10. Except as disclosed in this report, the company has no loans with over 3-year maturity, none of the Company's properties were sold or mortgaged, and the Company's debtors were not discharged from any obligations towards the Company during 2019.
11. No action has been taken that may hinder a shareholder's ability to exercise his voting rights.
12. Except as disclosed in this report, the Company is not a party to any contract, which involves or involved a substantial interest for a member of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer or any person related to any of them during the fiscal year 2019.
13. There is no waiver agreement or arrangement under which any of the shareholders of the company has waived rights in profits during the fiscal year 2019.
14. The audit report on the annual financial statements for the fiscal year 2019 included no substantive reservations or observations.
15. There is no recommendation from the Board of Directors to replace the auditor before three consecutive fiscal years.
16. Except as disclosed in this report, none of the members of the Board of Directors, senior executives, their wives or minor children has interests, contractual securities or subscription rights in the Company's shares, debt instruments or subsidiaries.
17. Except as disclosed in this report, no convertible or redeemable debentures, option rights, warrants or similar rights were issued or granted by the Company or its subsidiaries during 2019.
18. The company did not redeem, purchase or cancel any redeemable debt instrument.
19. There is no waiver agreement or arrangement whereby a board member or a senior executive waived any salary or remuneration.
20. The Company's subsidiaries issued no shares or debt instruments.
21. There are no rights of transfer or subscription under convertible debt instruments, option rights, warrants or similar rights issued or granted by the Company.
22. The Company did not offer any cash loan of any kind to members of its Board of Directors, nor did it guarantee any loan made by any of them with a third party.
23. None of the members of the Company's Board of Directors owns any share in the capital of the Company's subsidiaries; and the Company has not entered into any business or contract that involves any interest for any of its Board members, senior executives or any person related to any of them or the Company's employees, except as disclosed in this report. The Company does not have preferred shares or shares of special interest in voting (for shareholders, directors or any of their employees) and all shares of the Company are ordinary shares of equal nominal value and have equal voting rights and other rights according to the by-law.
24. The Company is subject to zakat in accordance with the regulations of the General Authority of Zakat and Tax. A provision for zakat is charged to the consolidated statement of income. Differences, if any, at the finalization of final assessments are accounted for when such amounts are determined.
25. The Company's external auditor provided no advisory services to the Company during the fiscal year 2019 and received no fees related thereto.

6. Lawsuits against the Group

1. The Board of Directors assures that no cases were filed during the fiscal year 2019 by or against the Company exceeding 5% of the net assets of the Company.
2. The Board of Directors assures that no cases were filed during the fiscal year 2019 against a member of the Board of Directors or a partner in our subsidiaries or against any of the Company's senior executives.

Table (29): Fines and penalties imposed on the Group in 2019:

No.	Penalty	The Violation	The authority that imposed the penalty	Measures to avoid the violation in the future	Financial Impact
1	Financial	Expired store license	Riyadh Municipality	The licensee was renewed and corrective measures taken to ensure no repetition future.	Low
2	Financial	Electronic file not opened for a branch	Employment Office	The file was opened and corrective measures implemented to ensure no repetition on in future	Low

Board of Directors and Governance continued

7. Related party transactions and balances for the fiscal year 2019

Table (30): Related party transactions and balances for the fiscal year 2019:

No.	Related Party	Relationship with the Company	Nature of the Transaction	Transaction/Contract Value					Other Costs/(Income)	Contract Duration
				Sales	Purchases	Collections	Payments			
1	Shamel International Holding Co.	Equity Investments	Providing Travel services	-	-	-	-	254,273		Automatically renewable annual contract
2	National Agricultural Development Company	The Company's Member of the Board of Directors/Mazen Al-Jubeir is a Member of its Board of Directors	Providing Travel services	7,242,042		8,813,946	-	-		Automatically renewable annual contract
3	Majed Bin Ayed AlNefaie	Board Member (Non-controlling interest)	Non-controlling interest	-	-	-	-	14,133,940		Automatically renewable annual contract
4	Nile Air	Ownership interest by a majority shareholder	Providing Travel services - Agent		3,143,529	4,915,944	12,809,990	(4,074,842)		Automatically renewable annual contract
5	Saudi Batal Design Company	Ownership interest by a majority shareholder	Providing Travel services	440,800	-	423,000	-	-		Automatically renewable annual contract
6	Riyadh Cables Group Company	The Company's Member of the Board of Directors/Ahmed Samer Al Zaeem is a Member of its Board of Directors	Providing Travel services	53,938	-	62,405	-	-		Automatically renewable annual contract
7	Muhaidib Ali Muhaidib	Non-controlling interest	Non-controlling interest	-	-	-	-	(119,250)		Automatically renewable annual contract
8	Abdullah Al Ajlani	Non-controlling interest	Non-controlling interest	-	-	-	4,500,366	-		Automatically renewable annual contract
9	CHMI	Equity investment	Travel services	-	-	-	-	6,751		Annual renewable
10	Gulf International Trading Co	Board member Ahmed Samer Al Zaim	Travel services	191,317	-	177,000	-	-		Annual renewable

• 49% non-ownership shares in Mawasim Tourism and Umrah services.

8. Related parties transactions and balances for the fiscal year 2018

Table (31): Related parties transactions and balances for the fiscal year 2018:

No.	Related Party	Relationship with the Company	Nature of the Transaction	Transaction/Contract Value					Other Costs/(Income)	Contract Duration
				Sales	Purchases	Collections	Payments			
1	Amr Tourism	Equity Investments	Advertising services	-	33,849	-	-	78,194,289		Automatically renewable contract
2	Al Shamel International Holding Co.	Equity Investments	Providing Travel services	7,734	6,895,241	-	6,393,243	477,692		Automatically renewable contract
3	Wadi Middle East S.A.R.L.	Equity Investments	Providing Travel services	156,680	-	167,963	-	194,000		Automatically renewable contract

4	Nation Agricultural Development Co. NADEC	Board member is Mr. Mazen Al Jubeir	Providing Travel services	7,515,885	-	6,454,346	-	-	Automatically renewable contract
5	Majed Bin Ayed AlNefaie	Board member, non- controllable equity	Non-controlling interest	-	-	-	-	9,735,250	Automatically renewable contract
6	Forbes Middle East.	Ownership interest by a majority shareholder	Advertising services	-	-	-	-	281,065	Automatically renewable contract
7	Inbe'ath Technologies	Ownership interest by a majority shareholder	Providing Travel services	282,180	12,125,279	3,007,580	8,132,307	3,841,488	Automatically renewable contract
8	Batal Design Saudi Arabia	Ownership interest by a majority shareholder	Providing Travel services	-	-	-	-	(326,866)	Automatically renewable contract
9	Al Tayyar Property Development	Ownership interest by a majority shareholder	Providing Travel Services	-	-	-	-	138,921	Automatically renewable contract
10	Riyadh Cable Group	Board member Mr. Ahmed Samer Al Zaim	Providing Travel services	91,187	-	79,344	-	-	Automatically renewable contract
11	Meheidab Ali Meheidab	Non-controlling interest	Non-controlling interest	-	33,849	-	-	78,194,289	Automatically renewable contract
12	Careem Incorporated	Equity Investments	Providing Travel services	-	-	-	-	(164,505)	Automatically renewable contract
13	Abdullah Al Eglani	Non-controlling interest	Non-controlling interest	-	-	-	-	64,176	Automatically renewable contract
14	Econex United	Shareholder equity Travel services	Providing Travel services	156,680	-	167,963	-	194,000	Automatically renewable contract
15	Gulf International Trading	Board member Ahmed Samer Al Zaim Travel services	Providing Travel services	319,399	-	309,272	-	(3,795)	Automatically renewable contract
16	CHMI CO.	Equity investment Travel services	Providing Travel services	-	-	-	-	(806,100)	Automatically renewable contract
17	Zakher Investment and Property Development	Equity Investment Travel services	Providing Travel services	-	-	37,501,685	-	-	Automatically renewable contract
18	Bunyan Al-Madaen	Ownership by major shareholder Travel services	Providing Travel services	-	-	-	-	(1,234,549)	Automatically renewable contract
19	Nile Air	Ownership by major shareholder Travel services	Providing Travel services	606,701	-	565,016	-	-	Automatically renewable contract
20	EL-Imtyaz Food Company Ltd.	Ownership by major shareholder Travel services	Providing Travel services	-	-	-	-	164,505	Automatically renewable contract

Social responsibility and Risk management





Social responsibility

1. Social solidarity fund

Seera Holding Group provides special care for its employees and human resources based on its social responsibility. The Group established a social solidarity fund in which it offers humanitarian aid and financial support for employees with marriage, death or emergency situations. The Fund is also provided for cultural, social and sports activities, as well as establishing a social club for the employees. The social solidarity fund's balance amounted to SAR 96 million by the end of 2019.

2. The Group's obligations toward society

Based on the Group's national commitment to serve the community's needs, it continued its efforts to implement several community service programs in the fiscal year 2019. This is registered within the Group's missions and values, through a special social responsibility committee that looks to establish a relationship with the community. The Group contributed SAR 14 million to the social responsibility programs, resulting in a balance of SAR 10 million by the end of 2019.

3. Jadarah programme for attracting and developing young talents

Based on the Group's enthusiasm for developing human resources, it launched the Jadarah talent accelerator programme to develop young talents and provide them with opportunities to gain experience in the fields of technology and entrepreneurship. This is achieved through an intensive 6-month program, designed in cooperation with international companies such as Google, Careem, and Twitter. The aim of the program is:

- a. Enhancing the Group's social responsibility role by investing in the development of local initiatives in line with the Saudi 2030 Vision.
- b. To strengthen the Group's position in the information technology sector by building major partnerships in this field.
- c. Attracting outstanding young talent and enhancing the Group's image as a stand-out business environment.

4. Almosafer Academy

In accordance with the Group's interest in developing human resources, it has launched an intensive 10-week employment program aimed at attracting multi-talented Saudi youth and the development of a new generation of travel advisors.

Risk management

Risk management is an integral part of the Group's activity. Risks are managed through a framework for identifying and evaluating the risks and activating the controls necessary for addressing them. Within this framework, the relevant response actions are determined, and risk information are documented and then reported in a timely manner to enable the Board of Directors and Executive management carry out their tasks and responsibilities.

In general, the Group management classifies risks into external and internal, whether they are related to the strategic, operational, financial or compliance considerations:

1. External factors: They include technical developments, changes in customer needs and behaviors, competition, new legislations/regulations, economic changes and natural disasters.
2. Internal factors: They include all risks related to the Group's business, data processing systems, staff efficiency, changes in management responsibilities, and effectiveness of the governance structure.

The most critical strategic and operational risks

Strategic risks

These are the risks that affect the Group's strategic goals. The Group's management has developed an effective system for the management of these risks, to enable the Group to achieve its objectives, while addressing such risks.

Innovation and digital transformation risks

These are risks resulting from failure to keep pace with innovation and digital transformation related to online sales platforms and information technology, which develop at a fast pace. This could lead to both challenges and opportunities. The Group has developed an innovative strategy for the digital transformation of the Group as a whole, which is part of its 5-year strategy. This plan is executed over several phases, taking into consideration technical, organizational and economic changes.

Cyber-attacks and cloud computing risks

Cyber-attacks and cloud computing risks mainly target the digital platform sales sector and the IT sector. The Group continues to strengthen its cyber security function and protocols. Also, we developed the relevant systems and internal policies, and improved the security measures.

Data governance risks

The global risks resulting from the fast-growing data production and use represent real threats to the travel and IT sectors, as well as digital transformation projects. This may increase operational and organizational risks that compromise personal, business and operations data. The Group implements comprehensive governance policies to handle all types of data according to the relevant privacy requirements. It also adopts unified standards for data classification, storage, use, categorization and protection.

Service provider procedure risks

These are represented by key changes in service provision procedures, as the Group deals with a large number of service providers and the need to avoid dependence on one supplier. The Group has developed a network of certified service providers to avoid dependence on one provider. Its contracts stress that all systems be in agreement despite changes in suppliers.

The Group reviews the status of companies it has contracted with on a regular basis to ensure their financial stability and the soundness of their operational plans and technical systems.

External risks

Covid-19 risks

The risks of the spread of the virus and its effects on travel in affected countries or on a wider, unpredictable scaler.

As a result, the direct effect on our operational results cannot be specified. Nevertheless, the decline in travel as a result of the virus has had negative effects. It is expected that it will negatively affect our operations and results. The management has taken sensible precautions and the situation is being closely and continuously monitored, with reasonable steps and measures have been taken for review the situation in light of these circumstances.

Financial risks

Credit risks

This is the inability of a certain party to fulfil its commitments, which leads to financial loss for the other party. There is no significant concentration on credit risks within the Group. All cash and its equivalents were deposited in local and international banks with high credit ratings. Account receivables are mainly due from local customers – Government sectors and related companies and parties – and have been shown at their recoverable estimated value.

Fair value risks and commission rates cash flow

This is the exposure to multiple risks as a result of the changes in the prevalent market commission rates and the Group's cash flows. Such risks are mainly related to short term bank deposits and loans. All deposits and loans are subject to regular re-pricing. The

Management monitors changes in commission rates and beliefs that the impact of fair value and the commission rates' cash flow on the Group is insubstantial.

Liquidity risk

This is the inability of the Group to provide the necessary funds to meet its financial obligations. Liquidity risk arises from the incapability to sell a financial asset quickly and at an approximate fair value. Liquidity risk is monitored to ensure there are sufficient funds available to meet the Group's future obligations.

Currency risks

Represent risks arising from the fluctuations in the financial instruments' value due to changes in foreign exchange rates. The Group's transactions are carried out mainly in Saudi Riyals and US Dollars. Hence, other foreign currency transactions are not substantial. Currency risks are managed on a regular basis.

VAT risks

VAT has been in place in Saudi Arabia. It is imposed on most of the company's services with some exceptions. Therefore, the risk of applying VAT exists, particularly in the services sector, such as, in aviation, hospitality and car rental services within the Kingdom. In turn, VAT risks impact the customers' demand and consequently the Group's sales volume.

Compliance risks

Compliance with government legislation and regulations risk

Risks arising from non-compliance with the government legislation and regulations issued by official bodies or government agencies to the Capital Market Authority instructions regarding the obligation, disclosure and application of accounting standards issued by the Saudi Organization for Certified Public Accountants, Ministry of Commerce and Industry, Ministry of Labor, General Authority of Civil Aviation, General Authority of Zakat and Income, and etc. The Group reviews all obligations and requirements to provide the necessary for the concerned parties.

Zakat and statutory payments

The following are the regular payments made during the financial year ended on 31 December 2019.

Table (32): Zakat and regular payments:

Statements	2019		Description	Reasons
	Paid	Outstanding until the end of 2019 (not paid)		
Zakat and VAT	66,897,208	60,528,053	Zakat provision	Based on the legislation requirements and existing regulations
The General Organization for Social Insurance	22,835,945	3,545,451	Social insurance for the Group's employees	Based on the legislation requirements and existing regulations
Visa Fees and Office Fees	15,880,322	0	None	Based on the legislation requirements and existing regulations

