

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2023
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

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**PKF****Ibrahim Ahmed Al-Bassam & Co.**Certified Public Accountants
(Member of PKF International)**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS****TO THE SHAREHOLDERS OF RETAL URBAN DEVELOPMENT COMPANY**
(A SAUDI JOINT STOCK COMPANY)**INTRODUCTION**



We have reviewed the accompanying condensed consolidated interim statement of financial position of Retal Urban Development Company (the "Company"), a Saudi Joint Stock Company, and its subsidiaries (collectively referred to as the "Group") as of March 31, 2023 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

For Al-Bassam & Co.



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Khobar: 28 Shawwal 1444H
Corresponding to: 18 May 2023

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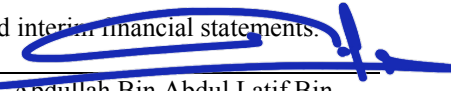
RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2023

		March 31, 2023	December 31, 2022
	Note	(Unaudited) SR	(Audited) SR
ASSETS			
Non-current assets			
Property and equipment		127,993,594	124,032,103
Right of use assets		2,671,625	2,850,114
Intangible assets		10,967,212	10,279,039
Investment properties	5	122,357,949	122,310,156
Investments in associates and joint ventures		311,002,882	338,135,007
Development properties	6	674,295,021	464,667,870
Prepayments and other receivables		2,326,111	2,381,923
		1,251,614,394	1,064,656,212
Current assets			
Inventories		14,058,814	15,962,242
Accounts receivable	7	164,661,562	242,911,489
Contract assets	11	149,099,652	91,184,973
Development properties	6	650,273,713	353,232,470
Investments at fair value through profit or loss		658,801	23,754,250
Prepayments and other receivables		119,497,811	114,154,635
Cash on hand and at banks	8	646,978,719	522,974,701
		1,745,229,072	1,364,174,760
TOTAL ASSETS		2,996,843,466	2,428,830,972
EQUITY AND LIABILITIES			
Equity			
Share capital	9	400,000,000	400,000,000
Statutory reserve		66,932,688	62,778,877
Actuarial reserve		(3,212,784)	(3,212,784)
Retained earnings		312,227,906	274,843,604
Total equity		775,947,810	734,409,697
Non-current liabilities			
Long term loans	10	776,656,639	461,498,904
Lease liabilities		2,393,000	2,406,938
Employees' end of service benefits		13,448,576	12,584,774
Accounts payable		9,546,320	17,453,644
		802,044,535	493,944,260
Current liabilities			
Long term loans	10	201,613,086	189,811,237
Short term loans	10	-	165,070,438
Lease liabilities		320,131	236,010
Accounts payable		214,891,302	273,461,035
Accrued expenses and other payables		586,466,019	201,025,754
Payable to National Housing Company		310,308,278	254,662,321
Contract liabilities	11	86,097,736	100,219,716
Zakat payable		19,154,569	15,990,504
		1,418,851,121	1,200,477,015
TOTAL LIABILITIES		2,220,895,656	1,694,421,275
TOTAL EQUITY AND LIABILITIES		2,996,843,466	2,428,830,972

The accompanying notes form an integral part of these condensed consolidated interim financial statements.


Ammar Al Ghoul
Chief Financial Officer


Abdullah Bin Faisal Bin Abdul Aziz
Al Braikan
Chief Executive Officer


Abdullah Bin Abdul Latif Bin
Ahmed Al Fozan
Chairman Board of Directors

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

		For the three months period ended March 31,	
	Note	2023	2022
		SR	SR
Revenue	11	319,602,381	275,158,383
Cost of revenue		(249,610,024)	(199,661,375)
Gross profit		69,992,357	75,497,008
General and administrative expenses		(15,847,223)	(11,099,150)
Selling and marketing expenses		(8,648,402)	(6,333,699)
Operating profit		45,496,732	58,064,159
Finance costs		(3,788,685)	(2,624,896)
Share of results of equity accounted investments		517,875	2,295,262
Gain on investments at fair value through profit or loss		1,717,253	6,735,271
Other income, net		759,003	2,011,751
Profit before zakat		44,702,178	66,481,547
Zakat		(3,164,065)	(3,085,331)
Profit for the period		41,538,113	63,396,216
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		41,538,113	63,396,216
Profit for the period attributable to:			
Shareholders of the Group		41,538,113	63,441,897
Non-controlling interest		-	(45,681)
Profit for the period		41,538,113	63,396,216
Total comprehensive income for the period attributable to:			
Shareholders of the Group		41,538,113	63,441,897
Non-controlling interest		-	(45,681)
Total comprehensive income for the period		41,538,113	63,396,216
Earnings per share – Basic and diluted	13		
Earnings per share of profit for the period		1.04	1.59
Earnings per share of total comprehensive income for the period		1.04	1.59
Weighted average number of outstanding shares		40,000,000	40,000,000

The accompanying notes form an integral part of these condensed consolidated interim financial statements.



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RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	Share capital	Statutory reserve	Actuarial reserve	Retained earnings	Equity attributable to shareholders	Non-controlling interest	Total equity
	SR	SR	SR	SR	SR	SR	SR
January 1, 2022 (Audited)	400,000,000	38,204,514	(3,358,414)	134,059,718	568,905,818	(135,383)	568,770,435
Profit for the period	-	-	-	63,441,897	63,441,897	(45,681)	63,396,216
Transfer to statutory reserve	-	6,344,190	-	(6,344,190)	-	-	-
March 31, 2022 (Unaudited)	400,000,000	44,548,704	(3,358,414)	191,157,425	632,347,715	(181,064)	632,166,651
January 1, 2023 (Audited)	400,000,000	62,778,877	(3,212,784)	274,843,604	734,409,697	-	734,409,697
Profit for the period	-	-	-	41,538,113	41,538,113	-	41,538,113
Transfer to statutory reserve	-	4,153,811	-	(4,153,811)	-	-	-
March 31, 2023 (Unaudited)	400,000,000	66,932,688	(3,212,784)	312,227,906	775,947,810	-	775,947,810

The accompanying notes form an integral part of these condensed consolidated interim financial statements.



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Chief Executive Officer



Abdullah Bin Abdul Latif Bin Ahmed Al Fozan
Chairman Board of Directors

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

	For the three months period ended March, 31	
	Note	
	2023	2022
	SR	SR
OPERATING ACTIVITIES		
Profit before zakat:	44,702,178	66,481,547
<i>Adjustments for non-cash items:</i>		
Depreciation and amortization	2,034,275	1,616,045
Depreciation on right of use assets	178,489	1,963,894
End of service provision	1,238,637	625,176
(Gain) / loss on disposal of property and equipment	(2,700)	6,110
Share of results of equity accounted investments	(517,875)	(2,295,262)
Gain on investments at fair value through profit or loss	(1,717,253)	(6,735,271)
Gain on disposal of investment properties	(233,075)	(18,917,460)
Finance costs	9,080,145	4,159,944
	54,762,821	46,904,723
Changes in working capital:		
Development properties	(500,494,726)	18,395,470
Inventories	1,903,428	2,723,945
Contract assets	(57,914,679)	(20,123,401)
Accounts receivable	78,249,927	97,632,943
Prepayments and other receivables	(5,287,364)	55,027,823
Accounts payable	(66,477,057)	(14,529,963)
Payable to National Housing Company	55,645,957	(38,829,234)
Accrued expenses and other payables	385,440,265	43,829,216
Contract liabilities	(14,121,980)	(40,196,857)
Cash (used in) / generated from operations	(68,293,408)	150,834,665
End of service benefits paid	(374,835)	(270,085)
Finance costs paid	(11,465,128)	(1,869,785)
Net cash flows (used in) / generated from operating activities	(80,133,371)	148,694,795
INVESTING ACTIVITIES		
Additions to property and equipment	(7,043,115)	(4,919,000)
Additions to intangible assets	(740,550)	-
Additions to investment properties	-	(31,399,686)
Proceeds from disposal of property and equipment	135,861	-
Dividend received from an associate	27,650,000	1,580,001
Additions to investments at fair value through profit or loss	-	(40,018,118)
Proceeds from sale of investments at fair value through profit or loss	24,812,702	41,376,670
Proceeds from disposal of investment properties	1,151,847	59,639,087
Net cash flows generated from investing activities	45,966,745	26,258,954
FINANCING ACTIVITIES		
Proceeds from borrowings	560,131,826	37,904,772
Repayment of borrowings	(401,961,182)	(78,848,883)
Net cash flows generated from / (used in) financing activities	158,170,644	(40,944,111)
Net change in cash and cash equivalents	124,004,018	134,009,638
Cash and cash equivalents at the beginning of the period	24,136,909	32,414,227
Less: change in restricted bank balance	(39,410,326)	(79,875,333)
Cash and cash equivalents at the end of the period	108,730,601	86,548,532
NON-CASH TRANSACTIONS		

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The accompanying notes form an integral part of these condensed consolidated interim financial statements.


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Chief Financial Officer


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Chairman Board of Directors

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023

1. GENERAL INFORMATION

Retal Urban Development Company ("the Company") or ("the Holding Company") is a Saudi Joint Stock Company (previously a limited liability company) registered in the Kingdom of Saudi Arabia under commercial registration No. 2051047761 issued in Khobar on Rabi'I 12, 1433H corresponding to February 4, 2012. The registered address of the Company is P.O. Box 1448 Prince Faisal Bin Fahad Bin Abdul Aziz, Al Khobar, 31952, Kingdom of Saudi Arabia.

In year 2020, the shareholders decided to convert the Company from a limited liability Company to a Saudi Closed Joint Stock Company. The Company obtained ministerial approval for the official announcement of the conversion on Muharram 9, 1442H corresponding to August 28, 2020.

In year 2021, the Holding Company commenced the process for Initial Public Offering ("IPO"). The Capital Market Authority ("CMA") Board issued its resolution approving the Holding Company's application for the offering of 12 million shares representing 30% of the Holding Company's share capital on Sha'ban 13, 1443H corresponding to March 16, 2022. On Dhu al-Qa'dah 28, 1443H corresponding to June 27, 2022, the Company's shares were traded on the Saudi Stock Exchange (Tadawul) in the Kingdom of Saudi Arabia. The legal formalities of updating the Company's by-laws, and commercial registration from Saudi Closed Joint Stock Company to a Joint Stock Company has been completed during the year 2022.

During the period ended March 31, 2023, the Board of Directors recommended to reduce the nominal value of shares from SR 10 per share to SR 1 per share in the meeting held on Sha'ban 27, 1444H corresponding to March 19, 2023 (note 17).

During the period ended March 31, 2023, the Board of Directors proposed to increase the Company's share capital by granting bonus shares to the Company's shareholders through capitalization of SR 100 million from retained earnings by way of granting 1 share for every 4 shares owned by the shareholders.

The Holding Company is principally engaged in:

- Purchase and sale of land and real estate, divide them, and sale on map activities;
- General construction of residential buildings;
- General construction of non-residential building, including schools, hospitals and hotels.

The Holding Company's By-laws includes the activity of acquisition of shares or shares in existing companies or merger with them.

The condensed consolidated interim financial statements include the assets, liabilities, and the results of the Group and the following branches based on locations:

Location	Date	Registration certificate
Riyadh	Dhu al-Qa'dah 21, 1441 (July 12, 2020)	1010642508
Al Khobar	Dhu'l Hijjah 18, 1442 (July 28, 2021)	2051236513
Jeddah	Dhu al-Qa'dah 15, 1443 (June 14, 2022)	4030475640

1.1 Details of Holding Company's subsidiaries:

All of the Holding Company's Subsidiaries are limited liability companies incorporated in the Kingdom of Saudi Arabia.

Name of subsidiaries	Commercial Registration dated	Business activity	Effective ownership	
			March 31, 2023	December 31, 2022
Building Construction Company Limited	Jumada II 15, 1420H (September 25, 1999)	General contracting and construction works.	100 %	100%
Nesaj Urban Development Company	Ramadan 17, 1433H (August 5, 2012)	Buying, selling, managing and maintaining real estate facilities.	100 %	100%
Tadbeir Limited Company	Muharram 11, 1436H (November 4, 2014)	Cleaning, maintaining and operating real estate facilities.	100 %	100%
Tadbeir Real Estate Company	Shawwal 10, 1442H (May 22, 2021)	Buying, selling, renting, managing and maintaining real estate facilities.	100 %	100%

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****1. GENERAL INFORMATION (Continued)****1.2 Details of Company's associates and joint ventures:**

All of the Company's associates and joint ventures are limited liability companies incorporated in the Kingdom of Saudi Arabia.

Name of the entity	Commercial Registration dated	Business activity	Effective ownership	
			March 31, 2023	December 31, 2022
Saudi Tharwa Company	Jumada' II 21, 1435H (April 21, 2014)	Buying, selling, renting and managing real estate facilities.	39.5 %	39.5%
Mimar Emirate and Arac Engineering Consultancy Company	Ramadan 11, 1440H (May 16, 2019)	Engineering and architectural consultancy	25%	25%
Business Park Fund	Rabi II 24, 1441H (December 21, 2019)	Buying, selling and developing commercial properties.	18.82%	18.82%
Alpha Capital Saudi Real Estate Development Fund	Ramadan 3, 1442H (April 15, 2021)	Buying, selling and developing residential properties.	30%	30%
Al-Ahsa Real Estate Fund	Dhul Hijja 17, 1442H (July 27, 2021)	Buying, selling and developing residential and commercial properties.	22.5 %	22.5%
Remal Al Khobar Real Estate Company	Dhul Hijja 23, 1442H (August 2, 2021)	General construction of residential and non-residential buildings	50%	50%
Noorkom Design Company	Dhu al-Qa'dah 10, 1443H (June 9, 2022)	Interior designing systems.	50%	50%

2. BASIS OF PREPARATION**Statement of compliance**

These condensed consolidated interim financial statements for the three months period ended March 31, 2023 have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2022. In addition, results for the three months period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2023.

Basis of measurement

These condensed consolidated interim financial statements are prepared under the historical cost convention, except for certain financial instruments measured at fair value and the employee defined benefits liability which is stated at the present value of the related obligation using the projected unit credit method.

These condensed consolidated interim financial statements are presented in Saudi Riyals (SR), which is the Group's functional currency, and all values are rounded to the nearest Saudi Riyal, except where otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements as of and for the year ended December 31, 2022, and the notes attached thereto.

New Standards, Amendments to Standards and Interpretations effective from January 1, 2023

There is no new standard issued, however, there are number of amendments to standards which are effective from January 1, 2023 and have been explained in the Group's annual consolidated financial statements, but they do not have a material effect on the Group's condensed consolidated interim financial statements.

New Standards, Amendments and revised IFRSs issued not yet effective

The Group has not applied the following new amendments that have been issued but are not yet effective.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 16	Lease liability in sale and lease back	January 1, 2024	The amendments require seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.
IAS 1	Amendments regarding the classification of debt with covenants, as current or non-current	January 1, 2024	The amendments clarified how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances.
IAS 1	Classification of liabilities, as current or non-current	January 1, 2024	The amendment has clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period and non-current liabilities with covenants.

Management anticipates that these interpretations and new amendments standards will be adopted in these condensed consolidated interim financial statements as and when they are applicable, and adoption of these interpretations and amendments may have no material impact on the condensed consolidated interim financial statements of the Group in the period of initial application.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements as of and for the year ended December 31, 2022.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****5. INVESTMENT PROPERTIES**

	Lands	Buildings	Total
	SR	SR	SR
<u>Cost:</u>			
At January 1, 2022 (Audited)	171,991,049	32,675,083	204,666,132
Additions	19,939,724	-	19,939,724
Disposals	(95,334,392)	(1,549,314)	(96,883,706)
Transfer to property and equipment	-	(1,374,036)	(1,374,036)
At December 31, 2022 (Audited)	96,596,381	29,751,733	126,348,114
Transfer from property and equipment	-	1,306,336	1,306,336
Disposals	(139,405)	(965,292)	(1,104,697)
At March 31, 2023 (Unaudited)	96,456,976	30,092,777	126,549,753
<u>Accumulated depreciation:</u>			
At January 1, 2022 (Audited)	-	3,083,104	3,083,104
Charge for the year	-	1,366,583	1,366,583
Disposals	-	(329,213)	(329,213)
Transferred to development properties	-	(82,516)	(82,516)
At December 31, 2022 (Audited)	-	4,037,958	4,037,958
Charge for the period	-	339,771	339,771
Disposals	-	(185,925)	(185,925)
At March 31, 2023 (Unaudited)	-	4,191,804	4,191,804
<u>Net book value:</u>			
At March 31, 2023 (Unaudited)	96,456,976	25,900,973	122,357,949
At December 31, 2022 (Audited)	96,596,381	25,713,775	122,310,156

The investment properties are valued annually on December 31, at fair value, determined by an independent, professionally qualified valuer "BAR CODE", who is licensed by Saudi Authority for Accredited Valuers (License number "1210000001") in addition to conducting the valuation by another valuer "LAND STERLING" who is licensed by Saudi Authority for Accredited Valuers (License number "1210001242"). As at December 31, 2022, the fair valuation of the investment properties as per the two valuers amounted to SR 150 million and SR 141.87 million, respectively. Management believes that there has not been any material change in fair value of these investment properties as of March 31, 2023.

Certain land and building amounted to SR 34.48 million are mortgaged against a term loan from a local commercial bank (note 10).

6. DEVELOPMENT PROPERTIES

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Lands	731,221,985	478,346,386
Development cost	473,522,219	213,628,006
Advances (note 6.1)	119,824,530	125,925,948
	1,324,568,734	817,900,340
Current portion (note 6.2)	(650,273,713)	(353,232,470)
Non-current portion	674,295,021	464,667,870

6.1 Advances represent amount paid in advance for the purchase of lands for development under agreements entered by the Group. Ownership of the land is expected to be transferred to the Group's name upon final payment during the year 2023 and in year 2025.

6.2 Management estimates that these projects are expected to be sold / utilized within the next 12 months.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****7. ACCOUNTS RECEIVABLE**

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Accounts receivable - third parties	123,310,230	203,963,186
Accounts receivable - related parties (note 12)	41,436,563	39,033,534
	164,746,793	242,996,720
Less: allowance for expected credit losses	(85,231)	(85,231)
	164,661,562	242,911,489

Movement in allowance for expected credit losses is as follows:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Opening balance	85,231	2,659,368
Reversal of provision	-	(2,574,137)
Closing balance	85,231	85,231

An aged analysis of accounts receivables - third parties is as follows:

Days	0-180	181-365	366-730	Total
March 31, 2023 (Unaudited)	SR	SR	SR	SR
Accounts receivable - Gross	113,749,535	4,123,390	5,437,305	123,310,230
Less: ECL allowance	-	-	(85,231)	(85,231)
Net accounts receivables	113,749,535	4,123,390	5,352,074	123,224,999
Average loss rates (%)	-	-	(1.57%)	(0.07%)
December 31, 2022 (Audited)				
Accounts receivable - Gross	178,582,541	19,728,842	5,651,803	203,963,186
Less: ECL allowance	-	-	(85,231)	(85,231)
Net accounts receivables	178,582,541	19,728,842	5,566,572	203,877,955
Average loss rates (%)	-	-	(1.51%)	(0.04%)

8. CASH ON HAND AND AT BANKS

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Cash on hand	685,029	57,741
Cash at banks	646,293,690	522,916,960
	646,978,719	522,974,701

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****8. CASH ON HAND AND AT BANKS (Continued)**

At reporting date, cash and cash equivalents for the purpose of condensed consolidated interim cash flow were as follow:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Cash at banks	646,293,690	522,916,960
Less: restricted bank balances	(538,248,118)	(498,837,792)
Cash on hand	685,029	57,741
Cash and cash equivalents	108,730,601	24,136,909

As at March 31, 2023, cash at banks include bank balances amounting to SR 538.25 million (December 31, 2022: SR 498.84 million) in local banks in restricted escrow accounts. Drawings from these escrow accounts is restricted for developing certain projects which are sold off-plan and the payment of the amount due to Ministry of Housing for the lands of subsidized projects.

Cash at banks represent balances with local banks with a sound credit rating. Furthermore, these balances bear no interest.

Non-cash transactions	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)
	SR	SR
Transfer to investment properties from property and equipment	1,306,336	-
Property and equipment transferred from development properties	-	225,128
Development properties transferred from investment properties, net	-	1,554,127
Non-current assets held for sale transferred through investment properties, net	-	136,609,414

9. SHARE CAPITAL

As of March 31, 2023, authorized, issued and paid up capital comprise of 40,000,000 shares of SR 10 each (December 31, 2022: 40,000,000 shares of SR 10 each).

10. LOANS**Classification of loans:**

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Short term loans	-	165,070,438
Long term loans	978,269,725	651,310,141
	978,269,725	816,380,579
Less: short term loans	-	(165,070,438)
Less: long term loans - current portion	(201,613,086)	(189,811,237)
Long term loans - non-current portion	776,656,639	461,498,904

The repayment schedule for long term loans is as follows:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Within one year	201,613,086	189,811,237
Not later than five years	776,656,639	461,498,904
	978,269,725	651,310,141

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****10. LOANS (Continued)**

The Group has obtained, short and medium-term, shariah compliant loan facilities from commercial banks within Kingdom of Saudi Arabia bearing financial charges at SIBOR plus a fixed margin. These facilities are guaranteed by pledge of certain land deeds that have been classified under investment properties amounting to SR 34.48 million (refer note 5) and property and equipment amounting to SR 71.14 million; in addition to a corporate guarantee from a shareholder prior to the Group's IPO. The Group has cancelled the corporate guarantee during the period ended March 31, 2023.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS**11.1 Disaggregated revenue information**

Types of goods and services	For the three months period ended March 31,	
	2023	2022
	(Unaudited)	(Unaudited)
	SR	SR
Development contract revenues	290,270,760	205,435,628
Revenue from sales of real estate units / lands	18,979,440	59,639,087
Revenue from property and facility management	8,900,025	7,614,603
Rent contracts revenue	1,452,156	2,469,065
	319,602,381	275,158,383

Revenue from sales of real estate units / lands includes revenue from development properties amounting to SR 18.98 million (2022: Nil), and revenue from investment properties amounting to SR 1.15 million (2022: SR 59.64 million) respectively.

11.2 Contract balances

	March 31, 2023	December 31, 2022
	(Unaudited)	(Audited)
	SR	SR
Accounts receivable – third parties	123,310,230	203,963,186
Contract assets (see note (a) below)	149,099,652	91,184,973
Contract liabilities (see note (b) below)	86,097,736	100,219,716

a) Contract assets:

Contract assets are initially recognized for revenue earned over a period of time from development contracts as receipt of consideration is conditional on successful satisfaction of specific milestones. Upon completion of a milestone and acceptance by the customer, the amounts recognized as contract assets are reclassified to account receivables.

b) Contract liabilities:

Contract liabilities include mainly advances from customers towards unsatisfied performance obligations.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****12. RELATED PARTIES TRANSACTIONS AND BALANCES**

The Group entered into transactions with related parties based on terms and conditions approved by the management of the Group.

Due from related parties classified under accounts receivable includes the following:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Remal Al Khobar Real Estate Company	38,885,392	33,219,959
Alpha Capital Saudi Real Estate Development Fund	1,150,526	1,150,526
Noorkom Design Company	1,078,159	-
Mimar Emirate and ARAC Engineering Consultancy Company	-	4,663,049
Others	322,486	-
	41,436,563	39,033,534

As of March 31, 2023 and December 31, 2022, the Group believes that due from related parties' balances are receivable upon request. As a result, these balances are classified as current assets. These balances bear no interest and there is no repayment schedule. All related parties have strong financial position and sufficient funds to repay the balances upon request.

Due to related parties classified under accounts payable includes the following:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Madar Building Materials Company	7,614,832	13,651,373
Madar Hardware Company	981,588	1,805,096
Mimar Emirate and Arac Engineering Consultancy Company	671,312	-
Madar Electrical Materials Company	661,053	1,442,691
Bawan Metal Industries Company	199,491	4,772,679
Bina for Ready-mix Products Company	31,940	1,103,483
Others	51,346	325,589
	10,211,562	23,100,911

Compensation of key management personnel of the Group during the period is as follows:

	For the three months period ended March 31,	
	2023 (Unaudited)	2022 (Unaudited)
	SR	SR
Short term benefits	1,133,250	2,126,655
Long term benefits	63,750	60,552

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****13. EARNINGS PER SHARE FOR THE PERIOD (BASIC AND DILUTED)**

	For the three months period ended March 31,	
	2023 (Unaudited)	2022 (Unaudited)
	SR	SR
Profit for the period attributable to the shareholders of the Group	41,538,113	63,441,897
Total comprehensive income for the period attributable to shareholders of the Group	41,538,113	63,441,897
	Share	Share
Weighted average number of shares	40,000,000	40,000,000
	SR / Share	SR / Share
Basic and diluted		
Earnings per share of profit for the period	1.04	1.59
Earnings per share of total comprehensive income for the period	1.04	1.59

14. SEGMENT REPORTING

The Group operations are organized mainly in two reportable segment:

- Real estate development segment represents properties under development which are acquired, developed and sold. It includes development of affordable, mid-end, luxury and high class residential and commercial units in the Kingdom of Saudi Arabia.
- Investment segment represents Group's strategic investing activities such as investment in associates, investment in land properties for sale and appreciation (developed or undeveloped with or without infrastructure) and Investments in marketable securities listed on Saudi stock exchange ("Tadawul") including short-term investment less than three months classified within cash and cash equivalents.
- Other segment includes revenue from property and facility management and related real estate activities like brokerage and commission fees.

Segment results that are reported to the chief reporting decision maker for the purpose of making decisions about resource allocation and performance assessment include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Performance is measured based on segment revenues and net profit, as included in the internal management reports that are reviewed by the top management at least on quarterly basis.

The financial information as at March 31, 2023 and December 31, 2022 and for the three months period ended on March 31, 2023 and 2022, summarized by each segment, is as follows:

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023
14. SEGMENT REPORTING (Continued)

	Real Estate Development	Investment	Others	Eliminations	Total
<u>As at March 31, 2023 (Unaudited)</u>	SR	SR	SR	SR	SR
Total Assets	2,547,616,949	434,019,632	74,253,036	(59,046,151)	2,996,843,466
Total Liabilities	2,220,666,283	-	59,275,524	(59,046,151)	2,220,895,656
<u>As at December 31, 2022 (Audited)</u>					
Total Assets	1,931,862,042	484,199,413	27,051,603	(14,282,086)	2,428,830,972
Total Liabilities	1,682,631,284	-	26,072,077	(14,282,086)	1,694,421,275
<u>For the period ended March 31, 2023 (Unaudited)</u>					
Segment revenue	308,098,353	2,604,003	13,822,910	(4,922,885)	319,602,381
Share of results of equity accounted investments	-	517,875	-	-	517,875
Gain on sale of investments at fair value through profit or loss	-	1,717,253	-	-	1,717,253
General and administrative expenses	(14,847,421)	-	(999,802)	-	(15,847,223)
Selling and marketing expenses	(8,648,402)	-	-	-	(8,648,402)
Finance costs	(3,788,685)	-	-	-	(3,788,685)
Other income	759,003	-	-	-	759,003
Zakat	(3,164,065)	-	-	-	(3,164,065)
Net profit	36,641,577	2,468,203	2,428,333	-	41,538,113

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****14. SEGMENT REPORTING (Continued)**

	Real Estate Development	Investment	Others	Eliminations	Total
<u>For the period ended March 31, 2022</u>	SR	SR	SR	SR	SR
<u>(Unaudited)</u>					
Segment revenue	205,435,628	62,108,152	7,614,603	-	275,158,383
Share of results of equity accounted investments	-	2,295,262	-	-	2,295,262
Gain on sale of investments at fair value through profit or loss	-	6,735,271	-	-	6,735,271
General and administrative expenses	(10,032,005)	-	(1,067,145)	-	(11,099,150)
Selling and marketing expenses	(6,333,699)	-	-	-	(6,333,699)
Finance costs	(2,591,312)	-	(33,584)	-	(2,624,896)
Other income	2,011,751	-	-	-	2,011,751
Zakat	(3,085,331)	-	-	-	(3,085,331)
Net profit	41,157,919	20,345,354	1,892,943	-	63,396,216

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2023****15. CONTINGENCIES AND COMMITMENTS****Guarantees:**

The Group is contingently liable for bank guarantees issued in the normal course of business of the Group amounting SR 234.66 million as at March 31, 2023 (December 31, 2022: SR 219.15 million).

Capital Commitments

The Group have the following capital commitments:

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	SR	SR
Capital commitments for development contracts	962,239,068	804,106,052
Commitments for purchase of land from an associate	-	304,232,869
Commitment for the purchase of lands	237,073,590	237,073,590
Capital commitments for property and equipment	2,403,602	14,138,632
Capital commitments for the purchase of software license "ERP"	1,293,956	1,484,587

As of March 31, 2023, the Group has outstanding corporate guarantees given on behalf of associates amounting to SR 102.5 million (December 31, 2022: SR 102.5 million).

16. DIVIDEND DISTRIBUTION

During the period ended March 31, 2023, the Board of Directors proposed a cash dividends equal to 30% of share capital of the Company amounting to SR 120 million in the meeting held on February 28, 2023. Subsequent to the period end the dividend has been approved by the shareholders on meeting held at May 2, 2023.

17. SUBSEQUENT EVENTS

Subsequent to the period end, in the extraordinary general meeting held on May 2, 2023, the shareholders have approved to reduce the nominal value of shares from SR 10 per share to SR 1 per share and increase the number of shares from 40 million shares to 400 million shares with no change in the share capital of the Group.

In the opinion of the management, there have been no other significant subsequent events since the period end that would have a material impact on the financial position of the Group as reflected in these condensed consolidated interim financial statements.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified, to confirm with the presentation in the current period.

19. DATE OF AUTHORIZATION

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on 28 Shawwal, 1444H corresponding to May 18, 2023.