

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL**  
**STATEMENTS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED**  
**MARCH 31, 2022**  
**WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

---

<b>Index</b>	<b>Page</b>
Report on review of condensed consolidated interim financial statements	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss and other comprehensive income	3
Condensed consolidated interim statement of changes in equity	4
Condensed consolidated interim statement of cash flows	5 – 6
Notes to the condensed consolidated interim financial statements	7 – 18

**INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**The Shareholders**

**Retal Urban Development Company  
(A Saudi Closed Joint Stock Company)  
Al-Khobar, Kingdom of Saudi Arabia**

**Introduction:**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Retal Urban Development Company (the "Company"), a Saudi Closed Joint Stock Company and its subsidiaries (collectively referred to as the "Group") as of March 31, 2022 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 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, 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:**

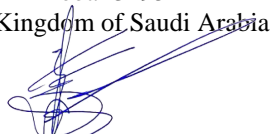
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

**Other matter:**

The condensed consolidated interim financial statements of the Group for the three months' period ended March 31, 2021 and the consolidated financial statements for the year ended December 31, 2021 were reviewed and audited by another independent auditor respectively, whose review report dated July 4, 2021 and audit report dated March 28, 2021 expressed an unmodified conclusion and opinion respectively.

**Al-Bassam and Co.**

P.O. Box 4636  
Al Khobar 31952  
Kingdom of Saudi Arabia



**Ibrahim Ahmed Al Bassam**

License No. 337  
Riyadh,

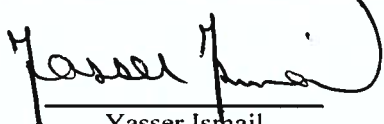


Dhu'l-Qi'dah 8, 1443H  
June 7, 2022

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2022**

		<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>Note</b>		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	541,986,856	407,977,218
Accounts receivable	6	171,813,136	269,446,079
Contract assets	13	89,967,180	69,843,779
Development properties, current	7	258,706,863	245,367,910
Prepayments and other receivables, current		108,000,317	162,926,648
Inventories		9,785,356	12,509,301
Investments at fair value through profit or loss		6,032,561	655,842
		<u>1,186,292,269</u>	<u>1,168,726,777</u>
<b>Non-current assets</b>			
Development properties, non-current	7	63,438,078	63,438,078
Investment properties	8	160,521,301	201,583,028
Investment in associates and joint ventures		302,121,943	301,382,824
Prepayments and other receivables, non-current		2,100,029	2,201,521
Right of use assets		4,695,436	6,659,330
Intangible assets		4,083,046	4,165,681
Property and equipment		94,512,181	90,792,601
		<u>631,472,014</u>	<u>670,223,063</u>
<b>TOTAL ASSETS</b>		<u><b>1,817,764,283</b></u>	<u><b>1,838,949,840</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable	9	48,793,237	65,309,892
Payable to Ministry of Housing		233,691,384	272,520,618
Contract liabilities	13	70,335,100	110,531,957
Accrued expenses and other payables	10	126,081,331	82,311,796
Current portion of lease liabilities		3,078,340	2,994,801
Short term loan	11	100,332,366	100,351,792
Current portion of term loans	11	364,987,717	389,516,747
Zakat payable		13,532,815	10,447,484
		<u>960,832,290</u>	<u>1,033,985,087</u>
<b>Non-current liabilities</b>			
Non-current portion of accounts payable	9	15,644,697	13,658,005
Non-current portion of term loans	11	197,687,838	211,458,597
Employee termination benefits		11,432,807	11,077,716
		<u>224,765,342</u>	<u>236,194,318</u>
<b>Total liabilities</b>		<u><b>1,185,597,632</b></u>	<u><b>1,270,179,405</b></u>
<b>EQUITY</b>			
Share capital	12	400,000,000	400,000,000
Statutory reserve		44,548,704	38,204,514
Actuarial reserve		(3,358,414)	(3,358,414)
Retained earnings		191,157,425	134,059,718
<b>Equity attributable to the shareholders of the Group</b>		<u><b>632,347,715</b></u>	<u><b>568,905,818</b></u>
Non-controlling interests		(181,064)	(135,383)
<b>Total equity</b>		<u><b>632,166,651</b></u>	<u><b>568,770,435</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,817,764,283</b></u>	<u><b>1,838,949,840</b></u>

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

  
Yasser Ismail  
Chief Financial Officer

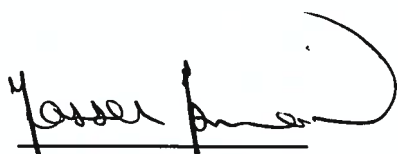
2

  
Abdullah Bin Faisal Bin  
Abdul Aziz Al Braikan  
Chief Executive Officer

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

		For the three months period ended March 31,	
	Note	2022	2021
Revenue	13	275,158,383	216,025,165
Cost of revenue	14, 15	(199,661,375)	(164,983,811)
<b>Gross profit</b>		<b>75,497,008</b>	<b>51,041,354</b>
General and administrative expenses		(11,099,150)	(7,935,750)
Selling and marketing expenses		(6,333,699)	(2,842,225)
<b>Operating profit</b>		<b>58,064,159</b>	<b>40,263,379</b>
Finance costs		(2,624,896)	(355,299)
Shares of results of equity accounted investments		2,295,262	1,112,378
Gain on sale of investments at FVTPL		6,735,271	117,027
Other income, net		2,011,751	407,810
<b>Profit before zakat</b>		<b>66,481,547</b>	<b>41,545,295</b>
Zakat		(3,085,331)	(2,287,887)
<b>Profit for the period</b>		<b>63,396,216</b>	<b>39,257,408</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>63,396,216</b>	<b>39,257,408</b>
<b>Profit for the period attributable to:</b>			
Shareholders of the Group		63,441,897	39,257,408
Non-controlling interest		(45,681)	-
<b>Profit for the period</b>		<b>63,396,216</b>	<b>39,257,408</b>
<b>Total comprehensive income for the period attributable to:</b>			
Shareholders of the Group		63,441,897	39,257,408
Non-controlling interest		(45,681)	-
<b>Total comprehensive income for the period</b>		<b>63,396,216</b>	<b>39,257,408</b>
<b>Earnings per share – Basic and diluted</b>	16		
Earnings per share of profit for the period		1.59	1.05
Earnings per share of total comprehensive income for the period		1.59	1.05
Weighted average number of outstanding shares		40,000,000	37,500,000

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


  
Yasser Ismail  
Chief Financial Officer


  
Abdullah Bin Faisal Bin  
Abdul Aziz Al Braikan  
Chief Executive Officer

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

	Share capital	Statutory reserve	Contribution from shareholders	Actuarial reserve	Retained earnings	Total equity attributable to shareholders	Non-controlling interest	Total equity
	SR	SR	SR	SR	SR	SR	SR	SR
January 1, 2021 (Audited)	375,000,000	18,832,565	-	(2,508,550)	127,462,181	518,786,196	-	518,786,196
Profit for the period	-	-	-	-	39,257,408	39,257,408	-	39,257,408
Transfer to statutory reserve	-	3,925,741	-	-	(3,925,741)	-	-	-
Increase in contribution from shareholders	-	-	5,000,000	-	-	5,000,000	-	5,000,000
March 31, 2021 (Unaudited)	375,000,000	22,758,306	5,000,000	(2,508,550)	162,793,848	563,043,604	-	563,043,604
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

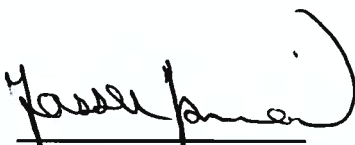
The accompanying notes form an integral part of these condensed consolidated interim financial statements.


  
Yasser Ismail  
Chief Financial Officer

  
Abdullah Bin Faisal Bin  
Abdul Aziz Al Braikan  
Chief Executive Officer

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

	<b>For the three months period ended March, 31</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES</b>		
Profit before zakat:	66,481,547	41,545,295
<i>Adjustments for non-cash items:</i>		
Depreciation and amortization	1,616,045	1,175,548
Depreciation on right of use assets	1,963,894	1,876,995
Employee benefits obligation	625,176	389,437
Share of results of associates	(2,295,262)	(1,112,378)
Gain on sale of instruments at FVTPL	(6,735,271)	(117,027)
Loss on disposal of property and equipment	6,110	-
Gain on disposal of investment properties	(18,917,460)	-
Finance costs	2,624,896	355,299
	<b>45,369,675</b>	<b>44,113,169</b>
<i>Changes in working capital:</i>		
Development properties	18,060,733	38,254,797
Inventories	2,723,945	1,297,248
Contract assets	(20,123,401)	14,068,564
Accounts receivable	97,632,943	59,343,889
Prepayments and other receivables	55,027,823	(11,878,967)
Accounts payable	(14,529,963)	(12,674,255)
Payable to Ministry of Housing	(38,829,234)	-
Accrued expenses and other payables	43,829,216	75,750,918
Contract liabilities	(40,196,857)	(20,392,563)
<i>Cash generated from operations</i>	<b>148,964,880</b>	<b>187,882,800</b>
Employee termination benefits paid	(270,085)	(746,409)
<b>Net cash flows generated from operating activities</b>	<b>148,694,795</b>	<b>187,136,391</b>
<b>INVESTING ACTIVITIES</b>		
Additions to investment properties	(31,399,686)	(114,499,150)
Purchases of property and equipment	(4,919,000)	(601,637)
Dividend received from an associate	1,580,001	-
Purchases of investments at fair value through profit or loss	(40,018,118)	(716,520)
Proceeds from sale of investments at fair value through profit or loss	41,376,670	327,483
Proceeds from disposal of investment properties	59,639,087	-
<b>Net cash flows generated from / (used in) investing activities</b>	<b>26,258,954</b>	<b>(115,489,824)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment from refundable incentives	-	(73,018,686)
Repayment / (proceeds) from borrowings, net	(40,944,111)	131,891,781
Lease payments	-	(275,919)
Proceeds from contribution from shareholders	-	5,000,000
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(40,944,111)</b>	<b>63,597,176</b>
<b>Net change in cash and cash equivalents</b>	<b>134,009,638</b>	<b>135,243,743</b>
Cash and cash equivalents at the beginning of the period	32,414,227	9,975,407
Less: change in restricted bank balance	(79,875,333)	(84,125,991)
<b>Cash and cash equivalents at the end of the period</b>	<b>86,548,532</b>	<b>61,093,159</b>

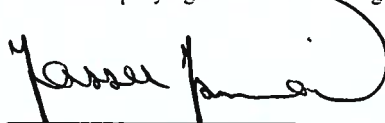
  
Yasser Ismail  
Chief Financial Officer


  
Abdullah Bin Faisal Bin  
Abdul Aziz Al Braikan  
Chief Executive Officer

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

	For the three months period ended March, 31	
	2022	2021
<b>NON-CASH TRANSACTIONS</b>		
Development properties transferred from investment properties , net	-	1,554,127
Property and equipment transferred from development properties	-	225,128
Non-current assets held-for-sale transferred through investment property	-	136,609,414

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

  
 \_\_\_\_\_  
 Yasser Ismail  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Abdullah Bin Faisal Bin  
 Abdul Aziz Al Braikan  
 Chief Executive Officer



**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2022**

**1. GENERAL INFORMATION**

Retal Urban Development Company ("the Company") or ("the Parent Company") is a Saudi Closed 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 (February 4, 2012). The registered address of the Company is P.O. Box 1448 Prince Faisal Bin Fahad Bin Abdulazizi Avenue, Al Khobar, 31952, Kingdom of Saudi Arabia.

During the 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, 1442 H, corresponding to August 28, 2020.

As of March 16, 2022, the Group obtained approval from the Capital Market Authority's (CMA) to offer 12 million shares, representing 30% of the Group's share capital, in a public offering. The approval is valid for six months' period commencing from the board of directors' resolution date.

The Parent 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, hotels ...etc).

The Parent 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 branch:

<b>Branch</b>	<b>Date</b>	<b>Location</b>	<b>Registration certificate</b>
Retal Urban Development Company branch	Dhu al-Qi'dah 21, 1441	Riyadh	1010642508

The Ultimate Parent Company is Abdullatif and Mohammed Al Fozan Company.

This condensed consolidated interim financial statements include the financial information of the Parent Company and the following subsidiaries (collectively referred to as "the Group"):

	<b>Effective ownership</b>	
	<b>31 March 2022</b>	<b>31 December 2021</b>
	<b>%</b>	<b>%</b>
Tadbeir Limited Company ("Tadbeir")	95	95
Nesaj Urban Development Company ("Nesaj")	100	100
Building Construction Company Limited ("BCC")	100	100
Tadbeir Real Estate Company ("TRS")	100	100

**Tadbeir**

Tadbeir is a Limited Liability Company registered in the Kingdom of Saudi Arabia under commercial registration No. 2051059223 issued in Khobar on Muharram 11, 1436H (November 4, 2014). The registered address of the Company is P.O. Box 1448, Al Rawabi, Prince Faisal Bin Fahad Bin Abdulaziz Street, Al Khobar 31952, Kingdom of Saudi Arabia.

Tadbeir is principally engaged in general cleaning, maintenance and operating, buildings, gardens, parks and sports facilities.

During the year 2021, the shareholders of Tadbeir resolved to increase Tadbeir's share capital from SR 0.5 million to SR 5 million through cash contribution, the legal formalities associated with the increase were completed in the said year. A new shareholder was introduced who contributed 5% of the revised share capital of the Company.

## **RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI CLOSED JOINT STOCK COMPANY)

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued) FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2022**

---

#### **1. GENERAL INFORMATION (Continued)**

##### **Nesaj**

Nesaj is a Limited Liability Company registered in the Kingdom of Saudi Arabia under commercial registration number 2051049871 on Ramadan 17, 1433H (August 5, 2012). The registered address of Nesaj is P.O.Box 1448, Al Rawabi, Prince Faisal Bin Fahad Bin Abdulaziz Street, Al Khobar 31952, Kingdom of Saudi Arabia.

The principle activities of the Nesaj include buying lands and constructing buildings on them for sale or rental to third parties, management, maintenance and development of real estate, management and maintenance of industrial, commercial and service projects, restaurants, central markets, residential compounds, commercial and industrial complexes and general contracting for residential, commercial, public, educational, recreational, medical, airport, and precast buildings.

##### **BCC**

BCC is a Limited Liability Company registered in the Kingdom of Saudi Arabia under commercial registration No. 2051023581 issued in Khobar dated Jumada II 15, 1420H (September 25, 1999). The registered address of BCC is P.O.Box 1448, Al Rawabi, Prince Faisal Bin Fahad Bin Abdulaziz Street, Al Khobar 31952, Kingdom of Saudi Arabia.

BCC is principally engaged in general contracting (building repairs, demolition and renovation), construction of roads, dams, tunnels, sewerage, air conditioning and refrigeration, in addition to electrical, mechanical, digging and renovating related works. In addition to management and operation of factories, industrial projects, shopping malls and infrastructure construction.

Other shareholder in BCC has waived off their right in favor of Retal Urban Development Company and the Group has obtained the approval and waiver letter.

##### **TRS**

TRS is a Limited Liability Company registered in the Kingdom of Saudi Arabia under commercial registration No. 2051063497 issued in Khobar dated Shawwal 10, 1442H (May 22, 2021). The registered address of TRS is P.O. Box 1448, Al Rawabi, Prince Faisal Bin Fahad Bin Abdulaziz Street, Al Khobar 31952, Kingdom of Saudi Arabia.

TRS is principally engaged as a broker in sale of fixed and movable assets, purchase and sale of land and real estate and its division and off-plan sales activities, management and rental of owned or leased (residential) real estate, management and rental of owned or leased (non-residential), activities of brokers' agents (brokers' offices), real estate management activities for a commission, money management and preservation of the property.

#### **2. BASIS OF PREPARATION**

##### **Statement of compliance**

The condensed consolidated interim financial statements for the three months period ended March 31, 2022 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 financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2021. In addition, results for the three months period ended March 31, 2022 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2022.

##### **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.

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIODS ENDED MARCH 31, 2022**

---

**2. BASIS OF PREPARATION (Continued)**

**Basis of measurement (Continued)**

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.

**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, 2021, and the notes attached thereto, except for the adoption of certain new and revised standards that became effective in the current period.

**New Standards, Amendments to Standards and Interpretations effective from January 1, 2022**

There are no new standards issued, however, there are number of amendments to standards which are effective from January 1, 2022 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 IFRS standards, Amendments to Standards and Interpretations not yet effective**

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

<b>Amendments to standard</b>	<b>Description</b>	<b>Effective for annual years beginning on or after</b>
IFRS 17	Insurance Contracts	January 1, 2023
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023
IAS 8	Amendment to definition of accounting estimate	January 1, 2023
IAS 12	Income taxes	January 1, 2023
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/A

Management anticipates that these interpretations and amendments will be adopted 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 year 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, 2021.

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

**5. CASH AND CASH EQUIVALENTS**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Cash on hand	<b>644,886</b>	35,000
Cash at banks	<b>541,341,970</b>	407,942,218
	<b>541,986,856</b>	407,977,218

At reporting date, cash and cash equivalents was as following:

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Cash at banks	<b>541,341,970</b>	407,942,218
Less: restricted bank balance	<b>(455,438,324)</b>	(375,562,991)
Cash on hand	<b>644,886</b>	35,000
Cash and cash equivalents	<b>86,548,532</b>	32,414,227

As at March 31, 2022, cash at banks include bank balances of SR 455.4 million (December 31, 2021: SR 375.6 million) in local banks in restricted escrow accounts. Drawings from these escrow accounts is restricted for developing certain projects which are sold off-plan.

Cash at banks represent balances with local banks with a sound credit rating. Furthermore, these balances bear no interests. The carrying amount of these assets is approximately equal to their fair value.

**6. ACCOUNTS RECEIVABLE**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Accounts receivable - third parties	<b>171,948,191</b>	268,427,587
Accounts receivable - related parties (note 15)	<b>2,524,313</b>	3,677,860
	<b>174,472,504</b>	272,105,447
Less: allowance for expected credit losses	<b>(2,659,368)</b>	(2,659,368)
	<b>171,813,136</b>	269,446,079

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

	<b>Neither past due nor impaired</b>	<b>Past due</b>			<b>Total</b>
	<b>SR</b>	<b>91-180 days SR</b>	<b>181-365 days SR</b>	<b>366-730 days SR</b>	<b>SR</b>
<b>31 March 2022</b>	<b>142,522,768</b>	<b>18,249,784</b>	<b>8,852,576</b>	<b>2,323,063</b>	<b>171,948,191</b>
31 December 2021	5,182,491	257,033,040	5,743,882	468,174	268,427,587

**RETAL URBAN DEVELOPMENT COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

**7. DEVELOPMENT PROPERTIES**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Land	<b>219,580,985</b>	237,641,718
Development cost	<b>58,376,206</b>	26,976,520
Advances (note 7.1)	<b>44,187,750</b>	44,187,750
	<b>322,144,941</b>	308,805,988
Current portion (note 7.2)	<b>(258,706,863)</b>	(245,367,910)
Non-current portion	<b>63,438,078</b>	63,438,078

Development properties represent mainly the cost of land and developments incurred by the Group toward the development of projects for the purpose of sale in future. Certain properties amounted to SR 54.3 million are pledged against a term loan from a local commercial bank.

The Group has capitalized interest cost under development projects amounted to SR 0.07 million.

**7.1** Advances represents amount paid in advance for the purchase of land for development amounting to SR 44.2 million under an agreement entered by the Group in the year 2021. Ownership of the land is expected to be transferred to the Group name upon final payment in 2023.

**7.2** Management believes that these projects are expected to be sold within the next 12 months.

**8. INVESTMENT PROPERTIES**

	<b>Land SR</b>	<b>Building SR</b>	<b>Total SR</b>
<b><u>Cost:</u></b>			
At 1 January 2021 (Audited)	298,856,577	38,084,546	336,941,123
Additions	114,224,555	17,291	114,241,846
Disposals	(32,587,999)	(2,018,048)	(34,606,047)
Deconsolidation	(135,581,004)	-	(135,581,004)
Transferred to development properties	(72,921,080)	(3,408,706)	(76,329,786)
At 31 December 2021 (Audited)	171,991,049	32,675,083	204,666,132
Disposals	<b>(40,721,627)</b>	-	<b>(40,721,627)</b>
<b>At 31 March 2022 (Unaudited)</b>	<b>131,269,422</b>	<b>32,675,083</b>	<b>163,944,505</b>
<b><u>Accumulated depreciation:</u></b>			
At 1 January 2021 (Audited)	-	2,095,460	2,095,460
Charge for the year	-	1,616,235	1,616,235
Disposals	-	(224,114)	(224,114)
Transferred to development properties	-	(404,477)	(404,477)
At 31 December 2021 (Audited)	-	3,083,104	3,083,104
Charge for the period	-	<b>340,100</b>	<b>340,100</b>
<b>At 31 March 2022 (Unaudited)</b>	-	<b>3,423,204</b>	<b>3,423,204</b>
<b><u>Net book value:</u></b>			
<b>At 31 March 2022 (Unaudited)</b>	<b>131,269,422</b>	<b>29,251,879</b>	<b>160,521,301</b>
At 31 December 2021 (Audited)	171,991,049	29,591,979	201,583,028

Investment properties includes acquired shares in land during the year 2021, located in Al Khobar, Kingdom of Saudi Arabia, at the cost of SR 80 million from a shareholder for future development or sale. A waiver letter was obtained from the shareholder for transferring the rights in these land shares to the Group. During the current period ended March 31, 2022, the Group partially sold the said land shares costing SR 28.96 million to individual customers for a consideration of SR 45.76 million. The Group recognized a gain of SR 16.8 million resulting from the said sale.

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022****8. INVESTMENT PROPERTIES (Continued)**

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"). As at December 31, 2021, the fair valuation of the investment properties was amounted to SR 210.4 million. Management believe that there has not been any material change in fair value of these investment properties as of the reporting date.

Certain lands amounted to SR 9.5 million are mortgaged against a term loan from a local commercial bank.

**9. ACCOUNTS PAYABLE**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Accounts payable - third parties	<b>32,593,925</b>	43,160,734
Retention payable - third parties	<b>24,325,899</b>	24,722,514
Accounts payable to related parties (note 15)	<b>7,518,110</b>	11,084,649
	<b>64,437,934</b>	78,967,897
Less: current portion	<b>(48,793,237)</b>	(65,309,892)
Non-current portion	<b>15,644,697</b>	13,658,005

**10. ACCRUED EXPENSES AND OTHER PAYABLES**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Project related accruals	<b>104,300,050</b>	61,131,924
Employees' accruals	<b>17,567,512</b>	16,856,999
Accrued expenses	<b>1,681,614</b>	864,532
Advances from customers	<b>1,615,000</b>	349,964
VAT payable	<b>-</b>	2,163,886
Others	<b>917,155</b>	944,491
	<b>126,081,331</b>	82,311,796

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

**11. LOANS**

**11.1 Classification of loans:**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Short term loan (A)	<b>100,332,366</b>	100,351,792
Term-loan (B)	<b>46,650,980</b>	65,007,822
Term-loan (C)	<b>147,968,054</b>	146,972,420
Term-loan (D)	<b>128,951,934</b>	90,434,457
Term-loan (E)	<b>239,104,587</b>	298,560,645
	<b>663,007,921</b>	701,327,136
Less: short term loan	<b>(100,332,366)</b>	(100,351,792)
Less: term loans - current portion	<b>(364,987,717)</b>	(389,516,747)
Term loans - non-current portion	<b>197,687,838</b>	211,458,597

The repayment schedule for term loans is as follows:

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Within one year	<b>364,987,717</b>	389,516,747
Not later than five years	<b>197,687,838</b>	211,458,597
	<b>562,675,555</b>	600,975,344

As at reporting date, the Group engaged into the following short and long-term loan:

- A** During the year 2020, the Group obtained short term loan facility from a local commercial bank of SR 50 million. In 2021, it has been restructured and the loan facility is extended to SR 100 million bearing financial charges at Saudi Arabia Interbank Offered Rate ("SIBOR") plus a fixed margin. The loan is repayable in one installment on a revolving basis. The loan is guaranteed by one of the shareholder's personal guarantee.
- B** During the year 2020, the Group obtained term loan facility from a local commercial bank of SR 97 million, of which SR 46.7 million has been outstanding up to March 31, 2022, bearing financial charges at SIBOR plus a fixed margin. The loan is repayable in equal quarterly installments commencing from August 31, 2021. The loan is guaranteed by pledge of lands deeds amounted to SR 36 million from development properties (note 7), pledge of land deeds amounted to SR 9.3 million from investment properties (note 8), and pledge of land deeds amounted to SR 21.6 million from property and equipment, and guarantee from a shareholder.
- C** During the year 2020, the Group obtained term loan facility from a local commercial bank of SR 238.7 million, of which SR 148 million has been outstanding up to March 31, 2022, bearing financial charges at SIBOR plus a fixed margin. The loan is to be paid out from collections of certain projects over a maximum of three years' period. The loan is guaranteed by pledge of land deeds amounted to SR 52.6 million and SR 23.6 million against property and equipment and investment properties (note 8) respectively.
- D** During the year 2021, the Group has obtained term loan facility from a local commercial bank of SR 142 million, of which SR 129 million has been utilized up to March 31, 2022, bearing financial charges at SIBOR plus a fixed margin. During the period ended March 31, 2022, the Group utilized additional amount of SR 37.9 million from the available facility. The loans are to be paid out from collections of certain projects over a maximum of three years' period. The loan is guaranteed by guarantee provided by one of the shareholders of the Group.
- E** During the year 2021, the Group has obtained term loan facility from a local commercial bank of SR 308.6 million, of which SR 239.1 million has been utilized up to March 31, 2022, bearing financial charges at SIBOR plus a fixed margin. The loans are to be paid out from collections of certain projects over a maximum of two years' period. The loan is guaranteed by pledge of land deeds amounted to SR 18.3 million against development properties (note 7).

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

**12. SHARE CAPITAL**

During the year 2021, the shareholders of the Group resolved to increase the share capital from SR 375 million to SR 400 million through transfer of SR 20 million from retained earnings and cash contribution from new shareholders of SR 5 million, the legal formalities in this regard were completed during the year 2021.

**13. REVENUE FROM CONTRATCS WITH CUSTOMERS**

**13.1 Disaggregated revenue information**

	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
<b>Types of goods and services</b>	<b>SR</b>	<b>SR</b>
Development contract revenues	<b>205,435,628</b>	189,987,120
Revenue from sales of real estate units / lands	<b>59,639,087</b>	16,973,225
Revenue from property and facility management	<b>7,614,603</b>	7,300,090
Rent contracts revenue	<b>2,469,065</b>	1,764,730
	<b>275,158,383</b>	216,025,165

**13.2 Contract balances**

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Accounts receivable	<b>171,813,136</b>	269,446,079
Contract assets (see note (a) below)	<b>89,967,180</b>	69,843,779
Contract liabilities (see note (b) below)	<b>70,335,100</b>	110,531,957

**a) Contract assets:**

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

**b) Contract liabilities:**

Contract liabilities include long-term advances against construction contracts and short-term advances received to provide services as well as transaction price allocated to unsatisfied performance obligations.

**14. COST OF REVENUE**

	<b>For the three months period ended March 31,</b>	
	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>
	<b>SR</b>	<b>SR</b>
Cost of development contracts	<b>150,970,465</b>	145,509,510
Cost of sale of real estate units / lands	<b>40,721,629</b>	11,854,344
Cost of property and facility management	<b>6,928,112</b>	6,541,082
Cost of rent contracts	<b>1,041,169</b>	1,078,875
	<b>199,661,375</b>	164,983,811



**RETAL URBAN DEVELOPMENT COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

**15 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.

The significant transactions and the related approximate amounts are as follows:

		<b>For the three months period ended</b>	
		<b>March 31,</b>	
		<b>2022</b>	<b>2021</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Relationship</b>		<b>SR</b>	<b>SR</b>
<i>Purchases from related parties</i>			
Mimar Emirate and ARAC Engineering Consultancy Company	Affiliate	<b>1,049,260</b>	1,859,090
United Electronics Company (Extra)	Affiliate	<b>52,040</b>	46,598
Madar Building Materials Company.	Affiliate	<b>596,505</b>	-
Madar Hardware Company	Affiliate	<b>13,966</b>	728,176
Madar Electrical Materials Company	Affiliate	<b>323,043</b>	766,673
Bina for Ready-mix Products Company	Affiliate	<b>102,459</b>	1,855,654
Bawan Metal Industries Company	Affiliate	<b>3,614,743</b>	485,760
<i>Purchase of land / land shares</i>			
Mali Holding Company	Affiliate	-	34,224,555
Al Fozan Holding Company	Shareholder	-	80,000,000
<i>Advance rent received</i>			
United Homeware Company – Nice	Affiliate	<b>1,010,625</b>	1,010,625
<i>Revenue earned from related party</i>			
United Homeware Company - Nice	Affiliate	<b>962,500</b>	962,500
Mali Holding Company	Affiliate	-	327,036
Alpha Real Estate Development Fund	Affiliate	-	-

As at March 31, 2022 and December 31, 2021 due from related parties includes the following:

	<b>March 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>SR</b>	<b>SR</b>
Alpha Real Estate Development Fund	<b>1,150,526</b>	1,656,675
United Homeware Company - (NICE)	<b>184,000</b>	1,122,600
Others	<b>1,189,787</b>	898,585
	<b>2,524,313</b>	3,677,860

As of March 31, 2022 and December 31, 2021, 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 balance upon request.

**RETAL URBAN DEVELOPMENT COMPANY**  
**(A SAUDI CLOSED JOINT STOCK COMPANY)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

**15 RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

As at March 31, 2022 and December 31, 2021 due to related parties includes the following:

	<b>March 31, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Mimar Emirate and ARAC Engineering Consultancy Company	<b>1,722,210</b>	3,781,590
Bina for Ready-mix Products Company	<b>157,137</b>	1,238,104
Bawan Metal Industries Company	<b>1,053,805</b>	1,939,061
Madar Building Materials Company	<b>3,625,733</b>	3,029,228
Other	<b>959,225</b>	1,096,666
	<b>7,518,110</b>	<b>11,084,649</b>

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

	<b>For the three months period ended March 31,</b>	
	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
	<b>SR</b>	<b>SR</b>
Short term employee benefits	<b>2,126,655</b>	1,232,528

**16. EARNINGS PER SHARE FOR THE PERIOD (BASIC AND DILUTED)**

	<b>For the three months period ended March 31,</b>	
	<b>March 31, 2022 (Unaudited)</b>	<b>March 31, 2021 (Unaudited)</b>
	<b>SR</b>	<b>SR</b>
Profit for the period attributable to the shareholders of the Group	<b>63,441,897</b>	39,257,408
Total comprehensive income for the period attributable to shareholders of the Group	<b>63,441,897</b>	39,257,408
	<b>Share</b>	<b>Share</b>
Weighted average number of shares	<b>40,000,000</b>	37,500,000
	<b>SR / Share</b>	<b>SR / Share</b>
Earnings per share for the period (basic and diluted)	<b>1.59</b>	1.05

**RETAL URBAN DEVELOPMENT COMPANY**  
(A SAUDI CLOSED JOINT STOCK COMPANY)  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

**17. SEGMENT REPORTING**

The main activities of the Group are categorized as, development and others based on factors including targeted customers and nature of operations.

The Board of Directors of the Group, being considered as Chief Operating Decision Maker, review the internal management reports of each segment at least quarterly for the purpose of resources allocation and assessment of performance. All other operating segments that are not reportable are combined under "others".

The financial information is summarized in accordance with the main activities as follows:

	Development	Others	Eliminations	Total
<u>March 31, 2022 (unaudited)</u>	SR	SR	SR	SR
Total Assets	1,806,859,852	27,051,603	(16,147,172)	1,817,764,283
Total Liabilities	1,159,525,555	42,952,779	(16,880,702)	1,185,597,632

	Development	Others	Eliminations	Total
<u>December 31, 2021 (Audited)</u>	SR	SR	SR	SR
Total Assets	1,827,625,860	29,107,378	(17,783,398)	1,838,949,840
Total Liabilities	1,240,036,374	51,380,825	(21,237,794)	1,270,179,405

The following table summarizes the financial information disaggregated by business segments for the three months' periods ending March 31, 2022 and March 31, 2021:

	Development	Others	Eliminations	Total
<u>March 31, 2022 (unaudited)</u>	SR	SR	SR	SR
Revenue	267,421,525	8,484,666	(747,808)	275,158,383
Profit for the period	61,381,018	2,070,896	(55,698)	63,396,216

	Development	Others	Eliminations	Total
<u>March 31, 2021 (unaudited)</u>	SR	SR	SR	SR
Revenue	208,725,075	7,712,278	(412,188)	216,025,165
Profit for the period	39,996,785	(708,676)	(30,701)	39,257,408

**18. CONTINGENCIES AND COMMITMENTS**

**Guarantees:**

The Group is contingently liable for bank guarantees issued in the normal course of business amounting SR 7.9 million as at March 31, 2022 (December 31, 2021: SR 7.9 million).

**Capital Commitments**

The Group had the following capital commitments:

	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Capital commitments for the purchase of software license	4,906,772	4,906,772
Capital commitments for property and equipment	4,872,745	4,872,745
Commitment for the purchase of Roshan land (note 7)	44,187,750	44,187,750
Capital commitments for construction contracts	386,560,441	448,888,195
Commitments for purchase of land from an associate	297,500,000	297,500,000

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI CLOSED JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2022**

---

**19. SUBSEQUENT EVENTS**

Subsequent to the period-end, the Group's shares had been offered for subscription to participating parties and individuals, however, the shares have not yet started trading in Tadawul and the trading is expected to commence after all fulfillment of relevant legal requirements and procedures.

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.

**20. COMPARATIVE FIGURES**

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

**21. DATE OF AUTHORIZATION**

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on Dhu'l-Qi'dah 7, 1443H corresponding to June 6, 2022.