

**RETAL URBAN DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY – Note 1)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS (UNAUDITED)  
FOR THE THREE AND NINE MONTHS PERIODS ENDED  
SEPTEMBER 30, 2022  
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**RETAL URBAN DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY – Note 1)  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2022**

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**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 – Note 1)

**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 - note 1, and its subsidiaries (collectively referred to as the "Group") as of September 30, 2022 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three and nine months periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the nine 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**

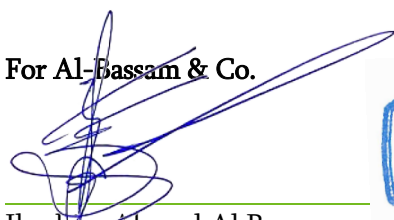
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists 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.

**OTHER MATTERS**

The condensed consolidated interim financial statements of the Group for the three and nine months periods ended September 30, 2021 and the consolidated financial statements for the year ended December 31, 2021 were reviewed and audited by another independent auditor, whose review report dated January 2, 2022 and audit report dated March 28, 2021 expressed an unmodified conclusion and opinion, respectively.

**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: 2 Rabi II 1444H

Corresponding to: 27 October 2022



**RETAL URBAN DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY – Note 1)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS OF SEPTEMBER 30, 2022**

		September 30, 2022	December 31, 2021
	Note	(Unaudited) SR	(Audited) SR
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	783,336,624	407,977,218
Accounts receivable	6	151,134,589	269,446,079
Contract assets	11	75,180,993	69,843,779
Development properties, current	7	330,956,308	245,367,910
Prepayments and other receivables, current		117,457,417	162,926,648
Inventories		12,757,050	12,509,301
Investments at fair value through profit or loss		171,485	655,842
		<b>1,470,994,466</b>	<b>1,168,726,777</b>
<b>Non-current assets</b>			
Development properties, non-current	7	147,368,350	63,438,078
Investment properties	8	145,516,889	201,583,028
Investments in associates and joint ventures		311,016,523	301,382,824
Prepayments and other receivables, non-current		2,100,029	2,201,521
Right of use assets		3,608,177	6,659,330
Intangible assets		3,917,914	4,165,681
Property and equipment		109,776,151	90,792,601
		<b>723,304,033</b>	<b>670,223,063</b>
<b>TOTAL ASSETS</b>		<b>2,194,298,499</b>	<b>1,838,949,840</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	400,000,000	400,000,000
Statutory reserve		56,524,183	38,204,514
Actuarial reserve		(3,358,414)	(3,358,414)
Retained earnings		218,551,358	134,059,718
<b>Equity attributable to the shareholders of the Group</b>		<b>671,717,127</b>	<b>568,905,818</b>
Non-controlling interests		-	(135,383)
<b>Total equity</b>		<b>671,717,127</b>	<b>568,770,435</b>
<b>Current liabilities</b>			
Accounts payable		71,297,121	65,309,892
Payable to National Housing Company - NHC		327,107,811	272,520,618
Dividend payable	16	80,000,000	-
Contract liabilities	11	94,445,848	109,674,870
Accrued expenses and other payables		124,684,385	83,168,883
Current portion of lease liabilities		888,110	2,994,801
Short term loan	10	-	100,351,792
Current portion of term loans	10	337,809,411	389,516,747
Zakat payable		13,447,967	10,447,484
		<b>1,049,680,653</b>	<b>1,033,985,087</b>
<b>Non-current liabilities</b>			
Non-current portion of accounts payable		16,136,747	13,658,005
Non-current portion of lease liabilities		2,304,721	-
Non-current portion of term loans	10	442,148,662	211,458,597
End of service provision		12,310,589	11,077,716
		<b>472,900,719</b>	<b>236,194,318</b>
<b>Total liabilities</b>		<b>1,522,581,372</b>	<b>1,270,179,405</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,194,298,499</b>	<b>1,838,949,840</b>

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 – Note 1)


**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2022**

	Note	For the three months period ended September 30,		For the nine months period ended September 30,	
		2022	2021	2022	2021
		SR	SR	SR	SR
Revenue	11	406,066,131	238,009,296	815,376,850	613,347,312
Cost of revenue		(290,974,650)	(183,881,933)	(585,828,033)	(468,240,554)
<b>Gross profit</b>		<b>115,091,481</b>	<b>54,127,363</b>	<b>229,548,817</b>	<b>145,106,758</b>
General and administrative expenses		(12,538,989)	(13,405,242)	(37,150,037)	(28,844,983)
Selling and marketing expenses		(5,672,235)	(4,461,684)	(14,180,249)	(11,331,389)
<b>Operating profit</b>		<b>96,880,257</b>	<b>36,260,437</b>	<b>178,218,531</b>	<b>104,930,386</b>
Finance costs		(5,347,136)	(991,749)	(11,104,906)	(1,873,459)
Share of results of equity accounted investments		1,717,246	(1,151,837)	10,931,218	3,814,714
Gain on sale of investments at FVTPL		-	128,001	8,568,603	439,165
Other income, net		112,750	2,439,122	4,939,507	4,503,266
<b>Profit before zakat</b>		<b>93,363,117</b>	<b>36,683,974</b>	<b>191,552,953</b>	<b>111,814,072</b>
Zakat		(3,603,074)	(1,560,000)	(8,356,261)	(5,936,965)
<b>Profit from continuing operations</b>		<b>89,760,043</b>	<b>35,123,974</b>	<b>183,196,692</b>	<b>105,877,107</b>
<b>Discontinued operations:</b>					
Gain on sale of disposal of a subsidiary, net of zakat		-	-	-	13,935,504
<b>Profit from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>13,935,504</b>
<b>Profit for the period</b>		<b>89,760,043</b>	<b>35,123,974</b>	<b>183,196,692</b>	<b>119,812,611</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>89,760,043</b>	<b>35,123,974</b>	<b>183,196,692</b>	<b>119,812,611</b>
<b>Profit for the period attributable to:</b>					
Shareholders of the Group		89,760,043	35,211,679	183,196,692	119,900,316
Non-controlling interest		-	(87,705)	-	(87,705)
<b>Profit for the period</b>		<b>89,760,043</b>	<b>35,123,974</b>	<b>183,196,692</b>	<b>119,812,611</b>
<b>Total comprehensive income for the period attributable to:</b>					
Shareholders of the Group		89,760,043	35,211,679	183,196,692	119,900,316
Non-controlling interest		-	(87,705)	-	(87,705)
<b>Total comprehensive income for the period</b>		<b>89,760,043</b>	<b>35,123,974</b>	<b>183,196,692</b>	<b>119,812,611</b>
<b>Earnings per share – Basic and diluted</b>	13				
Earnings per share of profit for the period		2.24	0.88	4.58	3.08
Earnings per share of total comprehensive income for the period		2.24	0.88	4.58	3.08
Weighted average number of outstanding shares		40,000,000	40,000,000	40,000,000	38,888,889

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 – Note 1)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	Share capital	Statutory reserve	Contribution from shareholders	Actuarial reserve	Retained earnings	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 from continuing operations	-	-	-	-	105,964,812	105,964,812	(87,705)	105,877,107
Profit from discontinuing operations	-	-	-	-	13,935,504	13,935,504	-	13,935,504
Profit for the period	-	-	-	-	119,900,316	119,900,316	(87,705)	119,812,611
Contributed by NCI	-	-	-	-	-	-	250,000	250,000
Transfer to statutory reserve	-	11,990,032	-	-	(11,990,032)	-	-	-
Increase in contribution from shareholders	-	-	5,000,000	-	-	5,000,000	-	5,000,000
Increase in share capital (note 9)	25,000,000	-	(5,000,000)	-	(20,000,000)	-	-	-
Dividend (note 16)	-	-	-	-	(80,000,000)	(80,000,000)	-	(80,000,000)
September 30, 2021 (Unaudited)	400,000,000	30,822,597	-	(2,508,550)	135,372,465	563,686,512	162,295	563,848,807
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	-	-	-	-	183,196,692	183,196,692	-	183,196,692
Transfer to statutory reserve	-	18,319,669	-	-	(18,319,669)	-	-	-
Dividend (note 16)	-	-	-	-	(80,000,000)	(80,000,000)	-	(80,000,000)
The effect of acquisition of additional shares in a subsidiary (Note 1)	-	-	-	-	(385,383)	(385,383)	135,383	(250,000)
September 30, 2022 (Unaudited)	400,000,000	56,524,183	-	(3,358,414)	218,551,358	671,717,127	-	671,717,127

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 – Note 1)




**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	For the nine months period ended September, 30	
Note	2022	2021
	SR	SR
<b>OPERATING ACTIVITIES</b>		
Profit before zakat:	191,552,953	125,749,576
<i>Adjustments for non-cash items:</i>		
Depreciation and amortization	5,196,921	4,481,715
Depreciation on right of use assets	5,964,421	6,074,743
End of service provision	2,456,413	2,214,094
Gain on disposal of a subsidiary, net of zakat	-	(13,935,504)
Gain on disposal of property and equipment	(8,887)	-
Share of results of equity accounted investments	(10,931,218)	(3,814,714)
Gain on sale of investments at FVTPL	(8,568,603)	(439,165)
Reversal of allowance for expected credit losses for accounts receivable	(2,574,137)	-
Finance costs	21,828,250	1,873,459
	<b>204,916,113</b>	<b>122,204,204</b>
<i>Changes in working capital:</i>		
Development properties	(175,170,678)	(29,663,365)
Investment properties	18,609,809	(114,519,254)
Inventories	(247,749)	5,631,799
Contract assets	(5,337,214)	186,349,292
Accounts receivable	157,274,387	(105,195,866)
Prepayments and other receivables	45,569,492	(63,900,060)
Accounts payable	8,465,971	186,663,673
Payable to National Housing Company - NHC	54,587,193	(115,018,686)
Accrued expenses and other payables	41,515,502	(2,592,213)
Contract liabilities	(15,229,022)	61,401,365
<i>Cash generated from operations</i>	<b>334,953,804</b>	<b>131,360,889</b>
End of service provision paid	(1,223,540)	(1,247,249)
Zakat paid	(5,355,778)	(1,649,146)
Finance cost paid	(19,133,281)	(3,990,845)
<b>Net cash flows generated from operating activities</b>	<b>309,241,205</b>	<b>124,473,649</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(17,222,224)	(6,690,055)
Proceeds from disposal of property and equipment	17,985	-
Dividend received from an associate	1,580,000	1,580,000
Purchases of investments at fair value through profit or loss	(40,018,118)	(2,898,855)
Proceeds from disposal of a subsidiary	-	151,224,372
Purchase of non-controlling interest	(250,000)	-
Proceeds from sale of investments at fair value through profit or loss	49,071,078	1,368,678
Investment in an associate	(281,250)	(154,000,000)
<b>Net cash flows used in investing activities</b>	<b>(7,102,529)</b>	<b>(9,415,860)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	330,491,193	295,836,521
Repayment of borrowings	(254,555,225)	(59,758,010)
Lease payments	(2,715,238)	(5,089,968)
Contributed by NCI	-	250,000
Dividends paid	-	(80,000,000)
Proceeds from contribution from a shareholder	-	5,000,000
<b>Net cash flows generated from financing activities</b>	<b>73,220,730</b>	<b>156,238,543</b>

**RETAL URBAN DEVELOPMENT COMPANY**  
(A SAUDI JOINT STOCK COMPANY – Note 1)  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
(Continued)  
**FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	For the nine months period ended September, 30	
Note	2022	2021
	SR	SR
Net change in cash and cash equivalents	375,359,406	271,296,332
Cash and cash equivalents at the beginning of the period	32,414,227	9,975,407
Less: change in restricted bank balance (note 5)	(164,830,114)	(262,499,852)
Cash and cash equivalents at the end of the period	242,943,519	18,771,887
NON-CASH TRANSACTIONS	5	-

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

 <hr/> Ammar Al Ghoul Chief Financial Officer	 <hr/> Abdullah Bin Faisal Bin Abdul Aziz Al Braikan Chief Executive Officer	 <hr/> Abdullah Bin Abdul Latif Bin Ahmed Al Fozan Chairman Board of Directors
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**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****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'ul 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.

During the 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 16 March 2022 (corresponding to 13 Sha'ban 1443H). On 27 June 2022 (corresponding to 28 Dhu'l-Qi'dah 1443H), 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, articles of association and commercial registration from Saudi Closed Joint Stock Company to a Joint Stock Company has been completed during the current period.

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, hotels ...etc.).

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:

<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
Retal Urban Development Company branch	Dhu'l Hijjah 18, 1442	Al Khobar	2051236513
Retal Urban Development Company branch	Dhu al-Qi'dah 15, 1443	Jeddah	4030475640

Also, these condensed consolidated interim financial statements include the financial information of the Holding Company and the following subsidiaries (collectively referred to as "the Group"):

	<b>Effective ownership</b>	
	<b>September 30, 2022</b>	<b>December 31, 2021</b>
	<b>%</b>	<b>%</b>
Tadbeir Limited Company ("Tadbeir")	<b>100</b>	95
Nesaj Urban Development Company ("Nesaj")	<b>100</b>	100
Building Construction Company Limited ("BCC")	<b>100</b>	100
Tadbeir Real Estate Company ("TRS")	<b>100</b>	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. Subsequent to increase in share capital, a new shareholder was introduced who contributed 5% of the revised share capital of the Company.

## RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY – Note 1)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued) FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

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#### 1. GENERAL INFORMATION (Continued)

##### Tadbeir (Continued)

On July 3, 2022, TRS has purchased 5% equity stake from the minority shareholder of Tadbeir. Subsequent to the purchase transaction, effective ownership of the Group in this subsidiary increased to 100%.

##### 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, erection, 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.

##### 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 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**

These condensed consolidated interim financial statements for the three and nine months periods ended September 30, 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 consolidated 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 and nine months periods ended September 30, 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 using the projected unit credit method.

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 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.

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

There is no new standard 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.

Amendments to standard	Description	Effective for annual years beginning on or after
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 JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****5. CASH AND CASH EQUIVALENTS**

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Cash on hand	959,161	35,000
Cash at banks	782,377,463	407,942,218
	<b>783,336,624</b>	<b>407,977,218</b>

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Cash at banks	782,377,463	407,942,218
Less: restricted bank balances	(540,393,105)	(375,562,991)
Cash on hand	959,161	35,000
Cash and cash equivalents	<b>242,943,519</b>	<b>32,414,227</b>

As at September 30, 2022, cash at banks include bank balances amounting to SR 540.39 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 interest. The carrying amount of these assets is approximately equal to their fair value.

**NON-CASH TRANSACTIONS**

	For the nine months period ended September 30,	
	2022 (Unaudited)	2021 (Unaudited)
	SR	SR
Dividend declared	80,000,000	-
Property and equipment transferred from development properties	5,652,008	225,128
Receivable against disposal of a subsidiary	-	156,056,250
Development properties transferred from investment properties, net	-	55,345,035
Increase share capital through transfer from retained earnings	-	20,000,000

**6. ACCOUNTS RECEIVABLE**

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Accounts receivable - third parties	129,778,416	268,427,587
Accounts receivable - related parties (note 12)	21,441,404	3,677,860
	<b>151,219,820</b>	<b>272,105,447</b>
Less: allowance for expected credit losses	(85,231)	(2,659,368)
	<b>151,134,589</b>	<b>269,446,079</b>

Movement in allowance for expected credit losses is as follows;

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Opening balance	2,659,368	-
Charged	-	2,659,368
Reversal of provision	(2,574,137)	-
Closing balance	<b>85,231</b>	<b>2,659,368</b>

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****6. ACCOUNTS RECEIVABLE (Continued)**

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

	Neither past due nor impaired	91-180 days	181-365 days	366-730 days	Total
	SR	SR	SR	SR	SR
<b>September 30, 2022</b>					
(Unaudited)	98,212,493	17,686,516	10,132,739	3,746,668	129,778,416
December 31, 2021					
(Audited)	5,182,491	257,033,040	5,743,882	468,174	268,427,587

**7. DEVELOPMENT PROPERTIES**

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Lands	129,251,077	237,641,718
Development cost	179,324,401	26,976,520
Advances (note 7.1)	169,749,180	44,187,750
	478,324,658	308,805,988
Current portion (note 7.2)	(330,956,308)	(245,367,910)
Non-current portion	147,368,350	63,438,078

Development properties represent mainly the cost of lands and developments incurred by the Group toward the development of projects for the purpose of sale in future. Certain properties amounted to SR 22.9 million are pledged against a term loan from a local commercial bank.

**7.1** Advances represent amount paid in advance for the purchase of land 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 in 2023.

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

**8. INVESTMENT PROPERTIES**

	Lands SR	Buildings SR	Total SR
<b>Cost:</b>			
At January 1, 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 December 31, 2021 (Audited)	171,991,049	32,675,083	204,666,132
Additions	19,939,724	-	19,939,724
Disposals	(74,253,329)	(684,964)	(74,938,293)
<b>At September 30, 2022 (Unaudited)</b>	<b>117,677,444</b>	<b>31,990,119</b>	<b>149,667,563</b>
<b>Accumulated depreciation:</b>			
At January 1, 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 December 31, 2021 (Audited)	-	3,083,104	3,083,104
Charge for the period	-	1,067,570	1,067,570
<b>At September 30, 2022 (Unaudited)</b>	<b>-</b>	<b>4,150,674</b>	<b>4,150,674</b>
<b>Net book value:</b>			
<b>At September 30, 2022 (Unaudited)</b>	<b>117,677,444</b>	<b>27,839,445</b>	<b>145,516,889</b>
At December 31, 2021 (Audited)	171,991,049	29,591,979	201,583,028

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****8. INVESTMENT PROPERTIES (Continued)**

Investment properties include participation/share in a large plot of land, located in Al Khobar, Kingdom of Saudi Arabia. The land was acquired at a cost of SR 80 million in the year 2021 from a shareholder, who has assigned his right to such land to the Group via a waiver letter. The whole plot of land was later auctioned and as a result of the auction, the Group received several plots of land in exchange for their investment. During the current period, the Group sold part of these lands to third parties at a consideration of SR 107.5 million resulting in a gain of SR 48.2 million. Title deeds of these plots of land were received by the Group during the current period.

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 amounted to SR 210.4 million. Management believes 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 112.2 million are mortgaged against a term loan from a local commercial bank.

**9. SHARE CAPITAL**

As of September 30, 2022, authorized, issued and paid up capital comprise of 40,000,000 shares of SR 10 each (December 31, 2021: 40,000,000 shares of SR 10 each).

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.

**10. LOANS****Classification of loans:**

	<b>September 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Short term loan	-	100,351,792
Term-loan	<b>16,616,920</b>	65,007,822
Term-loan	<b>361,549,836</b>	146,972,420
Term-loan	<b>208,633,111</b>	90,434,457
Term-loan	<b>193,158,206</b>	298,560,645
	<b>779,958,073</b>	701,327,136
Less: short term loan	-	(100,351,792)
Less: term loans - current portion	<b>(337,809,411)</b>	(389,516,747)
Term loans - non-current portion	<b>442,148,662</b>	211,458,597

The repayment schedule for term loans is as follows:

	<b>September 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Within one year	<b>337,809,411</b>	389,516,747
Not later than five years	<b>442,148,662</b>	211,458,597
	<b>779,958,073</b>	600,975,344

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 several land deeds that have been classified under development properties, investment properties and property and equipment; in addition to a corporate guarantee from a shareholder prior to the Group's IPO. The Group is in the process to cancel the corporate guarantee.

During the current period ended September 30, 2022, the Group recognized interest cost amounting SR 10.7 million in cost of revenue and Development properties.

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****11. REVENUE FROM CONTRACTS WITH CUSTOMERS****11.1 Disaggregated revenue information**

Types of goods and services	For the three months period ended September 30,		For the nine months period ended September 30,	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	SR	SR	SR	SR
Development contract revenues	167,673,178	223,656,914	447,264,245	563,462,601
Revenue from sales of real estate units / lands *	226,104,424	4,192,000	331,478,864	21,865,225
Revenue from property and facility management	10,139,760	8,398,005	29,093,566	22,720,691
Rent contracts revenue	2,148,769	1,762,377	7,540,175	5,298,795
	<b>406,066,131</b>	<b>238,009,296</b>	<b>815,376,850</b>	<b>613,347,312</b>

\* For the period ended September 30, 2022, the revenue from sales of real estate units / lands comprises of sales from development properties and investment properties amounting to SR 205.45 million (2021: SR 21.87 million) and SR 126.03 million (2021: nil) respectively.

**11.2 Contract balances**

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Accounts receivable	151,134,589	269,446,079
Contract assets (see note (a) below)	75,180,993	69,843,779
Contract liabilities (see note (b) below)	94,445,848	109,674,870

**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 advances from customers towards unsatisfied performance obligations.

**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:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
	SR	SR
Remal Al-Khobar Real Estate Company ("Remal")	15,426,797	-
Ajwad Holding Company	1,334,735	-
Alpha Saudi Equity Fund	1,150,526	1,656,675
Al Khobar Lake Real Estate Development Company	909,376	-
Mimar Emirate and ARAC Engineering Consultancy Company	785,570	-
United Homeware Company – Nice	383,780	1,122,600
Others	1,450,620	898,585
	<b>21,441,404</b>	<b>3,677,860</b>

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****12. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

As of September 30, 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 balances upon request.

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

	<b>September 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Madar Building Materials Company	<b>4,405,553</b>	3,029,228
Madar Electric Material Company	<b>983,462</b>	-
Bawan Metal Industries Company	<b>498,696</b>	1,939,061
Bina for Ready-mix Products Company	<b>62,475</b>	1,238,104
Mimar Emirate and ARAC Engineering Consultancy Company	<b>-</b>	3,781,590
Others	<b>602,617</b>	1,096,666
	<b>6,552,803</b>	11,084,649

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

	<b>For the three months period ended September 30,</b>		<b>For the nine months period ended September 30,</b>	
	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>
	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
Board of Directors compensation	-	-	<b>526,906</b>	-
Short term benefits	<b>901,966</b>	443,553	<b>2,771,041</b>	2,312,628

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

	<b>For the three months period ended September 30,</b>		<b>For the nine months period ended September 30,</b>	
	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>
	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
Profit for the period attributable to the shareholders of the Group	<b>89,760,043</b>	35,211,679	<b>183,196,692</b>	119,900,316
Total comprehensive income for the period attributable to shareholders of the Group	<b>89,760,043</b>	35,211,679	<b>183,196,692</b>	119,900,316
	<b>Share</b>	<b>Share</b>	<b>Share</b>	<b>Share</b>
Weighted average number of shares	<b>40,000,000</b>	40,000,000	<b>40,000,000</b>	38,888,889
	<b>SR / Share</b>	<b>SR / Share</b>	<b>SR / Share</b>	<b>SR / Share</b>
<b>Basic and diluted</b>				
Earnings per share of profit for the period	<b>2.24</b>	0.88	<b>4.58</b>	3.08
Earnings per share of total comprehensive income for the period	<b>2.24</b>	0.88	<b>4.58</b>	3.08



**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****14. 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:

	<b>Development</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>September 30, 2022 (unaudited)</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
Total Assets	<b>2,180,321,362</b>	<b>30,882,312</b>	<b>(16,905,175)</b>	<b>2,194,298,499</b>
Total Liabilities	<b>1,499,265,552</b>	<b>25,337,364</b>	<b>(2,021,544)</b>	<b>1,522,581,372</b>
	<b>Development</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>December 31, 2021 (Audited)</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
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 nine months' periods ending September 30, 2022 and September 30, 2021:

	<b>Development</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>September 30, 2022 (unaudited)</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
Revenue	<b>786,605,252</b>	<b>30,552,453</b>	<b>(1,780,855)</b>	<b>815,376,850</b>
Profit for the period	<b>178,770,745</b>	<b>4,559,076</b>	<b>(133,129)</b>	<b>183,196,692</b>
	<b>Development</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>September 30, 2021 (unaudited)</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
Revenue	590,626,621	24,826,242	(2,105,551)	613,347,312
Profit / (loss) for the period	121,514,773	(1,544,760)	(157,402)	119,812,611

The following table summarizes the financial information disaggregated by business segments for the three months' periods ending September 30, 2022 and September 30, 2021:

	<b>Development</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>September 30, 2022 (unaudited)</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
Revenue	<b>395,818,868</b>	<b>10,462,904</b>	<b>(215,641)</b>	<b>406,066,131</b>
Profit for the period	<b>88,120,861</b>	<b>1,655,302</b>	<b>(16,120)</b>	<b>89,760,043</b>
	<b>Development</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>September 30, 2021 (unaudited)</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>	<b>SR</b>
Revenue	229,379,164	10,188,584	(1,558,452)	238,009,296
Profit / (loss) for the period	36,198,746	(958,269)	(116,503)	35,123,974

**RETAL URBAN DEVELOPMENT COMPANY**

(A SAUDI JOINT STOCK COMPANY – Note 1)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022****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 54.3 million as at September 30, 2022 (December 31, 2021: SR 7.9 million).

**Capital Commitments**

The Group had the following capital commitments:

	<b>September 30, 2022 (Unaudited)</b>	<b>December 31, 2021 (Audited)</b>
	<b>SR</b>	<b>SR</b>
Capital commitments for development contracts	<b>1,037,058,757</b>	448,888,195
Commitments for purchase of land from an associate	<b>297,500,000</b>	297,500,000
Commitment for the purchase of lands	<b>169,749,180</b>	44,187,750
Capital commitments for property and equipment	<b>7,805,186</b>	4,872,745
Capital commitments for the purchase of software license	<b>3,220,313</b>	4,906,772

**16. DIVIDEND DISTRIBUTION**

During the period ended September 30, 2022, the Board of Directors proposed a cash dividends amounting to SR 80 million (September 30, 2021: SR 80 million). The proposed dividend was approved by the shareholders in an extra ordinary general meeting held on September 29, 2022.

**17. SUBSEQUENT EVENTS**

In the opinion of the management, there have been no 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 Rabi I 29, 1444H corresponding to October 25, 2022.