



TM

R E T A L









*“My primary goal is to be an exemplary and leading nation in all aspects, and I will work with you in achieving this endeavour.”*

KING SALMAN BIN ABDULAZIZ AL-SAUD  
Custodian of the Two Holy Mosques



*“Together we will continue building a better country, fulfilling our dream of prosperity and unlocking the talent, potential, and dedication of our young men and women.”*

HIS ROYAL HIGHNESS MOHAMMED BIN SALMAN  
Crown Prince, Prime Minister, Chairman of the Council of Economic and  
Development Affairs



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*At a Glance*

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*14-23*  
Highlights



# Snapshot

Retal Urban Development Company was founded in February 2012 with a Commercial Registration No.2051047761 in Khobar. Shortly thereafter, Retal aligned itself with the distinguished Al Fozan Group of Companies, embarking upon the development of premier residential, commercial, and mixed-use properties within the Eastern Province of Kingdom of Saudi Arabia.

Over the past decade, Retal has reevaluated and transformed real estate assets across the country, utilizing a comprehensive strategy distinguished by visionary architecture and unparalleled quality. Through the implementation of contemporary, inventive strategies in urban development, Retal has delighted countless customers by delivering many hundreds of homes while simultaneously catalyzing the growth of flourishing communities.

In the year 2020, Retal’s shareholders effectuated a conversion of its legal structure from a limited liability company to a closed joint stock company, duly sanctioned by ministerial approval. In February of 2021, Retal’s General Assembly approved the commencement of procedures for listing on Saudi Stock Exchange, Tadawul. Ultimately, in June of 2022, Retal’s shares were proudly listed following the successful completion of an Initial Public Offering (IPO), trading proudly under its namesake, Retal.

Retal has strategically consolidated the real estate value chain by acquiring and establishing other firms, forming strategic joint ventures, and forging fruitful partnerships with government agencies. This approach has enabled the delivery of exceptional quality products and services. Indeed, the company’s visionary urban living concepts and solutions are a testament to Retal’s ability to remain at the forefront of the Saudi march toward

progress, and its collective aspirations for more sustainable, equitable, and fulfilling lifestyles for all who live and work in the Kingdom.

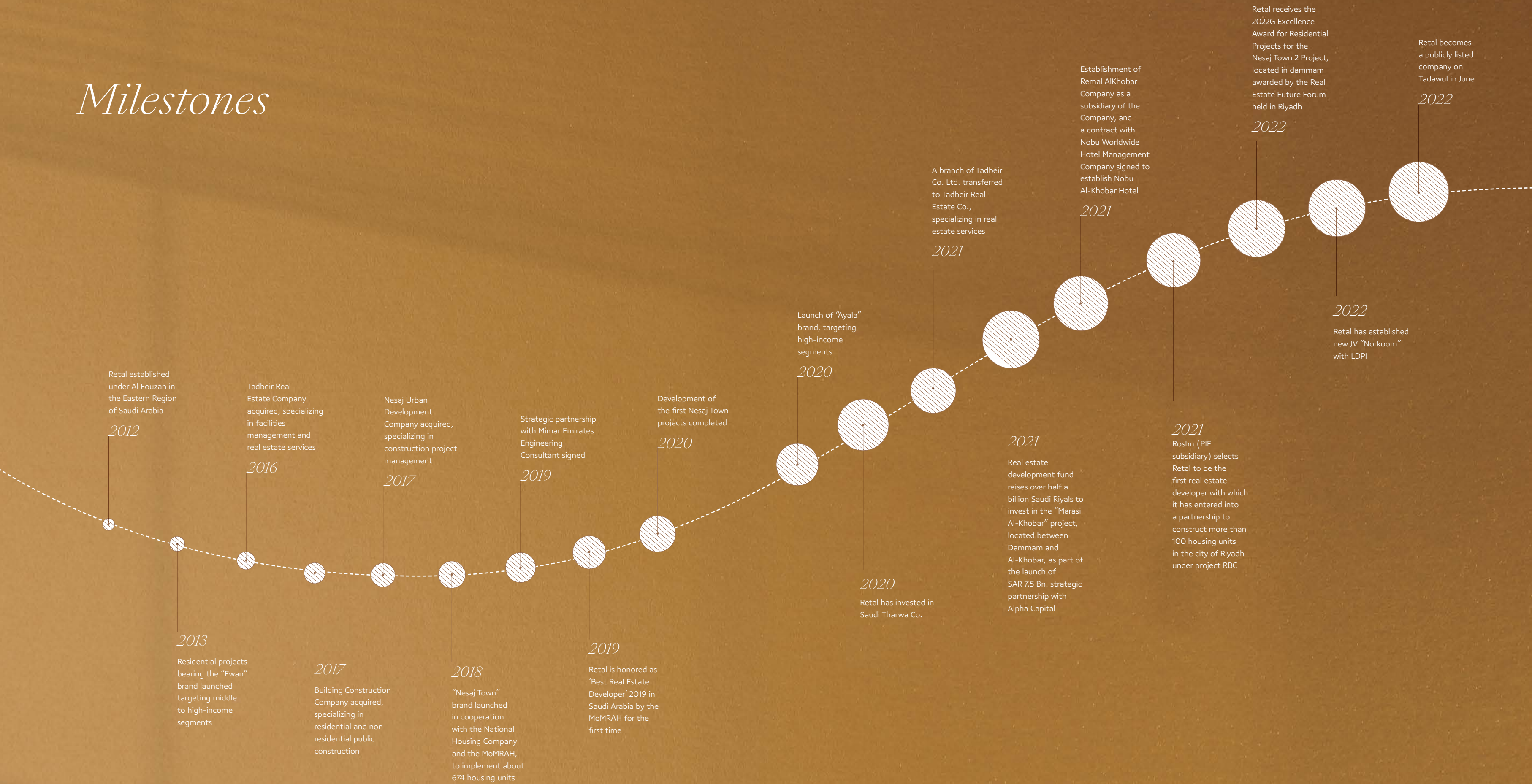
Retal’s expertise extends beyond the realm of residential development, encompassing the development of commercial real estate, hospitality projects, branded residence, mixed-use properties, retail centers, and office towers, carefully tailored to meet the unique market demands and specific requirements of varying locales throughout Saudi Arabia.

The visionary Saudi Vision 2030 is predicated upon positioning the country as a preeminent global hub for living, working, and visiting. In keeping with this objective, Retal has consistently exemplified the key attributes of placemaking and community building, thereby laying the foundation for the country’s rise to becoming a top-tier global destination of choice.





Milestones





# Projects highlights 2022

42

*Total  
projects*

15

Completed  
projects

7

## Ongoing projects

20

## Upcoming projects





Financial  
highlights 2022

<div>SAR2,428.8Mn</div> <div>Total Assets</div>	<div>SAR734.4Mn</div> <div>Total Equity</div>	<div>SAR1,106.8Mn</div> <div>Total Revenues</div>	<div>SAR291.6Mn</div> <div>EBIDTA</div>	<div>26.30%</div> <div>EBITDA Margin</div>	<div>1.88x</div> <div>Net Debt to EBITDA</div>
<div>SAR297.2Mn</div> <div>Gross Profit</div>	<div>26.8%</div> <div>Gross Profit Margin</div>	<div>SAR245.7Mn</div> <div>Net Profit</div>	<div>6.14</div> <div>EPS</div>	<div>81.4%</div> <div>Dividend Payout Ratio</div>	<div>1.14x</div> <div>Current Ratio</div>
<div>22.2%</div> <div>Net Profits Margin</div>	<div>11.5%</div> <div>ROA</div>	<div>37.7%</div> <div>ROE</div>	<div>1.96x</div> <div>Adjusted Lverage Ratio</div>	<div>1.1x</div> <div>Gearing Ratio</div>	<div>0.75x</div> <div>Net Debt to Equity</div>



# Non-financial highlights 2022



## Partnership with NHC

Retal awarded six projects with National Housing Company and becomes the largest partner in terms of quantity of units



## Partnership with LDPI

Partnership with  
ROSHN

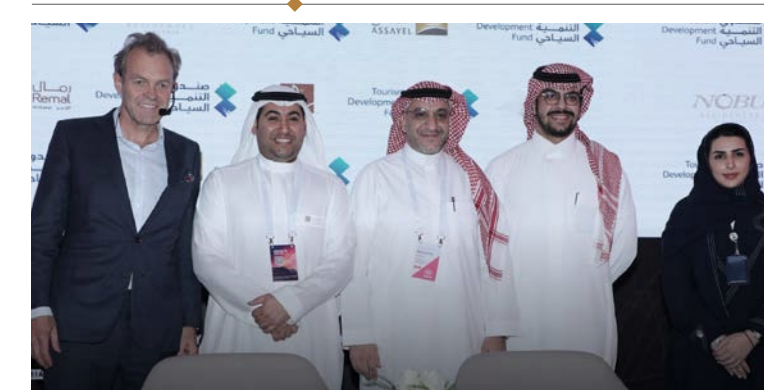
Retal signs an additional three agreements with Roshn, becoming Roshn's largest partner

Retal listed in Saudi  
Exchange (Tadawul)



Agreement with Tourism  
Development Fund

### Financing to develop the first Nobu complex in the Eastern Province



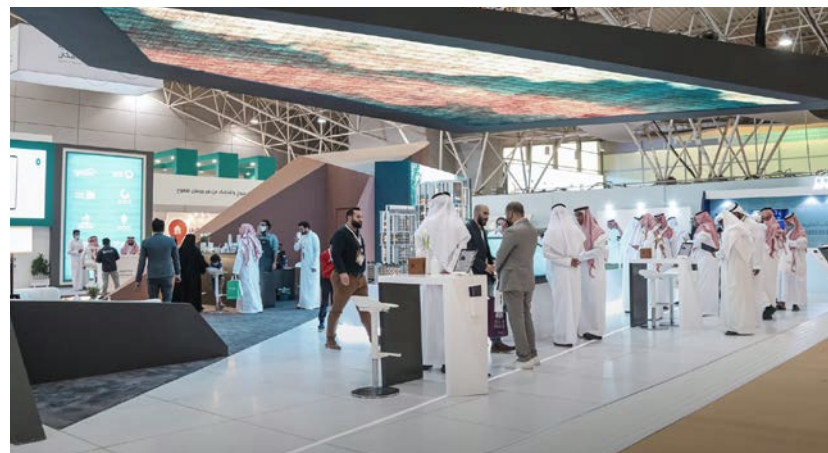
## CSR launches in Khobar

Khobar Green and Khobar Art initiatives in cooperation with the Eastern Province Municipality.



*Non-financial  
highlights  
2022*

## Projects of Distinguished Cities



Restatex Riyadh  
Real Estate Exhibition



MIPIM

Presence at Saudi Pavilion,  
MIPIM, Cannes



## International Property Awards

- Retail Business Court: Mixed-use development
- Retail Rise and Nobu Hotel: New hotel construction and design
- Retail Business Center Al Khobar: Office development
- Retail Rise: Residential development of 20+ floors
- Retail Rise: Residential high-rise development



## Cityscape

Sole Saudi participant at Cityscape International Exhibition, Bahrain



# Track Record

With a track record of excellence spanning over a decade, Retal has earned its reputation as a trusted partner and trailblazer in the industry. Its commitment to providing unparalleled value and quality makes Retal a true leader in the residential and commercial urban development spaces

15

Awarded Projects in FY22

SAR 6.5 Bn

Current Backlog Revenues

#1

Market Rank Eastern Region

1,627

Units handed over

#9

Ranked highest ROE among listed companies in Tadawul





*From the  
Leadership*



## Chairman's Message



It is my great pleasure to review with you, through this report, the most prominent achievements of our company in this year, which made it an exceptional year with merit.

**Mr. Abdullah Al Fozan**  
*Chairman*

We have emerged through a stage in which Retal was distinguished by remarkable levels of growth, innovation and ability to learn, and it is a great honor for us to proceed with you on this journey of continuous progress and accomplish more achievements and ambitions.

These consecutive successes would not have been achieved without the efforts made by all employees in Retal without exception, and there is no doubt that the way to achieve them does not accept temporary solutions or shortcuts.

Herein, we would like to express our great pride in the hard work and great dedication that each and every one of our employees demonstrates in performing their daily duties. Our collective perseverance has resulted in attaining high ranks, including our recent listing on the Saudi Stock Exchange, that was manifested when coverage of the initial public offering in book-building process exceeded 62 multiples, thanks to the subscription orders received from more than 1,200 investors, at a value of more than 90 billion Saudi riyals.

This listing is a shining testament to the ambitions and capabilities of Retal, and we cannot help but express our gratitude for the absolute confidence that investors have shown in our company.

In facing major challenges facing the sector, in

addition to the rise in interest rates during second half of the year, our response came rapidly to the changing economic conditions as we re-evaluated our governance processes to deal with such challenges with flexibility and reliability.

Based on our government's commitment to enhance the real estate sector and improving the accessibility of Saudi families to it, we believe that urban development sector is now anticipating a brighter future than ever before. From this point of view, we would like to announce the achievement of a growth in net profits by 27% compared to last year, this represents highest profits since the establishment of RETAL in 2012. This success is a reflection of our team's dedication to maintaining good levels of liquidity, as well as maintaining healthy cash flow, which allowed us to expand our operations and achieve targeted growth.

As we take a glimpse into the future, we are excited about many promising opportunities that await us. We have a promising number of pioneer projects that we are confident will further strengthen our position in the market and reinforce our commitment to achieving ambitious growth. It also pushes us to move forward in our march towards geographical expansion, as well as our commitment to the vision of the Kingdom of Saudi Arabia 2030, because we are actively contributing to the transformation of our societies and our nation.

Our leadership in the urban development sector in the Kingdom makes us responsible to be a model for giving. Thus, we can continue to provide comprehensive solutions that put people and environment first, as we launch initiatives that represent sustainable models of growth, prioritize collective human values and the health of societies, keep abreast of global developments and research, lead the digital transformation process, and promote economic prosperity.

By combining these factors and strategic partnerships within the sector, we are able to maintain the leadership of the market which faces steady changes.

The enthusiastic spirit of our team in pursuit of achievement and excellence has earned Retal many prestigious awards in our sector. Therefore, we firmly believe that our collective efforts, backed by a commitment rooted in the core values of our company, will allow us to continue to achieve more and make a significant impact as we continue the journey together.

I would like to take this opportunity to express my sincere appreciation to all stakeholders for the essential roles they have played in ensuring the sustainability of our company's success and growth with the momentum it had in the last fiscal year, we will remain accountable to you and committed to the trust you place in us, as we strive to achieve a more prosperous future for all.

## Chief Executive Officer's letter



Over the course of the previous year, we had the privilege of forging new partnerships that align with the overarching objectives of Saudi Vision 2030.

**Eng. Abdullah Al-Braikan**  
*Chief Executive Officer*

Due to the surge in both oil and non-oil revenues, alongside the remarkable success of various initiatives launched under Saudi Vision 2030, the Saudi economy experienced 8.7% growth this year. The real estate sector, a crucial foundation and a driving force for growth in several other sectors, is playing a pivotal and influential role in both the economic and social development of Saudi Arabia.

Over the course of the previous year, we had the privilege of forging new partnerships that align with the overarching objectives of Saudi Vision 2030. This distinguished list was led by the National Housing, ROSHN and Tourism Development Fund, accompanied by esteemed landowners and other developers.

Collaborating with our partners has enabled us to secure project financing, resulting in a favorable impact on our financial standing, mitigating the need for substantial capital investments, and

significantly contributing to increased sales by virtue of our outstanding execution quality, swift project delivery, and flexible design. Our in-depth analysis of the numerous factors influencing housing demand, including population demographics, growth rates, per capita income, and average family size, has proven invaluable.

With our expanding footprint now spanning multiple cities, we have recently extended our reach to the Western Region and inaugurated a new office in Jeddah. We are poised to reach new heights with the forthcoming launch of our headquarters and sales center in Riyadh during the first half of 2023, propelling us toward accomplishing more significant goals in an even shorter timeframe.

In order to stimulate further growth, our digital transformation teams have successfully automated our processes and established a highly sophisticated,

integrated operational platform, facilitating direct and efficient follow-up of leads, and allowing our valued customers to view their financial details in real-time. I extend my heartfelt gratitude to our affiliates and partners for their unwavering support as we achieve our key milestones, and cultivate flourishing communities that offer the highest standards of quality of life.





# *Strategy and Context*

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Sustainability  
Overview







*Retal embraces an urban philosophy motivated by a passion for reimagining urban living. Our focus is directed toward the most appealing urban marketplaces of Saudi Arabia, with the aim of creating captivating, innovative spaces and precincts that deliver enduring value and security to our stakeholders.*

*Our People First*

We prioritize people and culture to effortlessly establish a competitive advantage and create an environment where individuals want to join, stay, grow, and belong at Retal.

*Always Innovate*

We prioritize innovation and customer-centricity throughout our ideation process, driving continual commercial growth.

*Our Communities*

We strive to be a trusted partner to government and local communities, creating a positive, lasting impact. We evaluate evolving stakeholder needs in order to build thriving communities that endure for generations.



*Sustained Financial Outperformance*

We focus on achieving outperformance in our financial metrics, including earnings per share, dividend growth, and returns on invested capital. Additionally, we aim to provide strong total returns to our shareholders.

*Lead with ESG*

With the common goal of leaving a positive impact on our communities and society at large, we work towards being planet positive in our conservation efforts and careful consumption of natural resources.

*Future Forward*

We remain flexible and adaptive towards the ongoing transformation and digitization of systems and processes, prioritizing advancement and evolution in order to stay current and effective.

*Stakeholder Support*

Forever be responsive to the needs of our stakeholders and achieve great outcomes by maintaining a comprehensive understanding of who they are in order to adapt, tailor, and enhance our offerings.



# Strategic Cycle

## Sustainability

As we aim to be a global leader in ESG, our strict focus on environmental and social impact helps drive us to achieve planet-friendly solutions. We achieve this by creating and implementing ambitious objectives with specific timetables, as well as motivating our employees to do the right thing and be a force for good.

## Financial

Having a healthy financial position is important to the successful implementation to our strategic urban approach. Having access to a wide range of funds and financial flexibility to invest is integral to having a strong and stable development pipeline.

## Stakeholders

We endeavour to align ourselves with like-minded partners who share the same values for ethics and excellence. We listen to our customers, and work closely with community groups, capital partners, suppliers, government and our industry partners to deliver on our promises.



## Culture

By placing emphasis on diversity and inclusion, flexibility, collaboration, development, innovation, wellness, leadership, and safety, our people and culture provide a competitive edge in carrying out our mission.

## Quality of life

Our development expertise allows us to invent and reimagine locations that invigorate cities and enrich people's lives both today and for generations to come.

## Asset Development and Creation

We conduct thorough research and development to create human-centric and socially responsive assets that cater to our customers' needs and foster rapid community enhancement.



# Value Creation

Retal’s business model is streamlined yet highly adaptable, maximizing value creation and growth opportunities through off-plan sales. The company pioneered and championed off-plan sales in Saudi Arabia, which has since become a cornerstone of government initiatives in the sector.

This approach prioritizes three key aspects:

- Ensuring quality during all stages of project implementation
- Providing more opportunities for customers to personalize homes to specific tastes and budgets
- Achieving higher levels of transparency and integrity across the industry

The off-plan sales model ensures that market demand is met with low capital requirements and enables greater flexibility in paying dividends. This is reflected positively in Retal’s core business fundamentals in terms of project financing, investment schedules, inventory management, and project returns. Off-plan sales also facilitate flexible planning and customized offerings to meet changing market needs. Retal’s prominent market position in off-plan sales is attributable to its strategic partnerships, robust operational platform, and localized expertise, all of which provide significant benefits.

## Meticulous Planning

- *Better financial position*
- *Higher sales rate*
- *Flexibility in design and delivery*
- *Early cash flows*
- *Carefully phased construction*
- *Maximized returns*
- *Controlled costs and faster delivery*

## The Off-plan Sales Model



### Lower Risks

Sales are agreed upon before development commences, and risks associated with collection are transferred to specialized financing institutions. With 100% of the purchase funds held in escrow, withdrawals are made on the basis of the percentage of project completion, thereby also minimizing market and development risks.



### Minimal Investment

The majority of current and backlog projects require low debt and equity, as the land bank is financed by buyer proceeds rather than developer capital. This also enhances returns on equity.



### Rising Demand

As consumers continue to take advantage of the affordability and flexibility offered by off-plan projects, demand for off-plan residential projects in Saudi Arabia is growing steadily, compared to ready-made properties.



### Unlocking Quality

Completing the development process in a systemic manner creates space and time to focus on premium design, flexible planning and development, and the delivery of superior customer experiences at every phase of the development cycle.



### Greater Agility

Developers of off-plan units are able to raise funds required in record time, also enabling flexibility to harness or execute other growth opportunities as they arise. The average sales closing for every Retal project launched in 2022 was a record 35 days.

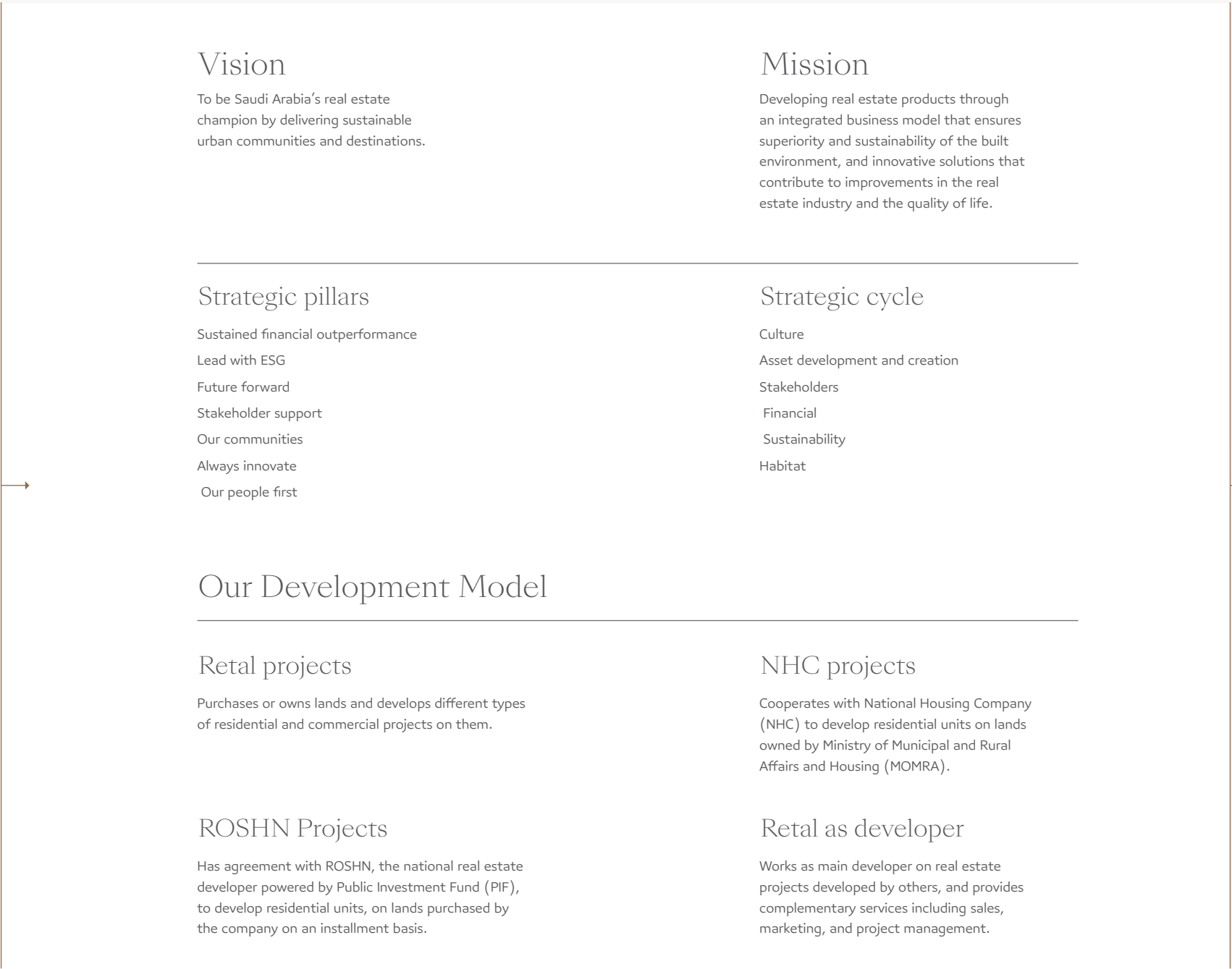


What helps us create value

Our Resources

Ecosystem Capital	Subsidiaries Joint Ventures Affiliates Partnerships
Customer Capital	Customer service/support system <ul style="list-style-type: none"><li>Digital support desk</li><li>Upgraded call centre</li><li>Customer portal</li></ul> Specially trained customer care teams Satisfaction surveys After-sales measures Proprietary services
Investor Capital	Reliable Returns Transparency Consistency
Intellectual Capital	Digital ecosystem <ul style="list-style-type: none"><li>Integrated communications platform</li><li>Automation of internal systems</li></ul> Privacy and security and disaster recovery protocols
Human Capital	<ul style="list-style-type: none"><li>Upgraded skills and experiences with capacity-building sessions</li><li>Diverse and inclusive recruitment process</li><li>Active promotion of wellness and wellbeing</li></ul>
Community Capital	CSR commitment through the UN SDGs, Saudi Vision 2030 and the National Quality of Life programme
Natural Capital	ESG Framework with carbon neutrality goals and zero-waste targets

Strategic Approach and Development Model



Value Creation for our Stakeholders

Customers	<ul style="list-style-type: none"><li>New systems to augment customer satisfaction<ul style="list-style-type: none"><li>24/7 customer support through multiple channels</li><li>Quick responses to queries</li><li>Digital customer support system for a more streamlined experience</li></ul></li><li>Tailored services for specific needs</li><li>Smooth and seamless move-in process with on-call maintenance services</li><li>Easy and convenient home owning process with cutting-edge technology</li><li>Strict privacy and security protocols to ensure protection of customer data</li></ul>
Employees	<ul style="list-style-type: none"><li>Efficient communications systems available on multiple platforms and devices</li><li>Increased productivity</li><li>Diverse work environment<ul style="list-style-type: none"><li>Female employee workforce - 40%</li><li>Saudization rate - 75.17%</li></ul></li><li>1,555 training hours in total spent in 2022</li><li>Access to special programmes and perks</li></ul>
Communities	<ul style="list-style-type: none"><li>Retal International Mosque Design Contest for charity with 320 employee volunteer hours and 154 entries</li><li>Financial and in-kind support to improve community relations</li></ul>
Shareholders	<ul style="list-style-type: none"><li>Substantial revenue growth enabling SAR 200 Mn dividends paid for 2022</li></ul>
Partners	<ul style="list-style-type: none"><li>Renewed projects with ROSHN to cover significant number of development units</li></ul>

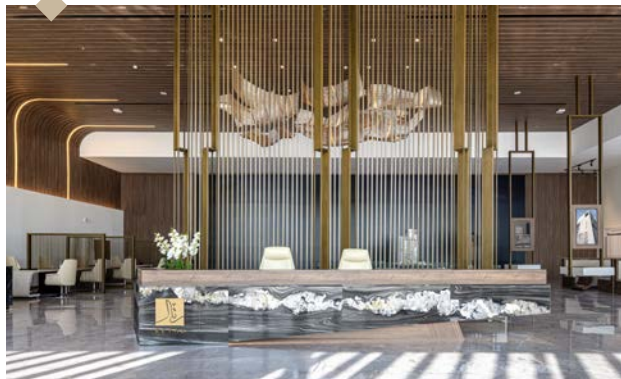
Governance, Risk & Compliance

Operating Environment & Emerging Trends

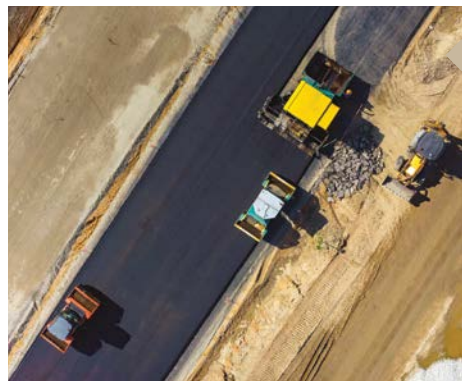


Property Management  
*Subsidiary*

Interior Design Consultancy  
*Affiliate*



Facility Management  
*Subsidiary*



شركة الرؤية السعودية  
Saudi Tharwa  
Infrastructure Development  
*Associate*

# Integrated Value Chain

Retal has successfully built an integrated value chain platform to provide solutions that go beyond typical or traditional real estate offerings.

The company fully or partially owns several related business units that guarantee quality control and cost efficiency throughout the supply chain, starting from project development and design, across all phases of construction, up to marketing and after-sales services. Working with specialized businesses helps Retal improve business efficiency, raise productivity, optimize business processes, lower costs, and increase profits. More importantly, these competitive advantages increase levels of customer satisfaction.

## Retal Ecosystem

Retal's vertically integrated ecosystem gives the company unique competitive advantages:



Superior Quality Control



Fast Execution



Expansive Market Reach



Financial Outperformance



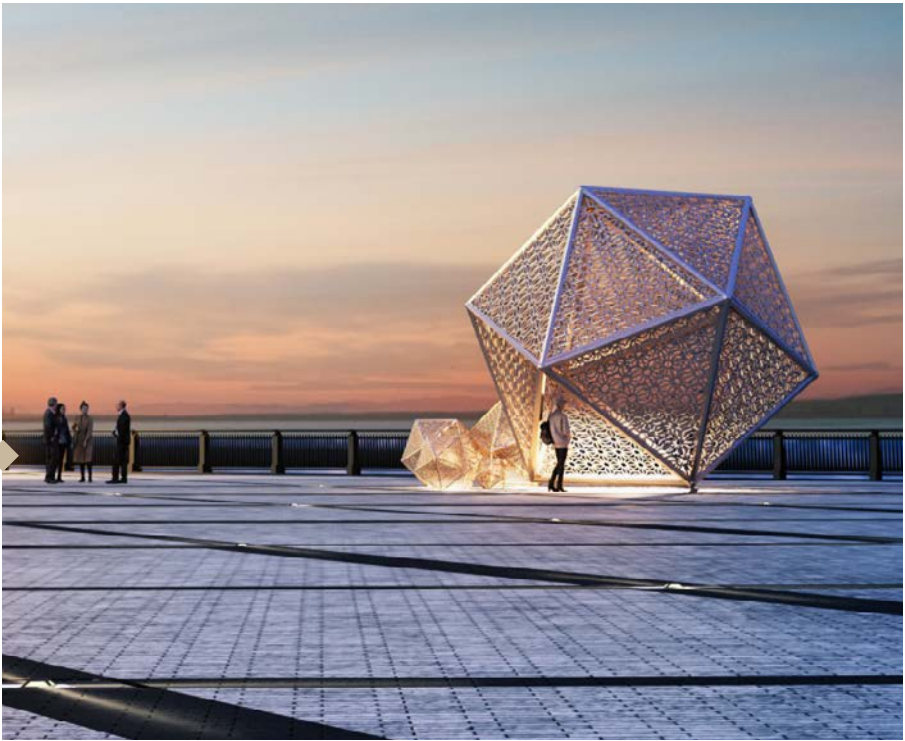
Progressive Digitization



Contracting  
*Subsidiary*



Project Management  
*Subsidiary*



LDPI  
Lighting Architect Consultancy  
*Joint Venture*



Design & Engineering Consultancy  
*Associate*



# Partnerships and Alliances

## Government Partnerships



### National Housing Company (NHC)

Retal’s foray into strategic partnerships began in 2018 with the signing of its first agreement with the National Housing Company (NHC) for the development of 674 housing units in Nesaj Town. Since then, the company has continued to bolster its collaboration with NHC, culminating in the signing of two major agreements in September and October of 2022, respectively.

The first, valued at USD 230.4 million which will come up on a 227,837 m² area, will see the construction of 759 residential units in Al Fursan District 1 in Riyadh. The second, a USD 161.3 million project spanning 166,446 m², will bring 550 residential units to Al Fursan District 2. Self-financing and off-plan sales will primarily fund these two developments, with four additional projects already awarded and agreements set to be signed in 2023. With 11 residential developments under its belt, Retal has emerged as a reliable partner for NHC in achieving the goals of the National Housing Program.



### ROSHN

In 2021, the esteemed national real estate developer ROSHN, owned by PIF, selected Retal as its first sub-developer to spearhead the development of residential masterplans in the initial phase of the groundbreaking Sedra Riyadh project.

Retal’s fruitful partnership with ROSHN further expanded in 2022, when the company was entrusted to develop three new masterplan developments, namely Ewan Sedra 2, Ewan Sedra 3, and Roya Sedra.

## Private Partnerships



### Alpha Capital

Retal has forged a strategic partnership with Alpha Capital, establishing a dynamic real estate development fund to power the magnificent Marasi Al Khobar project, located between Dammam and Khobar cities. As part of a substantial SAR 7.5 billion collaboration, the Alpha Capital Saudi Real Estate Development Fund 1 has already raised SAR 500 million, enabling Retal to undertake full development of the project, encompassing infrastructure and superstructure, and more than 750 residential plots. The joint venture between Retal and Alpha Capital will entail the development of innovative projects across the nation, propelling 5,000 luxurious housing units to market within the next three years.



### Bin Jumah Group (MBJ)

Retal entered into a partnership agreement with MBJ Group in 2022, to develop a premium mixed-use project situated in a prime location in Khobar. Under the agreement, while MBJ Group retains ownership of the land, Retal has been appointed as the sole developer for the resort-style project, which will cover a total land area of 7,200 m².



### Blominvest Saudi Arabia

In 2021, Retal initiated a strategic alliance with Blominvest Saudi Arabia, whereby the latter assumes the role of fund manager for three opulent mixed-use ventures. These projects encompass an exquisite blend of hospitality, residential, and commercial developments, with Retal spearheading the role of developer. One of the agreements between Retal and Blominvest involves the development and supervision of a business park project owned by Blominvest Business Park Fund. The project, covering a sprawling 33,579 m², encompasses the construction of cutting-edge offices and state-of-the-art facilities, with Retal at the helm of the development process. Furthermore, Blominvest is also the fund manager for a magnificent seaside resort destination currently being developed by Retal.



### Remal Al Khobar

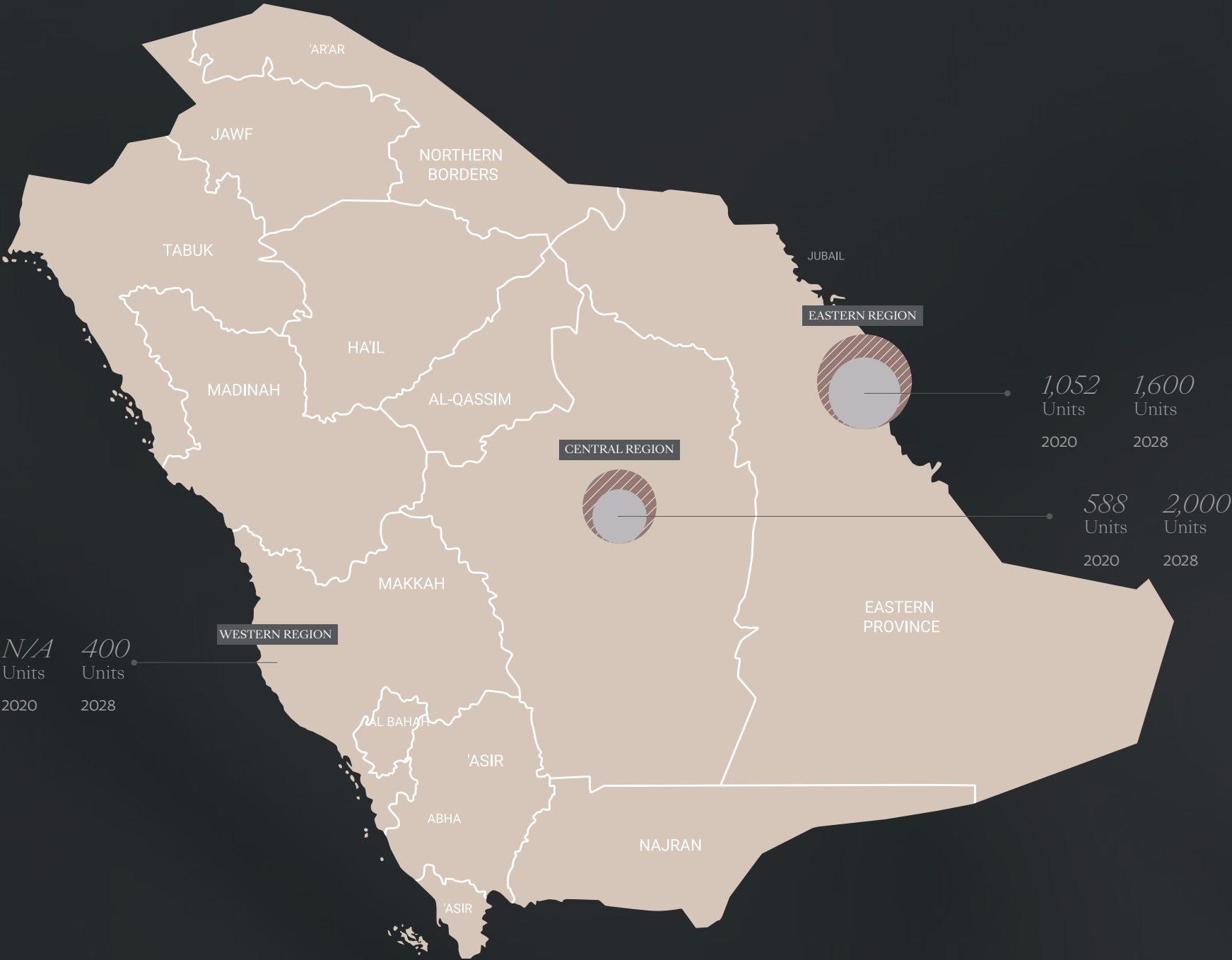
In 2022, the illustrious Remal Al Khobar Real Estate Company came to fruition, ushering in a new era of excellence in the real estate domain. This achievement was made possible

by the longstanding partnership between Retal and Assayel Arabia Real Estate Company - the esteemed real estate arm of Ali Zaid Al Quraishi and Brothers Company, which continues to set new benchmarks in the industry. Retal, as the developer-manager, in collaboration with Remal Al Khobar - a prominent landowner - is leading the charge in the creation of two opulent projects, namely Retal Rise and Nobu Hotel and Residence. Together, these ventures will offer a grand total of 288 upscale apartments and hotel rooms, accompanied by the chic Nobu branded restaurant, together weaving a luxurious tapestry spread seamlessly over a sprawling expanse of 11,050 m².



# Geographic Footprint

Target to deliver average 4,000 units annually by 2028

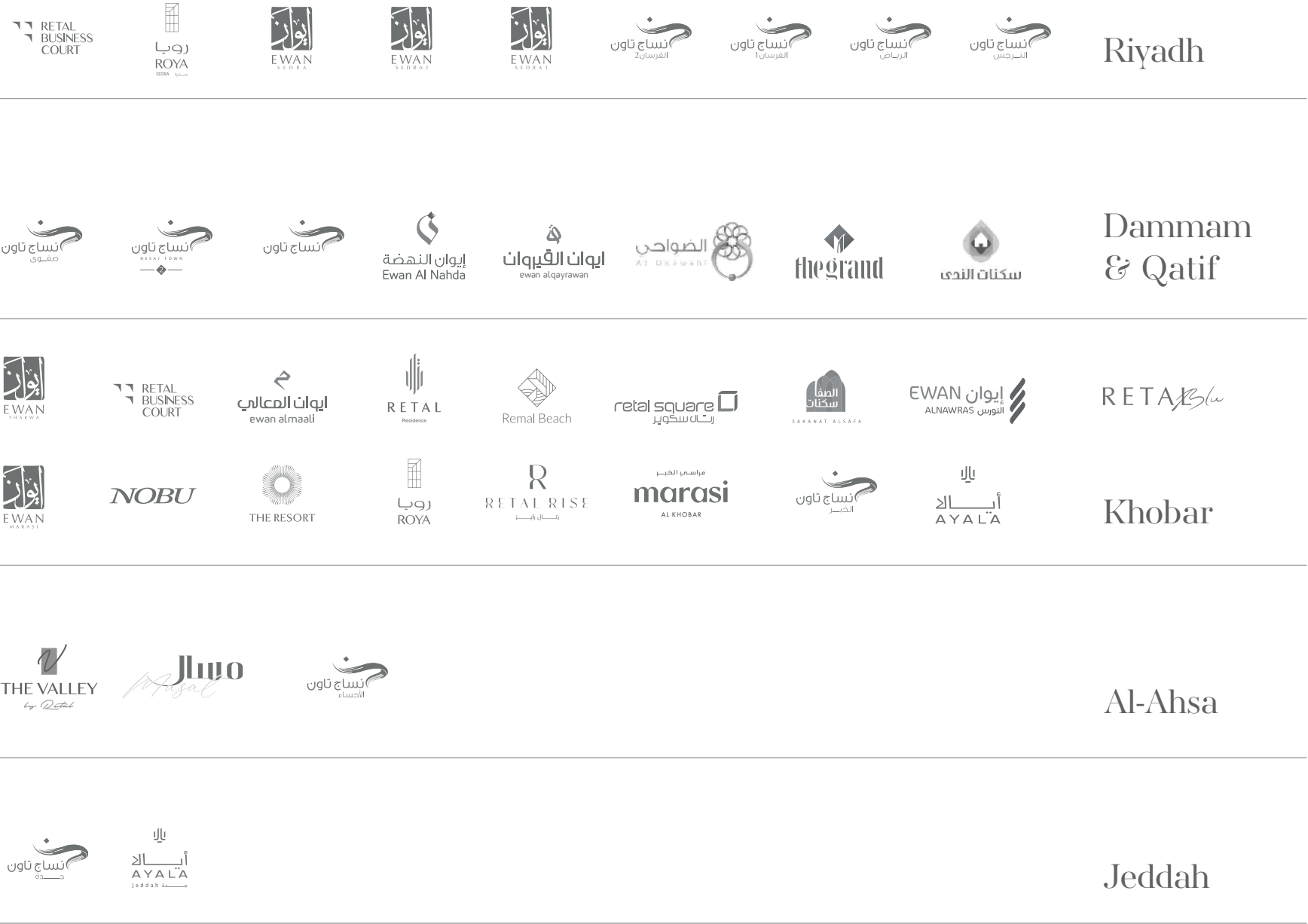




Market Coverage

During the year of 2022 it was a key goal to ensure Retal increases its market coverage and regional presence across the kingdom.

The largest areas of expansion was notable in the regions of Riyadh and Jeddah, where Retal increased their market reach by a 65% increase in projects in comparison to last year. In addition to this, Retal expanded into Al Ahsa, Tabuk and Taif. The strategic goal is to continue to diversify its regional presence across new areas and engage in key projects and partnerships within the Kingdom.





# *Business Context*

*Management  
Discussion: Market  
Review of KSA Real  
Estate Market*





# Market Review of KSA Real Estate Market

## A Global Outlook

Due to prolonged challenges in monetary policy, tense geopolitical situations, and potential recessions in certain areas, the global market outlook is becoming increasingly cautious and risk-averse, as is reflected in investment appetites. Heightened uncertainty has become evident, subsequently slowing momentum and weighing on sentiment. Globally, inflation has continued to climb, and central banks continue to act aggressively to combat this with more rate increases anticipated into 2023.

## KSA Outlook

Saudi Arabia’s gross domestic product (GDP) grew by 8.6% at the end of 2022 and is expected to moderate to 3.7% and 2.3% in 2023 and 2024 respectively, according to the World Bank. The post-COVID recovery of the real estate sector is led by increasing tourist demand and government spending on key infrastructure projects such as the investment in King Salman International Airport, among others. These are expected to increase the demand for prime real estate, particularly Grade A offices and logistics facilities.

Meanwhile, shifting customer preferences in the hospitality, residential, and retail segments are driving developers to reimagine the hotel, home, and leisure components within their master plans.

### Real Estate Government Objectives

Government property comprises a considerable portion of the Kingdom’s overall real estate portfolio, with ministries, agencies, and entities such as the PIF as the majority shareholders. For example, the PIF owns the Saudi Real Estate Refinance Company (SRC), established in 2017 to help provide liquidity and risk management funding solutions to primary mortgage originators and increase access to affordable financing for homebuyers.

SRC collaborates with banks and real estate finance companies, as well as utilizing its SAR 20 Bn (USD 5.33 Bn) domestic sukuk program to provide support to the primary mortgage market and promote homeownership. One of the objectives of Saudi Vision 2030 is to raise the rate of homeownership among Saudis from 47% in 2017 to 70% by the end of the plan.

### MOMRAH and Key Market Players

The Ministry of Municipal and Rural Affairs and Housing (MOMRAH), which contains within it the Real Estate General Authority (REGA) is the main governing body overseeing the real estate sector. REGA suggests policies, conducts research, compiles sector data, issues licenses administers training courses and workshops, and arbitrates disputes via the Saudi Real Estate Arbitration Centre. In 2021 it was also tasked with registering properties in the Kingdom and supervising non-governmental real estate activity.

The State Properties General Authority is another notable player in the sector. Previously known as the State Property Department, the authority falls under the purview of the office of the Prime Minister, and has been charged with utilizing, operating, and maintaining the government’s real estate portfolio and strategy in line with Saudi Vision 2030 goals.

### Public Investment Fund:

The PIF is contributing to economic diversification, sector development, and the implementation of mega projects. This is in addition to the launch and execution of several initiatives and programs, including the “Shareek” Program, Privatization Program, National Investment Strategy (NIS), and Government initiatives aimed at reducing the budget deficit and promoting fiscal discipline to ensure lasting fiscal sustainability.

Saudi real estate and construction sectors have been experiencing a period of rapid expansion due in part to a string of PIF giga-projects and an economy rebounding from the pandemic. Indeed, the Kingdom is currently engaged in some of the largest construction projects in the world, including NEOM, the \$500bn new city in the north-west, and developments on the Red Sea coast and in the capital city, Riyadh.

### The Housing Program

The Housing Vision Realization Program under Saudi Vision 2030 sets a target to increase homeownership for citizens to 70% by 2030. If this is achieved, there will need to be a significant increase in housing supply, as well as a more active mortgage and refinancing market. The Saudi Arabian Monetary Authority (SAMA) has introduced several measures in the last decade to enhance the regulatory framework and improve access to financing, starting with the Real Estate Mortgage and Financial laws; a package of related legislation comprising five laws announced in 2012.

While the government is working to increase affordable housing supply, the provision for providing mortgage-backed securities to investors has also received a boost in recent years through the creation of the Saudi Real Estate Refinance Company (SRC), a subsidiary of the Saudi Public Investment fund (PIF), in 2017. The Real Estate Development Fund (REDF), which comes under the NDF and coordinates with the MOMRAH, is another government agency that supplies Saudi nationals with loans for home mortgages. REDF, in particular, assists in the financing of affordable housing.

### Facilitating Ownership

Two tools, in particular, have supported this process: the Etmam Centre, which coordinates communication between developers and stakeholders to expedite real estate projects and processes, and the Sakani online platform, which supports citizens through the home-buying process, from finding a house to securing

financing. As a result, the average wait time for Saudi nationals applying for state-owned real estate has gone from years, to merely days.

In May 2017, SAMA issued a circular stating that the Iffragh structure was no longer permissible and all security against real estate needs to be registered as a mortgage. The circular further advised that all active Iffragh agreements should be registered as a mortgage within three years, i.e. by May 2020.

Notaries have since issued guidelines to banks and other financing institutions to confirm that the mortgage structure is a Sharia-compliant transaction, i.e. a tawarruq, or urabaha, and SAMA has released standard documentation to be used by companies when providing real estate finance. These regulatory developments, coupled with incentives for first-time buyers highlight the government’s commitment to enhancing home ownership and improving mortgage penetration rates in the Kingdom. In 2020 the National Housing Company (NHC), which had previously been an arm of the MOMRAH, was integrated into the Housing Programme and restructured. It is now pursuing the NHC Strategy, under which it acts as an enabler for the private sector development of the real estate market.

### Foreign Ownership of Realty

In April 2022, Saudi Arabia announced proposed amendments to the laws on foreign ownership of property, including ownership in development zones, the use or ownership of real estate by non-Saudis who enjoy natural and legal capacities, and the use of properties in economic zones targeted for development, including Makkah and Madinah. Property ownership is currently restricted to Saudi nationals in Makkah and Medina, and the only

exceptions are offices and branches of companies licensed by the Saudi Central Bank or the Capital Markets Authority. Land ownership is currently restricted to Saudi nationals, or to Gulf Cooperative Council (GCC) citizens and entities who are subject to extra rules. Non-Saudi or non-GCC ownership is only permissible for companies as part of a particular project that requires a foreign investment license from the Ministry of Investment.

Foreign ownership is permitted when the property is located within one of the four economic cities, subject to respective regulations, and the Special Zones Authority. Foreign individuals may also own or lease property solely for use as a personal residence after obtaining permission from the Ministry of the Interior.



# Growth Strategy

## Pillars of Sustainable Growth

### Long Term Opportunities

- The Kingdom’s demographic trends, coupled with a surge in employment rates and a rising disposable income, are driving an uptick in demand for housing solutions.
- Various government initiatives aimed at promoting homeownership are further fueling demand for affordable housing.
- The presence of a significant market gap, with a projected need for over 2 million housing units until 2030, presents ample opportunities for real estate developers across the country.
- Moreover, exploring new markets such as the Western Region is a feasible and realistic strategy for companies seeking to expand their footprint in the Kingdom’s real estate sector.

### Ideal Business Model

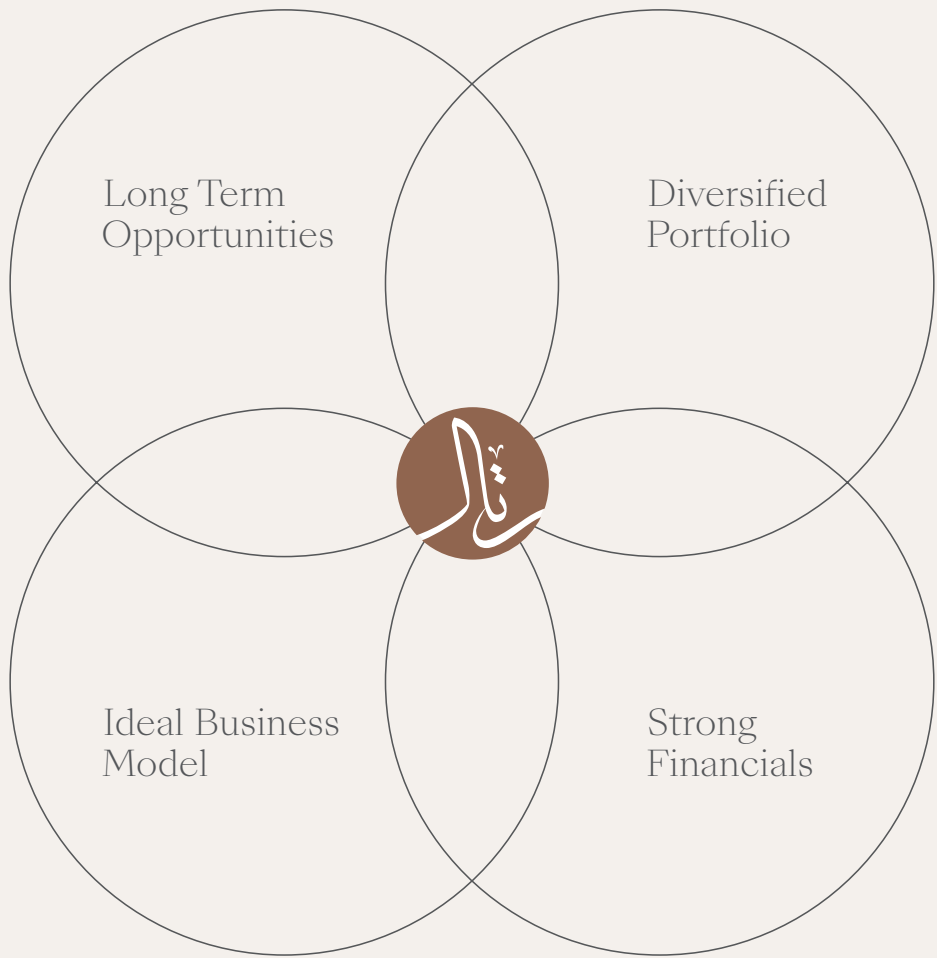
- Vertically integrated ecosystem equates to full ownership and better control of all stages of the development cycle.
- Resilient and transparent governance structure facilitates efficient and effective decision-making.
- Innovative marketing and sales outreach ensures strong brand awareness.

### Diversified Portfolio

- The company’s diversified presence across various market segments, ranging from affordable to luxury, ensures its ability to cater to a wide range of customers and capture different market segments.
- Strategic partnerships with the government enable the company to access middle-income and other underserved segments, further increasing its market reach and diversifying its customer base.
- The company’s differentiated investment mechanisms provide investors with a broad range of investment opportunities and extend its ability to finance and expand its operations, ultimately strengthening its competitive position in the market.

### Strong Financials

- The company’s integrated operating model, coupled with its unwavering focus on cost management, generates compelling cost efficiencies and maximizes returns.
- The company boasts a sustainable development pipeline that is underpinned by exceptional marketing capabilities, ensuring a steady flow of attractive investment opportunities.
- The company’s robust balance sheet and low capital requirements position it favorably to deliver high dividends to its shareholders while pursuing its growth ambitions.





# Strategy in Action

## Strategic Partnerships

### Roshn + NHC

Retal boasts a diverse array of housing units, ranging from affordable to high-end, and has built an impressive portfolio of over 7,000 units that cater to a broad spectrum of market demands. With an eye to the Kingdom’s demographic trends, which are bolstered by ambitious government initiatives, the company is keen to expand its leadership position and grow its market share in the housing development sector by capitalizing on a variety of opportunities that target different market sectors. Its primary focus will be on the major urban centers of Riyadh, Dammam, and Jeddah, which together account for approximately 65.0% of the Saudi populace, according to the latest market analysis. The Company’s fundamental approach to establishing a foundation for sustainable growth is underpinned by the following strategies:

- Expanding its market share in the Kingdom by providing top-notch products in diverse market sectors.
- Consistently striving to offer elevated quality, cultured value through its projects, in alignment with the Kingdom’s Vision 2030.
- Fostering urban development, promoting built environment, and responding to the growing market demand.

## Attracting Capital

Retal’s pursuit of excellence in the real estate industry is anchored on its continued investment in cultivating and leveraging key partnerships and strategic alliances with renowned global brands and industry leaders. This approach is geared towards broadening its product portfolio, expanding its customer base, and ultimately, attaining a sustainable competitive edge that will position the company for long-term growth and success. By consistently focusing on these objectives, Retal seeks to deliver unparalleled value to its esteemed clientele. Retal strategically partnered with Alpha Capital to launch a real estate development fund that has raised over 500 million Saudi Riyals to invest in the prestigious “Marasi Al-Khobar” project situated between Dammam and Al-Khobar. This partnership is part of a larger 7.5 billion Saudi Riyals initiative that supports Retal’s future plans and enables the company to achieve its growth objectives.

## Brand Ambition

Retal strives to continuously expand its customer reach and brand recognition through innovative marketing methods and strategic partnerships. The company’s commitment to its marketing strategies is evident in the remarkable success of its recent launch on the Sakani platform, where 700 units were reserved within just 96 hours in Nesaj Town Riyadh, and an impressive 170 units were reserved within an hour in Nesaj Town Al-Khobar. These results stand as a testament to Retal’s strong market position and its ability to effectively communicate with its customers. Retal has achieved remarkable success by offering a comprehensive range of business lines that form an integrated system catering to market demands, encompassing everything from design to post-delivery services. As a result of its exceptional proficiency in development and implementation, the company has expanded its customer base and established a powerful brand reputation synonymous with top-notch products.

## Corporate Governance Efficiency Framework

Retal has established a flexible and transparent governance structure to ensure alignment between the Company and its subsidiaries, with the aim of expediting decision-making processes whenever possible. The Company is firmly committed to a well-defined governance framework, which delineates specific and clear roles and responsibilities, with the goal of organizing and aligning its entities at the subsidiary levels.

The framework and its objectives serve to promote sound decision-making, while fostering an environment characterized by responsiveness and transparency for key stakeholders, including shareholders, customers, and regulators.

The robust governance framework adopted by the Company aligns with best market practices and complies with the standards set by the Capital Market Authority. This framework serves the objective of enhancing the Company’s responsibility through the implementation of efficient and effective oversight, supervision, and risk management mechanisms.

## Digital Transformation

Retal is dedicated to achieving excellence through a digital transformation that enhances operational efficiency and productivity while simultaneously delivering exceptional customer experiences. The Company remains steadfast in its commitment to maintaining a leadership position by remaining agile and adaptive to shifting market trends and emerging business demands. The onset of the Covid-19 pandemic in early 2020 caused a widespread economic downturn, resulting in business disruptions due to government-imposed public health restrictions. These measures curtailed commercial activities and limited access to customers across various sectors, in an effort to reduce face-to-face interactions and mitigate the spread of the virus. Retal has proactively responded to the challenges posed by the Covid-19 pandemic by leveraging the power of technology to create a cutting-edge online platform that provides customers with an immersive experience of its residential offerings.

The platform boasts a host of innovative features, including a state-of-the-art 360-degree virtual tour, online selling services with booking options, and a high degree of customization options for its luxury products. By embracing digital transformation, Retal has demonstrated its commitment to enhancing the customer experience and maintaining its position as a leader in the real estate industry.

During the curfew period when stringent government restrictions were enforced, Retal demonstrated its remarkable ability to adapt to changing business requirements by leveraging its virtual solutions to book multiple units of the Ayala Al-Nakheel luxury project without necessitating in-person interactions. The Company’s success in achieving this feat was attributed to its unique customization services, including options for location, house layouts, and facade design, which were made available through convenient remote interactions. By responding to identifiable growth opportunities amid varying market conditions, Retal’s digital transformation solutions fostered a customer-centric culture and enriched the overall customer experience.

## Quality Control

Retal's dedication to strict quality control measures across all stages of development serves to uphold the company's unwavering commitment to achieving the highest standards of excellence and positioning its brand as a symbol of unparalleled quality within the market. This strategic emphasis on delivering both current and future projects at an exceptional level is a top priority for Retal, featuring distinguished design, appropriate pricing tailored to the target demographic, and timely delivery.

## Talent and Retention

Retal is committed to attracting and retaining top-tier national talent across diverse fields by offering a comprehensive range of benefits that promote a supportive and positive work environment, as well as opportunities for professional growth and advancement. This focus on talent development is integral to the Company's overarching goal of establishing itself as a premier employer of choice for talented professionals seeking a rewarding and stable career path.



# Sustainability Overview

## Sustainability Strategy

Retal is committed to promoting a sustainable and responsible lifestyle that is both aspirational and fulfilling. The company takes a thoughtful and deliberate approach to achieve this goal, carefully considering its potential impact and striving to ensure that it is always positive and sustainable.

Amidst the challenges posed by the energy crisis and economic headwinds across the globe, the real estate industry is facing a stern test of its commitment to decarbonization. Nevertheless, in contrast to previous economic downturns, we currently operate in a world with higher levels of transparency, greater risk awareness, and a heightened sense of urgency regarding the issue of climate change.

It is becoming evident that progressive investors are increasingly focused on investing in net zero carbon (NZC) interventions, recognizing their positive impact on value. This is particularly relevant in the current climate, where there is a significant supply-demand imbalance of NZC buildings. Early adopters of low-carbon new builds and retrofits stand to benefit from this trend, as they are likely to enjoy higher rental yields, lower financial risk, and a greater ability to attract and retain tenants.

In alignment with the Kingdom of Saudi Arabia’s Vision 2030, which prioritizes sustainability as a core pillar, Retal is committed to contributing to the country’s goal of achieving net-zero emissions by 2060.

As part of this commitment, Retal actively monitors and tracks its sustainability performance, which will be made public in its annual ESG report. By disclosing its sustainability performance, Retal aims to promote transparency and accountability in the real estate industry. The ESG report will cover Retal’s non-financial impact across the three pillars of sustainability.

## An ESG Approach

Retal’s Environmental and Social Governance (ESG) policy is a testament to our unwavering commitment to fostering a more sustainable and responsible real estate industry. In the best interests of our communities, customers, and the environment, we prioritize the following core ESG values:

### Conserving Natural Resources

Retal is committed to sustainable practices and reducing the environmental impact of our buildings. One of our key initiatives is to reduce water demands in all our buildings by installing the most efficient and effective water-saving equipment and appliances.

Additionally, we are dedicated to reducing operational and construction waste sent to landfill, with the goal of achieving zero waste by 2030. We collaborate with like-minded partners who share our dedication to sustainability to achieve this goal. Our industry-leading tendering and selection process places great emphasis on partners’ ability to meet our rigorous sustainability standards.

### Social Inclusion and Diversity

At Retal, we believe in employing individuals based on their talents and contributions, fostering a culture of inclusivity and fairness. We prioritize skills and achievements, ensuring that diversity is addressed in all its aspects across the organization.

### Our Communities

To ensure positive and lasting impact in our communities, Retal is committed to developing social impact assessment methodologies. As part of our dedication to supporting local economies, we prioritize sourcing consumables from nearby vendors in the regions where we operate, utilizing our procurement process as a means of empowering local businesses.

### Supporting our People

At Retal, our commitment to safety, health, and well-being extends to all stakeholders involved in our operations, including employees, partners, customers, and suppliers. In line with our pledge to uphold the United Nations Global Compact (UNGC) principles, we closely monitor and report on our progress in critical areas such as human rights, labor standards, environmental impact, and anti-corruption measures.

### Trusted partnerships

Retal’s partnerships are founded upon the principles of transparent and accountable Corporate Governance. We uphold this commitment by providing our staff with annual compliance and governance training, as well as implementing an ethics declaration as a fundamental and recurring aspect of our organizational culture.

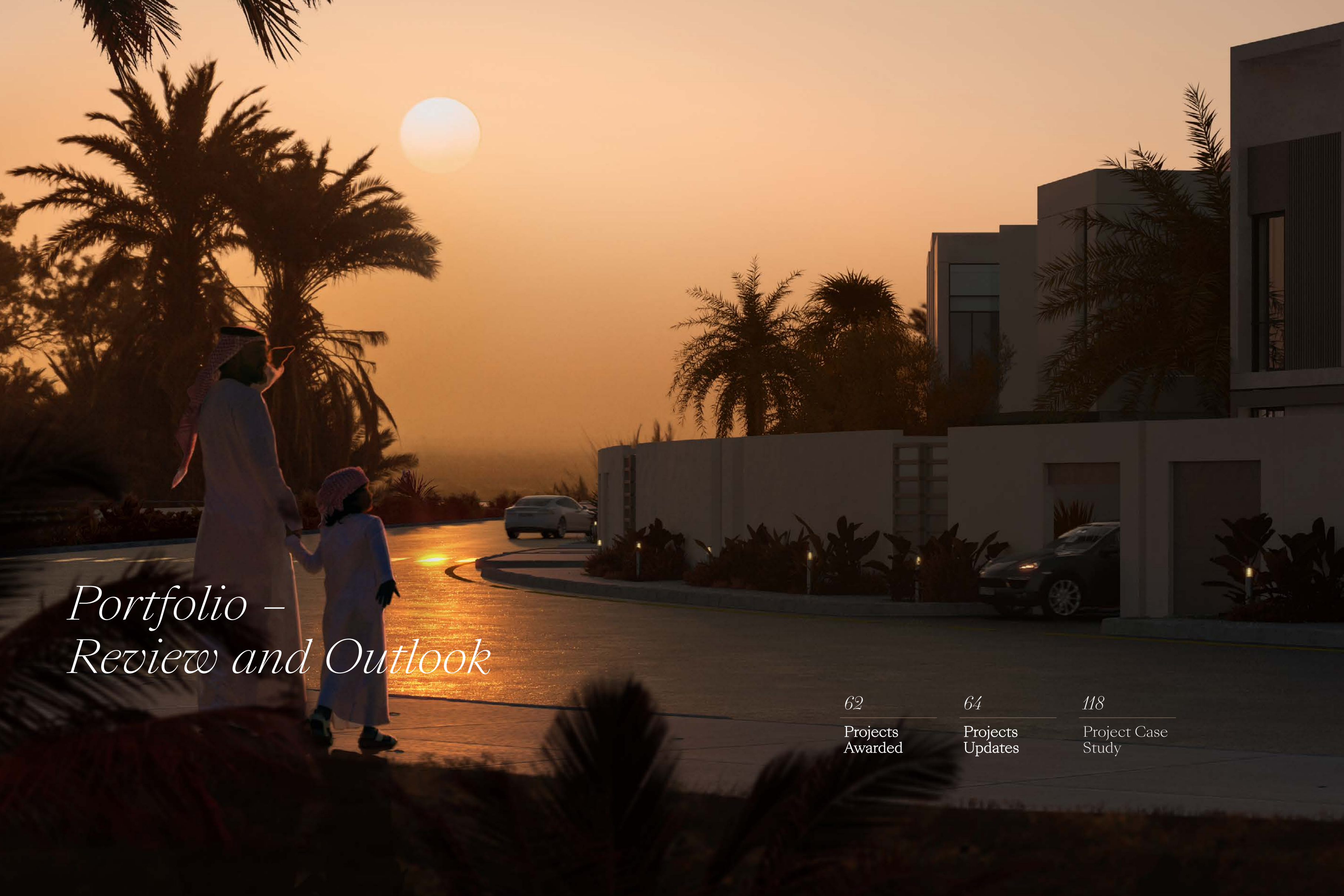
## Sustainability Performance Disclosure

Retal is committed to annually disclosing key sustainability performance metrics in its ESG report. This report tracks year-over-year progress against United Nations’ sustainable development goals and is written within the GRI Framework and materiality matrix to ensure transparent and fair tracking of all qualitative and quantitative data.

## Key Goals

- We strive to uphold the highest sustainability standards in every aspect of our real estate business, with a strong emphasis on accountability and transparency. This is reflected in our comprehensive ESG report, which is produced annually to monitor and disclose our sustainability performance.
- We are committed to continuously improving the environmental performance of our buildings, development activities, real estate operations, and asset management policies, in line with our mission to foster a more sustainable future.
- Through careful monitoring of our ecological footprint and risk exposure to natural disasters and environmental regulations, we aim to mitigate the economic impacts of climate change and reduce our greenhouse gas emissions.
- Our explicit goals for enhancing our environmental sustainability performance are centered around increasing the use of renewable resources throughout all areas of our business, while also working collaboratively with tenants, city governments, planners, and other stakeholders to ensure that our decisions contribute to local and municipal sustainability improvements.





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# Portfolio – Review and Outlook

## Property Market Overview

The Saudi Arabian real estate market is predominantly focused on four key areas - the capital city of Riyadh, the port city of Jeddah along the Red Sea, the holy city of Makkah, and the Dammam Metropolitan Area (DMA) situated on the Gulf coast.

As of the first quarter of 2022, the real estate sector has made a significant contribution of 5.9% towards Saudi Arabia’s GDP, with an annual growth rate of 1.2%. The Saudi Real Estate Price Index (REPI), which gauges the fluctuations in property prices across residential, commercial, and agricultural domains, rose to 81.9 points in the second quarter of 2022, indicating a recovery from its lowest point of 80.8 in the final quarter of 2019.

The Saudi Arabian real estate industry has been making a concerted effort to embrace green innovation, with programs such as the Saaf Certification and the Mostadam Green Building Rating System, which are tailored to the country’s unique climate and environmental characteristics. As a result of the industry’s commitment to decarbonization and transparency, it has earned a place among the world’s top 50 most transparent real estate markets.

At the annual Future Projects Forum in Riyadh in March 2022, 43 government departments presented an impressive 3,000 construction projects worth SAR 800 billion, a significant increase from the previous year’s 540 proposals valued at SAR 400 billion. This surge in pipeline projects has created new investment opportunities, with various investor categories expected to be drawn in by the government’s multimillion-dollar economic projects, potentially leading to a substantial boom in the Saudi Arabian real estate market over the next decade.

### Residences

- Sales prices for villas and apartments increased during 2022 in comparison to 2021, and demand from Saudi nationals remained strong. Sales prices registered growth across Riyadh, Jeddah, and Dammam Metropolitan Area DMA. In Riyadh, sales prices reached double-digit growth, based on transaction data from the Ministry of Justice.
- Residential supply in the key markets of Riyadh, Jeddah, and DMA showed an increase in September 2022 in comparison to the same period in 2021.
- In Riyadh, although villas remain the preferred housing type, affordable apartments are becoming more popular as better-quality projects continue to enter the market. Despite this emerging shift towards smaller residential units, market supply is not aligned with current housing needs because the majority of large-scale developers have historically targeted the upper end of the income spectrum and continue to do so.

In comparison, Jeddah shows increasing demand for upper-mid to high-end residential units, and premium apartments continued to sell well during the pre-construction phase. In DMA, residential supply is largely located in the northern regions and available stock is only targeted towards the midscale segments of the population, such as standalone residential villas or low- to mid-rise apartment developments.

### Offices

- The financial and business services segment registered a year-on-year growth of 12%, resulting in continued strong demand for Grade A stock in 2022. All segments within the sector, with the exception of hospitality, showed partial gains in 2021.
- The Riyadh office market showed a 4% annual increase in rentals for Grade A and Grade B office space, while Jeddah rentals saw 2% growth.

Both supply and demand, particularly from international firms, continued to rise.

- Pent-up demand for high-quality office space is likely to increase, especially in Riyadh as Saudi Arabia rolls out its Programme HQ strategy. Launched in February 2021, the strategy stipulates that foreign companies wishing to do business with the government and its associated entities have to set up their regional headquarters in Riyadh by 1 January 2024.

### Retail

- Total retail sales volume increased by approximately 4% in 2022 and is expected to increase by another 2% every year, from 2023 to 2026. Rents in super regional and regional malls softened during the first 9 months of 2022.
- Nationwide real estate transactions in the retail space peaked in the June-July period, marking a 37% growth compared to the previous year. The coming years are expected to see a more widespread return to growth.

### Hospitality

- The easing of travel restrictions enhanced visa norms and faster online visas for tourists saw hotels vastly improve occupancy and average daily rate (ADR) over the previous year.
- The first three months of 2022 were the strongest for occupancy performance in Riyadh, reaching 76% in March. Meanwhile, Jeddah hotels recorded the highest occupancy performance in May at 59%.

### Industry and logistics

- Rents remained relatively stable for prime stock on account of two factors: limited availability of international-grade warehouse facilities and increasing demand from logistics companies.

## Portfolio Segmentation

Retal’s integrated masterplan communities are distinguished by sophisticated design, premium quality build and finishes, and a wide range of amenities, all of which redefine the traditional approach to property development.

The company’s portfolio includes residential, commercial, and mixed-use properties, as well as large-scale lifestyle and hospitality projects. Each serves as a showcase of the essential values of quality and sustainability, and a promise of superior customer experiences.

Historically, over 80% of Retal’s projects have been concentrated in the residential category. In recent years, however, the company has harnessed emerging opportunities and diversified into mixed-use and lifestyle products, with varying components and category structures.

The company is experiencing rising levels of interest and business success as a result of the great diversity of projects located across the country.

### Residential villas Affordable: Nesaj

A key partner of the National Housing Company, Nesaj enables greater access to homeownership opportunities on a national level.

The affordable community has been designed to prioritize the comforts of families and boasts amenities synonymous with modern living. This includes integrated essential services such as mosques, schools, and commercial and social complexes, which seamlessly blend into the fabric of the community.

Appropriately priced to suit modest incomes, Retal uses a combination of value engineering, design detailing, and architectural expertise to maximize value on an accessible ticket price.

### Mid-range: Ewan

The Ewan brand represents a series of stylish residential villas priced in the mid-range category.

These homes have been thoughtfully designed to accommodate medium-sized families seeking to elevate their quality of life, boasting an abundance of natural light, versatile interior spaces, and private backyards that ensure tranquility. Located within master communities that celebrate the beauty of nature, Retal has infused these homes with a touch of luxury through unique features, contemporary architecture, and optimized use of space.

### High-end: Ayala

The Ayala brand of premium villas caters to the discerning high-end customer, offering unique design customization tools that allow for a truly personalized experience.

This cutting-edge project represents the first of its kind in Saudi Arabia, giving customers the unprecedented flexibility to select their preferred style and add design features both before and after purchase.

With over 300 available customizations, families can watch their vision come to life with unparalleled design possibilities, adapting and modifying their homes to suit their specific needs and preferences.

### Residential apartments Mid-range: Roya

Roya stands as a premier residential apartment brand that represents the pinnacle of modern development in the country, with a focus on elevating quality of life and fostering innovation. One distinguishing feature of Roya includes outdoor terraces with each

unit, offering a private oasis for residents to unwind and recharge. Additionally, a comprehensive range of amenities has been carefully curated to benefit owners and residents alike, further enhancing the luxurious and convenient living experience Roya provides.

### High-end: Retal Rise

Boasting a range of size and design options, this high-rise structure offers breathtaking views and a suite of indulgent facilities, including spas, salons, clubs, swimming pools, and business halls. The harmonious blend of a coveted location, upscale amenities, and diverse choices positions this property as an exceptional investment opportunity, unmatched in its appeal and potential for future growth.

## Villas



Affordable



Middle



Luxury

## Apartments



Middle



Luxury



Projects Awarded in 2022



Nesaj Al-Fursan  
Riyadh

Nesaj Al-Fursan is a residential project located in the suburb of Al-Fursan in Riyadh, in partnership with the National Housing Company as a sub-developer of the project. 759 housing units will be implemented on an area of 227,838 m<sup>2</sup>. Construction work is expected to start in the first quarter of 2023 and is expected to be completed in the fourth quarter of 2025.

Nesaj Al-Fursan 2  
Riyadh

Nesaj Al-Fursan 2 is a residential project located in the Al-Fursan suburb of Riyadh, in partnership with the National Housing Company as a sub-developer of the project. 561 housing units will be implemented on an area of 166,446 m<sup>2</sup>. Construction work is expected to start in the second quarter of 2023 AD and is expected to be completed in the second quarter of 2026.



Ewan Sedra 2  
Riyadh

In partnership with ROSHN, Retal is currently spearheading Ewan Sedra 2, a luxurious residential project in the highly sought-after Sedra neighborhood of Riyadh. This visionary development features 372 meticulously designed units situated on a sprawling 107,000 m<sup>2</sup> property. Construction of the project began in the fourth quarter of 2022, with a completion date projected for mid-2025. Ewan Sedra 2 is set to redefine modern living and offer residents a world-class experience.

Ewan Sedra 3  
Riyadh

Ewan Sedra 3, a residential project in collaboration with ROSHN Real Estate Company, is nestled in the suburb of Sedra in Riyadh. Boasting 272 thoughtfully designed units spread over 68,976 m<sup>2</sup>, the project is set to redefine luxury living in the city. Construction is slated to commence in the second quarter of 2023, with completion expected by the end of 2025, promising a harmonious blend of comfort, style, and convenience.



Roya Sedra  
Riyadh

Roya Sedra represents a modern and integrated residential project within the Sedra community of Riyadh, being developed in collaboration with ROSHN. With meticulous attention to detail, the project will comprise of 320 stunning apartments, spread over an area of 27,937 m<sup>2</sup>. The construction work is scheduled to commence in the third quarter of 2023, with the completion of this majestic complex expected by the end of 2025.



Nesaj Town Safwa  
Qatif

Nesaj Town Safwa is an exclusive residential project situated in the prestigious Qumra suburb of Qatif in northeast Saudi Arabia, delivered by Retal in partnership with the esteemed National Housing Company as a sub-developer. This exclusive development will offer 356 housing units sprawled over 99,348 m<sup>2</sup>. Construction is expected to commence in the first quarter of 2023 and will be completed in the first quarter of 2026, promising to be a timeless masterpiece of architecture and design.



Retal Business Court  
Riyadh

RBC Business Court Riyadh is a prestigious commercial venture situated in the bustling metropolis of Riyadh, spanning an impressive area of 33,579 m<sup>2</sup>. This remarkable project promises to elevate the business landscape of the city, offering a premium space for companies to establish their presence. With construction set to commence in the first quarter of 2023, the completion is targeted by the end of 2024, signifying a swift and efficient development process.

Remal Business Court  
Khobar

Retal Business Court, an exceptional commercial endeavor, is situated in the vibrant city of Al Khobar, spanning an area of 35,591 m<sup>2</sup>. With its exceptional design, premium facilities, and prime location, it sets a new benchmark of excellence and elevates the business experience to new heights. With construction slated to commence in the third quarter of 2023, the project is scheduled for completion in the third quarter of 2025.



The Strip  
Khobar

The Strip, an exciting commercial project, is set to grace the vibrant city of Al Khobar, encompassing an area of 7,200 square meters. This venture promises to be a game-changer in the business landscape of the region, offering a unique and dynamic space for businesses to thrive. Construction for this innovative project is scheduled to commence in the third quarter of 2023.





*Projects  
Updates*



## Completed Projects



*Nesaj  
Town 2*

Dammam

Start	Q1 2020
Completion	Q2 2022
Total land	1,143,840 m <sup>2</sup>
Total BUA	506,982 m <sup>2</sup>
No. of villas	1,653 completed



Ongoing Projects

Build *Your* Own

Ayala Al Nakheel

KHOBAR



# Build *Your* Own

## Ayala Al Nakheel KHOBAR

Start	Q2 2021
Completion	Q2 2023
Progress	82.5%
Land area	38,224 m <sup>2</sup>
BUA	37,500 m <sup>2</sup>
No. of villas	59





*Nesaj Town  
Khobar*

Khobar

Start	Q1 2021
Completion	Q1 2023
Progress	98%
Land area	67,512 m <sup>2</sup>
BUA	56,687 m <sup>2</sup>
No. of villas	118





*Nesaj Toẗn  
Riyadh*

Riyadh

Start	Q1 2021
Completion	Q2 2023
Progress	76.5%
Land area	189,342 m <sup>2</sup>
BUA	233,457 m <sup>2</sup>
No. of villas	690





# ULTRA LUXURIOUS LIFESTYLE

نمط حياة فائقة الفخامة

## *Retal Rise and Nobu*

Khobar





# ULTRA LUXURIOUS LIFESTYLE

نمط حياة فائقة الفخامة

## Retal Rise and Nobu KHOBAR

Start	Q4 2022
Completion	Q2 2025
Progress	5%
Land area	11,050 m <sup>2</sup>
BUA	95,000 m <sup>2</sup>
Apartments	186
Hotel keys	100
Restaurants	2







*Nesaj Town*  
*Al Absa*

Al Ahsa

Start	Q4 2022
Completion	Q4 2025
Progress	21%
Land area	117,443 m <sup>2</sup>
BUA	149,251 m <sup>2</sup>
No. of villas	347





*Nesaj Town*  
*Al Narjis*

Riyadh

Start	Q4,2022
Completion	Q1 2025
Progress	30%
Land area	160,000 m <sup>2</sup>
BUA	142,162 m <sup>2</sup>
No. of villas	455





*Ewan Sedra*

Riyadh	
Start	<i>Q3 2022</i>
Completion	<i>Q4 2024</i>
Progress	<i>31%</i>
Land area	<i>29,364 m<sup>2</sup></i>
BUA	<i>40,875 m<sup>2</sup></i>
No. of villas	<i>103</i>





*Ewan Sedra 2*

Riyadh	
Start	Q4 2022
Completion	Q4 2024
Progress	5%
Land area	121,633 m <sup>2</sup>
BUA	149,000 m <sup>2</sup>
No. of villas	372





*Retal Business Court*

RIYADH



Retal Business Court

RIYADH

Start	Q3 2022
Completion	Q4 2024
Progress	12%
Land area	33,579 m <sup>2</sup>
BUA	87,000 m <sup>2</sup>
Leasable area	33,636 m <sup>2</sup>
Buildings	12
Offices	69



Upcoming Projects

Remal Business Court

KHOBAR



Remal Business Court

KHOBAR

Start	Q3 2023
Completion	Q4 2025
Land area	35,591 m <sup>2</sup>
BUA	81,859 m <sup>2</sup>
No. of units	34 villas and 84 apartments for lease and 71 office spaces



*Marasi*

DAMMAM



Marasi  
DAMMAM

Start	Q1 2023
Completion	Q3 2025
Land area	609,000 m <sup>2</sup>
No. of units	184 villas and 582 plots of land





# Roya Al Nakheel

Khobar	
Start	Q3 2023
Completion	Q2 2025
Land area	68,976 m <sup>2</sup>
BUA	28,836 m <sup>2</sup>
No. of units	62 apartments





# Ewan Tharwa

Khobar	
Start	Q2 2023
Completion	Q2 2025
Land area	142,433 m <sup>2</sup>
BUA	166,762 m <sup>2</sup>
No. of villas	385



*The Resort*

KHOBAR



## The Resort





# Roya – Sedra

Riyadh

Start	Q3 2023
Completion	Q4, 2025
Land area	27,937 m <sup>2</sup>
BUA	74,516 m <sup>2</sup>
Apartments	322





*Nesaj Town  
Safwa*

Qatif

Start	<i>Q2 2023</i>
Completion	<i>Q3 2025</i>
Land area	<i>99,348 m<sup>2</sup></i>
BUA	<i>137,932 m<sup>2</sup></i>
No. of villas	<i>356</i>





*Nesaj Al Fursan*

Riyadh

Start	Q1 2023
Completion	Q3 2025
Land area	227,838 m <sup>2</sup>
BUA	298,690 m <sup>2</sup>
No. of villas	759





*The Strip*

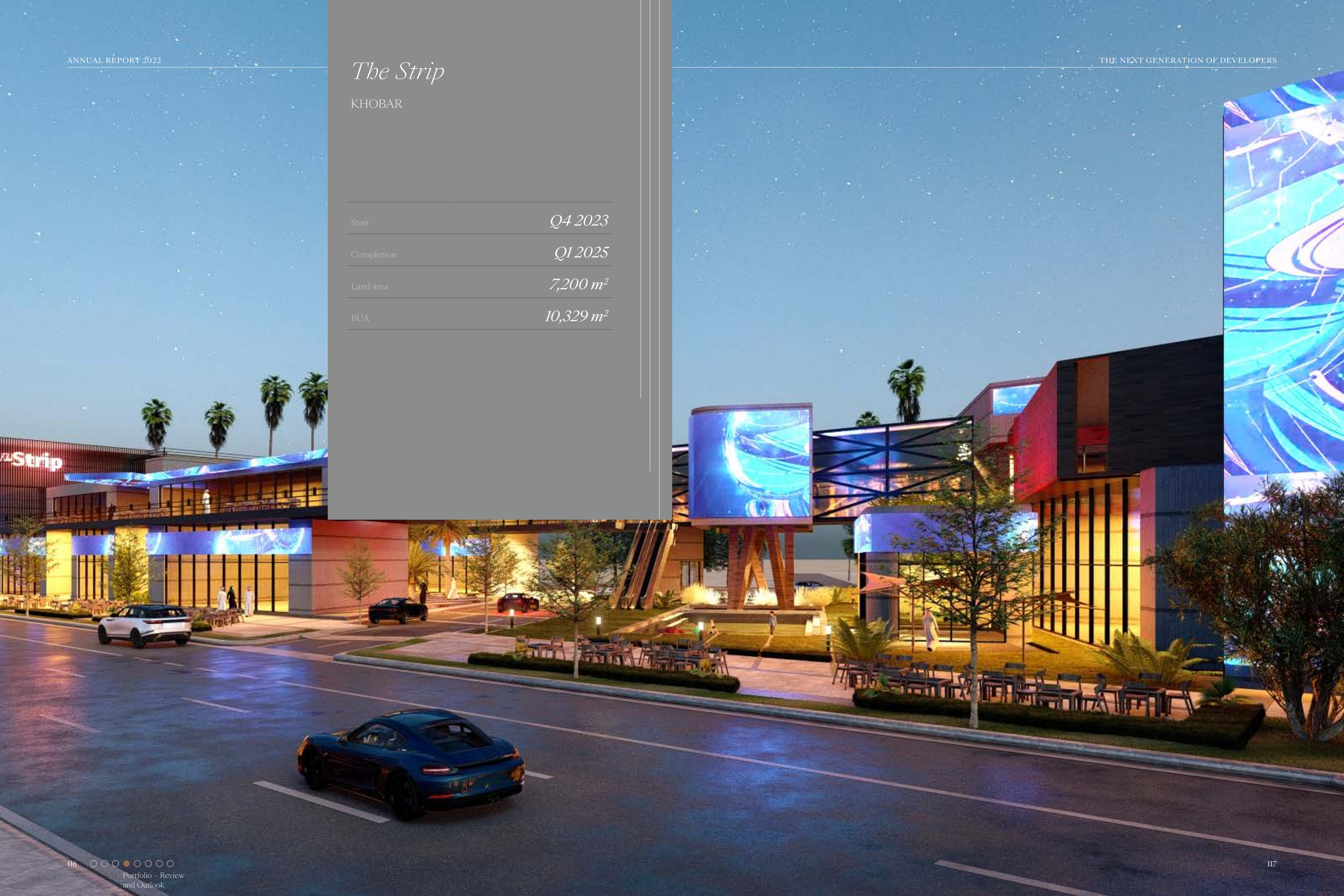
KHOBAR



The Strip

KHOBAR

Start	Q4 2023
Completion	Q1 2025
Land area	7,200 m <sup>2</sup>
BUA	10,329 m <sup>2</sup>







# *Project Case Study*



# Project Case Study



## Nesaj Town 2 Dammam

Start	Q1 2020
Completion	Q2 2022
Villas	1,653

### Government Partnership

Nesaj Town 2 Dammam is a superb showcase of Retal’s fruitful collaboration with the National Housing Company (NHC). In 2018, the company established its initial strategic partnership with the NHC to construct 674 housing units at Nesaj Town 1 Dammam, paving the way for numerous other successful projects. Retal has emerged as a dependable ally for the NHC in attaining the objectives of the National Housing Program, and Nesaj Town 2 is one of eleven comprehensive residential complexes that have been completed through this partnership.

### Ideal location

Situated in the Al Wajiha suburb of the Eastern Province in Saudi Arabia, Nesaj Town 2 Dammam is located west of the bustling city of Dammam. The discovery of vast oil reserves in 1938 triggered a seismic transformation of the once-sleepy coastal town into a major seaport, petroleum and natural gas hub, and commercial epicenter of the Eastern Province. Today, Dammam boasts a modern appearance, replete with sprawling suburbs, and Nesaj Town 2 stands as a testament to the rapid pace of urban development in the city. Covering a sprawling land area of 1,143,840 m², the project is a true reflection of Dammam’s growth and progress.

### Customer satisfaction

In a fiercely competitive market, popularity, and customer loyalty are differentiating factors that build reputation and drive revenues upwards. Acting in response to market demand and fueled by an innate understanding of market needs, Nesaj Town 2 was launched after the immense success of Nesaj Town 1.

The two projects jointly comprise 2,400 villas in different sizes and spatial combinations made available to customers as highly personalized choices. Both projects recorded significantly high sales in a short period of time after they were launched.

### Social stewardship

Nesaj Town Dammam exemplifies how Retal supports the intellectual, creative, economic, and social development of individuals, families, and communities. The company continues to be proactive in developing housing solutions for low and middle-income groups and working with government authorities to present suitable housing that meets their needs and elevates their quality of life. This project used locally sourced materials and purchased as much as possible from local suppliers, especially small and medium businesses.

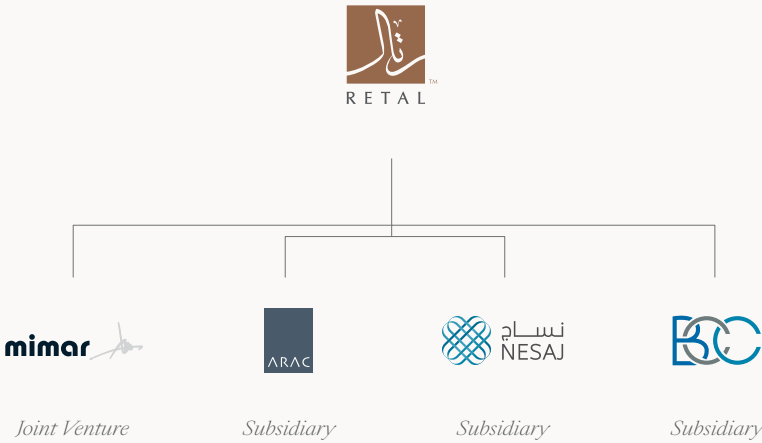
### Environment consciousness

Nesaj Town 2 Dammam is notable for its wide streets, green spaces, and public parks. The project is fully integrated with infrastructure including water, electricity, sewage disposal, and asphalt roads.

Numerous services and facilities have been situated within the community to ensure the highest levels of customer comfort, including mosques, social and retail centers, health and educational institutes, and 24x7 security.

### Ecosystem utilization

Working with subsidiaries and joint ventures allows Retal to ensure full quality control across the supply chain, from concept development and design to construction and sales. This full-service integration also fosters better efficiency, quicker delivery, and cost controls.







# *Chief Financial Officer's Summation*



Chief  
Financial  
Officer’s  
Summation



Consolidated income statement for last five years (2018-2022)

SAR (in thousands)

	2022	2021	2020	2019	2018
Revenue	1,106,830	1,085,321	587,451	456,536	209,010
Cost of revenue	(809,667)	(839,860)	(463,142)	(379,134)	(178,368)
Gross profit	297,163	245,461	124,308	77,402	30,642
General and administrative expenses	(59,174)	(42,699)	(26,184)	(23,215)	(20,969)
Selling and marketing expenses	(19,750)	(21,230)	(7,702)	(6,317)	(4,388)
Operating Profit / (loss)	218,239	181,533	90,422	47,870	5,285
Finance cost	(15,121)	(3,173)	(2,171)	(4,961)	(7,088)
Share of results of an associate	34,641	1,820	12,827	(3,064)	(990)
Gain on sale of investments at FVPL	10,833	3,688	374	22,462	-
Other income, net	8,050	3,995	1,892	2,015	8,844
Profit before zakat and income tax	256,642	187,862	103,344	64,323	6,050
Zakat charge	(10,899)	(8,463)	(4,711)	(4,630)	(3,311)
Profit from continuing operations	245,744	179,399	98,634	59,692	2,739
Gain on sale of disposal of a subsidiary, net of zakat	-	13,936	-	-	-
Profit for the year	245,744	193,334	98,634	59,692	2,739

Retal’s unwavering commitment to operational excellence is evident in our success in executing ongoing and concurrent projects promptly. Moreover, the sale of lands in accordance with the company’s strategic plan resulted in the company achieving record profits, which added momentum in our pursuit toward strategic goals.

Retal also achieved an unprecedented level of revenues and net profits, as its revenues amounted to 1,106.8 million Saudi riyals, while net profits reached to 245.7 million Saudi riyals. This represents a significant increase from the numbers achieved in the previous year of SAR 1,085 million and SAR 193.3 million, respectively. Gross profit margin also improved, reaching 27%, despite the fact that commencement of certain new projects construction phase was during the fourth quarter of the year 2022G.

General, administrative and marketing expenses grew by 1.25% as a percentage of revenues due to increase in the headcount & expenses

of employees as a result of expansion to new regions and to support the administrative structure of the company to keep pace with the transformation phase the company is witnessing.

The company’s assets grew by 32% in the year 2022G, due to increase in projects under development contracts as a result of the company’s geographical expansion and signing of land purchase agreements for the purpose of development with Roshan Real Estate Company.

Financing expenses increased compared to 2021G, due to increase in the average interest rate between Saudi banks (SIBOR), it is worth mentioning that Retal settled loans amounting to total value of 470.6 million Saudi riyals during the year and entered into negotiations with banks to obtain more favorable financing terms, in addition, the company follows a flexible financing policy in financing projects that allows managing borrowing with high efficiency and alignment of projects cash flows and repayment terms, which reduces the impact of high interest rates.

The company’s share in profits of associate companies increased to 34.6 million riyals, resulted from one of the associate companies who achieved profits in accordance with the strategic plan.

Cash balance at the end of the fiscal year

amounted to 523 million Saudi riyals, which includes a value of 499 million riyals as a balance in escrow accounts for projects currently under construction, these balances were collected from customers according to the off-plan sales regulations and will be utilized as per the conditions of the off-plan sales committee (WAFI).

Retal intends to distribute cash dividends of 120 million Saudi riyals, or 3 Saudi riyals per share, for the second half of the year, after obtaining final approval of the General Assembly. In addition, 80 million Saudi riyals, or 2 Saudi riyals per share were distributed for the first half of 2022G, bringing total planned distribution to 200 million Saudi riyals, which represents a return of around 50% of the company’s share capital of 400 million Saudi riyals.

Ammar AlGhoul  
Chief Financial Officer



## Disaggregated revenue information:

SAR (in thousands)

### A) Nature of Revenues

	2022	2021	2020	2019	2018
Development Contracts	693,213	915,841	404,983	284,465	164,366
Sale real estate units / lands	366,726	129,922	146,270	138,735	29,015
Property and facility management	37,740	32,187	28,744	24,410	12,212
Rent contracts	9,151	7,371	5,834	2,720	2,022
Other revenues	-	-	1,620	6,205	1,396
Total	1,106,830	1,085,321	587,451	456,536	209,010

## B) Types of customer

	2022	2021	2020	2019	2018
Individual customers	960,303	947,132	460,898	142,661	31,036
Corporate customers	131,941	135,706	51,200	67,737	117,832
Government and quasi-government customers	14,586	2,483	75,353	246,138	60,142
Total	1,106,830	1,085,321	587,451	456,536	209,010

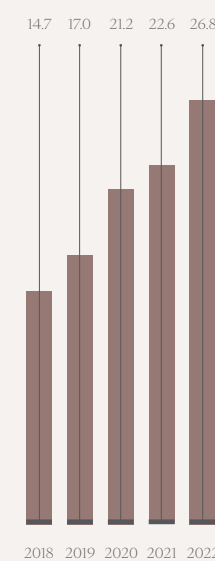
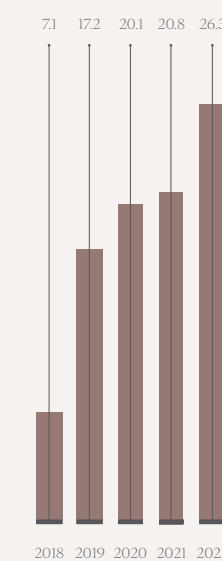
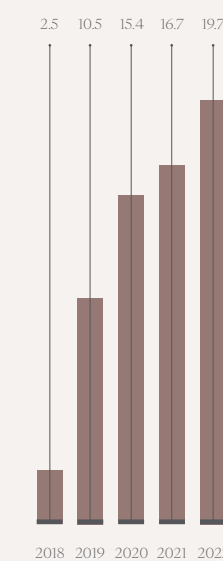
C) Sales payment terms

	2022	2021	2020	2019	2018
Credit sales	926,892	947,462	434,705	312,262	177,973
Cash sales	179,938	137,859	152,746	144,273	31,036
Total	1,106,830	1,085,321	587,451	456,536	209,010

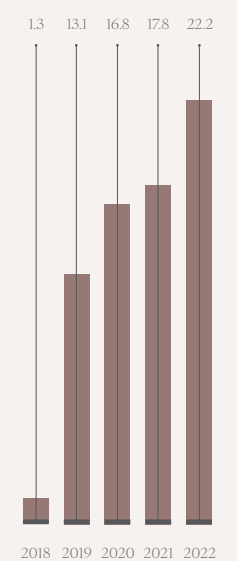
## D) Revenues Location Wise

	2022	2021	2020	2019	2018
Eastern province	650,866	943,774	574,193	448,472	209,010
Western province	6,458	349	7,637	7,835	-
Central province	445,287	139,502	5,620	229	-
Northern province	4,219	1,696	-	-	-
	1,106,830	1,085,321	587,451	456,536	209,010

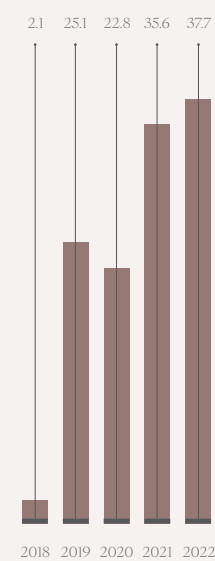
Gross profit  
margin (%)

EBITDA  
margin (%)Operating  
profit margin (%)

## Net profit margin (%)



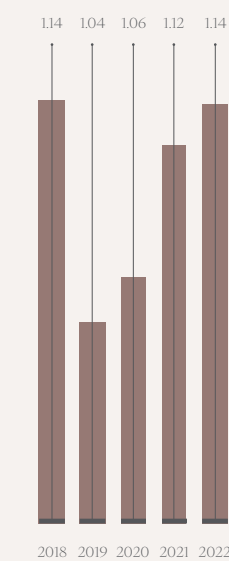
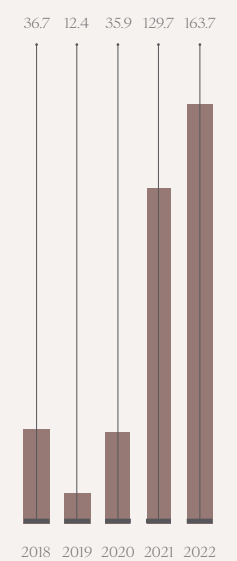
## ROE (%)



## ROA (%)



Current  
Ratio

Net Working  
Capital (SAR Mn)



## Consolidated Balance sheet for last five years (2018-2022)

SAR (in thousands)

	2022	2021	2020	2019	2018
ASSETS					
Non-current assets					
Development properties - Non-current	464,668	63,438	-	2,208	76,962
Investment properties	122,310	201,583	329,198	210,438	39,083
Investment in associate and joint ventures	338,135	306,398	121,250	112,820	83,843
Prepayments and other receivables, non-current	2,382	2,202	1,067	1,227	14,616
Right -of- use assets	2,850	6,659	14,916	20,464	-
Intangible assets	10,279	4,166	3,499	3,727	3,814
Property and equipment	124,032	90,793	90,212	4,912	3,747
Total Non-current assets	1,064,656	675,238	560,142	355,797	222,065
Current Assets					
Cash and cash equivalents	522,975	407,977	64,981	9,637	85,055
Investment in Marketable Securities	23,754	656	-	-	-
Accounts receivable	242,911	269,446	82,737	93,451	19,359
Contract asset	91,185	69,844	203,751	150,459	74,817
Development properties - current	353,232	245,368	139,488	30,888	50,740
Prepayments and other receivables	114,155	162,927	95,265	31,158	27,732
Inventories	15,962	12,509	22,254	4,367	3,455
Equity instruments at FVOCI	-	-	-	-	37,108
Total current assets	1,364,175	1,168,727	608,476	319,961	298,266
TOTAL ASSETS	2,428,831	1,843,965	1,168,618	675,757	520,331

## Shareholders' Equity/(Deficit) and Liabilities

SAR (in thousands)

	2022	2021	2020	2019	2018
Shareholders' equity/(deficit)					
Capital	400,000	400,000	375,000	250,000	10,000
Statutory reserve	62,779	38,205	18,833	8,969	3,000
Contribution from a shareholder	-	-	-	-	82,134
Actuarial reserve	-3,213	-3,358	-2,509	-1,494	-924
Retained earnings	274,844	134,060	127,462	88,692	38,775
Fair value reserve of equity instruments at FVOCI	-	-	-	-	-2,774
	734,410	568,906	518,786	346,167	130,210
Non-controlling interest	-	-135	-	-	-
Total Shareholders' equity	734,410	568,770	518,786	346,167	130,210
Non-current liabilities					
Employee termination benefits	12,585	11,078	9,481	7,794	6,660
Lease liabilities - non-current portion	2,407	-	3,073	10,271	-
Term-loans - non-current portion	461,499	211,459	64,667	-	-
Accounts payable - non-current	17,454	13,658	-	3,967	121,927
Total Non-current liabilities	493,944	236,194	77,221	22,032	128,587
Current liabilities					
Accounts payables	273,461	65,310	224,110	135,002	82,961
Payable to NHC	254,662	272,521	35,132	-	-
Contract liabilities	100,220	109,675	36,938	1,606	4,830
Accrued expenses and other payables	201,026	88,184	13,010	7,528	11,606
Lease liabilities - current portion	236	2,995	8,693	7,509	-
Refundable incentives	-	-	115,019	150,019	150,019
Short-term loan	165,070	100,352	50,000	-	-
Term-loans - current portion	189,811	389,517	83,733	-	-
Zakat payable	15,991	10,447	5,975	5,895	12,120
Total current liabilities	1,200,477	1,039,000	572,610	307,558	261,535
Total liabilities	1,694,421	1,275,194	649,832	329,590	390,122
TOTAL SHAREHOLDERS' EQUITY / (DEFICIT) AND LIABILITIES	2,428,831	1,843,965	1,168,618	675,757	520,331





# *Resources and Relationships*

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# Ecosystem Capital

## Subsidiaries and Joint Ventures



### Nesaj Urban Development Company (“Nesaj”)

Nesaj Project Management was founded in 2012 in Khobar with the vision of providing comprehensive project development and management services. These services encompass design, site supervision, value engineering, and construction management. Over the course of the past decade, Nesaj has established its reputation as a leading provider of these services, delivering successful projects across a diverse range of sectors, including residential, commercial, mixed-use, and education.

In addition to delivering superior solutions, Nesaj promotes the highest professional standards in real estate development.



### Tadbeir Company

Tadbeir, a premium facility management provider, was established in 2016 under the umbrella of Retal Urban Development Company. With a commitment to excellence, the company has rapidly evolved into a one-stop solution, offering unparalleled flexibility, transparency, and reporting capabilities.

Tadbeir caters to an impressive clientele across a diverse range of sectors, including educational institutions, residential compounds, commercial towers, retail stores, and mixed-use developments, providing top-notch solutions and services. The company proudly boasts membership of esteemed organizations, including the International Social Security Association, The British Institute of Cleaning Science (BICSc), and the Saudi Contractors Authority, reinforcing their position as industry leaders.

Tadbeir exemplifies a staunch commitment to delivering unparalleled professional services, firmly rooted in adherence to the highest standards and best practices. As a testament to their unwavering dedication, Tadbeir proudly carries certifications for ISO 14001, ISO 9001, ISO 45001, and ISO 41001, affirming their commitment to excellence in all aspects of their operations.

In alignment with The Kingdom’s Vision 2030, which prioritizes the enhancement of the quality of life, protection of the environment, and preservation of Saudi Arabia’s rare native plants, Tadbeir has taken a pioneering step by launching a new business line at the onset of 2022. The new venture, Tadbeir Environmental Services, aims to contribute to this vision by delivering an exceptional range of environmental services and solutions, further strengthening Tadbeir’s position as a leading player in the industry.



### Tadbeir Real Estate Company (TRS)

Tadbeir Real Estate Services (TRS), a subsidiary of Retal Urban Development Holding, was established in 2014 in Al Khobar, Kingdom of Saudi Arabia. With an unwavering commitment to meeting the diverse needs of urban developers, owners, and investors across various commercial, residential, and industrial sectors, TRS has rapidly emerged as a premier player in the industry. The company prides itself on its resolute focus on delivering unparalleled quality standards, ensuring residents’ peace of mind at affordable prices, and catering to all segments of society. TRS is committed to finding practical solutions for managing facilities and urban communities in line with the Kingdom’s 2030 Vision. The Company’s approach is founded on transparency and credibility, which is demonstrated through its successful co-execution of high-quality projects across the Kingdom. TRS’s goal is to become a leading company in the real estate market, by meeting the needs of its clients and leveraging its extensive experience in development and construction.



### Mimar Saudi Arabia

Mimar Engineering Consultants, a renowned firm with a rich legacy of 25 years, was established in the thriving city of Doha, Qatar. Driven by a passion for excellence, the company swiftly expanded its footprint, with ten offices across Saudi Arabia, UAE, Egypt, Iraq, and Libya. In 2019, Retal forged a strategic partnership with Mimar Group in Saudi Arabia, leveraging its international engineering experience and cutting-edge technologies to localize and optimize its operations.

The combination of Retal’s vast expertise and Mimar Group’s exceptional competence has resulted in seamless integration and enabled the most efficient application of modern design, engineering, and construction techniques in Saudi Arabia. Over the last 5 years, the Retal-Mimar partnership has completed several large-scale projects, attaining remarkable recognition for architectural design, urban planning, and green architecture, reaffirming their position as leaders in the industry.

### Awards

- Arabian Property Awards, October 2022  
Retal Rise and Nobu Hotel, Al Khobar
- ‘Best New Hotel Construction and Design in Saudi Arabia’
  - ‘Best Residential High-rise Development in Saudi Arabia’
  - ‘Best Residential Development of 20+ Units in Saudi Arabia’



### Wasm Valuation Co.

Wasm is a distinguished Saudi company dedicated to offering comprehensive real estate appraisal services and is accredited by the esteemed Saudi Commission for Accredited Valuers (Taqeem). The company was launched in response to the pressing, formerly unmet needs of the industry, and backed by the wealth of experience and visionary aspirations of its founders.



Subsidiaries and Joint Ventures



LDPI

LDPI Co.

LDPI is a preeminent design practice dedicated to the seamless integration and impact of light throughout its extensive portfolio of projects, from master plans to small-scale developments. Comprising a team of accomplished architects and interior designers, LDPI possesses a profound understanding of the construction process and boasts a proven track record in architectural detailing, enabling the firm to deliver innovative, fully-integrated solutions firmly rooted in cutting-edge design. LDPI has achieved notable success in the region with the delivery of several prestigious projects, including the public areas at Dubai Expo 2020, The Address JBR Hotel in Dubai, and the Oman Across Ages Museum in Nizwa, Sultanate of Oman.

In 2022 LDPI signed a landmark partnership agreement with Retal Real Estate Development Company in Al-Khobar, Saudi Arabia, resulting in the creation of a joint venture called “Noorkom.” Noorkom secured its first project within the first three months of trading, involving the design of lighting for buildings on Sindalah Island in Neom, expected to be completed by the end of 2023. The joint venture has already secured contracts for signature projects, such as Misk and Diriyah Gate, and received numerous fee proposals for prestigious projects across the Kingdom.



Building Construction Company (BCC)

Established in 1999 in Khobar, Saudi Arabia, the Building Construction Company (BCC) has emerged as a trusted and reliable general contractor, renowned for its exceptional expertise in building and infrastructure construction. With an impressive portfolio spanning industrial, office, retail, recreational, healthcare, and commercial projects across various regions of the Kingdom, BCC has become a prominent player in the construction industry.

By prioritizing the needs of its clients and exceeding their expectations, BCC has built a reputation for providing exceptional performance from every member of its construction team. This approach has helped BCC establish long-lasting relationships with its clients and earn their trust.

With a focus on promoting innovation and embracing cutting-edge technologies, BCC has earned recognition for taking on sizable and intricate projects. The company has contributed significantly to its clients, employees, and community, boasting a workforce of over 1,000 professionals and successfully delivering over 60 projects with a combined value exceeding SR 4 billion.



ARAC Engineering Consultancy Co.

ARAC is a reputable multidisciplinary engineering firm with comprehensive expertise in architecture, interior design, urban design, landscaping, and engineering consultancy.

The team strongly values the uniqueness of each client and their specific needs and aspirations. As such, ARAC approaches each project as a distinct case, cultivating a personalized and exciting experience for both clients and the consulting team.





Partnerships and Alliances

Government

Successful track record with Wafi and MoMRAH for more than 5 years



FINANCERS

Solid network of financiers and funds to facilitate in project financing



Real Estate

Successful partnerships with well-known brand names for future projects in the Kingdom



FUNDS

Engineering & Technology

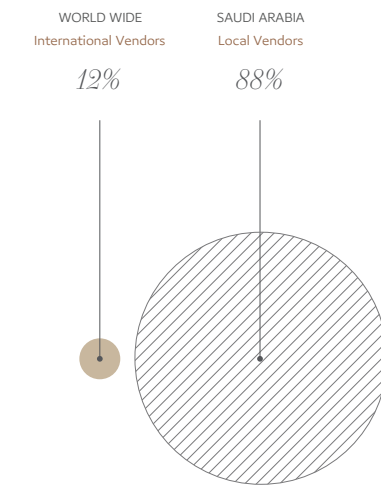
Leveraging a strong network of design & engineering partners to develop unique design capabilities



Nurturing the Supply Chain

Retal has made significant strides in enhancing its supply chain management (SCM) strategy, including expanding vendor resourcing and streamlining the process flow. The company has successfully integrated all of its Group companies onto a single digital platform, ensuring that product requirements are met and vendor experiences are aligned with our expectations.

Retal has prioritized strengthening relationships with local businesses in Saudi Arabia and has placed a strong emphasis on developing local market products. This approach has yielded several benefits, including increased flexibility in meeting customer needs, reducing transportation time and costs, and supporting the growth of local businesses.





# Customer Capital

## Enhanced Experiences

In highly competitive markets, where customer loyalty can make or break a company’s success, exceptional service goes beyond mere reputation-building; it can significantly impact revenue growth. In this context, Retal has distinguished itself by providing unparalleled customer service, a defining quality that sets it apart from competitors.





## Enhanced Experiences

The Company has taken strategic steps and implemented innovative systems to enhance customer satisfaction. These initiatives employ a multi-faceted approach that involves gaining a more profound understanding of customers’ needs and preferences, maintaining constant and effective communication, delivering smooth and uninterrupted services, and providing customized solutions to meet individual customer requirements. Through cultivating strong and fruitful relationships with its existing clientele, the Company has established a reputation for trustworthiness and reliability, compelling new clients to seek out its services. This sustained growth trajectory has resulted in a notable expansion of Retal’s market share, cementing its position as an industry.

Retal has a strategic plan in place to sustain its current momentum and will allocate additional resources to bolster its customer support and service teams. The Company is confident that these investments will yield significant returns and result in improved financial performance over the coming years.

### New Interfaces and processes

A complete redesign has made customer support processes more efficient and cost-effective. Key steps included a simplification of the support process, and increasing the number of channels through which customers are able to establish quick contact.

At the end of 2022, response time for customer inquiries had increased by 10%, and employee productivity had increased by 15%.

### New initiatives

The goal of providing exceptional customer service is being implemented through several activities and initiatives, including projects launched and completed in 2022:

#### Digital support desk

A 24/7 digitalized support desk is actively manned by members of Retal’s customer support team. Customers can establish contact at any time of day or night and choose to receive answers to their questions and concerns via phone or email.

#### Call center upgrades

New, state-of-the-art call management software continues to improve the speed and scale of Retal’s telephone responses to customers.

#### Customer portal

Retal’s new customer support portal provides customers with a streamlined online support experience. A highlight is the online inquiry feature which eliminates the need to manually fill out forms. Customers can now easily and quickly submit a query and expect a response within minutes.

### Satisfaction surveys

Helmed by the customer support team, the company conducts periodic surveys to assess the overall level of satisfaction with services provided to customers. These surveys help with faster identification of pain points and better knowledge of areas for improvement. Simultaneously, the surveys recognize exceptional services provided by the team and help identify the best performers among them.

*In 2022, a total of 1,976 surveys were conducted with customers, of which 1,797 reported satisfaction, and 179 said they were not fully satisfied on account of small issues that were later resolved.*

### After-sales measures

Retal provides customers with a wide range of support services for a smooth and seamless move-in process, including personalized choices to meet specific needs. Once customers have settled into their new homes, efficient and reliable maintenance services are available on-call.

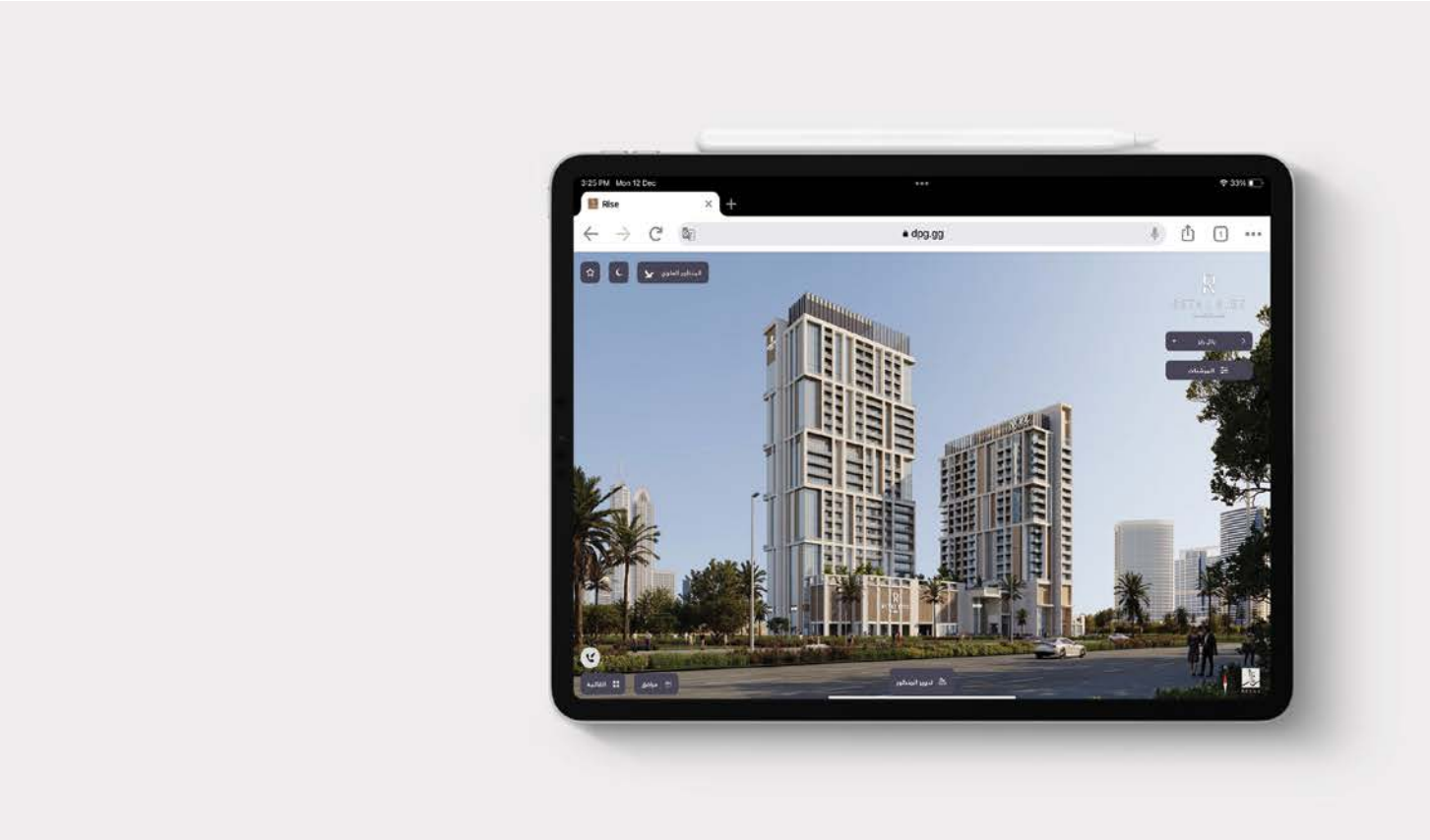
The handover process and maintenance services were also redesigned in 2022, to incorporate key performance indicators (KPIs) such as quality and time lags. This has resulted in increased productivity and efficiency. The maintenance and turnover index increased year-on-year, also indicating positive impacts on the bottom line.

Quarter, 2022	Maintenance cases, numbers	Average resolution time, hours
Q1	195	7.40
Q2	269	12.02
Q3	571	8.85
Q4	959	9.25

### Proprietary Services

*Retal has long endeavored to develop and introduce initiatives that leverage the latest technologies, to delight customers and to enhance their experiences. The company also believes that customer service and support should be made available to customers throughout the entire journey of buying a new home – from making the first decision right through the first night in their new residence.*

*Innovation, automation, the use of cutting-edge technologies, and proprietary digital services are fulfilling these remits to create an ecosystem that makes the homeownership process easier and more convenient.*







# Investor Capital

## Initial public offering (IPO)

### At a glance

Issuer	Retal Urban Development Company (Retal)
Offering	Ordinary shares
Listing	Saudi Stock Exchange, Tadawul
Advisor	SNB Capital (sole financial advisor, lead manager, bookrunner and underwriter)

### Size and Structure Post IPO

- The Final Offer Price for the Offering has been set at SAR 120 per share, implying a market capitalization at listing of SAR 4,800 Mn (US\$ 1,280 Mn).
- The total Offering size is SAR 1,440 Mn (US\$ 384 Mn).
- The Offering is comprised of 12,000,000 existing ordinary shares sold by existing shareholders.

IPO Summary	
Issue percentage (%)	30%
Number of shares offered	12 min shares



Company’s Major Shareholders

Shareholders	Before IPO		After IPO	
	Number of shares (‘000 shares)	Ownership (%)	Number of shares (‘000 shares)	Ownership (%)
Al-Fozan Holding Co.	37,500.00	93.75%	26,250.00	65.63%
Abdullah Faisal Al-Braikan	2000.00	5.00%	1400.00	3.50%
Al Sahm Holding Co.	125.00	0.31%	87.50	0.22%
Athman Holding Co.	125.00	0.31%	87.50	0.22%
Gheras Holding Co.	125.00	0.31%	87.50	0.22%
Maali Al Khaleej Trading Co.	125.00	0.31%	87.50	0.22%
Public	-	-	12000.00	30%
Total	40000.00	100.00%	40000.00	100.00%

IPO Highlights

13

Investors at Early Look meetings

22

Investors at Pilot Fishing meetings

26

Investors during Roadshows

62.7x

Institutional coverage

8.88x

Retail coverage

SAR 120

Pricing per share at highest end of pricing range

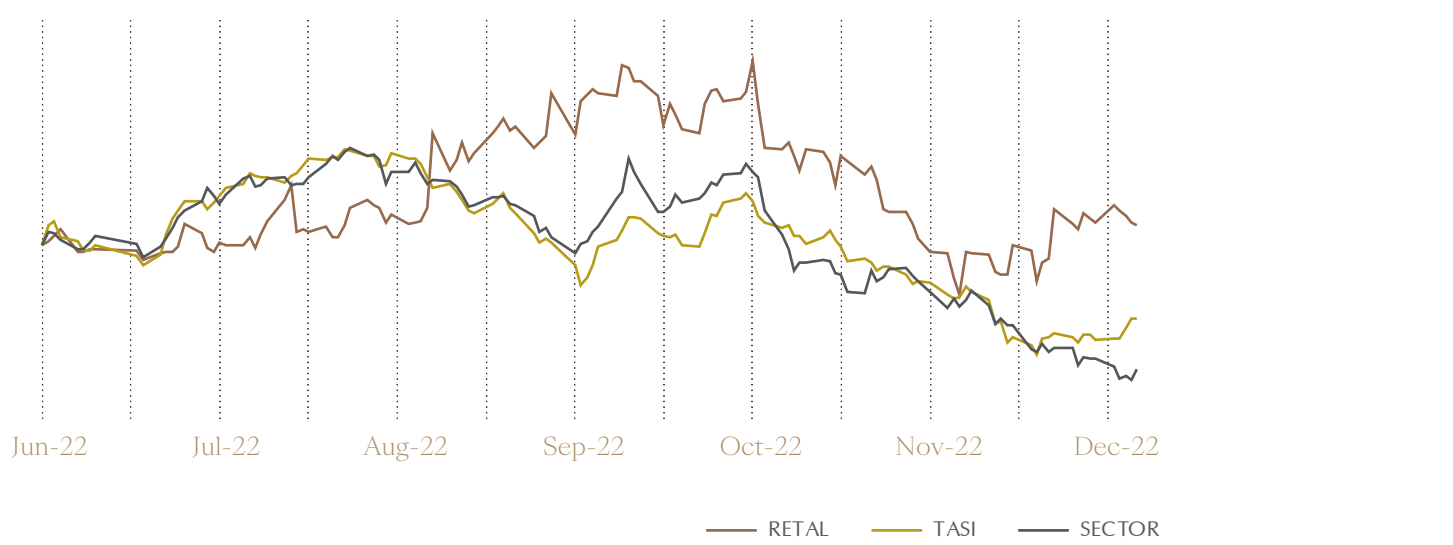
SAR 90.3 Bn

Order book generated through book building

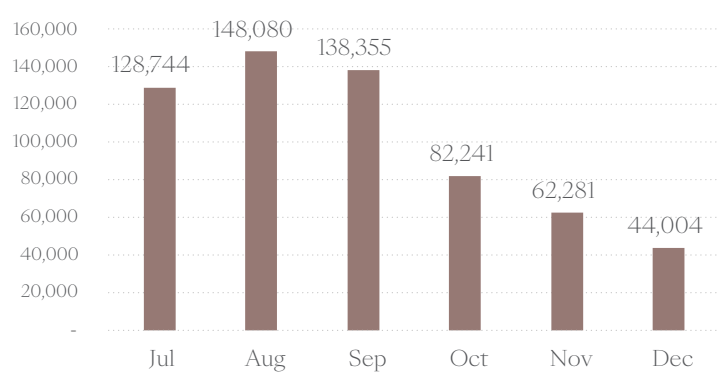
SAR 4.8 Bn

Market capitalization implied at listing

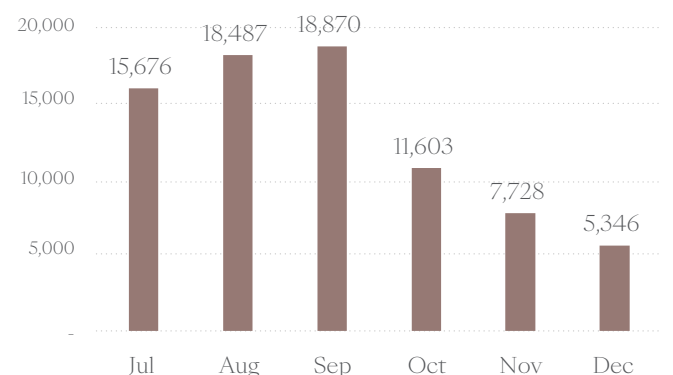
Retal Share Performance



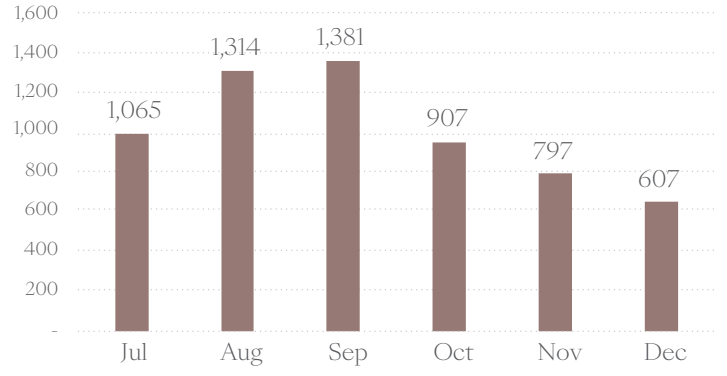
Average Volume Traded



Value Traded (SR,000)



Average Number of Trades





# Intellectual Capital

## Digital ecosystem

As a leading real estate developer that operates across several regions, Retal understands the importance of robust and reliable information and communications technology (ICT) infrastructure and systems. Over the past few years, several strategic initiatives have been introduced or implemented under the ICT umbrella, to improve operations and enhance competitiveness.

Unified  
communications  
platform

Retail's new integrated communications platform enables employees to access relevant and timely information from any device. The platform's automated workflows have eliminated many routine processes and improved productivity, while data analytics help identify trends and improve service levels. Meanwhile, the controls and centralized project planning functions help with better governance of complex, multi-entity projects.

The easy availability and greater transparency of information fosters collaboration, strengthen decision-making, and boost employee engagement.

## Automation

Automation was completed in 2022 for all financial, project management, supply chain, human capital management, and commercial processes.

## Cloud technology

Taking advantage of cloud computing capabilities and the economies of scale of cloud technology has allowed the company to expand the size and scale of operations without incurring the huge capital costs typically associated with new or additional infrastructure. Migrating core applications to the cloud also provides greater flexibility and scalability which will be critical as the business expands in the coming years.

## Emerging technologies

Retail is exploring the use of robotics, artificial intelligence, and other emerging technologies to streamline operations, improve productivity, enhance capabilities, and retain competitiveness.

## Privacy and security

All network devices are protected with firewall security to monitor incoming and outgoing traffic and

block any unwanted or malicious activity. Besides protection from potential attacks, this also provides greater control over data security. Additionally, there are strict protocols to help prevent the spread of any virus or malware within the workplace, and ensure that everyone continues to work safely and responsibly.

## Disaster recovery

Advanced disaster recovery plans are in place to ensure full recovery and restoration in the event of data loss, systems failure, or any other unplanned events.

## Talent and culture

The company continues to invest time, effort, and resources into developing ICT talent within the organization, equipping them with skills and expertise to perform tasks reliably and efficiently. In parallel, a data-driven culture is being nurtured to improve decision-making while reducing costs and risks.

## Maintenance and updates

Significant investments are made on a periodic and regular basis in maintaining and updating the ICT infrastructure, to ensure all related systems run seamlessly, effectively, and reliably. These include the installation of new, state-of-the-art servers and replacing switches and cabling as required.

## Research and Development (R&amp;D)

Effective research and development is critical to informing the way projects are designed and developed. Given the multifaceted nature of the real estate industry, our approach draws on a range of disciplines, including finance, architecture, technology, and urban economics, to inform both the product we are building and the market in which it will operate, taking into account future expectations. By integrating insights from diverse fields, we strive to develop innovative solutions that drive sustainable corporate growth, grounded in effective research and development.



# Human Capital

## Organizational Culture

Retal’s corporate governance structure is anchored in clearly defined relationships between the company’s Board, Executive Management, shareholders, and all other stakeholders. These relationships are underpinned by principles of trust, transparency, reliability, and accountability, ensuring that all parties are aligned toward a common vision. These protocols also extend internally, fostering a culture of trust and transparency among Retal’s employees, enabling them to operate with a shared sense of purpose and direction.

Further, Retal has created a work environment that embodies its core values of cooperation, innovation, perfection, and professionalism. In doing so, Retal is able to uphold its vision of cultivating optimized, thriving environments for the end-user.

Retal is committed to fostering a diverse, equitable, and inclusive workplace that recognizes and values individuals from different backgrounds, experiences, and perspectives, leveraging the unique contributions of each to enhance the company’s overall performance. Retal strives to cultivate an engaging, stimulating, and rewarding work environment that fosters exceptional performance, providing employees with valuable opportunities for professional growth and development.

## Inclusion and diversity

By fostering a culture of inclusivity that values diverse talent, Retal has created an environment that fosters successful collaboration, enabling the company to compete effectively and stand apart in the marketplace.

At Retal, every employee is treated with equal respect, with all opinions and voices valued and heard. The company encourages open discussions across multiple forums, encouraging out-of-the-box thinking and recognizing exceptional contributions to the team’s success.

Notably, Retal recognizes and rewards high-performing individuals within competing teams, as well as individuals who demonstrate noteworthy professionalism and exceptional service to customers.

## Gender parity

Although Saudi women have long been involved in informal economic activities, their participation in the formal domestic workforce has increased significantly since the announcement of reforms in 2017 and the introduction of Saudi Vision 2030. This ambitious program aims to boost female participation in the workplace, with a target of achieving a 30% participation rate.

Retal upholds the cause by encouraging more women to join the national workforce and empowering them with personal and professional development.

At the end of 2022, the percentage of women employed at Retal was 40%, comparing favorably to Saudi Arabia’s female labor participation which, according to the Ministry of Human Resources and Social Development reached 37%.

## Saudization

Saudization is the nationalization scheme to increase employment levels of Saudi Nationals in the private sector, and Nitaqat is the Saudization policy implemented by the Ministry of Labor and Social Development, a theme that is also reinforced in Saudi Vision 2030.

Retal supports and upholds this national vision by factoring in all roles that can be occupied by Saudi nationals, while strategically considering expatriates who are required to ensure continuity and assist with the training and development of their Saudi colleagues. This careful planning sees progress every year, with growing numbers of Saudi employees.

At the end of 2022, Retal’s Saudization rate reached 75.17%.

## Learning and training

The company is deeply committed to fostering talent and enhancing the skillsets and capabilities of its workforce, providing ample opportunities for professional growth and development. Leveraging a combination of education and empowerment, these efforts have yielded remarkable results, reflected in heightened levels of creativity and productivity among employees.

Employees are offered training courses in different areas of specialization as well as generic soft skills. They are also empowered with additional responsibilities at various stages of their careers.

A total of 1,555 training hours were completed in 2022 in different subjects and sectors ranging from customer support to business communication.





### Digital training

With a focus on training and resource-building, the company is able to empower its employees to perform to the best of their ability, unlocking their full potential within the organization. As a result, they are better equipped to deliver exceptional value to customers, creating long-term opportunities for growth and success.

As an integral part of the company’s digital vision, employees are provided with cutting-edge tools and comprehensive training to master all available digital platforms, equipping them with the skills needed to stay ahead in today’s ever-evolving technological landscape. Comprehensive digital training is provided to employees at all levels, and more than 500 training hours are dedicated every year to digital skills.

### Wellness and wellbeing

The company prioritizes the satisfaction and well-being of its employees, rolling out a range of initiatives such as providing regular advice on fitness and nutrition, fostering a positive workplace culture, promoting friendly competitions, and organizing special events.

Fresh fruit and healthy beverages are provided in all offices, and recreational activities such as football and padel are organized on the premises. Recent events include organization-wide challenges for power walking, adopting a sugar-free diet, and healthy eating.

### Special programs

- **Third Tuesdays:**  
A monthly forum where employees meet with Executive Management to discuss ongoing projects and any urgent matters or issues and present their opinions and suggestions on how best to resolve them.
- **Thursday Activity:**  
Engaging and relaxing activities exclusively organized for employees at the end of every workweek, to set the tone for an enjoyable weekend.
- **Monthly Newsletter:**  
A periodical disseminated across the company, with internal and external updates, motivational messages, inspiring anecdotes, and clever culinary ideas.
- **Employee Events:**  
Interactive social gatherings to exchange experiences, strengthen relations and enhance associations between individuals, teams, and departments.
- **Special Discounts:** Negotiated rates and discounted prices at salons, restaurants, and retail outlets, that change on a weekly basis.



### Workforce statistics

35%

Percentage of female employees

65%

Percentage of male employees

32

Average age of employees

1555

Training hours in 2022





# Community Capital

## Retal Quality of Life

*The Retal Quality of Life program, established in 2018, seeks to cultivate an environment that will enrich the ecosystem and foster diverse lifestyle choices, spurring the participation of citizens, residents, and visitors alike.*

*The program operates in tandem with Saudi Vision 2030 to elevate Saudi Arabia’s status as a preferred destination for living and working, as well as a premier global tourist destination. In addition to stimulating economic growth and enriching community lifestyles, this will bolster international relations.*

## Human-Centered Design

Human-centered design is informed by the human desire for health and happiness and adheres to the principle that large-scale real estate developments must create a framework for enhanced quality of life.

Retal adheres to the principles of human-centered design, which entails ensuring fundamental amenities are situated within walking distance of residential areas and creating communal spaces that facilitate chance encounters and foster social interactions, with a view to promoting mutual support among neighbors. Additionally, these neighborhoods offer a diverse range of activities that serve to promote the health, safety, and overall well-being of residents.



Connection to Nature

Wherever possible, connections to nature are considered and interconnected. The ratio of green to grey space is maximized within appropriate parameters to ensure that outdoor areas are attractive, pedestrian-friendly, encourage physical activity, and are appropriately shaded and protected from the elements. In addition, appropriate leisure areas such as parks and playgrounds are designed at the masterplan level.



Planning and Zoning

All spaces are carefully integrated into the zoning and planning stages, to ensure that layouts are logically planned and comfortable, and increase efficiency and accessibility.

Leisure Areas and Amenities

The incorporation of leisure areas and amenity spaces into communities is a critical tactic in real estate development. Providing or facilitating a diverse range of user experiences directly increases the quality of life for individuals and also creates opportunities to support the local community.

Physical Activity

In villa communities, necessities are located within walking distance to encourage people to walk for pleasure or exercise. Likewise, in high-rise complexes, where residents rely solely on elevators, there are easily accessible options for physical activity such as exercise and recreational areas.

Safety and Community

All developments are designed to be considered as shared spaces where residents and their neighbors can jointly create a safe, inclusive, and supportive community.

Site Specificity

Wherever relevant, considerations are made to the local vernacular and design history of Saudi Arabian architecture, which are reimagined in contemporary ways. Going beyond the consideration of local design codes, a deeper understanding of history is represented through design considerations and true experiences of space in place and time.

Research and analyses of the social, historical, climatic, geographic, legal, and infrastructure aspects of sites is a critical part of the process of creating successful developments which are in sync with their location and adapt naturally to the environment.





Corporate Social Responsibility (CSR)

Retal is committed to social responsibility as part of its corporate strategy, and as charted in the United Nations’ Sustainable Development Goals (SDGs), Saudi Vision 2030, and the national Quality of Life Program, which aims to create an environment to develop and support new lifestyle options.

Assorted initiatives, programs, and events under the purview of social stewardship, range from volunteering and charitable support to community engagement and greater environmental consciousness. All these aim to support the intellectual, creative, economic, and social development of individuals, families, and communities in Saudi Arabia.

- Bringing the highest levels of urbanization to the real estate industry.
- Creating or supporting initiatives that help improve the quality of life while safeguarding the environment.
- Working to accomplish goals and deliver positive results that meet international environmental standards and recording them in annual reports and social responsibility reports.

- Supporting the national economy by using locally sourced materials and committing to purchase as much as possible from local suppliers, especially small and medium businesses.
- Strengthening the digital infrastructure of the company to generate and provide real-time reports that benefit all stakeholders.
- Developing housing solutions for low-income groups and assisting concerned authorities to present suitable housing that meets their needs and elevates their lives.
- Presenting and promoting social responsibility advisory services to customers and clients.
- Assisting in the creation of jobs in adjoining neighborhoods and engaging local residents with on-the-job training and other programs.

Community Relations

The company operates with a belief that community participation is integral to promoting sustainable urban growth. Therefore, it actively engages with the local community in all its projects, reflecting its commitment to serving society.

Retal is committed to making a positive impact on the communities where it operates. The company provides valuable assistance and services through various community programs, volunteering initiatives, and donations to charitable causes. In 2022, the company continued and initiated community initiatives with a strong focus on empowering local residents with resources and skills to improve their livelihoods.

CSR Highlights of 2022

- Financial support of SAR 1 Mn and a key role in establishing The Committee for The Development of Khobar, in association with Al Khobar Municipality, to enhance the quality of life in the city.
  - Rebranding and redesigning of navigational signs at the Corniche areas of Al Khobar Al Shamalia.
  - Community partnership at Tanween with Ithra, King Abdulaziz Cultural Center, as part of the Khobar Art initiative.
- Financial and in-kind support amounting to SAR 1 Mn to Sakani, the Ministry of Housing and the Real Estate Development Fund’s program, to increase the proportion of Saudi households that own a home to 70% by 2030, by assigning plots and homes and providing financing to citizens.
- Financial support of SAR 1 Mn and partnership with the Restoration Association, with due recognition as a House of Expertise.
- Launch of International Day of Charity at Maternity and Children Hospital.
- Community contributions to the Ethar Association and sponsorship of their employee salaries, through the Construction and Development Company.
- Financial and material contributions to specialized charities across the country, and community initiatives such as restoring damaged homes and feeding the poor during the holy month of Ramadan.



## Community lifestyle

As one of the Kingdom's most prominent integrated real estate developers, Retal boasts a portfolio of properties that are truly national treasures. We envision a future in which urban spaces are transformed into sustainable, healthy, and vibrant ecosystems, creating a better quality of life for all.

We build captivating communities infused with luxury and style, which are designed to cater to the diverse and evolving lifestyles of our clientele. Complemented by desirable residences, elegant landscaping, and a warm and welcoming atmosphere, our communities provide an environment in which individuals and families can thrive for generations.

We cultivate communities that are bound by a shared sense of purpose, forging strong connections between residents and their surroundings. Our goal is to create a sustainable legacy that serves as a testament to our dedication to the elevating the quality of life for all Saudi Arabians.



## ESG framework

The energy crisis in parts of the world, and rising economic headwinds all make for challenging times that will test the commitment of the real estate industry to decarbonization. However, compared to previous economic slowdowns, we are now in a world with much more disclosure, greater risk and urgency around climate change. We are seeing that progressive investors are doubling down on net zero carbon (NZC) interventions in the knowledge that it is impacting positively on value. The current severe supply-demand imbalance of NZC buildings will benefit early adopters of low carbon new builds and retrofits by boosting rent, reducing financial risk and making it easier to attract and retain tenants.

Environment (E)

Social (S)

Governance (G)

Our commitment  
Our impact

Protect our environmental assets  
by achieving continuous positive  
impacts that are in line with  
international standards for preserving  
the environment

Promote specialized community programs for achieving sustainable urban growth to transfer out national experience to the world

Form a governance scheme with the highest standards of transparency to achieve sustainable practices

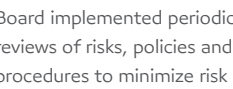
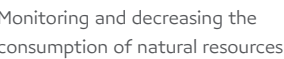
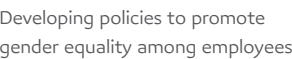
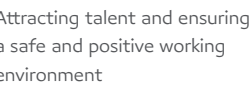
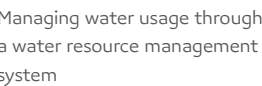
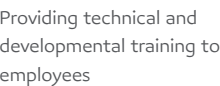
## Our Impact

- Invest in green buildings that use sustainable materials and energy-efficient systems and promote indoor air quality
- Encourage sustainability practices among out external and internal stakeholders through promoting various initiatives to protect the environment
- Ensure the materials and waste in our operations are managed sustainably
- Improve energy performance to achieve decarbonization
- Manage and reduce the water intake for Retail business
- Assist housing associations and charities by providing specialized programs through various channels
- Invest in the developmental projects that impact the community for the long term
- Work to secure a safe and motivating environment for employees
- Encourage all employees to engage in sustainability programs and initiatives
- Encourage all employees to engage in activities to contribute to the local community
- Ensure the inclusion of and equality among all employees
- Support the provision of job opportunities for community members through educational programs
- Engage with stakeholders to understand their sustainability concerns and incorporate their feedback into our sustainability strategy
- Report out sustainability performance, including environmental impact, social responsibility, and governance practices, to maintain our commitment to sustainability and transparency
- Adopt ethical and transparent practices in operations, such as promoting diversity and inclusion and ensuring human rights
- Ensure management and mitigation of risks in our operations through our policies and procedures

## Our inputs and Activities

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>Enhance our energy performance by using renewable energy resources</li> <li>Reduce our water consumption through implementing water-saving technologies in buildings</li> <li>Implement a system to track and manage GHG emissions</li> <li>Enhance our waste management practices to reduce waste sent to landfills</li> </ul> | <ul style="list-style-type: none"> <li>Develop training programs to educate our employees about technical and social topics</li> <li>Implement local community engagement initiatives and closely monitor our impact</li> <li>Promote diversity and inclusion throughout all our departments and subsidiaries</li> </ul> | <ul style="list-style-type: none"> <li>Strengthen our sustainability monitoring and reporting system to ensure compliance with global reporting standards</li> <li>Strengthen stakeholder engagement to ensure involvement in our sustainability efforts</li> </ul> |
|--|--|---|

## Alignment to the United Nations Sustainability Development Goals (UN SDGs)



## Principal commitments

The company's ESG policy is dedicated to the creation of a more sustainable real estate industry that accommodates the best interests of customers, communities, neighborhoods, and the environment. These goals are being achieved through a multi-pronged approach.

## People focus

- All operations prioritize the safety, health, and well-being of employees, suppliers, visitors, and residents.
- Training for employees has been established as a fundamental and recurrent component of corporate culture.
- The company is dedicated to the principles of the United Nations Global Compact (UNGC) and has begun tracking progress in critical areas such as human rights, labor, the environment, and anti-corruption initiatives.

## Carbon neutrality

- The company has adopted the principles of carbon neutrality with the goal of achieving this by 2030 and is urging others to follow suit and establish this as the industry standard.

## Conservation

- All buildings are currently fitted out with the most efficient and effective water-saving equipment and appliances to decrease consumption.
- Several measures are in place to reduce operational and construction waste to achieve the company's zero-waste target by 2030.

Good governance

- Consumables and materials are procured from local vendors and enterprises wherever possible.
- Protocols and processes are in place for tendering and selecting vendors that maintain high standards across all aspects of operations.
- Progress is monitored in critical areas such as human rights, labor, and anti-corruption initiatives.





*Risk  
Management*



# Risk Management

The Retal Urban Development Company’s Board of Directors places paramount importance on risk management, as evidenced by their ongoing commitment to assess and oversee the Company’s risk appetite. This dedication ensures the Company’s business continuity and supports the realization of its strategic objectives and aspirations, while adhering to regulatory requirements and implementing cutting-edge systems and methodologies that minimize risks across all operations.

The Company’s management diligently develops and updates its policies and procedures to remain agile in the face of emerging and evolving risks within the

internal and external business environment. Through the development of comprehensive procedures, the Company effectively manages and mitigates risks to ensure they are form an integral component of the decision-making process. The Company employs sophisticated automation systems within its core operations, enabling regular review and monitoring of operational and financial risks, as well as compliance. These measures allow for the development of plans that align with the Company’s governance framework and delegation of authorities approved by the Board of Directors.

Below, we present a detailed overview of the most significant risks associated with the operational activities of the organisation.

## Company’s Business Activities

The company’s development projects are at risk of potential delays stemming from governmental approval and permit processes, distribution of development lands, and other necessary licenses and approvals. Additionally, the scarcity of skilled labor and disruption to supply chains could impede implementation plans, leading to delays and increased costs beyond initial estimates. In preparation for these challenges, the company takes proactive measures by conducting thorough project studies and estimating necessary costs. Furthermore, the company leverages its subsidiaries to develop solutions to ensure the timely completion of projects within the planned budget.

## Risks of Regulations and Laws

The governance of the Company’s business is contingent to the compliance with regulatory, legislative frameworks, as well as mutual contractual obligations with diversified entities, which are subject to varying laws and regulations. Changes resulting from legislative, economic, technical, or environmental factors have potential impact on the Company’s operations. As a responsible corporate entity, Retal continuously endeavors to update its internal policies and regulations to align with any changes in legal or regulatory frameworks, and to adhere to the highest standards of governance.

## Risks of The Competitive Environment

The real estate and urban development markets are highly competitive, and as such, Retal strives to stand out as a leading entity in terms of project design and suitability for local market demands. This entails a focus on quality, pricing, and timely delivery to contracting customers, as well as providing exceptional customer service and after-sales support to drive a unique and memorable customer experience. By prioritizing these facets, Retal is able to bolster its reputation and maintain a strong foothold in the market, standing out among its competitors.

## Risks of Changes in Real Estate Market

The real estate sector is susceptible to a plethora of transformations and oscillations, which possess the potential to influence the dynamics of its supply and demand, including but not confined to economic or geopolitical, regional, and international conditions. Such transformations might trigger a deceleration or reduction in the selling or renting of established properties. To mitigate these risks, the company assiduously monitors these conditions and broadens its investment portfolio. It endeavors to tailor development projects to their respective objectives and target audiences to augment its market share.

## Financial Risks

The Group’s operations are susceptible to a range of financial hazards, including but not limited to risks associated with credit, liquidity, market prices, currency exchange rates, and fluctuations in interest rates.

## Credit Risks:

The perils associated with credit entail the likelihood that one of the parties involved in a financial instrument may default on their obligations, resulting in a financial loss incurred by the other. To mitigate these hazards, the Group endeavors to curtail credit risks regarding receivables. It does so by imposing credit limits for Retal customers and persistently monitoring their outstanding balances.

## Liquidity Risks:

Liquidity risk arises when an entity faces obstacles in raising funds to satisfy its obligations linked to financial instruments. Such risks can emanate from the incapacity to expeditiously liquidate financial assets at a value proximate to its fair market value. To manage these precarious situations, the Group vigilantly supervises and evaluates the liquidity risks on a regular basis. It ensures the adequacy of available funds and banking facilities to meet future commitments of the Group.

## Market Price Risk

The capricious nature of market prices can trigger fluctuations in the value of financial instruments, influenced by changes in foreign exchange rates and interest rates, thereby potentially impeding the Group’s profitability or eroding the value of its financial assets. The Group’s overarching objective is to manage and regulate its market risk exposure within acceptable limits, while simultaneously optimizing returns.

## Currency Risk

The volatility associated with currency fluctuations can cause variations in the value of financial instruments, particularly due to alterations in foreign exchange rates. Currency risks arise when the commercial transactions, recognized assets, and liabilities are designated in a currency different from that of the functional group. The Group’s exposure to foreign currency risks is primarily confined to transactions executed in US dollars. Nonetheless, the Group’s management avers that its exposure to currency risks associated with the US dollar is restricted because the Saudi riyal is pegged to the US dollar. The Group keeps a close watch on the fluctuations in exchange rates with respect to other currencies.

## Interest Rate Risk

The Group’s susceptibility to interest rate risks pertains to the impact of oscillations in prevalent interest rates on its financial position and cash flows. The Group’s exposure to interest rate risks is predominantly rooted in its short- and medium-term borrowings and lease commitments. The Group’s debts are typically subject to variable rates of interest.

## Information Technology and Cyber Security Risks

Retal primarily relies on information technology and its associated systems, which are seamlessly integrated across various departments and functions to enable and execute daily operations. Accordingly, the company has developed automated internal control systems in consonance with the most stringent standards of control and supervision, aimed at safeguarding data and securing its accuracy and integrity, to furnish the official financial report of the company, and to ensure the data’s availability for any intended purpose and at any juncture.

Retal has implemented a business continuity policy and a disaster recovery plan, leveraging digital transformation and ensuring continuous updates in alignment with pertinent business developments and risks. To this end, the company has harnessed certified cloud servers, persistently linked to the network, and primed to restore data promptly, thereby limiting exposure to the risk of information loss or impairment, which could potentially otherwise disrupt the company’s seamless workflow.





# *Corporate Governance*



# Corporate Governance

## Governance Policies

The company is fully committed to the rules of good governance, and the Board of Directors has developed a system and policies that comply with the provisions of the Capital Market Authority (CMA). These include rules, regulations and standards governing the management of the company, the protection of the rights of shareholders, and the interests of customers, suppliers, employees, and all other parties dealing with the company. Accordingly, the company has also received approval of these policies from the Board of Directors and from the General Assembly.

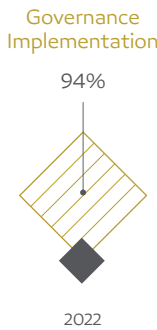
### Exceptions

The company applies and implements all provisions contained in the corporate governance regulations issued by the Capital Market Authority (CMA), with some exceptions:

#	Article number	Paragraph number	Article text/paragraph	Reasons for non-application
1	67	All	Composition of the Risk Management Committee	Guiding Article
2	68	All	Competencies of the Risk Management Committee	Guiding Article
3	69	All	Meetings of the Risk Management Committee	Guiding Article
4	82	All	Employee Incentives	Guiding Article
5	84	All	Social Responsibility	Guiding Article
6	85	All	Social Initiatives	Guiding Article
7	92	All	Formation of a Corporate Governance Committee	Guiding Article

### Implementation

The Board of Directors is responsible for following up on all applications of governance laws to guarantee the rights of employees, shareholders, investors and other stakeholders; to verify integrity and accuracy; to ensure adherence to best practices, and to ensure adoption of the best laws for control and compliance.



### Disclosures and announcements

The company makes regular announcements and disclosures through notices on the Saudi Stock Exchange (Tadawul) website about specific events, material developments and financial statements, in accordance with provisions regulating disclosure and transparency, and also, to make them easily available to shareholders, investors and other concerned parties.

During the fiscal year ending on December 31, 2022, a total of 16 announcements were listed on Tadawul, as dated and detailed below.

1	June 28	Retal Urban Development Company announces interim financial results for the period ending on 2022-03-31 (three months)
2	June 29	Retal Urban Development Company announces the purchase of 372 plots of residential land within the master plan of the Sidra residential district in Riyadh, at a value of 339,498,360 Saudi riyals, excluding real estate disposal tax.
3	August 9	Retal Urban Development Company announces the recommendation of its Board of Directors to distribute cash dividends to shareholders for the first half of the year 2022 AD
4	August 9	Retal Urban Development Company announces its interim financial results for the period ending on 2022-06-30 (six months)
5	September 8	Retal Urban Development Company invites its shareholders to attend the Extraordinary General Assembly Meeting (First Meeting) by means of modern technology.
6	September 12	Addendum announcement from Retal Urban Development Company regarding inviting its shareholders to attend the Extraordinary General Assembly Meeting (First Meeting)
7	September 20	Retal Urban Development Company announces the signing of a sub-development agreement with the National Housing Company to develop 759 housing units
8	September 26	Retal Urban Development Company announces the sale of its share in a land in Al-Azizia neighborhood in Al Khobar city for an amount of 67,437,975 Saudi riyals
9	September 29	Retal Urban Development Company announces the sale of its share in a land in Al-Azizia neighborhood in Al Khobar city for an amount of 112,500,000 Saudi riyals
10	October 2	Retal Urban Development Company announces the results of the Extraordinary General Assembly Meeting (First Meeting)
11	October 6	Retal Urban Development Company announces that one of its associate companies has signed a facility agreement (Tawarruq) with the Tourism Development Fund
12	October 11	Retal Urban Development Company announces the signing of a sub-development agreement with the National Housing Company to develop 550 housing units
13	October 26	Retal Urban Development Company announces its interim financial results for the period ending on 2022-09-30 (nine months)
14	October 30	Retal Urban Development Company announces the fundamental developments of the sub-development agreement with the National Housing Company
15	December 8	Retal Urban Development Company announces the signing of a contract with Alpha Investment Company
16	December 15	Retal Urban Development Company announces the signing of two agreements with Roshan Real Estate Company



Shareholders and Investors

Investor Relations

Retal’s governance policy ensures and safeguards the rights of shareholders and investors, promotes effective communication and dialogue with them, and complies with rules and regulations defined by relevant authorities.

Activities

Several initiatives were launched in 2022, to build and develop investor relations. The company contracted the management of a dedicated investor relations section on its corporate website, which also includes online applications. The landing page of investor relations on the Retal website is now managed by Argaam, the Arab world’s leading financial news portal that provides real-time updates on financial markets and macroeconomics in Saudi Arabia.

The results of the third quarter (the first quarter that followed listing in June 2022) were communicated to financial analysts and key investors in a series of telephone calls. Shareholders were also updated about performance and progress through print and electronic media interviews featuring Retal’s Chief Executive and Chief Financial Officers.

Plans

The investor relations plan for 2023 is based on opening up more lines of information and communication sharing between the company and its investors and shareholders. The introduction of new channels and forums is also designed to increase the frequency of disclosures and the rates of transparency and accountability.

- Meetings with key investors after quarterly financial results
- C-Suite media interviews on business and financial programs
- Regular meetings between senior management and financial analysts
- Attendance and participation at international investment conferences and events
- Investor visits to ongoing project sites

Shareholder Books as of Decmber 31, 2022

Category	Number	Percentage	Shares
Institutions	95	80.1%	32,032,572
Individuals	29,884	19.9%	7,967,428
Total	29,979	100%	40,000,000

Shareholders Books Requests

Date of application	Type and reason of request
June 23, 2022	Other Corporate procedures
June 27, 2022	Corporate procedures
June 28, 2022	Corporate procedures
June 29, 2022	Corporate procedures
June 30, 2022	Corporate procedures
April 7, 2022	Corporate procedures
April 7, 2022	Corporate procedures
May 7, 2022	Corporate procedures
June 7, 2022	Corporate procedures
July 17, 2022	Corporate procedures
July 17, 2022	Corporate procedures
July 21, 2022	Corporate procedures
February 8, 2022	Corporate procedures
September 15, 2022	General Assembly
October 26, 2022	Corporate procedures
November 30, 2022	Corporate procedures
December 21, 2022	Corporate procedures

General Assemblies

A total of four General Assembly meetings were held during the fiscal year ended on December 31, 2022 with attendance by Board Members as dated and detailed below.

	Ordinary General Assembly	Extraordinary General Assembly	Ordinary General Assembly	Extraordinary General Assembly
Board Member	24 January	7 March	26 April	29 September
Abdullah Abdullatif Al Fozan	✓	✓	✓	✓
Ali Abdullatif Al-Fozan	✓	✓	✓	✓
Majed Aedh Al-Nefie	✓	✓	✓	✓
Hani Othman Ba Othman	✓	✓	✓	✓
Abdul Rahman Abdullah Al-Wabel	✓	✓	✓	✓
Fozan Mohammed Al-Fozan	✓	✓	✓	✓
Fahd Abdulrahman Al-Mojel	✓	✓	✓	✓
Abdulrahman Ibrahim Al-Jalal	✓	✓	✓	✓
Abdullah Faisal Al-Braikan	✓	✓	✓	✓



## Dividends

### Dividends Policy

Retal’s policy and procedures related to announcing profits, distributing them, and determining the timeframe for their payment are defined by the company’s Dividend Policy as described below.

### Statutory Reserve

The statutory reserve is formed by setting aside 10% of the net profits of the company, and this reserve will be used to cover the company’s losses, or to increase its capital. The Ordinary General Assembly may stop setting aside this percentage of the profits, when the statutory reserve reaches 30% of paid-up capital.

### Agreement Reserve

The Ordinary General Assembly, based on a proposal by the Board of Directors, may set aside a percentage not exceeding 10% of net profits to form an agreement reserve. Based on recommendations from the Board, it may decide to disburse it for the benefit of the company, or of shareholders.

The Ordinary General Assembly may also use the retained earnings to pay the remaining amount of the share value or part thereof, provided this does not prejudice the rights of shareholders.

### Distribution and Payment of Profits

In general, the company distributes dividends to shareholders in proportion to the company’s income, financial position, cash flows, market conditions and the general economic climate, and also in proportion to its expansion and investment plans, and cash needs. This is based on a proposal from the Board of Directors and approval from the Ordinary General Assembly, as per the following:

- Set aside 10% of net profits to form a statutory reserve, until this reserve reaches 30% of paid-up capital
- Set aside a percentage not exceeding 10% of net profits to form an agreement reserve and allocate it for a specific purpose or purposes
- Distribute the remainder amount to shareholders of not less than 5% of paid-up capital
- Distribute profits on an annual, semi-annual, or quarterly basis
- Pay a lump sum to Board Members as an annual bonus, in a manner that does not violate the Companies Law

### Dividends Data

Dividend data for the fiscal year through December 31, 2022.

Dividend earnings per share	Distribution method	Announcement date	Due date	Distribution date
SAR 2 (for the first half of 2022)	Account transfer	August 9, 2022	September 29, 2022	December 10, 2022
SAR 3 (for the second half of 2022)	Account transfer	March 1, 2023	Not decided yet	Not decided yet

### Right to Vote

There is no interest in the category of shares with the right to vote belonging to persons other than members of the Board of Directors, Senior Executives and their relatives. They informed the Company of those or any change in those rights during the last fiscal year, pursuant to Article 85 of the Rules on the Offer of Securities and Continuing Obligations.

### Debt Instruments, Contractual Securities, Subscription Rights and Compensation

There are no transferable debt instruments, contractual securities, subscription rights notes or similar rights issued or granted by the company during the fiscal year 2022G, and there is no compensation obtained by the company.

Pursuant to Commercial Registration No. 2051047761 dated 03/12/1433H AH (corresponding to 02/04/2012G), and Ministerial Resolution No. 4247 dated 14/08/1441H (corresponding to 04/07/2020G). Subtraction of twelve million (12,000,000) Ordinary shares, representing thirty percent (30%) of the capital of Retal Urban Development Company, through public subscription at a price of one hundred and twenty (120) Saudi riyals per share.

Offering period: Two days starting from Sunday 06/11/1443 AH (corresponding to 05/06/2022 AD) to Monday 07/11/1443H (corresponding to 06/06/2022G).

The prospectus was issued on 08/13/1443H (corresponding to 03/16/2022G).

The company was also listed on the Saudi financial market, Tadawul, on 6/27/2022G.

### Redeemable Debts and Securities Outstanding

There is no redemption, purchase or cancellation by the Company of any redeemable debt instruments and the value of the remaining securities, with a distinction between the listed securities purchased by the Company and those purchased by its subsidiaries.

### Waiver of Remuneration

There are no arrangements or agreements under which a member of the Board or a Senior Executive waived any remuneration.

### Waiver of Dividends

There are no arrangements or agreements under which a shareholder of the company waived any rights to dividends during the fiscal year ended on December 31, 2022.



*Board of Directors*

## Composition and tenure

Name	Position	Joining date	Last date
Abdullah Abdullatif Al Fozan	Chairman (Non-executive)	July 19, 2020	May 25, 2025
Ali Abdullatif Al-Fozan	Vice Chairman (Non-executive)	July 19, 2020	May 25, 2025
Majed Aedh Al-Nefie	Board Member (Independ-ent)	November 28, 2020	May 25, 2025
Hani Othman Ba Othman	Board Member (Independ-ent)	August 1, 2021	May 25, 2025
Abdul Rahman Abdullah Al-Wabel	Board Member (Independ-ent)	August 1, 2021	May 25, 2025
Fozan Mohammed Al-Fozan	Board Member (Non-executive)	July 19, 2020	May 25, 2025
Fahd Abdulrahman Al-Mojel	Board Member (Non-executive)	July 19, 2020	May 25, 2025
Abdullah Faisal Al-Braikan	Board Member (Executive)	July 19, 2020	May 25, 2025
Abdulrahman Ibrahim Al-Jalal	Board Member (Non-executive)	July 19, 2020	May 25, 2025
Hussam AlKaf	Board & Committees Secretary	September 6, 2020	May 25, 2025



Mr. Abdullah Abdullatif Al Fozan

*Chairman of the Board of Directors (Non-executive)*

*Chairman of Executive Committee*

Mr. Abdullah has more than 30 years of experience in the fields of economics and business administration. He has a bachelor's degree in accounting from King Saud University.

## Current Interests and Commitments

- |   |  |   |  |
|---|--|---|--|
| - | Retal Urban Development Company                    | - | Retal Urban Development Company                    |
| - | Khobar Lakes Real Estate Development Company       | - | Khobar Lakes Real Estate Development Company       |
| - | Shumoul Commercial Complex Company                 | - | Shumoul Commercial Complex Company                 |
| - | Ezdan Al Sharq Trading Company Limited             | - | Ezdan Al Sharq Trading Company Limited             |
| - | Atheel Arabia Services Company                     | - | Atheel Arabia Services Company                     |
| - | Arabian View Trading Company Limited               | - | Arabian View Trading Company Limited               |
| - | Safinat Arabia Contracting Company                 | - | Safinat Arabia Contracting Company                 |
| - | Abdul Latif Al Fozan Award for Mosque Architecture | - | Abdul Latif Al Fozan Award for Mosque Architecture |
| - | Autism Educational Endowment Services Company      | - | Autism Educational Endowment Services Company      |
| - | Gulf Elixir Contracting Company                    | - | Gulf Elixir Contracting Company                    |
| - | Al Fozan Investment Company Limited                | - | Al Fozan Investment Company Limited                |
| - | Atlaah Investment Holding Company                  | - | Atlaah Investment Holding Company                  |
| - | Masarat Investment Company                         | - | Masarat Investment Company                         |
| - | Sumou Arabia Trading Company Limited               | - | Sumou Arabia Trading Company Limited               |
| - | Bawan Company                                      | - | Bawan Company                                      |
| - | Al Fozan Holding Company                           | - | Al Fozan Holding Company                           |
| - | Dhahran Exhibitions Company                        | - | Dhahran Exhibitions Company                        |
| - | Abdul Latif and Mohammed Al-Fozan Holding Company  | - | Abdul Latif and Mohammed Al-Fozan Holding Company  |
| - | Maali Holding Company                              | - | Maali Holding Company                              |





Mr. Ali Abdullatif Al-Fozan  
*Vice Chairman of the Board  
(Non-executive)*

Mr. Ali holds a diploma in financial studies from the Institute of Public Administration. He has more than 30 years of experience in finance and business administration.

Current Interests and Commitments

- Retal Urban Development Company
- Al Fozan for Development
- Madar Electricity Materials Company Limited
- Madar Company for Hardware and Tools LTD.
- Madar Building Materials Company Limited
- Gulf Leadership Company Limited
- Procurement and Projects Company
- Atlaah Investment Holding Company
- Abdul Latif and Mohammed Al Fozan Holding
- Al Fozan Holding Company
- Maali Holding Company
- Ajwad Holding Company
- Maali Holding Company
- Zawaya Holding Company
- Maali Al Khaleej Trading Company



Mr. Majed Aedh Al-Nefie  
*Board Member  
(Independent)*

Mr. Majed has more than 20 years of experience in travel and tourism. He has a Bachelor of Accounting from Umm Al-Qura University.

Current Interests and Commitments

- Retal Urban Development Company
- Mothmera Company for Real Estate Development and Investment
- Discover Saudi Company
- Riyadh Front Company
- Mawasem Company for Umrah Services
- Sheraton Makkah Company
- Mawasim Investment Group
- Seera Holding Group
- Seera Holidays Company
- Seera Hospitality Company
- Seera Hotel Company
- Almosafer Company
- Lumi Rental Company



Mr. Hani Othman Ba Othman  
*Board Member (Independent)  
Chairman of Nominations and Remunerations Committee*

Mr. Hani has more than 20 years of experience in investments. He has a Bachelor of Mechanical Engineering from the University of Reading, and a master’s in business administration from the University of London.

Current Interests and Commitments

- Retal Urban Development Company
- Sidra Capital Company
- Inox Financial (Switzerland)
- Emaar Economic City



Mr. Abdul Rahman Abdullah Al-Wabel  
*Board Member (Independent)  
Chairman of Audit Committee*

He holds a bachelor’s degree in law from King Saud University. Mr. Abdul Rahman has more than 30 years of experience in law, finance, and administration.

Current Interests and Commitments

- Retal Urban Development Company
- Dhahran International Exhibitions Company



Mr. Fozan Mohammed Al-Fozan  
*Board Member (Non-executive)*

He holds a bachelor’s degree in administrative sciences from King Saud University. Mr. Fozan has more than 25 years of experience in the field of business administration.

Current Interests and Commitments

- Retal Urban Development Company
- Bawan Company
- United Financial Services Company
- Saudi Bloom Investment Company
- Al Mada Holding Company
- Amjal Real Estate Development Company
- Al Fozan Holding Company
- Abdul Latif and Mohammed Al Fozan Company
- United Electronics Company
- Al-Yamamah Steel Industries Company Limited
- Madar Building Materials Company





Mr. Fahd bin Abdulrahman  
Al-Mojil

*Board Member (Non-executive)*  
*Member of Nominations and*  
*Remunerations Committee*

Mr. Fahd has more than 30 years of experience in the fields of real estate development, investments and business management. He has a bachelor's in industrial management from King Fahd University of Petroleum and Minerals, certification in Financial Analysis and Risk Management from Saudi Monetary Agency, and certification in Islamic Banking from Bahrain Institute for Banking and Financial Studies.

## Current Interests and Commitments

- Retail Urban Development Company
- Bloom Investment Company
- Saudi Real Estate Company
- Saudi Tharwa Company
- Al Khumasia Company for Feed and Animal Production
- RUA Al Madinah Holding
- Amlak National Company
- Al Wedyan Real Estate Company



Eng. Abdullah Faisal  
Abdulaziz AlBraikan

Board Member (Executive)  
Member of Executive Committee

Mr. Abdullah has more than 15 years of experience in real estate development and business management. He holds a bachelor's degree in architectural engineering from King Faisal University.

## Current Interests and Commitments

- Retail Urban Development Company
- Tadbeir Company Limited
- Wasam Valuation
- Tadbeir Real Estate Company
- Nesaj Urban Development Company
- Building Construction Company Limited
- Nesaj Residential Compound Real Estate Co.
- East View Real Estate Company
- New Downtown Jeddah Company
- The Saudi Charitable Association for Promoting Organ Donations (Ethar)
- ARAC Engineering Consultancy
- Mimar Emirates and ARAC Engineering Consultants
- Remal AlKhobar Real Estate Company
- Al Fozan Community Service Initiatives
- Development Housing Committee



Mr. Abdul Rahman bin  
Ibrahim Al-Jalal

*Board Member (Non-executive)*  
*Member of Nominations and*  
*Remunerations Committee*  
*Member of Audit Committee*  
*Member of Executive Committee*

Mr. Abdul Rahman has more than 15 years of experience in the financial sector and business administration. He holds a Bachelor's degree in Accounting from King Saud University in 1996G and a Master's degree in Business Administration from the University of Bahrain College in 2016G.

## Current Interests and Commitments

- Retal Urban Development Company
- Nesaj Residential Compound Real Estate Company
- Tadbeir LLC



Mr. Hussam AlKaf

Board and Committees Secretary

Bachelor of Marketing and Production Management from the University of Science and Technology in Yemen in 2010.  
A compliance professional certificate approved by the International Compliance and Anti-Money Laundering Institute (UK), in 2018.  
13 years of experience in the secretariat of boards of directors



## Board Procedures Regarding Shareholders

Retal's Articles of Association guarantees the equity rights of all shareholders and ensures that shareholders attending the General Assembly can participate in deliberations and discussions. The Company also stipulates that Board Members must attend General Assembly meetings to hear and to discuss shareholders' suggestions and observations and to communicate with the Company's shareholders.

The Board of Directors is keen on attending all General Assembly meetings, and the majority of Board Members listen in person to the questions and inquiries posed by shareholders.

## Board Methods to Assess Performance

The Board of Directors, based on the recommendations of the Nominations and Remunerations Committee, has defined criteria and procedures and established necessary mechanisms to evaluate its own performance, and the performance of Board Committees, to gauge efficiency and ensure continuous development.

This evaluation includes the tasks and responsibilities of Board and Board Committee Members, identifying strengths and weaknesses, and suggesting actions to be taken in line with the Company's interests. The results of the evaluation are analyzed by the Governance Department under the supervision of the Nominations and Remunerations Committee and also submitted to the Board of Directors for action.

## Board Meetings

Four Board meetings were convened during the fiscal year ended on December 31, 2022 with attendance by Board Members as dated and detailed below.

Board Member	1 June	31 July	3 October	15 December
Abdullah Abdullatif Al Fozan	✓	✓	✓	✓
Ali Abdullatif Al-Fozan	✓	✓	✓	✓
Majed Aedh Al-Nefie	✓	✓	✓	✓
Hani Othman Ba Othman	✓	✓	–	✓
Abdul Rahman Abdullah Al-Wabel	✓	✓	✓	✓
Fozan Mohammed Al-Fozan	✓	✓	✓	✓
Fahd Abdulrahman Al-Mojel	✓	✓	✓	✓
Abdullah Faisal Al-Braikan	✓	✓	✓	✓
Abdulrahman Ibrahim Al-Jalal	✓	✓	✓	✓

## Board Members' Interests

Description of interests, contractually based securities, and subscription rights of Board Members and their relatives in the shares or debt instruments of the issuer or any of its subsidiaries, together with any change to these interests or rights during the last fiscal year.

Interested party	Shares at start of year	Ownership percentage at start of year (%)	Shares at end of year	Ownership percentage at end of year (%)	Net change	Percentage of change (%)
Al Fozan Holding	37,500,00	93.75	26,250,000	65.625	11,250,000	30
Mr. Abdullah Faisal Al-Braikan	2,000,000	5	1,400,000	3.5	600,000	30
Saham Holding Company	125,000	0.313	87,500	0.219	37,500	30
Athman Holding Company	125,000	0.313	87,500	0.219	37,500	30
Gheras Holding Company	125,000	0.313	87,500	0.219	37,500	30
Maali Al Khaleej Trading Company	125,000	0.313	87,500	0.219	37,500	30
Noura Ali Abdul Latif Al- Fozan	0	0	1673	0.004	0	0



## Board Committees

## Composition and tenure

Committee	Name	Position	Joining date	Last date
Audit Committee	Abdul Rahman Abdullah Al-Wabel	Chairman (Independent)	August 1, 2021	May 25, 2025
	Abdulrahman Ibrahim Al-Jalal	Member (Non-executive)	May 31, 2021	May 25, 2025
	Jassim Shaheen Al-Rumaihi	Member (Independent)	May 31, 2021	May 25, 2025
	Mohammad Irfan	Member (Non-executive)	July 19, 2020	May 25, 2025
Nominations and Remunerations Committee	Hani Othman Ba Othman	Chairman (Independent)	August 29, 2021	May 25, 2025
	Fahd Abdulrahman Al-Mojel	Member (Non-executive)	December 3, 2020	May 25, 2025
	Abdulrahman Ibrahim Al-Jalal	Member (Non-executive)	December 3, 2020	May 25, 2025
	Mohammad Abdulaziz Al-Aqeel	Member (Non-executive, from outside the Board)	December 3, 2020	May 25, 2025
Executive Committee	Abdullah Abdullatif Al Fozan	Chairman (Non-executive)	December 3, 2020	May 25, 2025
	Abdullah Faisal Al-Braikan	Member (Executive)	December 3, 2020	May 25, 2025
	Abdulrahman Ibrahim Al-Jalal	Member (Non-executive)	December 3, 2020	May 25, 2025
	Mohammad Abdulaziz Al-Aqeel	Member (Non-executive, from outside the Board)	August 15, 2021	May 25, 2025
	Abdul Latif Ali Al Fozan	Member (Non-executive, from outside the Board)	February 20, 2022	May 25, 2025

## Board Committee Members' Profiles

(Members from outside the Board)



Mr. Mohammad Abdulaziz  
Al-Aqeel

*Member (Non-executive)*

More than 27 years of diversified management experience including finance, investment, general and strategic management.



Mr. Mohammad Irfan

*Member of Audit Committee*

Mr. Mohammad has more than 20 years of work experience in auditing, accounting, and managing subsidiaries. He holds a master's degree in business administration from the University of Oxford.

Mr. Abdullatif Ali Abdullatif  
Al Fozan

*Member (Non-executive)*

Bachelor's degree in economics from the University of Toronto. More than 10 years of experience in investment management and corporate finance.

Dr. Jassim Shaheen Hamad  
Al-Rumaihi

*Member of Audit Committee*

He holds a bachelor's degree in accounting from King Saud University (Saudi Arabia), a master's degree in accounting from the University of Missouri Kansas City (US) and a doctorate in accounting from the University of Dundee (UK).

Dr. Jassim has more than 30 years of academic and scientific experience in accounting, leadership, corporate governance, organization building, and business excellence.



*Audit Committee*

Retal Urban Development Company was formed on July 19, and its regulations were approved by a decision issued by the Extraordinary General Assembly of Shareholders during the meeting held on August 1, 2021, as per which the term of membership in the Audit Committee is similar to the term of membership of the Board of Directors.

## Duties and responsibilities

## Financial Reports

- Examining the Company's initial and annual financial statements and reports and ensuring their integrity, fairness, and transparency before presenting them to the Board
- Expressing opinions and recommendations – and providing technical opinions when requested by the Board – whether these statements and reports are fair, balanced and understandable, and include information that is made available to shareholders and investors
- Evaluating the Company's financial position, performance, business model and strategy; studying any important or unusual issues contained in the reports; and carefully researching any issues raised by the auditor, compliance office, financial manager or whoever assumes his duties
- Verifying the accounting estimates of fundamental matters contained in the reports, studying the accounting policies followed by the Company and expressing opinions and recommendations to the Board in this regard

## Internal Audit

- Studying and reviewing internal and financial controls, and risk management systems in the Company
- Studying internal audit reports, and following up on the implementation of corrective measures in notes contained therein
- Controlling and supervising the performance and activities of the Internal Audit department, and verifying the availability of necessary resources and their effectiveness in performing the work and tasks entrusted to them
- Recommending the appointment of the Director of Internal Audit to the Board, and thereafter, proposing his remuneration, ensuring his independence and enabling effective work

## External Auditors

- Recommending to the Board the nomination and/or dismissal of auditors, and determining their fees
- Evaluating their performance after verifying their independence, objectivity and fairness, the scope of their work and the terms of contracting with them
- Reviewing the effectiveness of audit work, taking into account relevant rules and standards, and the auditors' plan, and verifying that he did not submit technical or administrative work outside the scope work or express any views on them
- Answering the auditors' inquiries, studying their reports and observations on financial statements, and following up on whatever was taken in their regard

## Compliance and Commitments

- Reviewing the reports of regulatory authorities regarding compliance with instructions and ensuring that the Company takes necessary measures in this regard
- Ensuring the Company's commitment to relevant laws, regulations, policies and instructions
- Reviewing contracts and transactions proposed to be conducted with related parties, presenting views about them to the Board, and raising what it deems as necessary action/s in this regard
- Ensuring the effectiveness of controls and control systems of the Company's information system, and the effectiveness and adequacy of the Company's administrative information systems and other information technology systems
- Upholding the Company's commitment to risk management by providing the most appropriate general framework and policies.
- Listing risk management activities against the general objectives and policies of the Company, reviewing and evaluating the main risks on a periodic basis, and reviewing any legal claims and their possibilities in favor of or against the Company.

## Meetings

In accordance with governance regulations and as approved by the General Assembly, the Audit Committee holds its meetings at the invitation of its Chairman. The Committee convened seven meetings during the year, as dated and detailed below.

Audit Committee meetings in 2022							
Name	6 January	13 March	28 May	23 June	8 July	25 October	6 November
Abdul Rahman Abdullah Al-Wabel	✓	✓	✓	✓	✓	✓	✓
Abdulrahman Ibrahim Al-JalalJalal	✓	✓	✓	✓	✓	✓	✓
Dr. Jassim Shaheen Hamad Al-Rumaihi	✓	✓	✓	✓	✓	✓	✓
Mohammad Irfan Khokhar Abd Alghafoor	✓	✓	✓	✓	✓	✓	✓

## Annual Review of Internal Controls

The Board of Directors has activated procedures, mechanisms and systems to ensure integrity, fairness and transparency, and to create an internal controls environment that spans all operations in all departments. The Board's purview also includes following up and verifying the efficiency and effectiveness of these measures with the aim of constant improvement, and whenever needed to match the growth of the Company's size and business, or in response to emerging risks related to the Company's activities.

The most important efforts of the Board include the adoption of policies for all functions of the Company and appropriate procedures to facilitate application of these policies, and the adoption of a matrix of power to regulate the conduct of various operations with clear powers of approval. The Board has also created a general organizational structure for the Company and all its subsidiaries and monitored the formation of appropriate committees emanating from the Board, including the Audit Committee, whose formation was approved by the General Assembly.

Based on internal audit works and reports, and numerous tasks carried out by the Audit Committee during the year 2022, it did not appear that there were any fundamental shortcomings or weaknesses in the internal control environment. There were no observations for which corrective measures were not taken or implemented in timely manner.

This enables the Audit Committee to express its opinion on the existence of reasonable assurance about the adequacy and effectiveness of the Company's internal control systems and controls for the fiscal year ending on December 31, 2022, while accounting for the fact that any internal control system, regardless of proper design and application, cannot provide full assurance of its effectiveness.

## Recommendations About internal Audit

There are no recommendations made by the Audit committee to hire internal auditors due to the presence of an Internal Audit department headed by Internal Audit Director in the Company

## Contradiction of Recommendations

There are no recommendations made by the Audit Committee on appointing and dismissing the Company's auditor or determining his/her fees and assessing performance, on appointing the internal auditor, or on any other matter, that has contradicted the Board's resolutions or were rejected by the Board in 2022.

The Board of Directors formed the Nominations and Remunerations Committee for Retal Urban



## Nominations and Remunerations Committee

Development Company on August 29, 2021, for a period of three years, and its regulations were thereafter approved by the General Assembly.

### Duties and responsibilities

#### Nominations

- Suggesting clear policies and criteria for membership to the Board of Directors and to Board Committees
- Recommending the nomination and re-nomination of members to the Board, in accordance with approved policies and standards
- Preparing a description of the capabilities and qualifications required for membership to the Board and Board Committees, and for filling Executive Management positions
- Annually reviewing the skills and experience of Board Members and the functions of Executive Management
- Annually verifying the independence of independent members
- Periodically reviewing the structure of

the Board and Executive Management and making recommendations regarding changes, in line with the interests of the Company

- Identifying the strengths and weaknesses of the Board of Directors and proposing solutions to address them, in line with the interests of the Company

#### Rewards

- Preparing clear policies for the remunerations of members of the Board, Board Committees and Executive Management, and submitting these to the Board of Directors for consideration before approval by the General Assembly
- Periodically reviewing the remuneration policy, and evaluating its effectiveness

#### Governance

- Managing general supervision of the Company's governance system, monitoring its effectiveness, and amending it when needed

- Verifying that all internal policies and procedures that are consistent with both statutory requirements and best practices
- Developing and periodically reviewing rules of professional conduct to represent the Company's corporate values, and other virtues
- Keeping members informed and updated about international standards, best practices and developments in corporate governance

### Meetings

In accordance with governance regulations and as approved by the General Assembly, the Nominations and Remunerations Committee holds its meetings at the invitation of its Chairman. The Committee convened one

## Executive Committee

The Board of Directors formed the Executive Committee of Retal Urban Development Company on August 14, 2021 for a period similar to the membership of the Board of Directors. The regulations of the Executive Committee were thereafter approved by the General Assembly.

### Duties and responsibilities

#### Strategy

- Participating in the development of the Company's strategic plans, and supervising proposals submitted by departments that are related to the Company's vision and mission, strategy, goals, and initiatives
- Reviewing implementation of the Company's general strategy and its effectiveness in achieving desired goals
- Overseeing the progress of work related to strategy, and any obstacles and problems in this regard
- Studying important topics and strategic projects that have significant financial impact, and meeting with Executive Management to review them
- Setting standards for the performance of Executive Management in line with the Company's investment goals

#### Governance

- Periodically reviewing and evaluating the performance indicators of Executive Management
- Ensuring that members of Executive Management operate in accordance with policies approved by the Board
- Reviewing various policies and procedures set out by Executive Management
- Evaluating current achievements in comparison to defined goals
- Recommending changes to the organizational structure of the Company and Executive Management

#### Social Responsibility

- Periodically reviewing the social responsibility policy and accompanying media plans
- Reviewing various social work initiatives and programs

### Meetings

In accordance with governance regulations and as approved by the General Assembly, the Executive Committee holds its meetings at the invitation of its Chairman. The Committee held four meeting during the year, as dated and detailed below.

Executive Committee meetings in 2022				
Name	31 May	2 October	18 October	12 December
Abdullah Abdullatif Al Fozan	✓	✓	✓	✓
Abdullah Faisal Al-Braikan	✓	✓	✓	✓
Abdulrahman Ibrahim Al-Jalal	✓	✓	✓	✓
Muhammad Abdulaziz Muhammad Al-Aqeel	✓	✓	✓	✓
Abdul Latif Ali Al-Fozan	✓	✓	✓	✓



Executive Management



Eng. Abdullah Faisal Al-Braikan  
*Chief Executive Officer (CEO)*



Mr. Ammar Al-Ghoul  
*Chief Financial Officer (CFO)*



Eng. Yousif Ibrahim Al-Hamoudi  
*Chief Operations Officer (COO)*



Eng. Mostafa Tawfik  
*Chief Development Officer (CDO)*



Eng. Mohammed Assiri  
*General Manager of Western Province*



Eng. Ahmed Sami Al-Askar  
*Riyadh Regional Head*



Eng. Omar Al-Jalal  
*CEO of Building Construction Co.*



Eng. Ibrahim Khairat  
*Acting CEO of Tadbeer Limited Co.  
Acting CEO of Tadbeer Environmental Services Co.*



Eng. Hisham AlShawan  
*General Manager of Nesaj Urban Development Company*



Mr. Abdulwahab AlShuredah  
*General Manager of Tadbeer Real Estate Company LTD.*



Mr. Shady Shaib  
*Director of Legal Department*



Mr. Mahmoud Abdallah Shamseldin  
*Director of Internal Audit Management*



Mr. Asim Saleh Baras  
*GRS Senior Manager*



## Remunerations

## Remuneration Policy

The remuneration of Board Members and Board Committee Members includes two elements:

- Fixed annual remuneration for all Board Members and Board Committee Members except members of Executive Management
- Allowance for attending each session of Board meetings or Board Committee meetings (except for members of Executive Management), and a travel and accommodation allowance if the permanent residence of the member is outside the city in which the meeting is held

## Board Members' remunerations

Name	Annual remuneration	Board meeting allowance	Total
	SAR	SAR	SAR
Abdullah Abdullatif Al Fozan	200,000	12,000	212,000
Ali Abdullatif Al-Fozan	200,000	12,000	212,000
Majed Aedh Al-Nefie	200,000	12,000	212,000
Hani Othman Ba Othman	200,000	9,000	209,000
Abdul Rahman Abdullah Al-Wabel	200,000	12,000	212,000
Fozan Mohammed Al-Fozan	200,000	12,000	212,000
Fahd Abdulrahman Al-Mojel	200,000	12,000	212,000
Abdulrahman Ibrahim Al-Jalal	200,000	12,000	212,000

### Audit Committee Members' Remunerations

Name	Annual remuneration	Board meeting allowance	Total
	SAR	SAR	SAR
Abdul Rahman Abdullah Al-Wabel	60,000	21,000	81,000
Abdulrahman Ibrahim Al-Jalal	60,000	21,000	81,000
Dr. Jassim Shaheen Hamad Al-Rumaihi	80,000	21,000	101,000
Mohammad Irfan Khokhar Abd Alghafoor	80,000	21,000	101,000

### Nominations and Remunerations Committee Members remunerations

Name	Annual remuneration	Board meeting allowance	Total
	SAR	SAR	SAR
Hani Othman Ba Othman	60,000	3,000	63,000
Fahd Abdulrahman Al-Mojel	60,000	3,000	63,000
Abdulrahman Ibrahim Al-Jalal	60,000	3,000	63,000
Mohammad Abdulaziz Al-Aqeel	80,000	3,000	83,000

## Executive Committee Members' Remunerations

Name	Annual remuneration	Board meeting allowance	Total
	SAR	SAR	SAR
Abdullah Abdullatif Al Fozan	60,000	12,000	72,000
Abdulrahman Ibrahim Al-Jalal	60,000	12,000	72,000
Mohammad Abdulaziz Al-Aqeel	80,000	12,000	92,000
Abdul Latif Ali Al Fozan	69,041.1	12,000	81,041



	Fixed remunerations								Variable remunerations						End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings committee	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member	Total		Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)	Total			
SAR (in thousands)																	
<b>First: Independent Directors</b>																	
Majed Aedh Al-Nefie	200	12	-	-	-	212	-		-	-	-	-	-	-	-	212	-
Hani Othman Ba Othman	260	9	3	-	-	272	-		-	-	-	-	-	-	-	272	-
Abdul Rahman Abdullah Al-Wabel	260	12	21	-	-	293	-		-	-	-	-	-	-	-	293	-
Total	720	33	24	-	-	777	-		-	-	-	-	-	-	-	777	-
<b>Second: Non-Executive Directors</b>																	
Abdullah Abdullatif Al Fozan	260	12	12	-	-	-	284		-	-	-	-	-	-	-	284	-
Ali Abdullatif Al-Fozan	200	12	-	-	-	-	212		-	-	-	-	-	-	-	212	-
Fozan Mohammed Al-Fozan	200	12	-	-	-	-	212		-	-	-	-	-	-	-	212	-
Fahd Abdulrahman Al-Mojel	260	12	3	-	-	-	275		-	-	-	-	-	-	-	275	-
Abdulrahman Ibrahim Al-Jalal	380	12	36	-	-	-	428		-	-	-	-	-	-	-	428	-
Total	1,300	60	51	-	-	-	1,411		-	-	-	-	-	-	-	1,411	-
<b>Third: Executive Director</b>																	
Abdullah Faisal Al-Braikan	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-

## Executive Management' remunerations

[illegible]

## Waiver of Remuneration

None of the Board Members, Board Committee Members or members of Executive Management waived any remuneration during the fiscal year ended “ on December 31, 2022.



## Declarations

## Accounting Standards

The Company's records have been prepared properly according to the accounting standards issued by the Saudi Organization for Certified Public Accountants (SOCPA). There are no differences from the applicable accounting standards issued by the (SOCPA).

## Recommendations to Change External Auditor

The Board of Directors did not make any recommendation to replace the external auditor before the end of appointed term.

## Reservations of External Auditor

The auditors' report did not include any reservations or material observations on any financial statements for the fiscal year 2022G.

## Subscription Rights or Similar Rights

Per Commercial Registration No. 2051047761 dated 2 April 2012, and Ministerial Resolution No. 4247 of 7 April 2020, 12 million ordinary shares, representing 30% of the capital was made available for public subscription at a price of SAR 120 per share.

The prospectus was issued on 16 March 2022, and the offer period of two days ran from 6 May to 7 May. The Company was listed on the Saudi financial market, Tadawul, on 27 June 2022.

## Transferable Debt Instruments

There are neither any transferrable debt instruments, nor any contractually based securities, convertible warrants, or similar rights issued or granted by the Company. There are also no related refunds, purchases or compensation during the fiscal year ended on December 31, 2022.

## Shares and Debt Instruments of Affiliate Companies

There are no shares or debt instruments issued by any of the Company's subsidiaries.

## Interest in Entitled-to-vote Shares

There is no interest in the category of shares with the right to vote by any person/s other than members of the Board of Directors, senior executives, and their relatives, who have notified the Company of their holdings pursuant to Rule 67 of Rules on the Offer of Securities and Continuing Obligations, along with any change in such interests, during the last fiscal year.

Investments or  
Reserves to Benefit  
Employees

There are no other investments or reserves created for the benefit of the Company's employees

## Penalties or Restrictions by Authorities

There is no penalty, retribution, precautionary measure or precautionary restriction imposed on the Company by the Capital Markets Authority (CMA) or any other supervisory body, or other regulatory authority or judicial body, during the fiscal year ended on December 31, 2022.

## Board of Directors' Acknowledgements

The Board of Directors of Retail Urban Development Company acknowledges the following:

1. That the accounts and reports have been prepared properly.
2. That the internal control system was prepared on sound foundations and implemented effectively.
3. That there is no doubt about the Company's ability to continue its activities.

## Closing Statement

The Board of Directors extends its thanks and gratitude to the Executive Management, all employees of the Company and relevant departments for their efforts and appreciate their interactions with the Company's shareholders and various governmental and private sector entities. The Board looks forward to more achievements for the Company in coming years.

## Branches of Retal

Company	Commercial Registration Number (incorporated in Saudi Arabia)	Location/s of operations	Main activities
Retal Urban Development Company	2051047761	Saudi Arabia	<ol style="list-style-type: none"> <li>General construction of residential apartments</li> <li>Buying and selling lands and real estate and dividing them, and off-plan sales</li> </ol>
Retal Urban Development Company	1010642508	Riyadh Branch	<ol style="list-style-type: none"> <li>General construction of residential apartments</li> <li>Buying and selling lands and real estate and dividing them, and off-plan sales</li> </ol>
Retal Urban Development Company	2051236513	AlKhobar Branch	<ol style="list-style-type: none"> <li>General construction of residential apartments</li> <li>Buying and selling lands and real estate and dividing them, and off-plan sales</li> </ol>
Retal Urban Development Company	4030475640	Jeddah Branch	<ol style="list-style-type: none"> <li>General construction of residential apartments</li> <li>Buying and selling lands and real estate and dividing them, and off-plan sales</li> </ol>



## Statement of Subsidiaries

Company	Commercial Registration Number (incorporated in Saudi Arabia)	Location/s of operations	Main activities	Retal's ownership percentage	Capital (SAR)	Financial impact
BCC (Building and Construc-tion Company Limited)	2051023581	Pan-Saudi Arabia	Construction, professional and technical services	95	5,000,000	61,731,664
Branch BCC (Building and Construction Company Lim-ited)	2031111373	Al-Ahasa	General con-struction of non-residential buildings	95	5,000,000	
Branch BCC (Building and Construction Company Lim-ited)	1010845611	Riyadh	General con-struction of non-residential buildings	95	5,000,000	
Tadbier Limited Company	2051059223	Pan-Saudi Arabia	Construction, water supply and sanitation, waste management and treatment	95	5,000,000	830,978
Branch of Tadbier Company Limited	4030380415	Jeddah	General cleaning of buildings	95	5,000,000	
Branch of Tadbier Company Limited	1010634298	Riyadh	General cleaning of buildings	95	5,000,000	
Tadbier Environmental Services Company	2051241867	Pan-Saudi Arabia	Site maintenance and beautification, non-hazardous waste collection	Wholly owned by Tadbeir Limited Company	50,000	-
Nesaj Urban Development Company	2051049871	Pan-Saudi Arabia	Real estate activities, construction and professional, and technical activities	100	10,000,000	7,365,126
Tadbier Real Estate Company	2051063497	Pan-Saudi Arabia	Construction, administrative and support services, wholesale and retail trade and repair of motor vehicles and motorcycles	100	250,000	4,820,140

## Statement of Associate Companies

Company	Commercial Registration Number (incorporated in Saudi Arabia)	Location/s of operations	Main activities	Retal's ownership percentage	Capital (SAR)	financial impact
Remal Alkhobar Real Estate Company	2051236572	Pan-Saudi Arabia	Construction	50	500,000	(159,920)
Mimar Emirates and ARAC Engineering	2051226091	Pan-Saudi Arabia	Engineering consultancy	25	150,000	1,059,663
Al-Ahsa Fund	Real estate fund	Alhassa	Real estate fund	22.5	100,000,000	(3,534,742)
Alpha Fund	Real estate fund	Alkhobar	Real estate fund	30	54,000,000	(3,870,021)
Noorkom	2051242006	Pan-Saudi Arabia	Lighting System Installation	50	562,500	(95,991)
Saudi Tharwa Company	2051057188	Pan-Saudi Arabia	Fee- and contract- based activities at owned or leased properties, organizing of conferences and trade fairs	39	40,000,000	42,032,372



Statement of Statutory Payments

(Information about paid and outstanding dues, pursuant to regulatory provisions of Saudi Arabia’s Zakat, Tax and Customs Authority – ZATCA, all amounts in SAR)

Item	Paid amount	Outstanding payment	Brief description
Zakat	5,355,778	7,688,147	Estimated Zakat due to be paid before 30 April 2023.
Value-added tax (VAT)	20,787,417	1,1667,811	VAT due in December 2022, to be paid before 31 January 2023.
Withholding tax (WHT)	1,193,211	94,998	WHT due in December 2022, to be paid before 10 February 2023.
Real Estate Transaction Tax (RETT)	13,182,402	-	Per amendments that took effect on 19 August 2022

Statement of Bank Facilities Position and Movements During FY 2022

SAR (in thousands)

The name of the grantor of the loan	Approved facilities	Indebtedness at the start of the year2022			Loan movement during the FY2022		Indebtedness at the end of the year2022		
		Short term	Long term	Total	Pay	Add	Short term	Long term	Total
Riyadh	100,000	100,000	-	100,000	100,000	97,500	97,500	-	97,500
Riyadh	97,000	65,008	-	65,008	65,008	-	-	-	-
Rajhi	141,000	70,500	31,472	101,972	67,046	-	32,043	-	32,043
Rajhi	45,000	45,000	-	45,000	-	-	-	45,000	45,000
Rajhi	363,000	-	-	-	-	230,262	-	233,499	233,499
Rajhi	10,000	-	-	-	-	10,000	10,000	-	10,000
Bilad	30,000	-	-	-	-	15,000	15,000	-	15,000
Bilad	72,905	30,435	-	30,435	-	37,904	68,339	-	68,339
Bilad	60,000	-	60,000	60,000	60,000	-	-	-	-
Bilad	100,000	-	-	-	-	80,000	20,000	60,000	80,000
ANB	150,000	30,014	119,986	150,000	30,000	-	60,000	60,000	120,000
ANB	40,000	39,982	-	39,982	39,982	-	-	-	-
ANB	121,400	108,931	-	108,931	108,577	-	-	-	-
ANB	100,000	-	-	-	-	73,000	10,000	63,000	73,000
ANB	42,000	-	-	-	-	42,000	42,000	-	42,000
Total	1,472,305	489,869	211,458	701,328	470,613	585,666	354,882	461,499	816,381

Transactions with Related Parties

Nature of transaction	Transaction amount (SAR)	Terms of deal	Related Board and Board Committee Members
Revenues from the sale of Al-Azizia land to Maali Holding Company	67,437,975	Ordinary work without preferential conditions or benefits	Abdullah Al Fozan, Ali Al-Fozan
Revenues from the sale of Retal Rise land to Remal al-Khobar Company	18,447,653	Ordinary work without preferential conditions or benefits	Abdullah Al Fozan, Abdullah Al-Braikan, (An associate company owns 50% shares of the Company)
Purchase of design services for Arac Engineering Consulting Office	744,000	Ordinary work without preferential conditions or benefits	Abdullah Al-Braikan
Purchase of design and lighting services from Noorcom Design Company	752,412	Ordinary work without preferential conditions or benefits	Abdullah Al-Braikan, and Yousif AlHomoudi. (An associate company owns 50% shares of the Company)
Revenues from providing building operations and maintenance services to Ajwad Charitable Company	436,794	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al Fozan, Ali Abdul Latif Al-Fozan, Fozan Muhammad Al-Fozan
Purchase of building materials from Madar Building Materials Co. Ltd	20,540,930	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan , Ali Abdul Latif Al-Fozan
Purchase of electrical materials from Madar Electricity Materials Co. Ltd	3,775,956	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan , Ali Abdul Latif Al-Fozan
Purchase of tools from Madar Hardware Company Ltd	1,805,804	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul Latif Al-Fozan
Purchase of concrete from and ready-mixed concrete products	2,212,173	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Fozan Muhammad Al-Fozan, and Muhammad Abdulaziz Al-Aqeel
Purchase of aluminum machinery for construction purposes from Saudi Industrial Machinery Company (SIMCO)	710,815	Ordinary work without preferential conditions or benefits	Abdullah Abdullatif Al-Fozan, Ali Abdullatif Al-Fozan, Abdullatif Ali Al-Fozan, and Muhammad Abdulaziz Al-Aqeel
Purchase of glass materials for construction purposes from United Company for Glass Industries	645,901	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Member/ Ali Abdul-Latif Al-Fozan, Member/ Fozan Muhammad Al-Fozan
Purchase of building materials from Bawan Metal Industries Company	19,302,215	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Fozan Muhammad Al-Fozan, and Muhammad Abdulaziz Al-Aqeel



Nature of transaction	Transaction amount (SAR)	Terms of deal	Related Board and Board Committee Members
Purchase of consulting services from Al Fozan Holding Company	16,666	Ordinary work without preferential conditions or benefits ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul-Latif Al-Fozan, and Fozan Muhammad Al-Fozan
Buying extra devices from the United Electronics Company (Extra)	4,868,808		Abdullah Abdul Latif Al-Fozan, Ali Abdul Latif Al-Fozan , Fozan Muhammad Al-Fozan, and Abdul Latif Ali Al-Fozan
Purchase of design services from Mimar Emirates and ARAC Engineering Consultants	3,024,099	Ordinary work without preferential conditions or benefits	Abdullah Faisal Al- Buraikan, Hesham AlShawan
Rental agreement with Nesaj Residential Complex Real Estate Company	275,200	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul-Latif Al-Fozan, and Fozan Muhammad Al-Fozan
Purchase of tools from United Home Appliances Company (Nice)	364,000	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul Latif Al-Fozan, Fozan Muhammad Al-Fozan and Abdul Latif Ali Al-Fozan

## Contracts with Related Parties

Nature of contract	Contract amount (SAR)	Duration or type of contract	Terms of contract	Related Board and Board Committee Members
Rental income from an agreement to rent a building and showrooms with United Home Appliances Company (Nice)	4,183,722	Annual	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul Latif Al-Fozan, Fozan Muhammad Al-Fozan and Abdullatif Ali Al-Fozan
Revenues from a sales, marketing and development agreement with Remal Al-Khobar Real Estate Company	7,002,982	3 months	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al Fozan, Abdullah Faisal AlBraikan, (An associate company owns 50% shares of the Company)
Income from a development agreement with Coffee Taste (DOZ)	720,000	10 months	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul-Latif Al-Fozan, and Fozan Muhammad Al-Fozan
Building management revenues and revenue collection commission from Al Fozan Holding Company	843,700	Annual	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul-Latif Al-Fozan, and Fozan Muhammad Al-Fozan
Business fees related to a development agreement with Blom Invest Business Park Fund	2,176,448	7 months	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul-Latif Al-Fozan, and Fozan Muhammad Al-Fozan
Revenues of operations and maintenance of buildings from Ajwad Charitable Company.	1,177,700	Annual	Ordinary work without preferential conditions or benefits	Abdullah Abdul Latif Al-Fozan, Ali Abdul-Latif Al-Fozan, Fozan Muhammad Al-Fozan. and Khaled Abdul Latif Al-Fozan

Nature of contract	Contract amount (SAR)	Duration or type of contract	Terms of contract	Related Board and Board Committee Members
Revenue from the management of private property	310,000	Annual	Ordinary work without preferential conditions or benefits	Ali Abdul Latif Al-Fozan
Revenue from decoration works at private villa	341,748	Annual	Ordinary work without preferential conditions or benefits	Khaled Abdul Latif Al-Fozan
Commission for renting Remal Al-Khobar beach house.	54,000	-	Ordinary work without preferential conditions or benefits	Abdullatif Ali Al-Fozan
Design services from Mimar and ARAC Engineering Consultants.	77,140	Annual	Ordinary work without preferential conditions or benefits	Abdullah Faisal Al-Buraikan, and Hesham AlShawan.



Involvement in Competitive Works

Member – Abdullah Abdullatif Al Fozan

	Name of Company	Position	Activity of the Competitive Company	Ownership percentage
1	Ajdan Real Estate Development Company	Member	Buying land and constructing buildings on it, managing and developing real estate	Al Fozan Holding Company (47.5%)
2	Abdul Latif Al Fozan Award Company for Mosque Architecture	Manager	Management and leasing of owned and leased real estate	Ajwad Al-Khair Charitable Company (100%)
3	Shomoul Holding Company	Member	Owning real estate and movables necessary for holding companies	Gulf Wellness Company Limited (100%)
4	Amjal Real Estate Development Company	Member	General construction of residential and non-residential buildings	Al Fozan Holding Company (100%)
5	Madar Al-Aseel Company Limited	Own	Real estate management for a commission	Mr. Abdullah Al-Fozan 13%
6	Amwal Al-Khaleej Company for Commercial Investment	Member	General construction of residential and non-residential buildings	Al Fozan Holding Company (37.5%)
7	Al-Mahabah Investment Company	Own and director of the Company	General construction of residential and non-residential buildings	Mr. Abdullah Al-Fozan (85%)
8	Gulf Elixir Contracting Company	Manager	General construction of residential and non-residential buildings	Al Fozan Holding Company (50%)
9	Shumoul Commercial Complex Company	Manager	Management and leasing of owned and leased real estate	Shomoul Riyadh Hotel Company (100%)
10	Well-being Gulf Company Limited	Manager	General construction of residential and non-residential buildings	Al Fozan Holding Company (84.55%)
11	Khobar Lakes Real Estate Development	Manager	Management and leasing of owned and leased real estate	Maali Holding Company (14.17%)
12	Central Jeddah Development Company	Member	Buying and selling land and real estate, dividing them and selling activities off-plan, managing and renting owned and leased real estate, real estate brokerage, managing real estate for a commission	The first real estate development company

Member – Ali Abdullatif Al-Fozan

Name of Company	Position	Activity of the Competitive Company	Ownership percentage
Madar Al-Aseel Company Limited	Owner	Real estate management for a commission	13%

Member – Fozan Mohammed Al-Fozan

Name of Company	Position	Activity of the Competitive Company	Ownership percentage
Madar Al-Aseel Company Limited	Owner	Real estate management for a commission	10%
Amjal Real Estate Development Company	Member	Buying land and real estate with the intention of developing it	Al Fozan Holding Company (100%)

Member – Abdullah Faisal Al-Braikan

Name of Company	Position	Activity of the Competitive Company	Ownership percentage
New Downtown Jeddah Company	Member	Buying and selling land and real estate, dividing them and selling off-plan activities, managing and renting owned and leased real estate, real estate brokerage, managing real estate for a commission	He does not own any ownership shares in it. It is one of the Public Investment Fund companies

Member – Abdulrahman Ibrahim Al-Jalal

Name of Company	Position	Activity of the Competitive Company	Ownership percentage
Gulf Reval Trading and Contracting Company	Owner	General construction of residential and non-residential buildings General construction of government buildings Restoration of residential and non-residential buildings	70%



Member – Fahd Abdulrahman Al-Mojel

Name of Company	Position	Activity of the Competitive Company	Ownership percentage
Saudi Tharwa Company	Owner	Real estate development	7%
Saudi real estate company	Member	Buying and selling lands and real estate, dividing them and selling activities off-plan, managing and renting owned or leased residential and non-residential real estate	He does not own ownership shares in it, and it is one of the Public Investment Fund companies with ownership shares of 64.5%
Al Wedyan Real Estate Saudi Company	Member	Public construction, buying and selling lands and real estate, dividing them and selling off-plan activities, managing and renting owned and leased real estate	A subsidiary of the Saudi Real Estate Company with 100% ownership
Visions of the city holding company	Member	Real estate development	He does not own any ownership shares in it. It is one of the Public Investment Fund companies

# Acknowledgments

Declarations that:

- a) proper books of account have been maintained;
- b) the system of internal control is sound in design and has been effectively implemented; and
- c) there are no significant doubts concerning the company’s ability to continue its activity.

Procedure taken to the Board to inform its members, Non-Executive Directors in particular, of the shareholders’ suggestions and remarks on the Company and its performance

The Board has not seized any notes of the shareholders within the company’s validity and performance, and the Board is always keen on attending the majority of its members and especially the executives of the general assemblies’ meetings to listen to questions, inquiries, and proposals of the shareholders, and the shareholders.

Where applicable, the means used by the Board to assess its performance, the performance of its committees and members and the external body which conducted the assessment and its relation with the Company, if any;

It is not completely applied, the process of assessment of the Board’s performance and its members in accordance with the subjugated evaluation model from the nomination and remuneration committee and accredited from the company’s management council, which the work began from the year 2022 AD where Board members do participate in the assessment of the board by sharing their views on the Board’s performance and its committee. The results of the evaluation are analyzed by the Governance Department and under the supervision of the Nominations and Remuneration Committee. The results of the evaluation are submitted to the Board of Directors for review, and no external party has been used for the evaluation process so far.

Punishments, penalties, precautionary procedures or preventive measures imposed on the Company by the Auditor or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future;

There is no penalty, penalty, precautionary measure or precautionary restriction imposed on the company by the Auditor or any other supervisory, regulatory or judicial body.



Declarations that:

- a) proper books of account have been maintained;
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Punishments, penalties, precautionary procedures or preventive measures imposed on the Company by the Auditor or any other supervisory, regulatory or judiciary authority, describing the reasons for non-compliance, the imposing authority and the measures undertaken to remedy and avoid such non-compliance in the future;

There is no penalty, penalty, precautionary measure or precautionary restriction imposed on the company by the Auditor or any other supervisory, regulatory or judicial body.

The results of the annual review of the effectiveness of the company's internal control procedures and the Audit Committee's opinion regarding the adequacy of the company's internal control system;

The results of the annual review of the effectiveness of the company's internal control procedures: The Board of Directors of Retal Urban Development Company is constantly keen to apply the best practices of good governance in accordance with the relevant issued regulations and regulations, to ensure the preservation of the interests of shareholders, customers, suppliers, employees, and all parties dealing with the company, through the activation of policies, procedures, mechanisms and systems Governance applications, financial and accounting reporting serve with integrity, fairness and transparency, and the internal control environment on all its operations in its various departments and follow-up and verification of their efficiency and effectiveness with the necessity of improving them regularly whenever needed according to the development of the company's business and size and the change of emerging risks related to the company's activity, to support the achievement of the company's goals And its strategy and revenue growth, which reflects positively on the company's profits and the profitability of its shares.

Among the most important efforts of the Board in this regard, for example, is the adoption of policies for all departments and functions of the company, and ensuring that there are appropriate procedures that facilitate the implementation of those policies, the adoption of a matrix of powers that regulates

the conduct of various operations at the level of the company and determines the powers of approval, the adoption of a general organizational structure for the company and its subsidiaries, ensuring the appropriate formation of committees emanating from the Board, including the Audit Committee, whose formation is approved by the General Assembly of Shareholders, which in turn carried out the following tasks:

- Developing a work charter (regulation) for the Audit Committee and recommending it to the Board of Directors for approval and submitting it to the General Assembly for final approval.
- Adoption of the internal audit department's work regulations, which regulate its relations and powers within the company, and the adoption of the quality assurance and continuous development of its work regulations.
- Reviewing and approving the organizational structure and the strategic and annual work plan of the Internal Audit Department based on a risk assessment that is updated annually at least once, and ensuring the availability of sufficient resources and tools necessary to carry out its work.
- Continuous supervision of the internal audit work and what has been completed according to the approved plan of reviews and examinations to assess the adequacy and effectiveness of the internal control systems, and to ensure that the results of those reviews and their observations are reported to the Executive Management and the Audit Committee to follow up on the implementation of its corrective procedures agreed upon with the concerned departments under review.
- Supervising the process of appointing the company's independent external auditor through obtaining various commercial and technical offers and submitting its recommendations to the Board of Directors in this regard, and then submitting them to the General Assembly of Shareholders.
- Supervising and reviewing the outputs of the Governance and Compliance Department in terms of policies and regulations issued by it, in order to ensure compliance with the laws and regulations related to Saudi listed companies.
- Verifying the most important risks that the company's business and activities may be exposed to, and the management's response to dealing with them appropriately, and making recommendations to the Board on fundamental issues related to risk management.
- Examining the quarterly and annually audited preliminary financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation on them in order to verify their fairness, fairness, transparency and any other requirements required by the relevant regulations, laws and

professional norms.

- Examining any important or unusual issues contained in the financial reports and accounts, and carefully researching any issues raised by the company's financial manager or external auditor.
- Verification of accounting estimates in material matters contained in the financial reports.
- Studying the financial and accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

And based on the internal audit work and the above-mentioned tasks and responsibilities carried out by the Audit Committee during the year 2022 AD, it did not appear that there were any fundamental shortcomings or weaknesses in the internal control environment, or the existence of observations for which corrective measures were not taken and followed up on their implementation in a timely manner. This enables the committee to express its opinion on the existence of reasonable assurance about the adequacy and effectiveness of the

The audit committees' recommendation to appoint an internal auditor for the company in the absence of an internal auditor.

There is no recommendation from the audit committee to do so due to the presence of an internal auditor in the company.

Recommendations of the audit committees that contradict the decision of the Board of Directors with regard to appointing, dismissing, evaluating or determining the remuneration of an external auditor, as well as the justifications for those recommendations and the reasons for rejecting them

There is no conflict or rejection between the recommendations of the Audit Committee and the decisions of the Board of Directors.

If the external auditor's report contains reservations on the annual financial statements, the Board report shall highlight this mentioning the reasons and any

relevant information

The auditor's report did not include any reservations or material observations on the annual financial statements for the fiscal year 2022 AD.

If the Board of Directors recommended the replacement of the external auditor before the end of his term, the report must explain that with mentioning the reasons for recommending the replacement

There is no recommendation from the Board of Directors to change the auditor before the end of the period for which he is appointed.

A statement on the value of any investments made or any reserves set up for the benefit of the employees of the company

There are no other investments or reserves created for the benefit of the company's employees.

Inconsistencies with the standards approved by the Saudi Organization for Chartered and Professional Accountants

There are no differences from the applicable accounting standards issued by the Saudi Organization for Certified Public Accountants (SOCPA) that require disclosure. The company's records have been properly prepared according to the accounting standards issued by the SOCPA.

Details of shares and debt instruments issued for each affiliate company

There are no shares or debt instruments issued by the company's subsidiaries.

Communication with Shareholders:

Based on the keenness of Retal Urban Development Company and its Board of Directors to pay attention to the rights of its valued shareholders and to open many channels of communication with them on an ongoing basis, the company has established a special department to follow up the affairs of shareholders and stakeholders to communicate continuously with them, respond to all questions and

inquiries and follow up on any potential problems that shareholders may face regarding distribution operations Profits and others. You can contact the Shareholders Affairs Department through the following:

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