

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
JUNE 30, 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

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

**TO THE SHAREHOLDERS OF RETAL URBAN DEVELOPMENT COMPANY
A SAUDI JOINT STOCK COMPANY**

KHOBAR, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying consolidated interim statement of financial position of Retal Urban Development Company (the "Company"), a Saudi Joint Stock Company, and its subsidiaries (collectively referred to as the "Group") as at June 30, 2025 and the related consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the consolidated interim statements of changes in equity and cash flows for the six-month period then ended, and a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

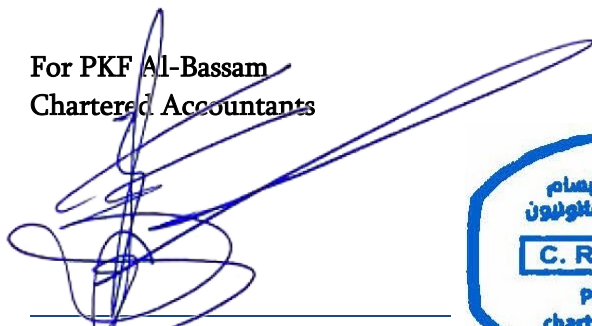
SCOPE OF REVIEW

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

CONCLUSION

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

**For PKF Al-Bassam
Chartered Accountants**



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337

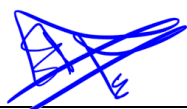
Khobar: Safar 10, 1447H

Corresponding to: August 4, 2025

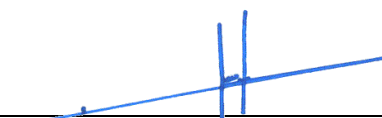


RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2025

		June 30, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
		SR	SR
ASSETS			
Non-current assets			
Property and equipment	5	225,550,851	186,752,338
Right of use assets		32,289,359	34,793,491
Intangible assets		9,301,068	10,604,469
Investment properties		300,702,296	302,223,930
Investments in associates and joint ventures	1.2	307,236,573	329,187,395
Development properties	7	688,782,203	410,116,284
Prepayments and other receivables	6	3,495,766	3,293,684
Investments at fair value through other comprehensive income		6,000,000	6,000,000
		1,573,358,116	1,282,971,591
Current assets			
Inventories		52,664,590	32,228,017
Accounts receivable	8	454,693,952	456,800,833
Contract assets	12.2	404,942,305	300,025,928
Development properties	7	1,425,514,771	1,038,668,505
Investments at fair value through profit or loss		96,714,568	2,304,432
Prepayments and other receivables	6	336,357,569	177,169,487
Investments in associates and joint ventures		-	76,834,885
Cash on hand and at banks	9	840,724,768	833,106,394
		3,611,612,523	2,917,138,481
TOTAL ASSETS		5,184,970,639	4,200,110,072
EQUITY AND LIABILITIES			
Equity			
Share capital	10	500,000,000	500,000,000
Statutory reserve	10.1	-	83,013,877
Other reserves	1.4	(8,264,910)	(165,826)
Retained earnings		433,515,324	263,084,518
Treasury shares	1.3	(14,876,065)	(11,959,198)
Equity attributable to the shareholders of the Group		910,374,349	833,973,371
Non-controlling interest		11,188,748	8,510,463
Total equity		921,563,097	842,483,834
Non-current liabilities			
Term loans	11	867,637,716	1,051,565,302
Lease liabilities		30,088,636	32,314,001
Employees' end of service benefits		29,725,221	26,097,934
		927,451,573	1,109,977,237
Current liabilities			
Term loans	11	381,797,315	193,577,812
Short term loans	11	400,728,046	489,793,252
Lease liabilities		6,806,615	4,661,715
Accounts payable		340,034,263	308,342,881
Accrued expenses and other payables		683,941,308	533,902,839
Payable to National Housing Company		1,077,959,825	595,372,137
Contract liabilities	12.2	435,630,040	100,834,563
Zakat accrual	15	9,058,557	21,163,802
		3,335,955,969	2,247,649,001
TOTAL LIABILITIES		4,263,407,542	3,357,626,238
TOTAL EQUITY AND LIABILITIES		5,184,970,639	4,200,110,072



Ammar Al Ghoul
Chief Financial Officer



Abdullah Bin Faisal Bin Abdul Aziz Al
Braikan
Chief Executive Officer



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

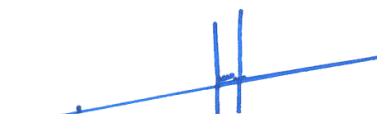
The accompanying notes form an integral part of these condensed consolidated interim financial statements.

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

		For the three-month period ended June 30,		For the six-month period ended June 30,	
	Note	2025	2024	2025	2024
Revenue	12	488,438,153	463,673,036	1,055,510,524	964,300,674
Cost of revenue		(382,176,858)	(334,723,711)	(819,154,327)	(708,498,497)
Gross profit		106,261,295	128,949,325	236,356,197	255,802,177
General and administrative expenses		(36,714,317)	(23,268,167)	(62,582,676)	(47,603,869)
Selling and marketing expenses		(9,951,825)	(4,046,203)	(16,380,327)	(18,244,481)
Reversal / (allowance) for expected credit losses		52,512	72,174	52,512	(421,653)
Operating profit		59,647,665	101,707,129	157,445,706	189,532,174
Finance costs		(27,645,771)	(30,593,818)	(56,452,426)	(60,735,811)
Shares of results from associates and joint ventures		4,242,837	6,796,095	11,749,021	15,224,715
Gain from investments at fair value through profit or loss (FVTPL)		(22,105)	1,096,130	2,603,095	3,512,063
Gain on disposal from investment in an associate	1.2	32,685,454	-	32,685,454	-
Other income, net		1,270,013	459,557	919,916	1,236,523
Profit before zakat		70,178,093	79,465,093	148,950,766	148,769,664
Zakat, net	15	1,939,628	(2,953,961)	(3,018,544)	(6,694,718)
Net profit for the period		72,117,721	76,511,132	145,932,222	142,074,946
Other comprehensive income for the period		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		72,117,721	76,511,132	145,932,222	142,074,946
Profit for the period attributable to:					
Shareholders of the Group		66,124,273	72,182,443	134,253,937	134,458,126
Non-controlling interest		5,993,448	4,328,689	11,678,285	7,616,820
Profit for the period		72,117,721	76,511,132	145,932,222	142,074,946
Total comprehensive income for the period attributable to:					
Shareholders of the Group		66,124,273	72,182,443	134,253,937	134,458,126
Non-controlling interest		5,993,448	4,328,689	11,678,285	7,616,820
Total comprehensive income for the period		72,117,721	76,511,132	145,932,222	142,074,946
Earnings per share – Basic and diluted					
Basic earnings per share	14	0.13	0.14	0.27	0.27
Diluted earnings per share	14	0.13	0.14	0.27	0.27



Ammar Al Ghoul
Chief Financial Officer



Abdullah Bin Faisal Bin Abdul Aziz
Al Braikan
Chief Executive Officer



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

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

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

	Share capital	Statutory reserve (note 10.1)	Actuarial reserve	Other reserves		Total other reserves	Retained earnings	Treasury shares	Equity attributable to shareholders	Non-controlling interests	Total
				Reserve for change in ownership interests in subsidiary (note 1.1-a)	Share based payment reserve						
	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR	SR
January 1, 2024 (Audited)	500,000,000	83,013,877	(5,617,060)	8,162,992	-	2,545,932	156,958,604	-	742,518,413	7,332,607	749,851,020
Net profit for the period	-	-	-	-	-	-	134,458,126	-	134,458,126	7,616,820	142,074,946
Dividends (note 18)	-	-	-	-	-	-	(80,000,000)	-	(80,000,000)	(8,000,000)	(88,000,000)
June 30, 2024 (Unaudited)	500,000,000	83,013,877	(5,617,060)	8,162,992	-	2,545,932	211,416,730	-	796,976,539	6,949,427	803,925,966
January 1, 2025 (Audited)	500,000,000	83,013,877	(8,328,818)	8,162,992	-	(165,826)	263,084,518	(11,959,198)	833,973,371	8,510,463	842,483,834
Net profit for the period	-	-	-	-	-	-	134,253,937	-	134,253,937	11,678,285	145,932,222
Transfer to retained earnings	-	(83,013,877)	-	(8,162,992)	-	(8,162,992)	91,176,869	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	(2,916,867)	(2,916,867)	-	(2,916,867)
Share based payment	-	-	-	-	63,908	63,908	-	-	63,908	-	63,908
Dividends (note 18)	-	-	-	-	-	-	(55,000,000)	-	(55,000,000)	(9,000,000)	(64,000,000)
June 30, 2025 (Unaudited)	500,000,000	-	(8,328,818)	-	63,908	(8,264,910)	433,515,324	(14,876,065)	910,374,349	11,188,748	921,563,097



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Chief Executive Officer



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

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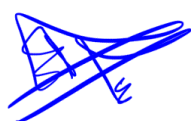
RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

	For the six-month period ended	
	June 30,	
Note	2025	2024
	SR	SR
OPERATING ACTIVITIES		
Profit before zakat:	148,950,766	148,769,664
<i>Adjustments for non-cash items:</i>		
Depreciation and amortization	13,002,722	7,540,471
Depreciation on right of use assets	2,504,132	1,903,779
Provision for employees' end of service benefits	4,760,863	3,120,472
Gain on disposal of property and equipment	(63,303)	-
Shares of results from associates and joint ventures	(11,749,021)	(15,224,715)
Gain on investments at FVTPL	(2,603,095)	(3,512,063)
(Reversal) / allowance for expected credit losses for accounts receivable	(52,512)	421,653
Gain on disposal from investment in an associate	(32,685,454)	-
Gain on disposal of investment properties	(16,914)	(3,660,575)
Realization of unrealized profit on disposal of investment in an associate	(6,076,073)	-
Share based payment	63,908	-
Finance costs	56,452,426	60,735,811
	172,488,445	200,094,497
<i>Changes in working capital:</i>		
Development properties	(665,078,370)	23,108,023
Inventories	(20,436,573)	53,825
Contract assets	(101,938,139)	(29,964,871)
Accounts receivable	2,159,393	(164,349,353)
Prepayments and other receivables	(127,380,034)	47,552,487
Accounts payable	31,691,382	(236,328,217)
Payable to National Housing Company	482,587,688	137,557,125
Accrued expenses and other payables	149,734,307	175,551,795
Contract liabilities	334,795,477	79,123,169
Cash generated from operations	258,623,576	232,398,480
Employees' end of service benefits paid	(1,133,576)	(492,130)
Zakat paid	(15,123,789)	(10,877,584)
Finance costs paid	(51,075,787)	(54,596,072)
Net cash flows generated from operating activities	191,290,424	166,432,694
INVESTING ACTIVITIES		
Additions to property and equipment	(49,989,697)	(17,583,397)
Additions to investment properties	-	(13,399,259)
Proceeds from disposal of property and equipment	102,870	200,570
Dividends received from associates	114,195,641	47,898,639
Additions to investments at FVTPL	(111,449,272)	(14,038,443)
Proceeds from sale of investments at FVTPL	19,642,231	17,550,506
Proceeds from disposal of investment properties	973,437	34,669,275
Net cash flows (used in) / generated from investing activities	(26,524,790)	55,297,891

(Continued...)

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) (Continued)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2025

	For the six-month period ended June 30,	
Note	2025	2024
	SR	SR
FINANCING ACTIVITIES		
Proceeds from loans	554,468,480	405,597,318
Repayment of loans	(643,553,809)	(234,810,879)
Lease payments	(1,145,064)	(2,723,304)
Dividends paid	(55,000,000)	(80,000,000)
Dividends paid to non-controlling interest	(9,000,000)	(8,000,000)
Purchase of treasury shares	(2,916,867)	-
Net cash flows (used in) / generated from financing activities	(157,147,260)	80,063,135
Net change in cash and cash equivalents	7,618,374	301,793,720
Cash and cash equivalents at the beginning of the period	34,112,475	54,733,532
Less: change in restricted bank balances	(24,002,274)	(284,458,343)
Cash and cash equivalents at the end of the period	17,728,575	72,068,909
SIGNIFICANT NON-CASH TRANSACTIONS	9	



Ammar Al Ghoul
Chief Financial Officer



Abdullah Bin Faisal Bin Abdul Aziz Al
Braikan
Chief Executive Officer



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

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

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

1. GENERAL INFORMATION

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

The Holding Company is principally engaged in:

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

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

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

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

1.1 Details of Holding Company's subsidiaries:

The condensed consolidated interim financial statements as at June 30, 2025 include the financial information of the Holding Company and the following subsidiaries (collectively referred to as "the Group"):

Name of subsidiaries	Commercial Registration dated	Business activity	Effective ownership	
			June 30, 2025	December 31, 2024
Building Construction Company Limited (note 1.1-a)	Jumada II 15, 1420H (September 25, 1999)	General contracting and construction work.	80%	80%
Nesaj Urban Development Company	Ramadan 17, 1433H (August 5, 2012)	Buying, selling, managing and maintaining real estate facilities.	100%	100%
Tadbeir Limited Company	Muharram 11, 1436H (November 4, 2014)	Cleaning, maintaining and operating real estate facilities.	100%	100%
Tadbeir Real Estate Company	Shawwal 10, 1442H (May 22, 2021)	Buying, selling, renting, managing and maintaining real estate facilities.	100%	100%
Tadbeir Environment Company	Dhul-Qa'dah 2, 1443H (June 1, 2022)	Administration and support services	100%	100%
Nesaj Al Inchaya Company for Project Management	Rabi' Sani 17, 1446H (October 20, 2024)	Management of construction projects.	30%	30%

All of the Holding Company's subsidiaries are limited liability companies incorporated in the Kingdom of Saudi Arabia. Building Construction Company Limited was converted from a limited liability company to a closed joint stock company on 6 Muharram 1447H, corresponding to July 1, 2025

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025****1. GENERAL INFORMATION (Continued)****1.1 Details of Holding Company's subsidiaries: (Continued)**

1.1-a. During the year 2023, the Group disposed off 20% of its shareholding in one of its subsidiaries, "Building Construction Company Limited", effective from July 1, 2023, while still retaining the control. Shareholding have been disposed as 10% to one of the executive management of the subsidiary and 10% to one of Board of Directors of the Holding Company. Consideration received against this disposal amounted to SR 19.94 million which resulted in a realized gain amounting to SR 8.16 million which has been classified as "Reserve for change in ownership interest in a subsidiary" under equity. Legal formalities for the sale were completed during the year 2023. During the period ended June 30, 2025, the shareholders approved the transfer of the reserve for change in ownership interest in a subsidiary amounting to SR 8.16 million to retained earnings.

1.2 Details of Company's associates and joint ventures:

			Effective ownership		
		Commercial	June	30,	December
Name of the entity		Registration dated	2025 31, 2024		
Associates					
Saudi Company	Tharwa	Jumada' II 21, 1435H (April 21, 2014)	Buying, selling, renting and managing real estate facilities.	39.5%	39.5%
Mimar Emirate and ARAC Engineering Consultancy Company		Ramadan 11, 1440H (May 16, 2019)	Engineering and architectural consultancy	25%	25%
Business Park Fund (note 1.2 a)		Rabi II 24, 1441H (December 21, 2019)	Buying, selling and developing commercial properties.	-	18.82%
Marasi Real Estate Development Company (note 1.2 b)		Ramadan 3, 1442H (April 15, 2021)	Buying, selling and developing residential properties.	15%	30%
Al-Ahsa Real Estate Fund		Dhul Hijja 17, 1442H (July 27, 2021)	Buying, selling and developing residential and commercial properties.	22.51%	22.51%
Remal Park Fund		Jumada' II 17, 1444H (January 10, 2023)	Real estate activities	33.33%	33.33%
Joint ventures					
Remal Al Khobar Real Estate Company		Dhul Hijja 23, 1442H (August 2, 2021)	General construction of residential and non-residential buildings	50%	50%
Noorkom Design Company		Dhu al-Qa'dah 11, 1443H (June 9, 2022)	Interior designing systems	50%	50%
Masal Real Estate Development Company		Rabi' Al-Awwal 15, 1446H (September 18, 2024)	Real estate activities	50%	50%
Specialized Construction Company Limited (Joint venture of Building Construction Company)		20 Jumada' II 1446H (October 23, 2024)	Electrical and communication installations and building renovations and maintenance	40%	40%
Retal for Lands and Real Estate Management and Development Company (note 1.2. c)		16 Rajab 1446H (January 16, 2025)	General construction of residential and non-residential buildings	50%	

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025**

1. GENERAL INFORMATION (Continued)**1.2 Details of Company's associates and joint ventures: (Continued)**

1.2.a. During the period ended June 30, 2025, the Business Park Fund is liquidated.

1.2.b. During the period ended June 30, 2025, the Group sold half from its 30% interest in Marasi Real Estate Development Company, resulting in a remaining ownership interest of 15%. The Group continues to exercise significant influence over the investee. The sold portion of the investment had a carrying amount of SR 23.1 million and was sold for SR 55.7 million, resulting in a net gain of SR 32.6 million. As part of the transaction, unrealized profit amounting to SR 6.1 million was realized comprising SR 3.6 million related to development contract revenue and SR 2.5 million related to revenue from the sale of real estate lands.

1.2.c. During the period ended June 30, 2025, there is an addition of SR 0.3 million in investments in associates and joint ventures. This amount is yet to be paid.

1.3. Treasury shares and employee long- term incentive program

The Board of Directors recommended purchasing maximum 2,000,000 shares as treasury shares for the employees long-term incentive program. On Dhu al-Hijjah 21, 1445H corresponding to June 27, 2024, the shareholders approved a resolution at the extraordinary general assembly meeting based on the board recommendation, this purchase will be financed from the Group's own resources and must be completed within 12 months from the date of approval. The Group is permitted to hold the purchased shares for up to 3 years from the date of approval and once the 3-year period lapses, the Company will follow the procedures and controls stipulated in the relevant laws and regulations. As of June 30, 2025, the total number of treasury shares purchased 961,583 shares at a market value of SR 14.88 million and the shares par value is SR 0.96 million. Further, during the period June 30, 2025, management communicated the employee share scheme to the employees, with the grant date determined as June 2, 2025.

The Group has offered certain employees (the "Eligible Employees") the Option for equity ownership opportunities to attract and retain Eligible Employees and reward them for their role in achieving the Group's long-term goals. The program focuses on both current and future performance and enables participants to contribute towards the Group's success.

The program is entirely based on in-kind settlement where the Eligible Employees will receive the Group's shares upon completing the vesting period and achieving the performance measures set under the plan. The eligibility criteria include a minimum number of years of service in the Group and maintaining an excellent performance rating in addition to certain other factors. The vesting of the Option is dependent on meeting performance targets set by the Group along with the required period of stay in service by the Eligible Employees.

Under the terms of the plan, the options will vest in tranches of 20%, 30%, and 50% over three years, from June 2, 2026, through June 2, 2028. Only employees that remain in service until the vesting dates of their respective options will become entitled to exercise the Options.

The expense related to the program for the period ended June 30, 2025 amounting to SR 0.06 million was charged to the employees' benefit expenses with a corresponding increase in the consolidated interim statement of changes in equity.

1.4. Other reserves

Other reserves include actuarial reserve, reserve for change in ownership interests in a subsidiary (note 1.1-a) and share based payment reserve as disclosed in the consolidated interim statement of changes in equity.

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

These condensed consolidated interim financial statements for the three-month and six-month periods ended June 30, 2025 have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended December 31, 2024. In addition, results for the three-month and six-month periods ended June 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

Basis of measurement

These condensed consolidated interim financial statements are prepared under the historical cost convention, except, where IFRS requires other measurement basis.

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the Group’s annual consolidated financial statements as of and for the year ended December 31, 2024, and the notes attached thereto.

3.1 New standards, amendments to standards and interpretations**Amendments**

A number of new amendments to standards, enlisted below, are effective this year but they do not have a material effect on the Group’s condensed consolidated interim financial statements.

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IAS 21	Lack of Exchangeability	January 1, 2025	The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025****3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.1 New standards, amendments to standards and interpretations (Continued)****3.2 The Group has not applied the following amendment to IFRSs that have been issued but are not yet effective:**

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026	<p>These amendments clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.</p> <p>They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features.</p> <p>These amendments has introduced new disclosure requirements.</p>
IFRS 19	Subsidiaries without Public Accountability	January 1, 2027	<p>IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.</p> <p>A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.</p>
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	<p>IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.</p> <p>Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.</p> <p>IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures (MPMs)* and eliminates classification options for interest and dividends in the statement of cash flows.</p>

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FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025****3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.1 New standards, amendments to standards and interpretations (Continued)**

Management anticipates that this amendment will be adopted in these condensed consolidated interim financial statements as and when it is applicable, and adoption of this amendment may have no material impact on the condensed consolidated interim financial statements of the Group in the period of initial application.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual consolidated financial statements as of and for the year ended December 31, 2024.

5. PROPERTY AND EQUIPMENT

During the period ended June 30, 2025, the additions to property and equipment amounted to SR 49.99 million (period ended June 30, 2024: SR 17.58 million), which mainly represent the purchase of several plots of lands for operational purposes.

6. PREPAYMENTS AND OTHER RECEIVABLES

Prepayment and other receivables include advances to suppliers, employee receivables, dividends receivable from associates and other receivables.

Furthermore, major increase is related to value added tax amounting to SR 85 million, advances to suppliers amounting to SR 39 million and receivable of SR 55.8 million from the sale of investment in Marasi Real Estate Development Company.

7. DEVELOPMENT PROPERTIES

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Lands (note 7.1)	1,308,259,324	891,880,999
Development cost	449,628,650	319,297,790
Advances (note 7.2)	356,409,000	237,606,000
	2,114,296,974	1,448,784,789
Current portion (note 7.3)	1,425,514,771	1,038,668,505
Non-current portion	688,782,203	410,116,284

7.1 As of June 30, 2025, the Group has lands purchased in installments according to sale and purchase agreements, the value of these lands amounted to SR 439.07 million (December 31, 2024: SR 525.85 million) and the ownership of these lands will be transferred to the Group upon completion of development work and related installment payments. The Group has obtained authorization from sellers to initiate sales and development for these lands.

7.2 Advances represent amounts paid in advance for the purchase of lands for development under agreements entered into by the Group. Risk and rewards of these lands have not yet been transferred to the Group.

7.3 Management estimates that these projects are expected to be sold / utilized within the next 12 months. Accordingly, development properties have been classified into current and non-current.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025****8. ACCOUNTS RECEIVABLE**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Accounts receivable - third parties	427,205,043	421,345,543
Accounts receivable - related parties (note 13)	20,089,834	30,319,122
Accounts receivable – retention	8,637,616	6,427,221
	455,932,493	458,091,886
Less: allowance for expected credit losses	(1,238,541)	(1,291,053)
	454,693,952	456,800,833

Movement in allowance for expected credit losses is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Opening balance	1,291,053	11,368
Charge for the period / year	-	1,291,053
Utilization of allowance	-	(11,368)
Reversal of allowance	(52,512)	-
Closing balance	1,238,541	1,291,053

Aging analysis of accounts receivable - third parties is as follows:

	0-180 Days SR	181-365 Days SR	366-730 Days SR	Total SR
June 30, 2025 (Unaudited)				
Accounts receivable – Gross	329,076,048	82,603,258	15,525,737	427,205,043
Less: ECL allowance	-	-	(1,238,541)	(1,238,541)
Net accounts receivables	329,076,048	82,603,258	14,287,196	425,966,502
Average loss rates (%)	-	-	-7.98%	-0.29%
December 31, 2024 (Audited)				
Accounts receivable – Gross	385,469,422	23,009,295	12,866,826	421,345,543
Less: ECL allowance	-	-	(1,291,053)	(1,291,053)
Net accounts receivables	385,469,422	23,009,295	11,575,773	420,054,490
Average loss rates (%)	-	-	-10.03%	-0.31%

Most of the accounts receivable are guaranteed by the transfer of title deed of the related residential units.

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	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Cash on hand	1,407,576	1,010,497
Cash at banks	839,317,192	832,095,897
	840,724,768	833,106,394

At reporting date, cash and cash equivalents for the purpose of consolidated interim statement of cash flow were presented as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Cash at banks	839,317,192	832,095,897
Restricted bank balances	(822,996,193)	(798,993,919)
Cash on hand	1,407,576	1,010,497
Cash and cash equivalents	17,728,575	34,112,475

As at June 30, 2025, cash at banks include bank balances amounting to SR 822.99 million (December 31, 2024: SR 798.99 million) in local banks in restricted escrow accounts. Drawings from these escrow accounts is restricted for developing certain projects which are sold off-plan and the payment of the amount due to National Housing Company for the lands of certain projects.

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

SIGNIFICANT NON-CASH TRANSACTIONS

	For the six-month period ended June 30, 2025 (Unaudited)	2024 (Unaudited)
	SR	SR
Unrealized profit on downstream transaction of associates and joint ventures	2,978,238	11,525,470
Realization of unrealized profit on upstream transaction of an associate adjusted against development properties	416,408	-
Disposal of an investment in an associate, carrying amount	23,074,676	-
Recognition of right of use asset and lease liability	-	742,833
Addition to investments in associates and joint ventures against other payable	304,162	-

10. SHARE CAPITAL

As of June 30, 2025, authorized, issued and paid up capital comprise of 500 million shares of SR 1 each (December 31, 2024: 500 million shares of SR 1 each).

10.1 Statutory reserve

In accordance with Company's by-laws, the Group was required to transfer at least 10% of its net income each year to a statutory reserve until such reserve equals to 20% of the share capital. As of December 31, 2023, this reserve was not available for distribution to the shareholders. The requirement to maintain statutory reserve is no longer applicable with the introduction of new Regulations for Companies in the KSA effective January 2023.

During the period ended June 30, 2025, the shareholders approved the transfer of the statutory reserve amounting to SR 83.01 million to retained earnings.

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	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Classification of loans:	SR	SR
Short term loans	400,728,046	489,793,252
Long term loans	1,249,435,031	1,245,143,114
	1,650,163,077	1,734,936,366
Less: short term loans	(400,728,046)	(489,793,252)
Less: long term loans - current portion	(381,797,315)	(193,577,812)
Long term loans - non-current portion	867,637,716	1,051,565,302

The repayment schedule for long term loans is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Within one year	381,797,315	193,577,812
Not later than five years	867,637,716	1,051,565,302
	1,249,435,031	1,245,143,114

The Group has obtained, short and medium-term, shariah compliant loan facilities from commercial banks within Kingdom of Saudi Arabia bearing financial charges at SIBOR plus a fixed margin. During the period, the Group has obtained new loans for an amount of SR 554.47 million.

12. REVENUE FROM CONTRACTS WITH CUSTOMERS**12.1 Disaggregated revenue information**

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Types of contracts and services	SR	SR	SR	SR
Development contract revenues	475,398,681	450,620,767	1,031,031,169	910,502,906
Revenue from sales of real estate units / lands	3,480,869	4,712,353	3,480,869	38,175,535
Revenue from property and facility management	8,027,641	6,945,370	16,302,797	12,856,185
Rent contracts revenue	1,530,962	1,394,546	4,695,689	2,766,048
	488,438,153	463,673,036	1,055,510,524	964,300,674

Revenue for the six-month period ended June 30, 2025 from sales of real estate units / lands includes revenue from sales of development properties and investment properties. No revenue was recognized for period ended June 30, 2025, from sale of development properties (June 30, 2024: SR 3.51 million). For investment properties revenue of SR 3.48 million (June 30, 2024: SR 34.67 million) was recognized during the period ended June 30, 2025. The revenue includes realization of unrealized profit amounting to SR 3.6 million related to development contracts revenue and SR 2.5 million related to revenue from the sale of real estate units.

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue by timing of revenue recognition	SR	SR	SR	SR
Revenue recorded over a period of time	484,957,284	458,960,683	1,052,029,655	926,125,139
Revenue recorded at point in time	3,480,869	4,712,353	3,480,869	38,175,535
	488,438,153	463,673,036	1,055,510,524	964,300,674

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	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SR	SR
Accounts receivable – third parties, net	425,966,502	420,054,490
Accounts receivable - related parties	20,089,834	30,319,122
Contract assets (see note (a) below)	404,942,305	300,025,928
Contract liabilities (see note (b) below)	435,630,040	100,834,563

a) Contract assets:

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

b) Contract liabilities:

Contract liabilities include advances from customers towards unsatisfied performance obligations. A contract liability is the obligation to complete the project for a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group completes a project, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the terms of the contract.

Contract liabilities include an advance for Roshan project amounting to SR 203.7 million, the project is directly carried out by one of the subsidiaries 'Building Construction Company'.

13. RELATED PARTIES TRANSACTIONS AND BALANCES

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

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	21,819,751	14,776,943	37,141,170	83,383,765
Purchases	35,391,046	22,391,401	49,326,857	31,000,839
Purchases of property and equipment	25,177,268	-	25,177,268	-
Dividend paid to non-controlling interest	9,000,000	8,000,000	9,000,000	8,000,000
Dividend from associates	6,338,955	19,084,598	90,445,641	47,898,639

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Wajha Alpha for Investment Company (Ewan Tharwa)	9,684,564	3,205,131
Remal Al Khobar Real Estate Company	2,754,893	-
Noorkom Design Company	2,740,936	3,810,322
Mimar Emirate and ARAC Engineering Consultancy Company	2,466,130	581,933
ARAC Engineering Consultants Office	1,186,409	-
Business Park Fund	-	20,125,907
RC Beach Real Estate Fund	-	1,763,571
Others	1,256,902	832,258
	20,089,834	30,319,122

As of June 30, 2025, and December 31, 2024, the Group believes that due from related parties' balances are receivable upon request. As a result, these balances are classified as current assets. These balances bear no interest and there is no repayment schedule. Management believes that all related parties have strong financial position and sufficient funds to repay the balances upon request. Therefore, no allowance has been recognized against these balances.

Due from related parties classified under prepayments and other receivables includes the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Saudi Tharwa Company (Dividend Receivable)	-	23,700,000
Specialized Construction Company Limited	14,734,655	-
	14,734,655	23,700,000

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Madar Building Materials Company	23,352,241	14,588,794
Madar Electrical Materials Company	3,670,969	2,543,324
Madar Hardware Company	606,765	1,897,156
Bawan Metal Industries Company	303,025	1,637,854
Others	939,607	816,802
	28,872,607	21,483,930

As of June 30, 2025, and December 31, 2024, the Group believes that due to related parties' balances are based on contractual commitments and will be settled within one year. As a result, these balances have been classified as current liabilities.

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

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
	SR	SR	SR	SR
Key management executives	1,816,793	3,455,744	3,664,278	4,706,036
Board of directors and committees' allowances	668,875	688,875	1,337,750	1,377,750
	2,485,668	4,144,619	5,002,028	6,083,786

i. (a)

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
	SR	SR	SR	SR
Short term employee benefits	2,416,652	4,053,911	4,800,997	5,917,736
Post-employment benefits	69,016	90,708	201,031	166,050
	2,485,668	4,144,619	5,002,028	6,083,786

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

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	SR	SR	SR	SR
Profit for the period attributable to the shareholders of the Group	66,124,273	72,182,443	134,253,937	134,458,126
	Share	Share	Share	Share
Weighted average number of ordinary shares used in calculating basic earnings per share	499,223,134	500,000,000	499,223,134	500,000,000
Weighted average number of treasury shares	776,866	-	776,866	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	500,000,000	500,000,000	500,000,000	500,000,000
	SR / Share	SR / Share	SR / Share	SR / Share
Basic earnings per share	0.13	0.14	0.27	0.27
Diluted earnings per share	0.13	0.14	0.27	0.27

15. ZAKAT ACCRUAL

During the period ended June 30, 2025, the Group received the final assessments from ZATCA for the years 2020 to 2022, based on which a reversal of SR 7.9 million was recorded. In addition, the Group recognized a zakat charge of SR 10.9 million during the period, resulting in a net charge of SR 3 million.

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16. SEGMENT REPORTING

The Group operations are organized mainly in following reportable segments:

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

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

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The financial information as at June 30, 2025 and December 31, 2024 and for the six-month period ended on June 30, 2025 and 2024, summarized by each segment, is as follows:

	Real Estate Development	Investment	Others	Eliminations	Total
<u>As at June 30, 2025 (Unaudited)</u>	SR	SR	SR	SR	SR
Total Assets	4,405,427,142	760,413,567	41,855,404	(22,725,474)	5,184,970,639
Total Liabilities	4,251,514,400	554,162	34,064,454	(22,725,474)	4,263,407,542
<u>As at December 31, 2024 (Audited)</u>					
Total Assets	3,466,817,268	716,550,642	42,565,008	(25,822,846)	4,200,110,072
Total Liabilities	3,346,599,093	300,000	36,549,991	(25,822,846)	3,357,626,238
<u>For the period ended June 30, 2025 (Unaudited)</u>					
Segment revenue	1,031,031,169	8,176,558	22,411,559	(6,108,762)	1,055,510,524
Shares of results from associates and joint ventures	-	11,749,021	-	-	11,749,021
Gain on disposal from investment in an associate	-	32,685,454	-	-	32,685,454
Gain on sale of investments at fair value through profit or loss	-	2,603,095	-	-	2,603,095
Reversal for allowance for expected credit losses	52,512	-	-	-	52,512
Depreciation and amortization	(14,484,125)	(547,704)	(475,025)	-	(15,506,854)
General and administrative expenses (without depreciation and amortization)	(50,354,738)	-	(3,233,468)	-	(53,588,206)
Selling and marketing expenses (without depreciation and amortization)	(15,159,567)	-	-	-	(15,159,567)
Finance costs	(56,452,426)	-	-	-	(56,452,426)
Other income, net	755,989	-	163,927	-	919,916
Zakat	(2,850,578)	-	(167,966)	-	(3,018,544)
Net profit	92,177,176	54,666,424	(911,378)	-	145,932,222

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16. SEGMENT REPORTING (Continued)

	Real Estate Development	Investment	Others	Eliminations	Total
	SR	SR	SR	SR	SR
<u>For the period ended June 30, 2024</u>					
<u>(Unaudited)</u>					
Segment revenue	914,009,166	37,435,323	19,037,940	(6,181,755)	964,300,674
Shares of results from associates and joint ventures	-	15,224,715	-	-	15,224,715
Gain on sale of investments at fair value through profit or loss	-	3,512,063	-	-	3,512,063
Allowance for expected credit losses	-	-	(421,653)	-	(421,653)
Depreciation and amortization	(8,351,011)	(593,923)	(499,316)	-	(9,444,250)
General and administrative expenses (without depreciation and amortization)	(38,774,444)	-	(3,044,783)	-	(41,819,227)
Selling and marketing expenses (without depreciation and amortization)	(17,923,948)	-	-	-	(17,923,948)
Finance costs	(60,735,811)	-	-	-	(60,735,811)
Other income, net	1,183,102	-	53,421	-	1,236,523
Zakat	(6,535,932)	-	(158,786)	-	(6,694,718)
Net profit	119,212,167	23,005,680	(142,901)	-	142,074,946

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025****17. CONTINGENCIES AND COMMITMENTS****Guarantees:**

The Group is contingently liable for bank guarantees issued in the normal course of business of the Group amounting SR 808.59 million as at June 30, 2025 (December 31, 2024: SR 753.8 million).

As of June 30, 2025, the Group has outstanding corporate guarantees given on behalf of associates amounting to SR 115 million (December 31, 2024: SR 115 million).

Commitments

The Group has the following commitments:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Capital commitments for development contracts	841,190,598	464,589,671

The Group has agreements to purchase developed lands on installments from third parties. The recognition of the liabilities associated with such lands is subject to the fulfillment of certain contractual obligations. As of June 30, 2025, the amount of such commitments is SR 1,113 million (December 31, 2024: SR 1,260 million).

There are certain ongoing legal cases with the Group in the ordinary course of business and the management has assessed that no material impact is expected from the outcome of these legal cases.

18. DIVIDEND DISTRIBUTION

During the six months period ended June 30, 2025, the Board of Directors in their meeting held on Safar 1, 1446H corresponding to March 1, 2025, approved the distribution of cash dividend to the shareholders at the rate of 11% of share capital (equivalent to SR 0.11 per share) amounting to SR 55 million.

During the six months period ended June 30, 2025, one of the subsidiaries (Building Construction Company Limited) declared dividend amounting to SR 45 million (equivalent to SR 9,000 per share) out of which SR 9 million related to non-controlling interest is paid during the period.

19. SUBSEQUENT EVENTS

Subsequent to the period end, the Board of Directors approved by circulation on Safar 9, 1447H corresponding to August 3, 2025, the distribution of cash dividend to the shareholders at the rate of 11% of the Company's capital (equivalent to SR 0.11 per share) amounting to the total of SR 55 million (2024: SR 0.16 per share amounting to the total of SR 80 million).

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

RETAL URBAN DEVELOPMENT COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation in the current period.

Description	From	To	Amount
			SR
Reclassification of allowance for expected credit losses	General and administrative expenses	Allowance for expected credit losses	421,653
Reclassification of statutory reserve	Statutory reserve	Retained earnings	13,445,813

As per the requirements of IFRS, the Group has reclassified allowance for expected credit losses from general and administrative expenses to statement of profit or loss and other comprehensive income as a separate line item. Further, the Group has reclassified statutory reserve transferred during the period ended June 30, 2025 to retained earnings as per the requirement of the new Companies Law.

These changes were made to enhance comparability and did not impact the equity, net profit, or cash flows of the Group for the previous period.

21. DATE OF AUTHORIZATION

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on Safar 9, 1447H corresponding to August 3, 2025.