

RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 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 PERIOD ENDED MARCH 31, 2025

<u>Index</u>	<u>Page</u>
Independent auditor's review report on the condensed consolidated interim financial statements	1
Consolidated interim statement of financial position	2
Consolidated interim statement of profit or loss and other comprehensive income	3
Consolidated interim statement of changes in equity	4
Consolidated interim statement of cash flows	5
Notes to the condensed consolidated interim financial statements	6 – 20

**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 of March 31, 2025 and the related consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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.

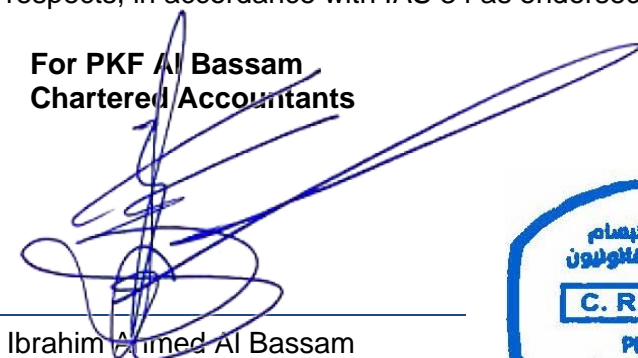
SCOPE OF REVIEW

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: Dhu al-Qadah 14, 1446H
Corresponding to: May 12, 2025




RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2025

		March 31, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
		SR	SR
ASSETS			
Non-current assets			
Property and equipment	5	186,795,122	186,752,338
Right of use assets		33,542,222	34,793,491
Intangible assets		9,951,788	10,604,469
Investment properties		301,948,506	302,223,930
Investments in associates and joint ventures		326,755,620	329,187,395
Development properties	7	420,913,524	410,116,284
Prepayments and other receivables	6	78,006,597	3,293,684
		<u>1,357,913,379</u>	<u>1,276,971,591</u>
Current assets			
Inventories		44,662,838	32,228,017
Accounts receivable	8	394,938,837	456,800,833
Contract assets	12.2	307,547,274	300,025,928
Development properties	7	1,113,254,303	1,038,668,505
Investments at fair value through profit or loss		-	2,304,432
Investments at fair value through other comprehensive income		6,000,000	6,000,000
Prepayments and other receivables	6	289,162,602	177,169,487
Investments in associates and joint ventures		548,766	76,834,885
Cash on hand and at banks	9	1,224,369,707	833,106,394
		<u>3,380,484,327</u>	<u>2,923,138,481</u>
TOTAL ASSETS		<u>4,738,397,706</u>	<u>4,200,110,072</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	500,000,000	500,000,000
Statutory reserve		83,013,877	83,013,877
Other reserves	1.4	(165,826)	(165,826)
Retained earnings		276,214,182	263,084,518
Treasury shares	1.3	(11,959,198)	(11,959,198)
Equity attributable to the shareholders of the Group		<u>847,103,035</u>	<u>833,973,371</u>
Non-controlling interest		5,195,300	8,510,463
Total equity		<u>852,298,335</u>	<u>842,483,834</u>
Non-current liabilities			
Term loans	11	795,332,744	1,051,565,302
Lease liabilities		32,200,377	32,314,001
Employees' end of service benefits		27,827,468	26,097,934
		<u>855,360,589</u>	<u>1,109,977,237</u>
Current liabilities			
Term loans	11	484,228,439	193,577,812
Short term loans	11	333,150,751	489,793,252
Lease liabilities		4,347,179	4,661,715
Accounts payable		368,509,397	308,342,881
Accrued expenses and other payables		639,260,046	533,902,839
Payable to National Housing Company		737,415,718	595,372,137
Dividend payable	17	55,000,000	-
Contract liabilities	12.2	382,705,278	100,834,563
Zakat payable		26,121,974	21,163,802
		<u>3,030,738,782</u>	<u>2,247,649,001</u>
TOTAL LIABILITIES		<u>3,886,099,371</u>	<u>3,357,626,238</u>
TOTAL EQUITY AND LIABILITIES		<u>4,738,397,706</u>	<u>4,200,110,072</u>


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 PERIOD ENDED MARCH 31, 2025

	Note	For the three-month period ended March 31,	
		2025	2024
		SR	SR
Revenue	12	567,072,371	500,627,638
Cost of revenue		(436,977,469)	(373,774,786)
Gross profit		130,094,902	126,852,852
General and administrative expenses		(25,868,359)	(24,335,702)
Selling and marketing expenses		(6,428,502)	(14,198,278)
Allowance for expected credit losses		-	(493,827)
Operating profit		97,798,041	87,825,045
Finance costs		(28,806,655)	(30,141,993)
Shares of results from associates and joint ventures		7,506,184	8,428,620
Gain from investments at fair value through profit or loss		2,625,200	2,415,933
Other income, net		(350,097)	776,966
Profit before zakat		78,772,673	69,304,571
Zakat		(4,958,172)	(3,740,757)
Net profit for the period		73,814,501	65,563,814
Other comprehensive income for the period		-	-
Total comprehensive income for the period		73,814,501	65,563,814
Profit for the period attributable to:			
Shareholders of the Group		68,129,664	62,275,683
Non-controlling interest		5,684,837	3,288,131
Profit for the period		73,814,501	65,563,814
Total comprehensive income for the period attributable to:			
Shareholders of the Group		68,129,664	62,275,683
Non-controlling interest		5,684,837	3,288,131
Total comprehensive income for the period		73,814,501	65,563,814
Earnings per share – Basic and diluted			
Basic earnings per share	14	0.14	0.12
Diluted earnings per share	14	0.14	0.12


 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

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RETAL URBAN DEVELOPMENT COMPANY
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025

	Share capital	Statutory reserve	Actuarial reserve	Other reserve Reserve for change in ownership interests in a subsidiary	Total other reserves	Retained earnings	Treasury shares	Equity attributable to shareholders	Non- controlling interests	Total
	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	-	-	-	-	-	62,275,683	-	62,275,683	3,288,131	65,563,814
Dividends	-	-	-	-	-	(80,000,000)	-	(80,000,000)	(8,000,000)	(88,000,000)
March 31, 2024 (Unaudited)	500,000,000	83,013,877	(5,617,060)	8,162,992	2,545,932	139,234,287	-	724,794,096	2,620,738	727,414,834
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	-	-	-	-	-	68,129,664	-	68,129,664	5,684,837	73,814,501
Dividends (note 17)	-	-	-	-	-	(55,000,000)	-	(55,000,000)	(9,000,000)	(64,000,000)
March 31, 2025 (Unaudited)	500,000,000	83,013,877	(8,328,818)	8,162,992	(165,826)	276,214,182	(11,959,198)	847,103,035	5,195,300	852,298,335


Ammar Al Ghouli
 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 CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025

	For the three-month period ended March 31,	
Note	2025	2024
	SR	SR
OPERATING ACTIVITIES		
Profit before zakat:	78,772,673	69,304,571
<i>Adjustments for non-cash items:</i>		
Depreciation and amortization	7,095,716	4,711,170
End of service provision	1,852,803	1,668,017
Share of results of equity accounted investments	(7,506,184)	(8,428,620)
Gain from investments at fair value through profit or loss	(2,625,200)	(2,415,933)
Allowance for expected credit losses	-	493,827
Gain on disposal of investment properties	-	(2,019,620)
Finance costs	28,806,655	30,141,993
	106,396,463	93,455,405
<i>Changes in working capital:</i>		
Development properties	(84,966,630)	18,143,744
Inventories	(12,434,821)	(1,540,254)
Contract assets	(5,820,362)	(38,595,119)
Accounts receivable	61,861,996	(21,416,797)
Prepayments and other receivables	(134,806,783)	(35,637,141)
Accounts payable	60,166,516	(34,865,519)
Payable to National Housing Company	142,043,581	68,388,414
Accrued expenses and other payables	105,357,207	48,649,220
Contract liabilities	281,870,715	(18,976,354)
Cash generated from operations	519,667,882	77,605,599
End of service benefits paid	(123,269)	(230,849)
Finance costs paid	(24,554,072)	(22,628,311)
Net cash flows generated from operating activities	494,990,541	54,746,439
INVESTING ACTIVITIES		
Additions to property and equipment	(4,959,126)	(8,406,504)
Additions to investment properties	-	(3,262,491)
Dividends received from associates	107,207,441	54,489,041
Advance against investment in a real estate fund	(75,000,000)	-
Additions to investments at fair value through profit or loss	(9,630,615)	(3,992,370)
Proceeds from sale of investments at fair value through profit or loss	14,560,247	6,408,303
Proceeds from disposal of investment properties	-	29,956,922
Net cash flows generated from investing activities	32,177,947	75,192,901
FINANCING ACTIVITIES		
Proceeds from term loans	225,900,669	207,226,921
Repayment of term loans	(351,833,134)	(139,149,256)
Lease payments	(972,710)	-
Dividend paid to non-controlling interest	(9,000,000)	-
Net cash flows (used in) / generated from financing activities	(135,905,175)	68,077,665
Net change in cash and cash equivalents	391,263,313	198,017,005
Cash and cash equivalents at the beginning of the period	34,112,475	54,733,532
Less: change in restricted bank balances	(285,985,362)	(162,671,000)
Cash and cash equivalents at the end of the period	139,390,426	90,079,537
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 PERIOD ENDED MARCH 31, 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 off plan sales 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 and 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 March 31, 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	
			March 31, 2025	December 31, 2024
Building Construction Company Limited (note 1.1-a)	Jumada II 15, 1420H (September 25, 1999)	General contracting and construction works.	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%
Adara Real Estate Company (previously named Tadbeir Real Estate Company ("TRS"))	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 Construction 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.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****1. GENERAL INFORMATION (Continued)****1.2 Details of the Company's associates and joint ventures (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.

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

			Effective ownership		
			March	December	
Name of the entity	Commercial	Registration dated	Business activity	31, 2025	31, 2024
<u>Associates</u>					
Saudi Tharwa Company	Jumada' II 21, 1435H	(April 21, 2014)	Buying, selling, renting and managing real estate facilities.	39.5%	39.5%
Mimar Emirate and ARAC Engineering Consultancy Company	Ramadan 11, 1440H	(May 16, 2019)	Engineering and architectural consultancy	25%	25%
Business Park Fund (note 1.2 a)	Rabi II 24, 1441H	(December 21, 2019)	Buying, selling and developing commercial properties.	18.82%	18.82%
Marasi Real Estate Development Company	Ramadan 3, 1442H	(April 15, 2021)	Buying, selling and developing residential properties.	30%	30%
Al-Ahsa Real Estate Fund	Dhul Hijja 17, 1442H	(July 27, 2021)	Buying, selling and developing residential and commercial properties.	22.51%	22.51%
Remal Park Fund	Jumada' II 17, 1444H	(January 10, 2023)	Real estate activities	33.33%	33.33%
<u>Joint ventures</u>					
Remal Al Khobar Real Estate Company	Dhul Hijja 23, 1442H	(August 2, 2021)	General construction of residential and non-residential buildings	50%	50%
Noorkom Design Company	Dhu al-Qa'dah 10, 1443H	(June 9, 2022)	Interior designing systems	50%	50%
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%

1.2.a. During the period ended March 31, 2025, the Group received an amount of 76.8 million as dividend from Business Park Fund, resulting in a net investment value of SR 0.54 million.

RETAL URBAN DEVELOPMENT COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**

1. GENERAL INFORMATION (Continued)**1.2 Details of the Company's associates and joint ventures (Continued):****1.3. Treasury shares**

The Board of Directors recommended purchasing up to 2,000,000 shares as treasury shares for the long-term employee incentive program. On Dhu al-Hijjah 21, 1445H corresponding to June 27, 2024, the shareholders approved a resolution at the extraordinary general assembly meeting authorizing the Company to purchase up to 2,000,000 of its own shares for allocation to the long-term employees' incentive program. The purchase will be financed from the Company's own resources and must be completed within 12 months from the date of approval. The Company is permitted to hold the purchased shares for up to 3 years from the date of approval and once the 3 years period lapses, the Company will adhere to the procedures and regulations stipulated by relevant laws. During the year 2024, the Group purchased 755,678 treasury shares. As of March 31, 2025, the Group has purchased the shares at market value of SR 11,959,198 and the shares par value is SR 755,678. Further, management has not yet communicated the employee share scheme to the employees and grant date is not yet determined as of March 31, 2025.

1.4. Other reserves

Other reserve includes actuarial reserve and reserve for change in ownership interests in a subsidiary as disclosed in the consolidated interim statement of changes in equity.

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

These condensed consolidated interim financial statements for the three-month period ended March 31, 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 period ended March 31, 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.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****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 interpretationsAmendments

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 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	<p>The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.</p> <p>The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.</p>

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>

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****3. SIGNIFICANT ACCOUNTING POLICIES (Continued)****3.2 The Group has not applied the following amendment to IFRSs that have been issued but are not yet effective (Continued)**

Amendments to standard	Description	Effective for annual years beginning on or after	Summary of the amendment
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>

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

- 5.1 During the period ended March 31, 2025, the additions to property and equipment amounted to SR 4.96 million (period ended March 31, 2024: SR 8.41 million).
- 5.2 Certain lands and buildings amounting to SR 30.4 million are mortgaged against a term loan from a local commercial bank (note 11).

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****6. PREPAYMENTS AND OTHER RECEIVABLES**

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

During the period ended March 31, 2025, the Group paid advance against investment of SR 75 million. The advance is made to a fund, the objective of the fund is to develop and establish mixed-use residential, commercial and office properties on the project land. As of March 31, 2025, units are yet to be issued to the Group.

Furthermore, additions are made related to value added tax, advances to suppliers and employee receivables, including receipt of dividend from associates.

7. DEVELOPMENT PROPERTIES

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Lands (note 7.1)	941,319,479	891,880,999
Development cost	355,242,348	319,297,790
Advances (note 7.2)	237,606,000	237,606,000
	1,534,167,827	1,448,784,789
Current portion (note 7.3)	1,113,254,303	1,038,668,505
Non-current portion	420,913,524	410,116,284

7.1 As of March 31, 2025, the Group has lands purchased on installments according to sale and purchase agreements, the value of these lands amounted to SR 481.1 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 certain projects are expected to be sold / utilized or be available for immediate sale in their current condition within the next 12 months. Accordingly, development properties are classified into current and non-current.

8. ACCOUNTS RECEIVABLE

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Accounts receivable - third parties	365,021,392	421,345,543
Accounts receivable - related parties (note 13)	24,308,303	30,319,122
Retentions receivable	6,900,195	6,427,221
	396,229,890	458,091,886
Less: allowance for expected credit losses	(1,291,053)	(1,291,053)
	394,938,837	456,800,833

Movement in allowance for expected credit losses is as follows:

	March 31, 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 provision	-	(11,368)
Closing balance	1,291,053	1,291,053

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****8. ACCOUNTS RECEIVABLE (Continued)**

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

	0-180 days	181-365 days	366-730 Days	Total
	SR	SR	SR	SR
March 31, 2025 (Unaudited)				
Accounts receivable – Gross	314,767,213	38,271,457	11,982,722	365,021,392
Less: ECL allowance	-	-	(1,291,053)	(1,291,053)
Net accounts receivables	314,767,213	38,271,457	10,691,669	363,730,339
Average loss rates (%)			-10.77%	-0.35%
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%

The Group, in relation to the sale of development properties, holds implicitly a collateral in the form of the fair value of the property sold where the title deed to the property is to be transferred to the customer only upon receipt of the full payment for the contract. There has been no change in the collateral. Given the mentioned factors, the Group has not recorded any expected credit loss allowance for the receivables and contract assets against the sale of development properties.

9. CASH ON HAND AND AT BANKS

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Cash on hand	2,212,081	1,010,497
Cash at banks	1,222,157,626	832,095,897
	1,224,369,707	833,106,394

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Cash at banks	1,222,157,626	832,095,897
Restricted bank balances	(1,084,979,281)	(798,993,919)
Cash on hand	2,212,081	1,010,497
Cash and cash equivalents	139,390,426	34,112,475

As at March 31, 2025, cash at banks include bank balances amounting to SR 1,084.98 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.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****9. CASH ON HAND AND AT BANKS (Continued)****SIGNIFICANT NON-CASH TRANSACTIONS**

	For the three-month period ended March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
	SR	SR
Transfer to investment properties from property and equipment	-	945,794
Dividends payable	55,000,000	88,000,000
Dividend receivable from an associate	649,245	-
Unrealized profit on downstream transaction of associates and joint ventures	1,700,984	-
Realization of unrealized profit on upstream transaction of an associate adjusted against development properties	416,408	-

10. SHARE CAPITAL

As of March 31, 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).

11. LOANS

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SR	SR
Classification of loans:		
Short term loans	333,150,751	489,793,252
Long term loans	1,279,561,183	1,245,143,114
	1,612,711,934	1,734,936,366
Less: short term loans	(333,150,751)	(489,793,252)
Less: long term loans - current portion	(484,228,439)	(193,577,812)
Long term loans - non-current portion	795,332,744	1,051,565,302

The repayment schedule for long term loans is as follows:

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SR	SR
Within one year	484,228,439	193,577,812
Not later than five years	795,332,744	1,051,565,302
	1,279,561,183	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 facilities by an amount of SR 225.9 million. Certain facilities are guaranteed by pledge of certain land deeds which have been classified under investment properties amounting to SR 24.6 million and property and equipment amounting to SR 30.4 million (refer note 5.2).

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****12. REVENUE FROM CONTRACTS WITH CUSTOMERS****12.1 Disaggregated revenue information**

Types of goods and services	For the three-month period ended March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
	SR	SR
Development contract revenues	556,031,064	459,882,139
Revenue from sales of real estate units / lands	-	33,463,182
Revenue from property and facility management	8,275,156	5,910,815
Rent contracts revenue	2,766,151	1,371,502
	567,072,371	500,627,638

Revenue for the three-month period ended March 31, 2025 from sales of real estate units / lands includes revenue from sales of development properties and investment properties amounting to SR nil (March 31, 2024: 3.51 million) and SR nil (March 31, 2024: SR 29.96 million), respectively.

Revenue by timing of revenue recognition	For the three-month period ended March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
	SR	SR
Revenue recorded over a period of time	567,072,371	467,164,456
Revenue recorded at point in time	-	33,463,182
	567,072,371	500,627,638

12.2 Contract balances

	March 31, 2025	December 31, 2024
	(Unaudited)	(Audited)
	SR	SR
Accounts receivable – third parties, net	363,730,339	420,054,490
Accounts receivable - related parties	24,308,303	30,319,122
Contract assets (see note (a) below)	307,547,274	300,025,928
Contract liabilities (see note (b) below)	382,705,278	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 of SR 237.1 million, the project is directly carried out by one of the subsidiaries, 'Building Construction Company'. The remaining contract liabilities relate to the projects carried out by Retal Urban Development Company.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**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	
	March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
	SR	SR
Revenue	15,321,419	66,186,038
Purchases	81,702,688	8,609,438
Dividend from associates	84,106,686	28,814,041
Dividend paid to non-controlling interest	9,000,000	8,000,000

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

	March 31,	December 31,
	2025	2024
	(Unaudited)	(Audited)
	SR	SR
Business Park Fund	-	20,125,907
Noorkom Design Company	4,008,967	3,810,322
Wajha Alpha for Investment Company (Ewan Tharwa)	4,163,220	3,205,131
Alwijha Almutahida for Real Estate Company (Marasi Real Estate Development Company)	3,808,049	-
Remal Al-Khobar Real Estate Company	3,470,525	-
Remal Park Fund	2,965,687	-
RC Beach Real Estate Fund	2,281,441	1,763,571
Mimar Emirate and ARAC Engineering Consultancy Company	1,460,318	581,933
ARAC Engineering Consultancy Company	951,409	-
Others	1,198,687	832,258
	24,308,303	30,319,122

As of March 31, 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:

	March 31,	December 31,
	2025	2024
	(Unaudited)	(Audited)
	SR	SR
Saudi Tharwa Company (Dividend Receivable)	-	23,700,000
Specialized Construction Company Limited	5,526,045	-
	5,526,045	23,700,000

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****13. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

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

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Madar Building Materials Company	17,886,652	14,588,794
Madar Electrical Materials Company	1,038,567	2,543,324
Madar Hardware Company	745,515	1,897,156
Bawan Metal Industries Company	553,134	1,637,854
Others	321,621	816,802
	20,545,489	21,483,930

As of March 31, 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.

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

	For the three-month period ended March 31,	
	2025 (Unaudited)	2024 (Unaudited)
	SR	SR
Short term benefits	1,715,470	1,537,368
Long term benefits	132,015	105,543
Board of directors' fees	668,875	668,875

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

	For the three-month period ended March 31,	
	2025 (Unaudited)	2024 (Unaudited)
	SR	SR
Net profit for the period attributable to the shareholders of the Group	68,129,664	62,275,683
	Share	Share
Weighted average number of ordinary shares used in calculating basic earnings per share	500,000,000	500,000,000
Weighted average number of treasury shares	755,678	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	500,755,678	500,000,000
	SR / Share	SR / Share
Basic earnings per share	0.14	0.12
Diluted earnings per share	0.14	0.12

RETAL URBAN DEVELOPMENT COMPANY**(A SAUDI JOINT STOCK COMPANY)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025**

15. 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.

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****15. SEGMENT REPORTING (Continued)**

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

	Real estate development	Investment	Others	Eliminations	Total
<u>As at March 31, 2025 (Unaudited)</u>	SR	SR	SR	SR	SR
Total assets	4,081,879,849	635,252,892	43,923,905	(22,658,940)	4,738,397,706
Total liabilities	3,872,652,820	300,000	35,805,491	(22,658,940)	3,886,099,371
<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 three-month period ended March 31, 2025 (Unaudited)</u>					
Segment revenue	556,031,064	2,766,151	11,610,555	(3,335,399)	567,072,371
Share of results of equity accounted investments	-	7,506,184	-	-	7,506,184
Gain on sale of investments at fair value through profit or loss	-	2,625,200	-	-	2,625,200
Depreciation and amortization	(6,579,908)	(275,424)	(240,384)	-	(7,095,716)
General and administrative expenses (without depreciation and amortization)	(19,797,117)	-	(1,618,734)	-	(21,415,851)
Selling and marketing expenses (without depreciation and amortization)	(5,820,813)	-	-	-	(5,820,813)
Finance costs	(28,806,655)	-	-	-	(28,806,655)
Other income, net	(460,959)	-	110,862	-	(350,097)
Zakat	(4,873,191)	-	(84,981)	-	(4,958,172)
Net profit	61,724,013	12,622,111	(531,623)	-	73,814,501

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****15. SEGMENT REPORTING (Continued)**

	Real estate development	Investment	Others	Eliminations	Total
	SR	SR	SR	SR	SR
<u>For the three-month period ended</u>					
<u>March 31, 2024 (Unaudited)</u>					
Segment revenue	463,388,399	31,328,424	9,089,033	(3,178,218)	500,627,638
Share of results of equity accounted investments	-	8,428,620	-	-	8,428,620
Gain on sale of investments at FVTPL	-	2,415,933	-	-	2,415,933
Allowance for expected credit losses	(493,827)	-	-	-	(493,827)
Depreciation and amortization	(4,142,497)	(278,994)	(289,679)	-	(4,711,170)
General and administrative expenses (without depreciation and amortization)	(19,730,429)	-	(1,754,994)	-	(21,485,423)
Selling and marketing expenses (without depreciation and amortization)	(14,043,743)	-	-	-	(14,043,743)
Finance costs	(30,141,993)	-	-	-	(30,141,993)
Other income, net	735,495	-	41,471	-	776,966
Zakat	(3,740,757)	-	-	-	(3,740,757)
Net profit	51,752,569	13,472,501	338,744	-	65,563,814

RETAL URBAN DEVELOPMENT COMPANY

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2025****16. CONTINGENCIES AND COMMITMENTS****Guarantees:**

The Group is contingently liable for bank guarantees issued in the normal course of business of the Group amounting SR 773.3 million as at March 31, 2025 (December 31, 2024: SR 753.8 million).

As of March 31, 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 capital commitments:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
	SR	SR
Capital commitments for development contracts	534,983,601	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 March 31, 2025, the amount of such commitments is SR 1,023.8 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 there is no material impact is expected from the outcome of these legal cases.

17. DIVIDEND DISTRIBUTION

During the three-month period ended March 31, 2025, the Board of Directors in their meeting held on Ramadan 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 three-month period ended March 31, 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.

18. SUBSEQUENT EVENTS

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.

19. COMPARATIVE FIGURES

Following comparative figures have been reclassified to conform to the presentation in the current year.

Description	From	To	Amount SR
Reclassification of allowance for expected credit losses	General and administrative expenses	Allowance for expected credit losses	493,827
Reclassification of statutory reserve	Statutory reserve	Retained earnings	6,227,568

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 March 31, 2024 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.

20. DATE OF AUTHORIZATION

These condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on Dhu al-Qadah 14, 1446H corresponding to May 12, 2025.