

Directors report on Earning as at end of December 2020

On behalf of the Board of Directors of RAK Properties PJSC, I am pleased to present the report on Earnings for the year ending December 31, 2020.

2020 Financial Key Highlights:

- Revenue increased by 25% to AED 243 million in 2020 vs AED 195 million in 2019.
- Net Profit Increased by 22% to AED 114 million in 2020 vs AED 93 million in 2019.
- Total comprehensive income for the year increased to AED 99.2million vs AED 87.95 million in 2019.
- The total sales backlog is AED 156 million to be recognized over the period of construction based on construction percentage.
- Total Asset increased by 3.6% to AED 5.8 billion vs AED 5.6 billion due to increased investment in the development of hotels and residential properties.

Income Statement	AED Million	
	2020	2019
Revenue	243.50	194.77
Cost of Revenue	(159.52)	(136.42)
Gross Profit	83.98	58.35
Profit for the period	113.52	93.14

Financial Position	AED Million	
	2020	2019
Non current Assets	4,566	4,642
Current Assets	1,230	950
Total Assets	5,796	5,592
Non current Liabilities	958	915
Current Liabilities	927	781
Total Equity	3,911	3,896
Total Equity and Liability	5,796	5,592

Development Update

RAK Properties completed and handed over Gateway Residence project in the Raha Island, Mina Al Arab and recognized the revenue. During this year, RAK Properties have also sold plots of land in our Al Marsa project.

The following projects are in the various stages of development which required significant funding

Residential Projects:

1. **Marbella Villas**, Mina Al Arab, Ras Al Khaimah – 205 villas and townhouses
2. **Julphar Residence**, Reem Island, Abu Dhabi – 266 apartments

The above projects will be handed over during 2021.

Hospitality Projects:

1. **Intercontinental Hotel and Resort**, Mina Al Arab, Ras Al Khaimah
2. **Anantara Mina Al Arab Hotel and Resort**, Ras Al Khaimah

These hotel properties are expected to start operation during 2021 and 2022, which will improve the overall revenue stream of RAK Properties in ensuing years.

Further, RAK Properties continue to invest in the infrastructure development, lagoon revitalization and Marina within the Mina Al Arab Flagship Project with a view to maximize the value of the overall Mina Al Arab Project, ultimately adding value to the investment made by the investors and customers. It is worth noting that, RAK Properties and FEWA are in discussion for FEWA Power connection in the Mina Al Arab Project.

Dividend Payment:

During the year 2020, RAKP distributed the dividend for the year 2019



Mohammad Sultan Al Qadi
Managing Director