

DIRECTORS REPORT FOR 9 MONTH PERIOD ENDED 30 SEPTEMBER 2024

On behalf of the Board of Directors of RAK Properties PJSC, I am pleased to present the consolidated financial results of the company for the period ended 30th September 2024.

Q3 2024 KEY FINANCIAL HIGHLIGHTS:

- Revenue increased by 30% to AED 891 million as at Q3 2024 vs AED 686 million for the same period last year.
- Profit before tax increased by 27% to AED 133 as at Q3 2024 vs AED 105 million for the same period last year.
- Total Assets increased to 20% to AED 7.74 billion as at Q3 2024 vs AED 6.46 billion as at 31 December 2023.
- Total Equity stood at AED 5.34 billion as at Q3 2024 vs AED 4.30 billion as at 31 December 2023

Income Statement	AED Million	
	<u>30 Sep 2024</u>	<u>30 Sep 2023</u>
Revenue	891	686
Cost of Revenue	(549)	(452)
Gross Profit	342	234
Operating Profit	192	138
Profit before Tax	133	105
Net Profit for the period	121	105
Total comprehensive income	121	105

Financial Position	AED Million	
	<u>30 Sep 2024</u>	<u>31 Dec 2023</u>
Non-Current Assets	6,335	5,408
Current Assets	1,409	1,051
Total Assets	7,744	6,459
Non-Current Liabilities	1,430	1,311
Current Liabilities	971	843
Capital and Reserves	5,343	4,305
Total Equity & Liabilities	7,744	6,459

DEVELOPMENT UPDATE

Residential:

1. **Bay Residence**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Beach front residential buildings.
 - a. Construction of these 2 towers is progressing as per the development plan.
 - b. All 324 units within the two towers have been fully sold out.
2. **Bay Residence Phase 2**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Beach front residential buildings.
 - a. All 324 units within the 2 towers located next to Intercontinental Hotel Ras Al Khaimah has been successfully sold. Handover is scheduled for the first half of next year.
 - b. Construction of these 2 towers is progressing as per the development plan.
3. **Gateway Residence 2**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Residential building.
 - a. Construction of this 8-storey tower at the entrance of Hayat Island is progressing well as planned.
 - b. All 146 apartments in this tower have been fully sold out.
4. **Marbella Villa Phase 2**, Mina Al Arab, Ras Al Khaimah – Luxury Villas and Townhouses.
 - a. Construction of these additional 89 villas and townhouses is on track for early handover.
5. **Bayviews**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Residential Buildings.
 - a. Construction of these 2 towers commenced at the end of 2023.
 - b. All 344 apartments within the 2 towers sold out within few hours of the launch.
6. **Porto Playa**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Residential building.
 - a. Ellington Properties, in collaboration with RAK Properties, has commenced construction on Porto Playa, a waterfront residential development.
 - b. This groundbreaking marks Ellington's strategic expansion into Ras Al Khaimah.
7. **Cape Hayat**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Residential Buildings.
 - a. The sale of these 4 towers consisting of 678 apartments was launched last year. 89% of the project was sold as of Q3 2024.
 - b. Project construction of these 4 towers commenced at the end of 2023 and is on track.
8. **Quattro Del Mar**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Residential Buildings.
 - a. The new project, featuring an integrated lifestyle hub with entertainment and world-class facilities, was launched at the beginning of this year. 70% of the launched inventory was sold as of Q3 2024.
 - b. Piling has commenced for this project, with planned completion by the end 2026.

9. **Granada II**, Mina Al Arab, Ras Al Khaimah – townhouses.
 - a. Phase 2 of Granada, consisting of 80 townhouses, was launched at the end of Q2 2024.
 - b. The construction of the Granada extension project commenced, with planned completion in Q1 2026.
10. **Edge**, Raha Island, Mina Al Arab, Ras Al Khaimah – Residential Buildings.
 - a. RAK Properties introduced a new luxury living experience in Raha Island with the launch of Edge, a yacht inspired waterfront residential tower comprising 237 units with a mix of studios, one-bedroom and two-bedroom apartments.
 - b. Since its launch at the end of Q2 2024, 44% of the launched inventory has been sold as of Q3 2024.
11. **NB Collection**, Hayat Island, Mina Al Arab, Ras Al Khaimah – Exclusive beach front Villas.
 - a. A bespoke collection of high-end beach front villas was introduced by RAK Properties and launched to the market at the end of Q2 2024.
 - b. This collection consists of 11 high-end villas, with completion date expected at the end of 2026.

Hospitality:

1. **Intercontinental Ras Al Khaimah Mina Al Arab Resort and SPA**

The prestigious 351-key hotel situated on Hayat Island, Mina Al Arab, continues to demonstrate solid performance, achieving high occupancy rates and generating strong financial revenue.
2. **Anantara Mina Al Arab Hotel and Resort**, Ras Al Khaimah
The second 5 Star luxury hospitality asset with 174 keys opened its door and commenced operation on 02 January 2024. Results to date are ahead of targets.

Planned Projects:

- a) RAK Properties partners with Nikki Beach Global to open first branded resort and beach club in Mina Al Arab, Ras Al Khaimah
- b) RAK Properties has expanded its strategic partnership with IHG Hotels & Resorts with the introduction of Staybridge Suites at Mina Al Arab Hayat Island.
- c) RAK Properties has expanded its partnership with Minor Hotels to introduce the upcoming Anantara Branded Residences, marking another significant milestone in RAK Properties' vision to position Mina Al Arab as a leading global destination for luxury island living within a vibrant community hub.

Significant Events:

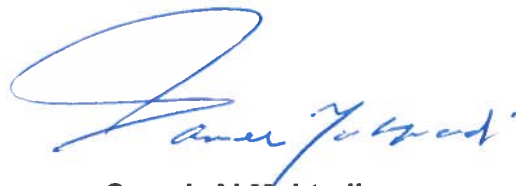
- a) During the year, RAK Properties distributed a 3% cash dividend amounting to AED 60 million and bonus share of 4% of the share capital for the year ended 2023. This distribution was approved at the company's AGM held on 20th March 2024.
- b) Following the Annual General Meeting on March 20, 2024, the Government of Ras Al Khaimah increased its stake in RAK Properties to c. 34% after receiving SCA approval in June 2024. This strategic partnership involved the government injecting additional land bank into the company, boosting RAK Properties' assets and share capital. This

- transaction, reflected in the Q2 financial statements, aligns with the company's significant growth in revenue and net profit in 2023 and a solid 2024 quarterly performance, demonstrating robust demand for its real estate and hospitality offerings
- c) Recognising RAK Properties' unwavering commitment to developing lifestyle destinations, including its flagship project Mina Al Arab, the increased stake reflects the government's confidence in the company and the perceived value of master plan-led developments and their critical role in the emirate.
 - d) RAK Properties partnered with the Commercial Bank of Dubai to secure an AED 2 billion financing facility. This long-term financing will fuel ambitious growth plans in Mina Al Arab and commitment to developing green buildings.

We have achieved remarkable growth, highlighted by a 30% year-on-year increase in revenue, reaching AED 891 million, and a rise in profit before tax to AED 133 million. These accomplishments are a testament to the successful execution of our strategic vision and the diverse appeal of our project portfolio. Our residential developments continue to attract robust interest from both investors and end-users, with several projects selling out entirely, underscoring the desirability and investment potential of our properties. In addition, our hospitality offerings are demonstrating strong performance and high occupancy rates, highlighting the increasing appeal of Ras Al Khaimah as a prime tourism destination.

Our commitment to excellence drives us to deliver projects on schedule and to the highest standards, reinforcing our reputation for quality. Mina Al Arab, our flagship development, exemplifies our approach to building integrated and thriving communities. By year-end, we anticipate the handover of several key projects, which will further contribute to our revenue stream.

We are confident in our ability to sustain this positive momentum and are grateful for the ongoing support of our shareholders, partners, and employees, and we remain dedicated to creating long-term value for all stakeholders.



Sameh Al Muhtadi
Chief Executive Officer