

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 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 31st December 2024.

2024 KEY FINANCIAL HIGHLIGHTS:

- Revenue increased by 40% to AED 1.4 billion vs AED 1 billion for the same period last year.
- Profit before tax increased by 52% to AED 308 million vs AED 202 million for the same period last year.
- Total Assets increased by 24% to AED 8.01 billion as at 31st December 2024 vs AED 6.46 billion as at 31 December 2023.
- Total Equity stood at AED 5.53 billion as at 31 December 2024 vs AED 4.30 billion as at 31 December 2023

Income Statement	AED Million	
	<u>2024</u>	<u>2023</u>
Revenue	1406	1005
Cost of Revenue	(863)	(640)
Gross Profit	543	365
Operating Profit	373	257
Profit before Tax	308	202
Net Profit for the period	281	202
Total comprehensive income	279	182

Financial Position	AED Million	
	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Non-Current Assets	6,459	5,408
Current Assets	1,553	1,051
Total Assets	8,012	6,459
Non-Current Liabilities	1,458	1,311
Current Liabilities	1,027	843
Capital and Reserves	5,527	4,305
Total Equity & Liabilities	8,012	6,459

DEVELOPMENT UPDATE

Residential:

1. **Bay Residence Phase 1**, Hayat Island, Mina, 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. Handover is scheduled for the first half of 2025.
2. **Bay Residence Phase 2**, Hayat Island, Mina, 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. Handovers are scheduled for the second half of 2025.
 - b. Construction of these 2 towers is progressing as per the development plan.
3. **Gateway Residence 2**, Hayat Island, Mina, Ras Al Khaimah – Residential building.
 - a. Construction of this 8-storey tower at the entrance of Hayat Island is progressing well as planned. Handover is scheduled for the first quarter of 2025.
 - b. All 146 apartments in this tower have been fully sold out.
4. **Marbella Villa Phase 2**, Mina, Ras Al Khaimah – Luxury Villas and Townhouses.
 - a. Construction of the additional 89 villas and townhouses has been completed, and units have been handed over successfully.
5. **Bayviews**, Hayat Island, Mina, 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, 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, Ras Al Khaimah – Residential Buildings.
 - a. The sale of these 4 towers consisting of 678 apartments was launched last year. 96% of the project was sold as of Q4 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, 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.
 - b. Piling has commenced for this project, with planned completion by the end 2026 and main contractor Fujiseng appointed.
9. **Granada II**, Mina, Ras Al Khaimah – Townhouses.
 - a. Phase 2 of Granada, consisting of 80 townhouses, was launched at the end of Q2 2024. 86% of the launched inventory has been sold as of Q4 2024.

- b. The construction of the Granada extension project is progressing, with planned completion in Q1 2026.
10. **Edge**, Raha Island, Mina, 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, 80% of the launched inventory has been sold as of Q4 2024.
11. **NB Collection**, Hayat Island, Mina, 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, 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, Ras Al Khaimah.
- b) 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 as a leading global destination for luxury island living within a vibrant community hub.
- c) RAK Properties has partnered with A.R.M Holding and HIVE to launch a coliving and coworking development in the heart of Mina, catering to the evolving needs of young modern professionals and entrepreneurs.
- d) RAK Properties launched Mirasol, a new resort style living concept, and a fresh perspective on luxury living. Featuring a range of studios, apartments and duplexes and scheduled for handover in the first half of 2028.
- e) RAK Properties has partnered with Four Seasons to introduce a luxury resort and private residences in Mina. Designed as a sanctuary of sophistication and natural beauty with a wide array of amenities, the 150 rooms, suites and signature villas, alongside approximately 130 Private Residences.

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, 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 and commitment to developing green buildings.

RAK Properties has delivered a year of strong growth, achieving a 40% year-on-year increase in revenue to AED 1.4 billion and a profit before tax of AED 308 million increase of 52%. This performance underscores consistent financial growth and strategic advancements, positioning the company for transformational expansion in 2025.

2024 was a year of strategic preparation, laying the foundation for this significant growth. We focused on strengthening our development pipeline, diversifying our offerings, and forging key partnerships with leading brands such as Anantara and Four Seasons – with whom we have just an agreement to bring a 150 key beach front resort along with branded residences to Mina.

The momentum continues in 2025. The rapid sell-out of Mirasol's first phase, the first project launched at Mina this year, demonstrates the strong demand for RAK Properties' developments and the market's confidence in our vision. This project is part of the company's AED 5 billion gross development value (GDV) pipeline, for the year ahead, and with a busy launch programme for 2025, we are confident in the sustained demand for our products.

A key strength of RAK Properties lies in its proven track record of delivering projects on time, with reliability, and to the highest standards of quality. Our ongoing work on the Mina masterplan exemplifies this commitment. Designed as a world-class island destination, Mina offers an unparalleled waterfront lifestyle, premium residential living, and exceptional hospitality experiences. Through people-first design and strategic partnerships, we are transforming Mina into Ras Al Khaimah's most sought-after coastal community.

Looking ahead, we are confident in our ability to continue this positive momentum and drive long-term value creation. We are grateful for the unwavering support of our shareholders, partners, and employees, whose commitment and trust continue to fuel our success. With a robust pipeline, a growing recurring revenue portfolio, and a clear vision for the future, we are well-positioned to lead the next phase of transformational growth.

Sameh Al Muhtadi
Chief Executive Officer

