

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2025

On behalf of the Board of Directors of RAK Properties PJSC, I am pleased to present the consolidated financial results for 2025. Coinciding with our Company's milestone 20th anniversary, this past year underscored our unwavering commitment to excellence and expansion.

Over the past 12 months, we maintained robust financial health, efficiently deployed a strong balance sheet and strengthened future cashflows, strengthening our foundations as we enter a new financial year. We witnessed exceptional performance, a strengthening brand, sustained growth and an expanding pipeline of transformative projects and partnerships that collectively enhance RAK Properties' pivotal role in Ras Al Khaimah's emergence as a world-class destination to live, visit and invest.

FULL-YEAR 2025 KEY FINANCIAL HIGHLIGHTS:

- Revenue surged by 31% year-on-year, reaching AED 1.84 billion, driven by a high volume of project handovers, strong sales performance and positive market reception to our new launches.
- Net Profit experienced a remarkable 44% increase, climbing to AED 404.30 million (Profit After Tax).
- Sales Value saw a 142% year-on-year increase, reaching AED 3.36 billion – our highest full-year sales performance to date, with 1,731 units sold, up 96% from 884 units in 2024.
- Our Development Backlog increased to AED 3.47 billion, providing strong visibility of future cashflows and revenue collections.
- Our financial position has also seen significant reinforcement, with Total Assets growing to AED 8.70 billion, demonstrating strong investor confidence and business growth.
- Operating Profit saw a significant jump of 34% to AED 499.88 million, further underscoring our strong operational efficiency.
- EBITDA rose by 42% to AED 534.66 million, showcasing healthy cash generation and operational strength.
- Capital and Reserves increased by 7.5% to AED 5.94 billion, providing clear and positive visibility for future expansion plans and sustained investment.
- Investor confidence remains solid with our share price at AED 1.35 achieving a growth of 18.44% through the year and Market Capitalization reaching AED 4.05 billion by FY 2025 end.

Income Statement

AED Million

	<u>FY 2025</u>	<u>FY 2024</u>	<u>Change (%)</u>
Revenue	1,837.45	1,406.32	31%
Cost of Revenue	(1,129.63)	(863.40)	31%
Gross Profit	707.82	542.92	30%
Operating Profit	499.88	373.38	34%
Profit before Tax	443.83	308.16	44%
Net Profit for the period after tax	404.30	280.92	44%
Total comprehensive income	403.57	279.14	45%

Financial Position

AED Million

	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>	<u>Change (%)</u>
Non-Current Assets	6,388.00	6,459.00	-1.1%
Current Assets	2,318.00	1,553.00	49.3%
Total Assets	8,706.00	8,012.00	8.7%
Non-Current Liabilities	1,623.00	1,458.00	11.3%
Current Liabilities	1,141.00	1,027.00	11.1%
Capital and Reserves	5,942.00	5,527.00	7.5%
Total Equity & Liabilities	8,706.00	8,012.00	8.7%

DEVELOPMENT UPDATE

2025 was a landmark year for RAK Properties, underscored by tangible progress in key developmental milestones, strategic partnerships and asset launches. We exceeded our commitment to AED 5 billion in new projects, achieving AED 5.4 billion in total, and strategically expanded and optimised our substantial land bank. This demonstrates our commitment to broadening our portfolio with attractive, master-planned communities.

We secured prime new land parcels and leveraged our extensive existing holdings, strengthening our long-term vision for the Emirate's coastline and further into the mainland. RAK Properties is well-positioned to deliver a continuous pipeline of communities that will contribute to the emirate's ongoing diversification and development.

Residential:

Development across our residential assets has seen substantial progress throughout 2025. Several assets are nearing completion, underscoring our commitment to developing transformative projects and elevating the Emirate's urban landscape. Our progress illustrates the attractive and high-quality residential experiences our properties will offer in Mina, reinforcing its position as the leading waterfront destination for lifestyle, living and investment.

- Cape Hayat:** Located on Hayat Island and spanning 22,854 sqm, Cape Hayat is a premium beachfront development comprising 678 luxury residential apartments. Enabling, substructure and super structure works have been finalised, and overall completion is at 86.50%. Finishes are well underway at 82% completion, with MEP at 82%, and external works crossing the halfway mark at 51%.
- Quattro Del Mar:** A notable addition to the Mina masterplan, Quattro Del Mar features four interconnected towers with 12 residential floors offering a variety of layouts – from studios and one-bedroom units to expansive Sky Duplexes and Garden Townhouses. Work is in progress with development at 25% complete overall. Enabling and substructure works are fully completed with super structure progress at 64.60%. Finishes, MEP and External work have commenced.
- Bay Views:** This 344-unit development on Hayat Island is set to bring urban living to Mina's coastal setting, with construction 92.7% complete. Significant progress has been made this past year, with enabling, substructure and super structure works completed. Finishes are approaching completion at 87.70%, with MEP at 97.26%.
- Granada II:** Comprising 80 two to three-bedroom townhouses, Granada II is a family-friendly community with landscaped gardens, parks, and children's play areas. This project is close to completion at 99.9%.
- Bay Residences I:** Comprising 324 units across two towers, Bay Residences I has been completed and handed over.

- **Bay Residences 2:** Adjacent to the InterContinental Ras Al Khaimah Resort & Spa, this twin-tower development includes 324 units. All enabling, substructure, super structure works are complete with the project close to completion at 99.61%.
- **Edge:** A yacht-inspired residential tower on Raha Island, Edge features 237 premium apartments with waterfront views. Enabling works are 100% complete with substructure works nearing completion at 90%. Superstructure and MEP works have recently begun.
- **Gateway 2:** Located at the entrance of Hayat Island, this eight-storey residential tower includes 146 apartments. The project has now been fully completed and handed over.

Announcement Highlights & New Launches:

- **Mina Masterplan Unveiling:** The approved masterplan was shared with the broker community at the start of 2025, outlining a AED 5 billion GDV pipeline for the year, reinforcing Mina's central role in our destination-making strategy.
- **The Strand:** The latest in our pipeline of master-planned communities was announced at the beginning of 2026. This mixed-use development spans 185,759 sqm, offering residential buildings, retail hubs and an expansive network of parks, public spaces and community-focused districts.
- **Raha Marina:** A key part of the Mina masterplan, Raha Marina leverages the booming marine tourism and real estate sector emerging across the Arabian Peninsula. Complementing RAK Properties' ongoing development of upscale waterfront residences, this development features state-of-the-art berthing facilities with integrated boulevards that connect to walkable residential and leisure zones offering beach clubs and retail-dining outlets.
- **Nura:** This luxury two-tower resort-style residential project in Downtown Mina's Raha Island offers a total of 312 units with a mix of studios, one, two and three-bed apartments, plus four-bed penthouses with strong investment and rental potential. Tower A, which stands 19 floors high, and the six-floor Tower B, are orientated around a central podium that features a community pool, landscaped green spaces, and shared public amenities. Handover is anticipated for Q1 2029.
- **Solera Launch:** Comprising 451 units across three architecturally distinct buildings on Al Raha Island, Solera is a vibrant urban hub in the highly anticipated Downtown Mina district. This community will offer unparalleled proximity to Mina's amenities, including dedicated retail and F&B destinations, landscaped parks and dynamic community spaces.
- **Mirasol Sales Launch:** Introducing resort-inspired living to Raha Island, Mirasol features 339 units spread across two towers. This development will include a restaurant being developed in partnership with Michelin Star chef Vicente Torres, with handover scheduled for H1 2028. Construction on this development has begun with enabling work in progress.

- **SKAI Launch:** SKAI is a two-tower waterfront development featuring 272 apartments and penthouses ranging from 33 sqm to 265 sqm. The first phase of this premium apartment offering in the new Harbour district of Raha Island has successfully sold out. Construction on this development has begun with enabling work in progress.
- **Anantara Mina Residences:** The Anantara Mina Residences is a collection of 84 ultra-luxury waterfront apartments and 19 villas located on Hayat Island, Mina. The property offers direct beach access and unparalleled views of the Arabian Gulf and Hajar Mountains. Residents will also enjoy a host of premium amenities, including a panoramic swimming pool, cinema room, conference space, fully equipped gym, yoga studio, children's play area and an on-site restaurant in addition to a selection of à la carte services delivered with Anantara's signature hospitality.
- **ENTA & HIVE:** From HIVE, the visionary team behind HIVE JVC, and RAK Properties, comes ENTA MINA. This new co-living and coworking development, located in the heart of Mina, is designed to cater to the evolving needs of modern professionals and entrepreneurs to address a specific market demand. With its distinctive design-led style, ENTA represents a strategic step in shaping places that reflect contemporary lifestyles.

Hospitality:

Our hospitality portfolio continues to demonstrate robust performance, contributing significantly to our revenue in 2025. Our assets strengthen our luxury segment and serve to bolster Ras Al Khaimah's status as a world-leading tourism destination in line with Vision 2030.

- **Intercontinental Ras Al Khaimah Mina Al Arab Resort and Spa:** The prestigious resort, boasting 351 keys on Hayat Island, Mina, sustains high occupancy rates at 69.9% – with an increase in RevPAR by 13% YoY.
- **Anantara Mina Al Arab Hotel and Resort, Ras Al Khaimah:** This 174-key property is performing ahead of target, solidifying Mina's position as a premier luxury destination. We achieved strong occupancy levels in the villa segment, reaching 70% – up from 53% the previous year. Significant increase in RevPAR by 20% YoY.

Planned Projects & Strategic Partnerships:

Our expanding pipeline of strategic partnerships with iconic global brands demonstrates our commitment to delivering attractive propositions, ensuring world-class amenities and services within our developments.

- **Four Seasons:** We are in the early stages of developing a luxury resort and private residences with the prestigious Four Seasons to develop a luxury resort and private residences in Mina. The 150-key resort will serve as a sanctuary of sophistication and natural beauty, offering rooms, suites, and signature villas, alongside 130 Private Residences. Sales are expected to commence later in the year.
- **Armani Beach Residences:** This landmark partnership marks the first Armani branded villas in the world. Nestled along the pristine bay of Raha Island, the limited collection of beach villas and luxury apartments will offer residents bespoke experiences and amenities, including an exclusive members-only beach club.
- **Nikki Beach Global:** RAK Properties partnered with Nikki Beach Global to open their first branded resort and beach club in Mina. All design work is now complete with the property anticipated to open in 2027.
- **Ellington (Porto Playa):** Ongoing agreements for Porto Playa by Ellington are also taking shape, further solidifying our landmark partnerships.
- **Bar Du Port:** Popular hospitality brand Bar Du Port launched its beach-focused concept BDP Beach on Hayat Island, part of the luxurious Mina waterfront development adding to the existing variety of F&B offering.

Bolstering Leadership and Our Commitment to Elevated Experiences

Operational excellence, innovation and customer-centric services are foundational to our success and growth trajectory. By ensuring we deliver on our commitments to our customers, investors and partners, we strengthen our relationships and ensure we are well-prepared to scale sustainably.

RAK Properties has strengthened its internal leadership structure with new C-Suite appointments while also establishing a new Digital Transformation Office and Sales Experience Centre in Dubai to enhance our overall stakeholder offering. The developer's team now stands 291 strong, a reflection of its expansive vision and growing capabilities. This complements the introduction of a fully digital Sales and Purchase

Agreement (SPA) process earlier in the year, a key milestone in modernising our customer experience and enhancing operational agility. The developer's proven and transparent operations have earned shareholder trust, reinforced by Arqaam Securities' appointment as liquidity provider for RAKPROP shares.

Strategic Positioning and Outlook for 2026:

For over two decades, RAK Properties has been a pivotal force in the urban and economic transformation of Ras Al Khaimah. Our journey has been one of continuous evolution and strategic expansion, driven by a team committed to excellence and innovation.

In 2025, we delivered robust financial results while reaffirming our core brand promise: enhancing lives and places. As we chart our course for the coming decades, our vision is clear: to establish Ras Al Khaimah as a world-leading destination for tourism, investment and living.

We look towards 2026 with renewed optimism. A strengthened executive team, a robust digital transformation agenda and a visionary developmental pipeline will enable us to accelerate our growth trajectory and create exceptional value for our diverse stakeholders.

We foresee the real estate market to continue being shaped by the demand for luxury and branded residences, particularly as Ras Al Khaimah prepares for the opening of the Wynn Resort contributing to an overall population surge by 2030. These offerings are highly attractive to high-net-worth individuals and discerning corporate tenants. Our flagship development, Mina, is positioned to capitalise on this investment pulse, further solidifying its position as a prime location for premium lifestyle properties, including family homes and serviced apartments.

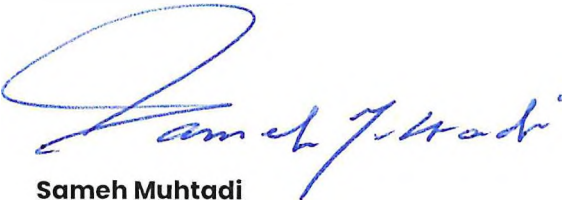
To seize these significant economic opportunities and amplify the attractiveness of our offerings, we will continue our pursuit of strategic partnerships with renowned global brands as well as digital transformation. We are making tangible progress in our commitment to leveraging our extensive landbank, expanding our footprint on the Emirate's mainland, exemplified by the recent announcement of our latest master-planned, mixed-use development, The Strand.

Our success is anchored by the prudent management of capital and costs, ensuring a solid financial foundation for sustained growth. We are well-positioned to meet our mandates as RAK's leading master developer, delivering long-term value for our shareholders.

Justifications for the Board of Directors' Proposal Not to Distribute Cash Dividends for the Financial Year Ended 31 December 2025

During 2026, RAK Properties stands at the threshold of a pivotal expansionary phase in its journey, as it intends to implement a series of ambitious future projects that are expected to entail financial commitments in the coming period. This necessitates maintaining adequate levels of cash flow to support the approved expansion plans. In this context, the Board of Directors has proposed to the General Assembly not to distribute cash dividends for the financial year ended 31 December 2025, in light of the Company's strategy to reinvest profits rather than distribute them. This approach aims to strengthen the Company's financial position, accelerate the development of new projects, enhance the value of existing assets, and enable the Company to capitalize on promising growth opportunities within the real estate sector.

Based on the Board's firm conviction that shareholders are key partners in the Company's success, the Company believes that reinvesting profits represents the optimal approach to maximizing long-term value by expanding the asset base and improving future returns. This supports the adoption of a sustainable investment strategy that will positively reflect on operational and development plans. Accordingly, the Company continues to focus on maintaining growth momentum and contributing to the leadership of real estate market development in the Emirate of Ras Al Khaimah, thereby ensuring the achievement of ambitious results and the creation of sustainable added value for its shareholders over the long term



Sameh Muhtadi

Chief Executive Officer