

DIRECTORS REPORT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

On behalf of the Board of Directors of RAK Properties PJSC, I am pleased to present the consolidated financial results for the first half of 2025. This period stands as a testament to our strategic vision, marked by exceptional financial and operational achievements that underscore our commitment to scaling delivery, expanding our development pipeline, and actively contributing to Ras Al Khaimah's emergence as a global hub for investment, tourism, and lifestyle.

H1 2025 KEY FINANCIAL HIGHLIGHTS:

- Revenue surged by 27% year-on-year, reaching AED774.79 million, primarily driven by a high volume of project handovers and strong market reception for our recent launches.
- Net Profit experienced a remarkable 80% increase, climbing to AED160.60 million (Profit After Tax).
- Sales Value saw a 101% increase, reaching AED1,411 million – our highest half-year sales performance to date, with 788 units sold, up 59% from 496 units in H1 2024.
- Operating Profit saw a significant jump of 47% to AED204.15 million, further underscoring our strong operational efficiency.
- EBITDA rose by 42% to AED239.25 million, showcasing healthy cash generation and operational strength.
- Our financial position has also seen significant reinforcement, with Total Assets growing by 3.5% to AED8,290 million.
- Capital and Reserves increased by 3% to AED5,701 million, providing clear and positive visibility for future expansion plans and sustained investment.
- Investor confidence remains solid, reflected in our share price rising by 26.3% to AED1.44 and Market Capitalization reaching AED4,320 million by H1 2025 end.

Income Statement

AED Million

| | H1 2025 | H1 2024 | Change (%) |
|-------------------------------------|----------------|----------------|-------------------|
| Revenue | 774.79 | 610.39 | 27% |
| Cost of Revenue | (460.46) | (369.28) | 25% |
| Gross Profit | 314.33 | 241.10 | 30% |
| Operating Profit | 204.15 | 138.51 | 47% |
| Profit before Tax | 176.27 | 97.85 | 80% |
| Net Profit for the period after tax | 160.60 | 89.06 | 80% |
| Total comprehensive income | 160.60 | 89.06 | 80% |

Financial Position

AED Million

| | 30 June 2025 | 31 Dec 2024 | Change (%) |
|---------------------------------------|---------------------|--------------------|-------------------|
| Non-Current Assets | 6,374.00 | 6,459.00 | -1% |
| Current Assets | 1,916.00 | 1,553.00 | 23% |
| Total Assets | 8,290.00 | 8,012.00 | 3.5% |
| Non-Current Liabilities | 1,575.00 | 1,458.00 | 6% |
| Current Liabilities | 1,014.00 | 1,027.00 | -1% |
| Capital and Reserves | 5,701.00 | 5,527.00 | 3% |
| Total Equity & Liabilities | 8,290.00 | 8,012.00 | 3.5% |

DEVELOPMENT UPDATE

The first half of 2025 has seen RAK Properties continue to advance its development portfolio, building on the strategic unveiling of the updated Mina masterplan. This bold reimagining of Ras Al Khaimah's premier coastal destination, anchored by an AED5 billion development pipeline, is setting the foundation for a dynamic, integrated lifestyle community.

Our strategic vision to cultivate vibrant, globally appealing communities that consistently deliver tangible results and enduring success is clearly taking shape. We remain deeply invested in shaping Mina as a truly unique destination – a pioneering real estate and lifestyle proposition that is redefining the essence of modern, urban, coastal living.

Residential:

Our active residential portfolio continues to progress robustly, reflecting our commitment to developing diverse and high-quality living spaces. These developments, upon completion, will significantly contribute to Mina's growing vibrancy, reinforcing its position as the leading waterfront destination for lifestyle, living, and investment in Ras Al Khaimah.

- **Cape Hayat:** Located on Hayat Island and spanning 22,854 sqm, Cape Hayat is a premium beachfront development comprising 678 luxury residential apartments. Now 58% complete overall, this project has seen enabling, substructure, and super structure works fully finalized. Finishes are well underway at 47% completion, with MEP at 49%, and external works have commenced. The one-bedroom mock-up unit is already fully completed.
- **Quattro Del Mar:** A landmark addition to the Mina masterplan, Quattro Del Mar features four interconnected towers with twelve residential floors offering a variety of layouts—from studios and one-bedroom units to expansive Sky Duplexes and Garden Townhouses. Following the successful completion of piling works and the AED600 million main contract award with the contractor now mobilized on site, the development stands at 11.22% complete overall. Enabling works are fully completed, the substructure is at 74.9% completion, and super structure work has begun.
- **Bay Views:** This 344-unit development on Hayat Island is set to bring urban living to Mina's coastal setting. Construction has reached over the halfway mark, being 53.79% complete. Significant progress in construction has been made over the period, with enabling and substructure works fully completed, and the super structure nearing finalization at 98.90%. Finishes are well underway at 28.92%, and MEP is nearly halfway at 47.89%.
- **Granada II:** Comprising 80 townhouses, Granada II is progressing ahead of schedule, with overall completion now at 65.2%. Enabling, substructure, and super structure works are fully completed. MEP is 65.55% complete, and finishes are nearly at the halfway mark at 40.78%.
- **Bay Residences 1:** Comprising 324 units across two towers, Bay Residences 1 is very close to completion, having reached 99.99% overall. Enabling, substructure, and super structure works are 100% complete. Finishes and MEP are at 99.99% completion, with external works at 99.85%.

- **Bay Residences 2:** Adjacent to the InterContinental Ras Al Khaimah Resort & Spa, this twin-tower development includes 324 units. It is now 100% complete, with all enabling, substructure, super structure, finishes, MEP, and external works fully finalized.
- **Edge:** A yacht-inspired residential tower on Raha Island, Edge features 237 premium apartments with waterfront views. Enabling works are nearing completion, with piling already finalized. The detailed design has been approved, and the main construction contract is expected to be awarded imminently.
- **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.
- **Angel Bay Project:** Progress is well underway at Angel Bay, which is 31.88% complete overall.

H1 2025 Announcement Highlights & New Launches:

- **Mina Masterplan Unveiling:** The approved masterplan was shared with the broker community at the start of this year, outlining an AED5 billion GDV pipeline for 2025, reinforcing Mina's central role in our destination-making strategy.
- **Solera Launch:** A vibrant new apartment community located on Raha Island, Solera marks an important first chapter for the highly anticipated Downtown Mina district. Comprising 451 units across three architecturally distinct buildings, this new urban hub is designed to offer unparalleled proximity to Mina's amenities, including dedicated retail and F&B destinations, lushly landscaped parks, and dynamic community spaces.
- **Mirasol Sales Launch:** Introducing resort-inspired living to Raha Island, Mirasol features 339 units spread over two towers. This development will include a restaurant being developed in partnership with Michelin Star chef Vicente Torres, with handover scheduled for H1 2028.
- **SKAI Launch:** A waterfront development featuring 272 apartments and penthouses set across two striking towers, SKAI offers residences 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.
- **Anantara Mina Residences:** The official sales launch of Anantara Mina Residences – a collection of 84 ultra-luxury waterfront apartments and 19 villas located on Hayat Island, Mina – took place in May 2025, via an exclusive broker partnership with Savills. Offering direct beach access and unparalleled views of the Arabian Gulf and Hajar Mountains, residents will benefit from 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 perform strongly, contributing significantly to our revenue and enhancing Mina's appeal as a world-class destination.

- **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 robust occupancy rates and generating strong financial revenue.
- **Anantara Mina Al Arab Hotel and Resort, Ras Al Khaimah:** The second 5-star luxury hospitality asset with 174 keys, which opened its doors on 02 January 2024, continues to perform ahead of targets.

Planned Projects & Strategic Partnerships:

We continue to strategically attract and partner with global brands, elevating our propositions and ensuring world-class amenities and services within our developments.

- **Four Seasons:** A landmark partnership 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, represent a first-of-its-kind offering for Ras Al Khaimah. Sales are expected to commence in Q4 2025.
- **Nikki Beach Global:** RAK Properties has partnered with Nikki Beach Global to open their first branded resort and beach club in Mina, Ras Al Khaimah, which is anticipated to open in 2027.
- **Ellington (Porto Playa):** Ongoing agreements for Porto Playa by Ellington are also taking shape, further solidifying our landmark partnerships.

Strengthening the Organization and Enhancing Customer Experience:

Our unwavering focus on operational excellence and innovation ensures we are well-prepared for scale, while consistently maintaining a close relationship with our customers and investors. To support our accelerated growth trajectory, we expanded our workforce to 250 employees by H1 2025, bringing in vital talent across engineering, development, sales, and customer service. A key milestone in modernizing our customer experience and enhancing operational agility was the introduction of a fully digital Sales and Purchase Agreement (SPA) process.

Strategic Positioning and Outlook:

As we look towards the major milestone of our 20th anniversary, RAK Properties remains a key contributor to Ras Al Khaimah's transformative growth, building on the strong performance achieved in H1 2025.

Our strategic approach centers on master-planned development, consistently delivering high-quality mixed-use communities that leverage our substantial landbank to fuel future projects. This commitment extends to increasing recurring revenues through our expanding retail and hospitality offerings, bolstered by strategic partnerships with renowned global brands at Mina.

Our success is underpinned by prudent management of capital and costs, ensuring a solid financial foundation for sustained growth. With a highly experienced and talented team, we are well-positioned to meet our responsibilities as RAK's leading master developer, delivering long-term value for our shareholders. We remain dedicated to setting high standards that enhance customer experience and lifestyles, contributing significantly to the emirate's economic growth and global appeal.

This strong start to 2025 is only the beginning of what we intend to achieve this year. I would like to thank our shareholders, board members, partners, and employees for their continued support and trust in RAK Properties.



Sameh Muhtadi

Chief Executive Officer