



**RAK PROPERTIES
ANNUAL REPORT
2025**

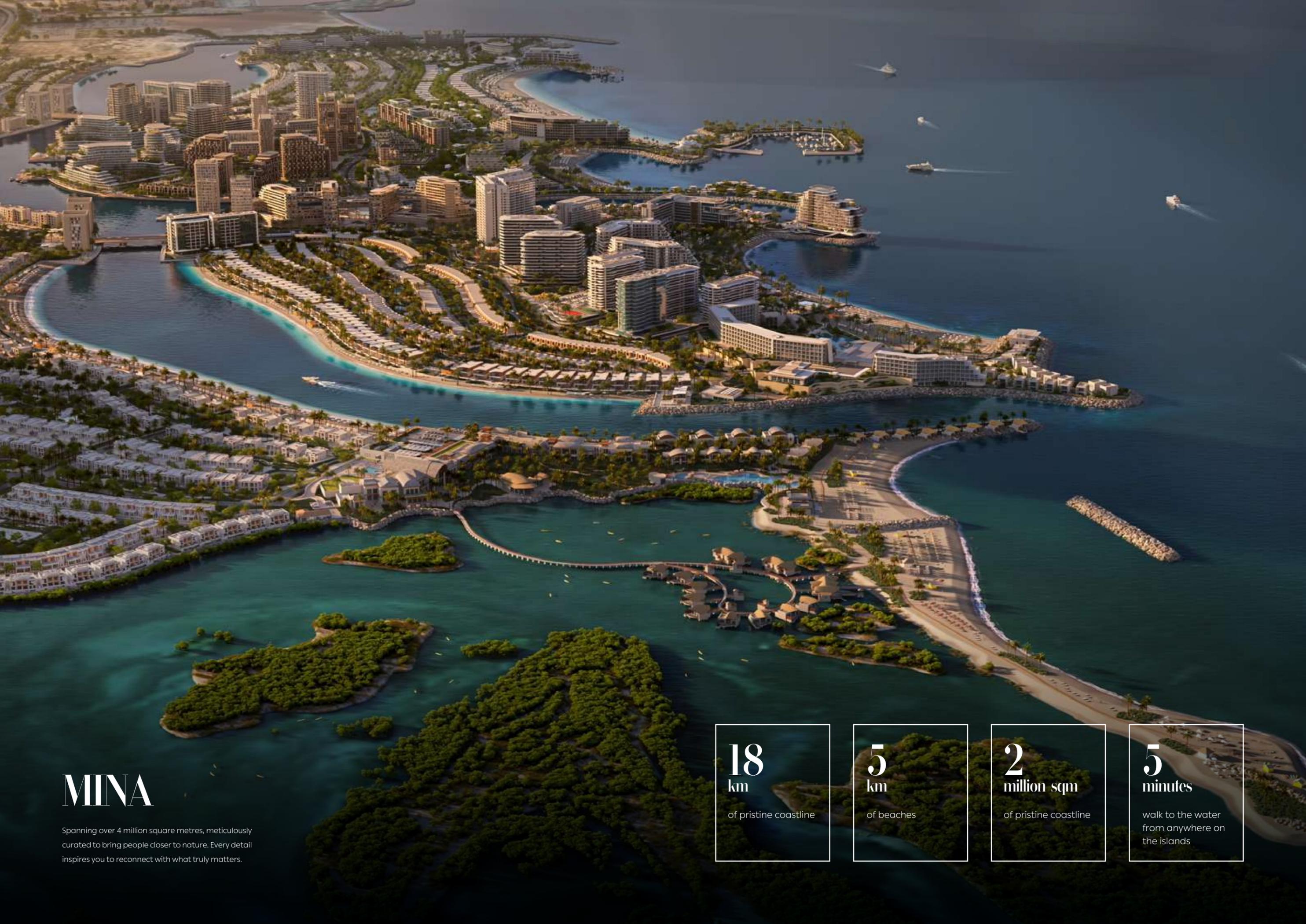


SHAPING THE FUTURE OF RAS AL KHAIMAH

Since 2005, we've been at the forefront of real estate development in Ras Al Khaimah, contributing significantly to the emirate's growth and appeal.

Our portfolio includes diverse residential, commercial, and hospitality projects reflecting our commitment to quality, innovation, and sustainability.





MINA

Spanning over 4 million square metres, meticulously curated to bring people closer to nature. Every detail inspires you to reconnect with what truly matters.

18
km

of pristine coastline

5
km

of beaches

2
million sqm

of pristine coastline

5
minutes

walk to the water
from anywhere on
the islands

YOUR ISLAND ESCAPE

AN ISLAND WHERE WORLDS CONVERGE

Here, life finds its natural rhythm on the pristine shores of Ras Al Khaimah.

Mina offers an unmatched blend of untouched beauty and sophisticated living, nestled amidst two million square metres of protected mangroves, 18 kilometres of pristine coastline, five kilometres of beaches, and just a five-minute walk to the water from anywhere on the island.



AN AVIAN SYMPHONY

Home to flamingos and over 60 other species of birds - this is the



BREATH OF FRESH AIR

Mina's lush mangroves and vibrant greenery fill the air with a natural freshness, enriched by coastal breezes and the untouched beauty of



SPACES THAT INSPIRE

Discover the soul of Mina in its lush parks and vibrant open spaces - inspiring moments of joy and relaxation.



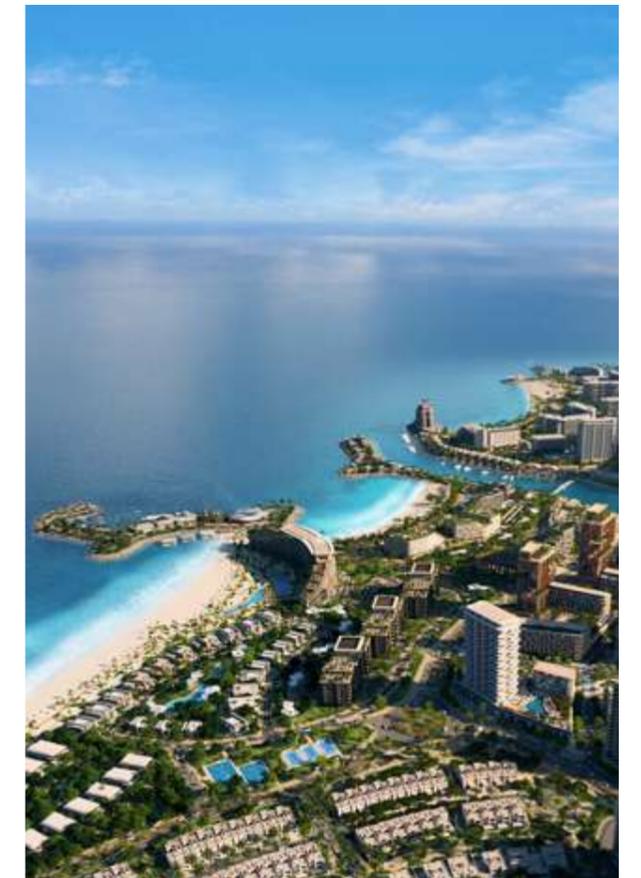
OASIS OF TRANQUILITY

Each community offers a wide variety of pools, gyms, clubhouses, and wellness centres, alongside running and cycle tracks, creating spaces to unwind and prioritise fitness amidst nature's beauty and the sea's soothing embrace.

THE FUTURE

OF RAS AL KHAIMAH

Witness Ras Al Khaimah's transformative journey, poised to redefine luxury and entertainment with spectacular new developments. On the cusp of becoming a premier destination for unparalleled luxury and excitement, the emirate invites you to be part of its visionary journey.



INTERCONTINENTAL

MINA AL ARAB RESORT AND SPA

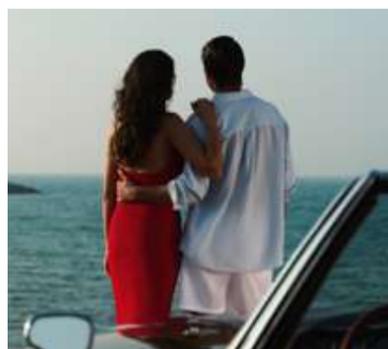
Discover island charm and stay at the multi-award-winning resort, offering guests access to a pristine beachfront.



ANANTARA

MINA AL ARAB RESORT AND SPA

Surround yourself with nature's tranquility and choose from 174 mangrove and ocean-facing guest rooms, including Maldivian-style water villas.



FOUR SEASONS

RESORT AND RESIDENCES

Positioned as a flagship beachfront project within Mina's master plan. The development is planned to include 150 resort rooms and suites and 130 branded residences, with five-star amenities available to both hotel guests and residents.



NIKKI BEACH

RESORT AND SPA

Renowned for music, dining, entertainment, and fashion, it encompasses chic beachfront accommodation and a signature beach club where you can dance to world-renowned DJs and savour gourmet cuisine by the sea.



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		
	FY 2025	FY 2024	Change (%)
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		
	31 Dec 2025	31 Dec 2024	Change (%)
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.

- 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%.

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.

- 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 99.98%.
- Bay Residences 1: Comprising 324 units across two towers, Bay Residences 1 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.

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.

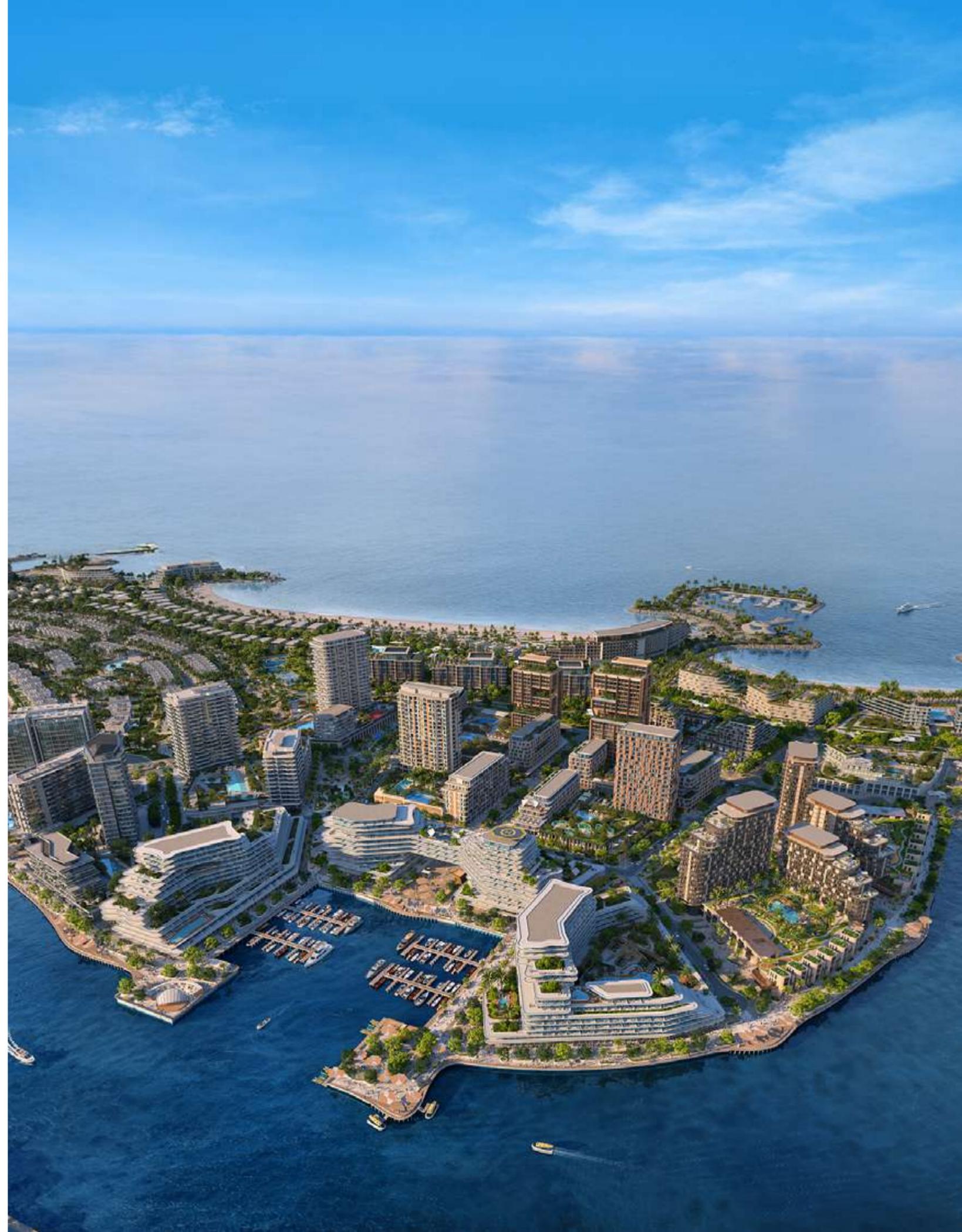


Sameh Muhtadi

Chief Executive Officer

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BOARD OF DIRECTOR'S REPORT

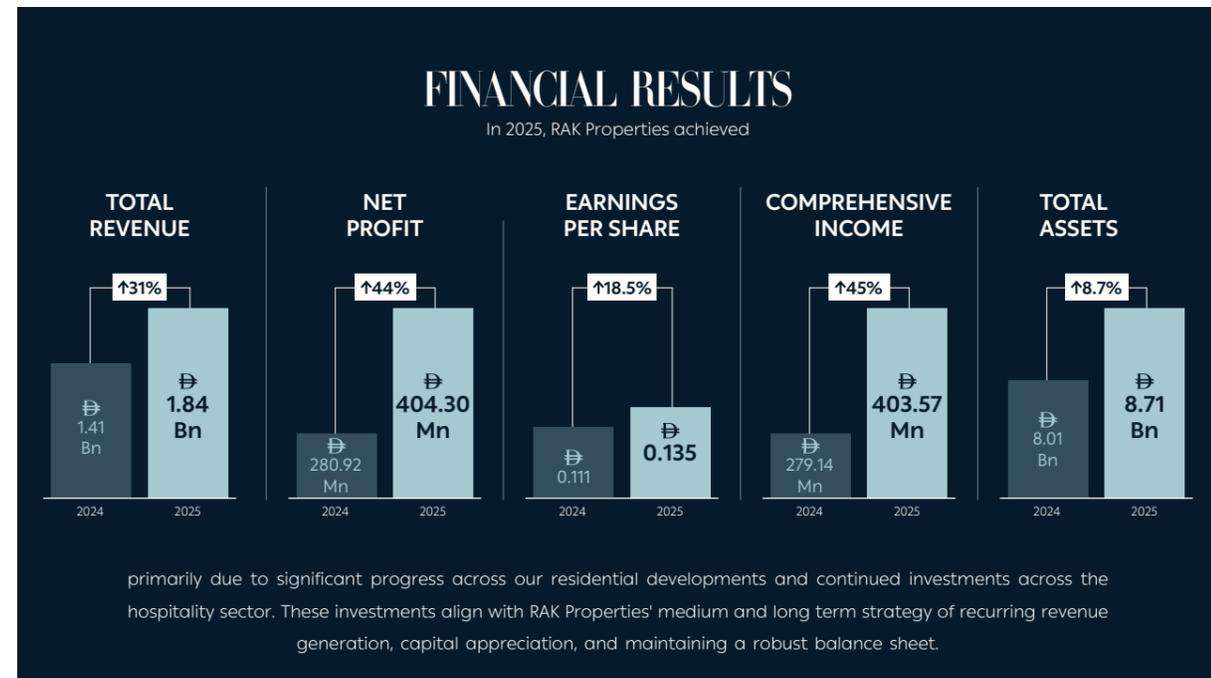


Dear Shareholders,

On behalf of the Board of Directors of RAK Properties, Ras Al Khaimah's leading listed developer, I am delighted to present the consolidated financial statements for the year ended 31st December 2025.

2025 has been a special year for your Company across a number of fronts. We celebrated our twentieth year since establishment as well as marking two decades of being listed on the Abu Dhabi Stock Exchange (ADX: RAKPROP). Across a number of metrics – sales, number of homes sold, revenues, development backlog, 2025 has been a record year. Underpinning our 2025 success has been our relentless commitment to better understand our customers, anticipate the direction of the market, and continually refine our approach to maximise the value of our prized land banks.

We are extremely grateful to His Highness Sheikh Saud Bin Saqr Al Qasimi, Supreme Council Member, and Ruler of Ras Al Khaimah for his unwavering commitment to the ongoing development of the Emirate into a dynamic, modern, global destination.



PRINCIPAL ACTIVITIES

RAK Properties continues to invest in the development and management of real estate assets and associated activities including but not limited to sales, leasing, facility and property management, and hospitality assets.

OPERATIONAL ACHIEVEMENTS

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 Arqam Securities' appointment as liquidity provider for RAKPROP shares.

RESIDENTIAL DEVELOPMENTS

Over the course of 2025, RAK Properties continued to demonstrate its role as the Emirate's leading listed real estate developer. Alongside a high tempo launch campaign of new residential projects and the signing of new strategic partnerships, your Company has made great strides in advancing the progress across a number of key projects.

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.

<p>CAPE HAYAT</p> <p>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%.</p>	<p>QUATTRO DEL MAR</p> <p>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.</p>
<p>BAY VIEWS</p> <p>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%.</p>	<p>GRANADA II</p> <p>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 99.8%.</p>
<p>BAY RESIDENCES I</p> <p>Comprising 324 units across two towers, Bay Residences 1 has been completed and handed over.</p>	<p>BAY RESIDENCES II</p> <p>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%.</p>
<p>EDGE</p> <p>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.</p>	<p>GATEWAY II</p> <p>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.</p>
<p>SKAI</p> <p>A selection of curated residences – studios, one-two bedroom apartments and three -bedroom penthouses comprising 272 units. Construction on this development has begun with enabling work in progress.</p>	<p>MIRASOL I</p> <p>Mirasol offers an exceptional selection of residences, from light-filled studios and spacious one- and two-bedroom apartments to luxurious penthouses, this development comprises 339 units. Construction on this development has begun with enabling work in progress.</p>

HOSPITALITY DEVELOPMENTS

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

OUTLOOK FOR 2025

2026 will be a year that builds on the successes of 2025. Ras Al Khaimah continues to cement its position as a major destination for tourism, hospitality, MICE, and real estate investment. We remain optimistic about sustaining strong demand for luxury and branded residences, and their ability to attract high-net-worth individuals and corporate tenants. This segment, in addition to our non-branded portfolio, further solidifies Mina as a prime location for premium, lifestyle driven properties that can be enjoyed by a wide range of occupants as the destination continues to grow, with more projects moving from construction to handover.

In 2024, the Government of Ras Al Khaimah increased its shareholding in RAK Properties from 5% to 34%. The consideration for this increase was a 185,759 sqm land parcel located in a prime position within the Marjan Beach masterplan. The launch of this new destination and its first homes during the first quarter of 2026 is a milestone for RAK Properties as your Company transitions from being a single destination developer into a developer of multiple prime destinations across the Emirate.

This evolution is closely aligned to our commitment to be a place maker with purpose - enhancing lives and places. Delivery on this purpose, along with the ongoing optimization of our landbank will ensure that not only do we create exceptional value for our shareholders, but our contribution to the Emirate's growth story in line with Vision 2030 remains assured. We proudly look ahead with great confidence in our strategic vision and capability to elevate and shape a bright future for our communities and all of Ras Al Khaimah

PLANNED PROJECTS

RAK Properties signed a landmark partnership with the Four Seasons to bring a 150 key luxury beach resort and 130 branded residences to Mina.

All design work has now been completed on the NIKKI BEACH hotel project.

RAK Properties announced its marquee signing with GIORGIO ARMANI to bring the legendary fashion house's first and only villas to be designed by Giorgio Armani himself to Ras Al Khaimah. The villas will be accompanied by a collection of apartments and a full suite of luxury lifestyle amenities.

RAK Properties is in advanced negotiations with a select number of hospitality partners to bring a lifestyle driven 4-star hotel and residences to Hayat Island within Mina.

RAK Properties is in advanced negotiations to bring a lifestyle driven 3-star hotel brand to Lagoon district within Mina.

Made strong progress on advancing The Strand - RAK Properties' 185,759 sqm land parcel in the Marjan Beach District with the fully approved masterplan revealed, and the first homes made ready for sales launch during Q1 2026.

RAK Properties is in advanced negotiations with the Government of Ras Al Khaimah on the proposed structure of an agreement that would position RAK Properties as the developer of a premium development plot - further reinforcing the Company's position as a leading developer of multiple destinations across the Emirate.

RAK Properties continues to diversify its customer base, exploring new markets for entry, and building out its network of global channel partners as the Company embarks on its most ambitious year to date.



AUDITORS

The consolidated financial statements for the year ended 31st December 2025 have been audited by M/s. Grant Thornton. They remain eligible for re-appointment with a different signing partner and have expressed their willingness to be re-appointed.

On behalf of the Board,

Abdul Aziz Abdullah Al Zaabi
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAK PROPERTIES P.J.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of RAK Properties P.J.S.C. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with the requirements of IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAK PROPERTIES P.J.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

i.) Valuation of Investment Properties

As at 31 December 2025, the Group owns a portfolio of investment properties amounting to AED 1,406,611 thousand (2024: AED 1,577,216 thousand) which comprise of commercial properties, residential properties and various parcels of land. The Group recorded net fair value gain in the consolidated statement of profit or loss amounting to AED 44,765 thousand during the year ended 31 December 2025 (2024: AED 65,899 thousand) (Note 6). Determining the value of these properties is a significant judgement area and is underpinned by a number of assumptions.

These investment properties are stated at their fair values as determined by a professionally qualified independent real estate valuer engaged by the Group (the "external real estate valuer"). The valuation process involves significant judgements in determining and estimating the underlying assumptions to be applied. Assessment of the fair value requires management to make significant estimates and judgements. This, together with the inherent volatility in the property market, warrants specific audit focus in this area as any inaccuracies in determining the fair value of investment properties could have a material impact on the carrying value of the Group's investment properties in the consolidated financial statements.

Our audit procedures, among others, included:

- We obtained the property valuation assessment reports prepared by the external real estate valuer;
- We have evaluated the qualifications and competence of the external real estate valuer to determine their capability to perform the scope of their work and read the terms of the engagement of the external valuer with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;
- We involved our real estate valuation specialist, who on a sample basis, reviewed valuation methodologies used in the valuation process and challenged assumptions used in the valuation by comparing them against historical and available industry data, taking into consideration comparability and market factors;
- We assessed whether the valuation methods used are in accordance with the established standards for valuation of the investment properties and determining the fair value;
- On sample basis, we performed audit procedures to assess whether the source data used for determining the fair value are reasonable by comparing it to the underlying supporting information;
- We have assessed if there are any significant triggers during the audit period that would have a significant impact on the value of the properties; and
- We assessed the adequacy and sufficiency of the associated disclosures in the consolidated financial statements are in accordance with the requirements of IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAK PROPERTIES P.J.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

ii.) Assessment of net realisable value of trading properties and trading properties under development

As at 31 December 2025, the Group holds trading properties amounting to AED 31,247 thousand (2024: AED 38,705 thousand) and trading properties under development amounting to AED 2,537,678 thousand (2024: AED 2,457,989 thousand) (Notes 7 and 11). Determining the value of these properties is a significant judgement area and is underpinned by a number of assumptions (Note 4.28)

Trading properties and trading properties under development are measured at the lower of cost and net realisable value ("NRV") in accordance with IAS 2 Inventories. To support the assessment of NRV for a substantial portion of these balances, the Group engaged an independent professionally qualified real estate valuer (the "external real estate valuer"). The determination of NRV requires the use of key assumptions and involves significant judgement by both management and the external valuer. Given the estimation uncertainty inherent in this process and the volatility of the property market, this area required significant audit attention, as any misstatement in the NRV assessment could materially affect the carrying amounts of these properties in the consolidated financial statements.

Our audit procedures, among others, included:

- We obtained the valuation assessment report prepared by the external real estate valuer;
- We have evaluated the qualifications and competence of the external real estate to determine their capability to perform the scope of their work and read the terms of the engagement of the external valuer with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;
- We involved our real estate valuation specialist, who on a sample basis, reviewed valuation methodologies used in the valuation process and challenged assumptions used in the valuation by comparing them against historical and available industry data, taking into consideration comparability and market factors;
- On a sample basis, for additions to trading properties and trading properties under development, we have verified the underlying supporting documents;
- On sample basis, we performed audit procedures to assess whether the source data used for determining the net realizable value are reasonable by comparing it to the underlying supporting information;
- On a sample basis, we have performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached;
- We have assessed if there are any significant triggers during the audit period that would have a significant impact on the value of the properties;
- On sample basis, we tested the net realizable value of trading properties by comparing property cost to the recent comparable sales; and
- We assessed the adequacy and sufficiency of the associated disclosures in the consolidated financial statements are in accordance with the requirements of IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAK PROPERTIES P.J.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

iii) Revenue recognition from sale of trading properties under development

The Group recognizes revenue on sale of trading properties under development in accordance with IFRS 15 "Revenue from Contracts with Customers" For trading properties under development, revenue is recognised over time when the terms of the sale and purchase agreements indicate that control transfers to the customer as the development progresses.

Revenue recognition for these properties was considered a key audit matter due to the significant estimation uncertainty involved. The Group must estimate total development and infrastructure costs required to satisfy its performance obligations under each contract, which directly determines the measurement of progress and the timing of revenue recognition. These estimates are inherently uncertain because they depend on factors such as the accuracy of project budgets, potential design modifications, contractor performance, cost escalations, and the timing of infrastructure completion. Changes in any of these elements can materially affect the percentage of completion and, consequently, the amount of revenue recognised at each reporting date. Given the significant estimates involved and the potential impact on the consolidated financial statements, this area required significant audit attention.

Our audit procedures, among others, included:

- We assessed the appropriateness of the revenue recognition accounting policies adopted by the Group and its compliance with the requirements of IFRS Accounting Standards;
- We obtained an understanding of the process implemented by the Group for revenue recognition and measurement in respect of the sale of properties;
- We inspected a sample of contracts with customers for sale of properties and assessed management's identification of performance obligations and their determination of whether revenue should be recognised over time or at a point in time in accordance with the requirements of IFRS 15, "Revenue from Contracts with Customers" by making reference to the terms and conditions specified in the contracts;
- For sale of properties where it was determined by the Group's management to recognise revenue over a period of time, on a sample basis, we assessed the contractual arrangements with the customers and the reasonableness of the costs estimated to complete the underlying project development;
- For sale of trading properties under development, on a sample basis, we have assessed the appropriateness of percentage of completion of the underlying project development by reference to costs incurred to date compared to the estimated total costs;
- On a sample basis, we have assessed the adequacy of the total estimated cost to complete the underlying project development through the comparing these to supporting construction contracts, retrospective review of previous estimated cost of completion and other relevant information;
- For costs incurred to date, we have tested, on a sample basis, items of cost components by comparing these to the relevant supporting documents including payment certification and invoices to ascertain the occurrence and accuracy of the costs of work done;
- We assessed the disclosures made in the consolidated financial statements is in accordance with the requirements of IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAK PROPERTIES P.J.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Other Information

The Board of Directors and management are responsible for the other information. The other information comprises information included in the Board of Directors' report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 (as amended) and Articles of Association, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RAK PROPERTIES P.J.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021 (as amended), we report that for the year ended 31 December 2025:

- i. We have obtained all the information we considered necessary for the purposes of our audit;
- ii. The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 (as amended);
- iii. The Group has maintained proper books of accounts in accordance with established accounting principles;
- iv. The financial information included in the Board of Directors' report, in so far as it relates to these consolidated financial statements, is consistent with the books of account of the Group;

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF RAK PROPERTIES P.J.S.C.

Report on other Legal and Regulatory Requirements (continued)

- v. Note 8 and Note 9 to the consolidated financial statements discloses investment in securities by the Group during the financial year ended 31 December 2025;
- vi. Note 25 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted;
- vii. Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 (as amended), or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- viii. Note 21 to these consolidated financial statements discloses social contributions during the financial year ended 31 December 2025.


GRANT THORNTON

Farouk Mohamed
Registration No: 86
Sharjah, United Arab Emirates

5 February 2026

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

ASSETS	NOTES	2025 AED'000	2024 AED'000
Non-current assets			
Property and equipment	5	1,884,425	1,822,861
Investment properties	6	1,406,611	1,577,216
Trading properties under development	7	2,291,964	2,403,580
Investments at fair value through other comprehensive income	8	17,440	18,176
Investment in joint ventures	9	99,936	77,045
Trade and other receivables	10	687,654	559,866
Total non-current assets		6,388,030	6,458,744
Current assets			
Trading properties under development	7	245,714	54,409
Trading properties	11	33,829	41,115
Trade and other receivables	10	1,520,686	995,131
Bank balances and cash	12	517,909	462,590
Total current assets		2,318,138	1,553,245
TOTAL ASSETS		8,706,168	8,011,989
EQUITY AND LIABILITIES			
Equity			
Share capital	13	3,000,000	3,000,000
Share premium	13	114,120	114,120
Treasury shares	13	(3,208)	(22,615)
Statutory reserve	14	1,068,522	1,028,092
Other reserves	15	724,662	722,571
Retained earnings		1,037,874	684,829
Total equity		5,941,970	5,526,997
Non-current liabilities			
Deferred government grants	6	333,694	347,538
Employees' end-of-service benefits	16	10,239	8,003
Bank borrowings	17	569,003	742,175
Deferred tax liability	23	10,139	5,478
Trade payable, accruals and other liabilities	18	700,314	354,434
Total non-current liabilities		1,623,389	1,457,628
Current liabilities			
Bank borrowings	17	441,962	519,884
Provision for income tax	23	35,743	21,762
Trade payable, accruals and other liabilities	18	663,104	485,718
Total current liabilities		1,140,809	1,027,364
Total liabilities		2,764,198	2,484,992
TOTAL EQUITY AND LIABILITIES		8,706,168	8,011,989

These consolidated financial statements for the year ended 31 December 2025, were approved by the Board of Directors and authorised for issuance on 5 February 2026 and signed on their behalf by:


Abdul Aziz Abdullah Al Zaabi
Chairman


Sameh Muhtadi
Chief Executive Officer

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 AED'000	2024 AED'000
Revenue	19	1,837,449	1,406,318
Cost of revenue	20	(1,129,628)	(863,398)
GROSS PROFIT		707,821	542,920
Selling, marketing and administrative expenses	21	(294,826)	(252,323)
Net change in fair value of investment properties	6	44,765	65,899
Share of profit in joint ventures	9	6,074	8,976
Gain on sale of investment properties	6	5,909	-
Other income	19	30,133	7,908
OPERATING PROFIT		499,876	373,380
Finance costs	22	(74,359)	(89,580)
Finance income	22	18,314	27,605
Net change in fair value of investments through profit or loss	8	-	(3,249)
PROFIT FOR THE YEAR BEFORE TAX		443,831	308,156
Income tax expense	23	(39,529)	(27,240)
NET PROFIT FOR THE YEAR AFTER TAX		404,302	280,916
Earnings per share for the year - basic and diluted (AED)	24	0.135	0.111

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025 AED'000	2024 AED'000
NET PROFIT FOR THE YEAR AFTER TAX	NOTE	404,302	280,916
Other comprehensive loss:			
<i>Items that will not be reclassified to profit or loss in subsequent years:</i>			
Net change in fair value of investments at fair value through other comprehensive income	8	(736)	(1,779)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		403,566	279,137

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	SHARE CAPITAL AED'000	SHARE PREMIUM AED'000	STATUTORY RESERVE AED'000	TREASURY SHARES AED'000	RETAINED EARNINGS AED'000	OTHER RESERVES AED'000	TOTAL EQUITY AED'000
Balance at 1 January 2024	2,000,000	-	1,000,000	-	589,778	714,577	4,304,355
Profit for the year	-	-	-	-	280,916	-	280,916
Other comprehensive income for the year	-	-	-	-	-	(1,779)	(1,779)
Total comprehensive income for the year	-	-	-	-	280,916	1,779	279,137
Issuance of stock dividend (Note 13)	80,000	-	-	-	(80,000)	-	-
Dividends (Note 13)	-	-	-	-	(60,000)	-	(60,000)
Additional capital issued (Note 13)	920,000	114,120	-	-	-	-	1,034,120
Treasury shares (Note 13)	-	-	-	(22,615)	-	-	(22,615)
Board of Directors' remuneration (Note 25)	-	-	-	-	(8,000)	-	(8,000)
Transfer to retained earnings on disposal of investments designated at FVOCI	-	-	-	-	(5,984)	5,984	-
Transfer to statutory reserve (Note 14)	-	-	28,092	-	(28,092)	-	-
Transfer to other reserves (Note 15)	-	-	-	-	(3,789)	3,789	-
Balance at 31 December 2024	3,000,000	114,120	1,028,092	(22,615)	684,829	722,571	5,526,997
Profit for the year after tax	-	-	-	-	404,302	-	404,302
Other comprehensive loss for the year	-	-	-	-	-	(736)	(736)
Total comprehensive income for the year	-	-	-	-	404,302	(736)	403,566
Treasury shares (Note 13)	-	-	-	19,407	-	-	19,407
Board of Directors' remuneration (Note 25)	-	-	-	-	(8,000)	-	(8,000)
Transfer to statutory reserve (Note 14)	-	-	40,430	-	(40,430)	-	-
Transfer to other reserves (Note 15)	-	-	-	-	(2,827)	2,827	-
Balance at 31 December 2025	3,000,000	114,120	1,068,522	(3,208)	1,037,874	724,662	5,941,970

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 AED'000	2024 AED'000
Cash flows from operating activities			
Profit before tax for the year		443,831	308,156
Adjustments for:			
Depreciation	5	70,370	71,758
Provision for employees' end-of-service benefits	16	3,569	3,206
Dividend income		-	(296)
Net change in fair value of investments at fair value through profit or loss	8	-	3,249
Net change in fair value of investment properties	6	(44,765)	(65,899)
Gain on sale of investment properties	6	(5,909)	-
Expected credit losses on trade, contract and other receivables	10	7,785	3,091
Share of profit in joint ventures	9	(6,074)	(8,976)
Amortisation of government grant	6	(13,844)	(22,124)
Gain on disposal of property and equipment		-	(90)
Finance income		(18,314)	(27,605)
Finance costs	22	74,359	89,580
Cash from operations before working capital changes		511,008	354,050
Trading properties		5,870	19,191
Trading properties under development		(76,644)	34,335
Trade and other receivables		(708,262)	(465,632)
Trade payable, accruals and other liabilities		521,457	300,236
Net cash flows from operations		253,429	242,180
Employees end of service benefits paid	16	(1,333)	(838)
Income tax paid		(20,887)	-
Net cash flows generated from operating activities		231,209	241,342
Cash flows from investing activities			
Additions to property and equipment	5	(72,487)	(74,540)
Additions to investment properties		(220)	(20,015)
Interest received		18,895	14,875
Dividend received		-	296
Proceed from sale of property and equipment		-	90
Proceeds from disposal of investment		-	315
Proceeds from disposal of investment properties		146,483	-
Net cash flows generated from/(used in) investing activities		92,671	(78,979)
Cash flows from financing activities			
Dividend paid	27	(6)	(60,000)
Net movement of treasury shares (net)		62,531	(22,615)
Bank borrowings availed	17	24,550	203,689
Bank borrowings repaid	17	(211,355)	(165,752)
Interest paid		(71,986)	(95,813)
Board of directors' remuneration paid	25	(8,000)	(8,000)
Net cash flows used in financing activities		(204,266)	(148,491)
Net change in cash and cash equivalents		119,614	13,872
Cash and cash equivalents at the beginning of the year		115,889	102,017
Cash and cash equivalents at the end of the year	12	235,503	115,889

The accompanying notes 1 to 32 form an integral part of these consolidated financial statements.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. Corporate information

RAK Properties P.J.S.C. (the "Company") is a public joint stock company established under Emiree Decree No. 5 issued by the Ruler of the Emirate of Ras Al Khaimah on 16 February 2005 and commenced its operations on 2 June 2005. The Company is listed in the Abu Dhabi Securities Exchange, United Arab Emirates ("UAE"). The registered office of the Company is P.O. Box 31113, Ras Al Khaimah, UAE.

The consolidated financial statements as at and for the year ended 31 December 2025 comprises the Company and its subsidiaries (collectively referred to as "the Group").

The principal activities of the Group are investment in and development of properties, property management, hotel operations, marina management and related services.

The consolidated financial statements were authorised for issue on 5 February 2026.

2. Basis of preparation

a. Statement of compliance

These consolidated financial statements of the Group have been prepared on going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), applicable provision of the Articles of Association of the Company and UAE Federal Decree Law No. 32 of 2021(as amended).

b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and investments, which are carried at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c. Functional and presentational currency

These consolidated financial statements are prepared in Arab Emirates Dirhams ("AED"), which is the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d. Basis of consolidation

The consolidated financial statements incorporate the financial results of the Company and the below Subsidiaries.

SUBSIDIARY	COUNTRY OF INCORPORATION	OWNERSHIP %	
		31 DECEMBER 2025	31 DECEMBER 2024
RAK Properties International Limited	UAE	100%	100%
Lagoon Marina Ship Management & Operation LLC	UAE	100%	100%
RAK Properties Tanzania Limited	Tanzania	100%	100%
Dolphin Marina Limited	Tanzania	100%	100%
Intercontinental RAK Mina Al Arab Resorts & Spa L.L.C.	UAE	100%	100%
RAK Properties Gayreimenkul Pazarlama Anonim Sirketi	Turkey	100%	100%
Anantara Mina Al Arab Ras Al Khaimah Resort LLC	UAE	100%	100%
MINA Management Supervision Services for Owners Associations LLC OPC *	UAE	100%	-

* Incorporated during the year and have yet to commence operating activities.

The principal activities of above subsidiaries are investment and development of properties, property management and hotel operations, marina management and related services.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

2. Basis of preparation (continued)

d. Basis of consolidation (continued)

Subsidiaries

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the Investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are adjusted and eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of comprehensive income. Any investment retained is recognised at fair value.

e. Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group assessed the nature of its joint arrangement and determined it to be a joint venture. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in consolidated statement of comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

3. New or revised Standards or Interpretations

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements in the current year are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards and interpretations effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued that is not yet effective.

- Lack of Exchangeability (Amendments to IAS 21)

These amendments did not have a significant impact on these consolidated financial statements, and therefore, the disclosures have not been made.

Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

Other standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group include:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards—Volume 11
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- IFRS 18 'Presentation and Disclosure in Financial Statements'

The IASB issued IFRS 18, 'Presentation and Disclosure in the Financial Statements' which will supersede IAS 1 'Presentation of Financial Statements' and applies to annual reporting periods beginning on or after January 1, 2027. IFRS 18 introduces new presentation and disclosure requirements of additional totals in the statement of profit or loss, a new note which discloses management-defined performance measures and enhancements to the requirements for aggregation and disaggregation.

IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, but it might change what is reported as its 'operating profit or loss'. Management is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidated statement of comprehensive income, the consolidated statements of cash flows and the additional disclosures required.

The remaining above standards, amendments and interpretations are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore no disclosures have been made.

4. Material Accounting Policies

4.1. Overall Consideration

The preparation of the Group's consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.2 Revenue Recognition

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15 Revenue from contracts with customers:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which performance obligation is satisfied.

a. Revenues from the sale of properties

The Group enters into contracts with customers to sell property that are either completed or under development.

- Completed property

The sale of completed property constitutes a single performance obligation and the Group has determined that this is satisfied at the point in time when the title deed is transferred.

- Under development property

For contracts relating to the sale of property under development, the Group is responsible for the overall management of the project and accounts for such contracts as a single performance obligation. The Group has determined that, for sale of under development property, based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, its performance does not create an asset with alternative use to the Group and it has concluded that, at all times, it has an enforceable right to payment for performance completed to date. Therefore, control transfers over time for these contracts.

For contracts that meet the over-time revenue recognition criteria, the Group's performance is measured using an input method, by reference to the costs incurred to the satisfaction of a performance obligation relative to the total expected inputs to the completion of the property. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised. These estimates include the cost of providing infrastructure, potential claims by contractors and the cost of meeting other contractual obligations to the customers.

Revenue from under development property is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably; revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.2 Revenue Recognition (continued)

a. Revenues from the sale of properties (continued)

- Other consideration related to the sale of property

In determining the transaction price, the Group considers the effects of the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

When a significant financing component is identified, the Group is required to adjust the promised amount of consideration for the effects of the time value of money. This is because the Group is required to recognise revenue at an amount that reflects the price that the customer would have paid for the promised goods or services if the customer had paid in cash for those goods or services when (or as) they transfer to the customer.

For sale of property, the Group is required to incorporate the element of significant financing component in the trade and contract receivables recorded by the Group as the transaction implicitly gives a financing facility to the customer to pay the amount in future.

The Group usually repossesses properties from customers upon a default by them in fulfilling their contractual obligations. Such properties are measured at their fair value less cost to sell at the repossession date. The difference between such fair value less cost to sell the properties repossessed and the carrying amount of the trade receivables and contract assets is recognised in the consolidated statement of comprehensive income, as follows: (a) if higher, as revenue; and (b) if lower, as an impairment loss against the trade receivables and contract assets.

b. Revenue recognition for hotel operations

Revenue from contracts with customers is recognised when control of the goods are transferred or services rendered to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring to the customer, has pricing latitude and is also exposed to inventory and credit risks.

Revenue is measured at the fair value of the consideration received or receivable net of discounts, service charges and municipality taxes, taking into account contractually defined terms of payment and excluding taxes and duty.

i. Room revenue

Rooms revenue represents revenue generated from the accommodation provided to its customers in respect to rooms' accommodation. Performance obligation is satisfied, and revenue is recognised over the passage of time based on period of stay of customers. Based on the assessment performed by the Group's management, the customers do not have right of returns, there are no variable considerations, warranty obligations or material loyalty points. Generally, advances are received from customers which are disclosed under contract liabilities. Using practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of promised good or service to the customer and when the customer pays for that good or service will be one year or less.

ii. Revenue from food and beverage, other departments, and service charge

Performance obligation for food and beverage, other departments, and service charge is satisfied and revenue is recognised at a point in time, which is generally upon fulfilment of the customer order and provision of services to customers.

c. Facility management income

Revenue from services such as property management and facilities management is recognised in the period in which the services are rendered over the period of time.

d. Leasing income

Leasing income from operating leases is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total lease income, over the term of the lease.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.2 Revenue Recognition (continued)

e. Forfeiture income

The Group proceeds to terminate contracts and recognise forfeiture income as other income in the consolidated statement of profit or loss when, in cases where a customer does not fulfil the contractual payment terms and the contract of sale is terminated.

4.3 Contract Balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under the section, "Financial Instruments - initial recognition and subsequent measurement".

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract

The Group pays sales commission to its employees for contracts that they obtain to sell certain units of property and capitalises the incremental costs of obtaining a contract that meet the criteria in IFRS 15. These costs are recognised in the consolidated statement of profit or loss coinciding with the revenue recognition for such property.

4.4 Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements.

4.5 Finance Income

Finance income mainly comprises interest income on fixed deposits. Interest income is recognised in the consolidated statement of profit or loss as it accrues, using the effective interest rate method (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipt through the expected life of the financial asset or liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

4.6 Dividend income

Dividend income is recognised in the consolidated statement of profit or loss on the date on which the Group's right to receive payment is established.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.7 Property and equipment including capital work-in-progress

Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in the consolidated statement of profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. When significant parts of equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Derecognition

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

Depreciation

Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful life of each part of an item of property and equipment. Land is not depreciated. The estimated useful lives for are as follows:

Buildings	20-40 years
Hotel equipment	15 years
Furniture and fixtures	4 years
Computer and office equipment	4 years
Motor vehicles	4 years

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses (refer accounting policy on impairment), if any, until the construction is complete. Upon completion of construction, the cost of such asset together with the cost directly attributable to construction are transferred to the respective class of assets. No depreciation is charged on capital work-in-progress.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.8 Investment properties

Recognition

Land and buildings owned by the Group for the purposes of generating rental income or capital appreciation or both are classified as investment properties. Properties that are being constructed or developed for future use as investment properties are classified as capital work in progress within investment properties.

Measurement

Investment properties are initially measured at cost, including related transaction costs. Subsequent to initial recognition, investment properties are accounted for using fair value model. Any gain or loss arising from a change in fair value is recognised in the consolidated statement of profit or loss. Where the fair value of investment property under development is not reliably determinable, such property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable.

Transfer from trading properties to investment properties

Certain trading properties are transferred to investment properties when there is a change in the use of the properties. Trading properties are transferred to investment properties at carrying value. Subsequent to initial measurement, such properties are valued at fair value in accordance with the measurement policy for investment properties.

Transfer from investment properties to trading properties

Properties are transferred from investment properties to trading properties when there is a change in use of the property. Such transfers are made at the carrying value of the properties at the date of transfer. Fair value at the date of reclassification becomes the cost of properties transferred for subsequent accounting purposes. Subsequent to the transfer, such properties are valued at lower of cost or net realisable value in accordance with the measurement policy for trading properties.

Transfer from investment properties to owner-occupied properties

If an investment property becomes owner-occupied property, it is reclassified as property and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Transfer from owner-occupied property to investment properties

When the use of a property changes from owner-occupied to investment property, the property is transferred to investment properties at carrying value. Subsequent to initial measurement, such properties are valued at fair value in accordance with the measurement policy for investment properties.

4.9 Trading properties and trading properties under development

Land and buildings identified as trading properties based on underlying masterplan, including buildings under construction, are classified as such and are stated at the lower of cost and estimated net realisable value. The cost of trading properties under development comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of the business based on market prices at the reporting date, less cost of completion and estimated cost of sale.

The amount of any write down of trading properties is recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down arising from an increase in net realisable value is recognised in the consolidated statement of profit or loss in the period in which the increase occurs but only to the extent that the carrying value does not exceed the actual cost.

Cost of trading properties recognised in the consolidated income statement on sale is determined on the basis of specific identification of their individual costs. The classification of trading properties under development as current and non-current depends upon the expected date of their completion.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.10 Financial Instruments

i. Classification and measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). The classification of financial assets under IFRS 9 is generally based on the Group's business model in which a financial asset is managed and its contractual cash flow characteristics. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are; solely; payments of principal and interest on the outstanding principal amount.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

Trade payable, accruals and other liabilities

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.10 Financial Instruments (continued)

ii. Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets and financial liabilities.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

Equity instruments at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in the consolidated statement of profit or loss. Any gain or loss on derecognition is recognised in consolidated statement of profit or loss.

Financial liabilities

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the amortisation process.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.10 Financial Instruments (continued)

iii. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures impairment allowances using the simplified approach. Under this approach, the Group categorises its financial assets under a three stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for the financial assets that are not measured at FVPL or FVOCI. Financial assets migrate through three stages based on the change in credit risk since initial recognition.

The three-stage ECL model is based on the change in credit quality of financial assets since initial recognition.

- Under Stage 1, where there has not been a significant increase in credit risk since initial recognition, an amount equal to 12 months ECL will be recorded.
- Under Stage 2, where there has been a significant increase in credit risk since initial recognition but the financial instruments are not considered as credit impaired, an amount equal to the default probability-weighted lifetime ECL will be recorded.
- Under the Stage 3, where there is objective evidence of impairment at the reporting date these financial instruments are classified as credit impaired and an amount equal to the lifetime ECL will be recorded for the financial assets.

The ECL model is forward looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk and measurement of ECL. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECL

The Group employs statistical models for ECL calculations.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.10 Financial Instruments (continued)

iv. Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

The Group derecognises a financial liability when, and only when, its contractual obligations are discharged, cancelled, or they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated statement of profit or loss.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position if there is a legally enforceable right to set off the amounts and there is an intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.11 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The results of the operating segments are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property and equipment, costs incurred for purchase of investment properties or redevelopment of existing investment properties and costs incurred towards development of properties which are either intended to be sold or transferred to investment properties.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.12 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties, inventories, contract assets, trading properties and trading properties under development) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in consolidated statement of profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.13 Equity and reserves

Share Capital

Share capital represents the nominal value of shares that have been issued.

Share Premium

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other reserves

Reserves include statutory reserve, general reserve, fair value reserve and reserve for replacement of furniture, fixture and equipment. Refer to Notes 14 and 15 for full disclosures about the nature of each reserve.

Treasury shares

Treasury shares are equity instruments that are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Such treasury shares may be acquired and held by the entity or by a third party on behalf of the Company. Consideration paid or received is recognised directly in equity.

Retained earnings and dividends

Retained earnings include all current year profit and prior periods retained earnings, net of any dividends distributed.

Dividends are recorded when these dividends are approved in general meeting prior to the reporting date. Dividend distribution to the shareholders is recognised as a liability in the consolidated statement of financial position in the period in which the dividends are approved by the shareholders and derecognised when paid.

All transactions with shareholders are recorded separately within the consolidated statement of changes in equity.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.14 Government grants

Government grants related to assets are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. They are then recognised in the consolidated statement of profit or loss within cost of revenue on a systematic basis upon the fulfilment of conditions stipulated by the Government.

Such grants are generally received with the implicit condition that they are to be utilised for development, and accordingly, the fulfilment of the condition is estimated based on the progress of development activities.

4.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the year in which they are incurred.

4.16 Provisions and accruals

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.17 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

UAE national employees of the Group are members of the Government-managed retirement pension and social security benefit scheme pursuant to U.A.E. labour law no. 7 of 1999. The Group is required to contribute 12.5% of the "contribution calculation salary" of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Government contribute 5% or 11% depending on the employees start date and 2.5% of the "contribution calculation salary" respectively, to the scheme. The only obligation of the Group with respect to the retirement pension and social security scheme is to make the specified contributions.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent a cash refund or a reduction in future payments is available.

Provision for employees' end of service benefits

Provision is made for the full amount of end of service benefit due to non-UAE national employees in accordance with the UAE Labour Law and is based on current remuneration and their period of service at the end of the reporting period.

The accrual relating to leave passage is disclosed as a current liability, while the provision relating to end of service indemnity is disclosed as a non-current liability.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.17 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Directors' remuneration

Pursuant to Article 169 of the Federal Law No. 32 of 2021 and in accordance with Article of association of the Company, the Directors shall be entitled for remuneration, which shall not exceed 10% of the net profit after tax for the year.

4.18 Foreign currency

Transactions in foreign currency are translated into the respective functional currencies of the Group companies at the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Foreign currency differences are generally recognised in the consolidated statement of profit or loss.

Foreign operations

The results and financial position of all the foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- ii. Income and expenses for each statement of profit or loss are translated at average exchange rates; and
- iii. All resulting exchange differences are recognised as a separate component of equity.

In 2022, Turkey became a hyperinflationary economy. Management performed an assessment of the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies and have determined that the impact of applying IAS 29 is not material to the consolidated financial statements of the Group.

4.19 Fair value measurement

The Group measures certain financial instruments such as financial assets (investments) at FVPL, and certain non-financial assets such as investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.19 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group has an established control framework with respect to the measurement of fair values.

This includes a management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The management team regularly reviews significant unobservable inputs and valuation adjustments.

External valuers are involved for valuation of significant assets, such as properties. If third party is used to measure fair values, the management team discusses with the valuer the valuation techniques and inputs to use and assesses the evidence obtained from the third party to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards, including the level in the fair value hierarchy in which such valuations should be classified.

4.20 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

4.21 Inventories

Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items. Costs are those expenses incurred in bringing each product to its present location and condition on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.22 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.23 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the consolidated statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.24 Taxation

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets for unused tax losses, unused tax credits and deductible temporary differences are only recognised to the extent that it is probable that future taxable profits will be available against which they can be used and are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary difference when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.25 Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no substantive rights at the reporting date to defer settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

4.26 Significant accounting judgements, assumptions and estimates

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

4.27 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

i. Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of revenue recognition on the sale of property under development

The Group has evaluated the timing of revenue recognition on the sale of property based on a careful analysis of the rights and obligations under the terms of the contract. The Group has concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers.

For contracts relating to the sale of property under development, the Group recognises the revenue over a period of time as the Group's performance does not create an asset with alternative use. Furthermore, the Group has an enforceable right to payment for performance completed to date.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.27 Judgements (continued)

i. Revenue from contracts with customers (continued)

Determining the timing of revenue recognition on the sale of property under development (continued)

It has considered the factors that indicate that it is restricted (contractually or practically) from readily directing the property under development for another use during its development. In addition, the Group is, at all times, entitled to an amount that at least compensates it for performances completed to date. In making this determination, the Group has carefully considered the contractual terms as well as local legislations.

The Group has determined that the input method is the best method for measuring progress for these contracts because there is a direct relationship between the costs incurred by the Group and the transfer of goods and services to the customer.

Consideration of significant financing component in a contract

For contracts involving the sale of property, the Group is entitled to receive an initial deposit. The Group concluded that this is not considered a significant financing component because it is for reasons other than the provision of financing to the Group. The initial deposits are used to protect the Group from the other party failing to adequately complete some or all of its obligations under the contract where customers do not have an established credit history.

Cost to complete projects and project cost accruals

The Group estimates the cost to complete the projects and project cost accruals in order to determine the cost attributable to revenue being recognised. These estimates include the value attributable to work done till date, cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

ii. Leases – Property lease classification – the Group as lessor

The Group has entered into commercial and residential property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of this property and accounts for the contracts as operating leases.

iii. Classification of properties

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property and equipment and/or trading property. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property and equipment and trading property. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property as determined by the management. Trading properties are grouped under current assets, as intention of the management is to sell it within one year from the end of the reporting date.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.27 Judgements (continued)

iv. Component of cash and cash equivalents

The cash and cash equivalents shown in the consolidated statement of cash flows are stated net of bank overdrafts that are repayable on demand as these facilities are considered to form an integral part of the treasury management of the Group.

4.28 Key sources of estimation uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of investment properties

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods. These methods comprise the sales comparable method and discounted cash flow method. The discounted cash flow method requires the use of estimates such as future cash flows from assets (comprising of leasing rates, future revenue streams, construction costs and associated professional fees, and financing cost, etc.), targeted internal rate of return and developer's risk and targeted profit. These estimates are based on local market conditions existing at the end of the reporting period. Under the income capitalisation method, the income receivable under existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation dates. The Group's undiscounted future cash flows analysis and the assessment of expected remaining holding period and income projections on the existing operating assets requires management to make significant estimates and judgements related to future rental yields and capitalisation rates. Refer Note 28 for the fair valuation of investment properties.

Estimation of net realisable value for trading properties and trading properties under development

The Group's management reviews the trading properties and trading properties under development to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recognised in the consolidated statements of profit or loss, the management assesses the current selling prices of the property units and the anticipated costs for completion of such property units for properties which remain unsold at the reporting date. If the current selling prices are lower than the anticipated total cost at completion, an impairment provision is recognised for the identified loss to reduce the cost of development properties to its net realisable value.

Calculation of expected credit loss allowance

The Group assesses the impairment of its financial assets based on the ECL model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments. When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Material Accounting Policies (continued)

4.28 Key sources of estimation uncertainty (continued)

Impairment of property and equipment and capital work in progress

Impairment of property and equipment and capital work in progress The Group reviews its property and equipment and capital work in progress to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recognised in the consolidated statement of profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment or capital work in progress. Accordingly, provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment or capital work in progress.

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Valuation of unquoted investments

Valuation of unquoted investments is normally based on one of the following:

- Recent arm's length market transactions;
- The expected cash flows discounted at current rates applicable for the items and with similar terms and risk characteristics; or
- Other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. The Group calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data. Refer to Note 28 for estimates applied and amount involved.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

5. Property and equipment

	PLOTS OF LAND AED'000	BUILDINGS AED'000	EQUIPMENT AED'000	HOTEL AED'000	FURNITURE AND FIXTURES AED'000	COMPUTER AND OFFICE EQUIPMENT AED'000	MOTOR VEHICLES AED'000	CAPITAL WORK-IN-PROGRESS AED'000	TOTAL AED'000
Cost									
As at 1 January 2024	589,004	703,318		37,829	34,105	10,317	1,809	645,231	2,021,613
Additions	-	11,384		-	8,391	2,160	-	52,605	74,540
Transferred on completion	-	606,725		42,739	36,740	-	-	(686,204)	-
Transfer to trading properties under development (Note 7)	(48,126)	-	-	-	-	-	-	-	(48,126)
Disposals	-	-	-	-	-	-	(605)	-	(605)
At 31 December 2024	540,878	1,321,427		80,568	79,236	12,477	1,204	11,632	2,047,422
Additions	-	35,608		-	10,385	1,723	215	24,556	72,487
Transfer from investment properties (Note 6)	-	3,290		-	-	-	-	-	3,290
Transfer from trading properties under development (Note 7)	77,317	-	-	-	-	-	-	-	77,317
Transfer to trading properties under development (Note 7)	(12,268)	-	-	-	-	-	-	(8,892)	(21,160)
At 31 December 2025	605,927	1,360,325		80,568	89,621	14,200	1,419	27,296	2,179,356
Accumulated depreciation:									
As at 1 January 2024	-	120,436		4,755	17,953	9,250	1,014	-	153,408
Charge for the year	-	45,343		5,364	20,052	749	250	-	71,758
Disposals	-	-		-	-	-	(605)	-	(605)
At 31 December 2024	-	165,779		10,119	38,005	9,999	659	-	224,561
Charge for the year	-	46,284		5,371	17,406	1,030	279	-	70,370
At 31 December 2025	-	212,063		15,490	55,411	11,029	938	-	294,931
Net book value									
As at 31 December 2024	605,927	1,148,262		65,078	34,210	3,171	481	27,296	1,884,425
At 31 December 2024	540,878	1,155,648		70,449	41,231	2,478	545	11,632	1,822,861

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

5. Property and equipment (continued)

The depreciation charge has been allocated as follows:

	2025 AED'000	2024 AED'000
Selling, marketing and administrative expenses (Note 21)	70,370	65,305
Cost of revenue	-	6,453
At 31 December	70,370	71,758

Plots of land and buildings are primarily located within the United Arab Emirates.

The borrowing cost capitalized during the current year amounted to AED 221 thousand (2024: an amount of AED 331 thousand of borrowing costs capitalised related to construction of hotel properties calculated using an average capitalisation rate of 6.45% (2024: 7.5%) per annum.

Capital work-in-progress as at 31 December 2025 and 2024, mainly represented expenditure incurred on the construction of hotel properties.

Property and equipment pertaining to hotel properties with net book value of AED 1,473,169 thousand as at 31 December 2025 (2024: AED 1,521,932 thousand) and certain other items of property and equipment are mortgaged against bank borrowings (Note 17).

6. Investment properties

	PLOTS OF LAND AED'000	BUILDINGS AED'000	CAPITAL WORK-IN- PROGRESS AED'000	TOTAL AED'000
At 1 January 2024	827,250	705,458	28,098	1,560,806
Cost incurred	-	-	20,015	20,015
Transfer to trading properties under development (Note 7)	(52,961)	-	(6,943)	(59,904)
Transfer to trading properties (Note 11)	(9,600)	-	-	(9,600)
Change in fair value	14,863	51,036	-	65,899
At 31 December 2024	779,552	756,494	41,170	1,577,216
Cost incurred	-	-	220	220
Transfer (to)/from trading properties under development (Note 7)	(31,767)	979	(26,456)	(57,244)
Transfer to investment in a joint venture (Note 9)	(16,817)	-	-	(16,817)
Transfer to property and equipment (Note 5)	-	-	(3,290)	(3,290)
Change in fair value	8,029	36,736	-	44,765
Sales of investment properties	(18,780)	(119,459)	-	(138,239)
As at 31 December 2025	720,217	674,750	11,644	1,406,611

The details of valuation techniques and assumptions applied for the measurement of fair value of investment properties are disclosed in Note 28. Investment properties, including those under development as capital work-in-progress are located in the UAE.

The Group has no restrictions on the realisability of its properties under development and contractual obligations to purchase, construct or develop these properties.

Certain items of investment properties are mortgaged against bank borrowings (Note 17).

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

6. Investment properties (continued)

Following are the details of investment properties sold during the current year:

	2025 AED'000	2024 AED'000
Sales proceeds	146,483	-
Carrying amount of investment properties	(138,239)	-
Sales commission paid	(2,335)	-
Gain on sale of investment properties	5,909	-

The following table shows the net income arising from investment properties:

	2025 AED'000	2024 AED'000
Rental income derived from investment properties (Note 19)	34,367	32,909
Direct operating expenses generating rental income	(3,138)	(4,002)
Net income arising from investment properties carried at fair value	31,229	28,907

Capital work-in-progress

Capital work-in-progress relates to the development of commercial and retail properties located in Mina Al Arab, Ras Al Khaimah which will be leased-out to third parties after completion.

Cost incurred includes borrowing costs capitalised during the year amounting to AED 76 thousand (2024: AED 172 thousand), calculated using an average capitalisation rate of 6.45% (2024: 7.5%) per annum.

Deferred government grant

The Government of Ras Al Khaimah had granted certain plots of land with an aggregate area of 66,977 thousand square feet on the condition that these plots of land undergo development. The Group has accounted for the portion of land granted as deferred government grant.

This deferred government grant is being released on the fulfilment of the conditions stipulated by the Government of Ras Al Khaimah based on the progress of the development activities.

The following is the movement in the remaining amounts of deferred government grant.

	2025 AED'000	2024 AED'000
At 1 January	347,538	369,662
Amortisation of government grant (Note 20)	(13,844)	(22,124)
Net income arising from investment properties carried at fair value	333,694	347,538

Amortized amounts are adjusted against the cost of sales as project cost.

Disclosures related to fair value of the investment properties are included in Note 28.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

7. Trading properties under development

	2025 AED'000	2024 AED'000
At 1 January	2,457,989	1,341,869
Cost incurred during the year	938,611	622,513
Cost recognized as cost of revenue during the year	(857,803)	(656,848)
Transfer from property and equipment (Note 5)	21,160	48,126
Transfer to property and equipment (Note 5)	(77,317)	-
Transfer from investment properties (Note 6)	57,244	59,904
Transfer to trading properties (Note 11)	(2,206)	(10,536)
Land acquired against issuance of additional shares (Note 13)	-	1,034,120
Transferred from advances pertaining to land in Abu Dhabi	-	18,841
At 31 December	2,537,678	2,457,989
Less: classified as current assets	(245,714)	(54,409)
Classified as non-current assets	2,291,964	2,403,580

The following table shows the location wise of the trading properties under development.

	2025 AED'000	2024 AED'000
Inside UAE	2,523,863	2,444,174
Outside UAE	13,815	13,815
Classified as non-current assets	2,537,678	2,457,989

As at 31 December 2025, the management estimated the net realisable value of trading properties under development based on the most reliable evidence available at the reporting date of the amount that the Group is expected to realise from the sale of these properties in its ordinary course of business. These estimates also take into consideration the purpose for which such properties are held. The determination of net realisable value of trading properties under development is based on external valuations using various valuation methodologies and techniques. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations.

Based on the independent valuation of net realisable value of trading properties under development, no impairment loss was noted in the current year. (2024: AED Nil).

Certain items of trading properties under development are mortgaged against bank borrowings (Note 17).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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8. Investments

	2025 AED'000	2024 AED'000
Non-current investments		
At fair value through other comprehensive income		
Investments within UAE		
Unquoted equity investments	1,190	1,259
Investments outside UAE		
Unquoted equity investments	12,930	13,597
Unquoted real estate funds	3,320	3,320
Total investments	17,440	18,176

During the current year, no dividend income were received on these investments (2024: AED 296 thousand).

A reconciliation of investments measured at fair value based on significant unobservable inputs (level 3 fair value) is as follows:

	2025 AED'000	2024 AED'000
At 1 January	18,176	23,519
Disposals during the year	-	(315)
Change at fair value through profit or loss, net	-	(3,249)
Change at fair value through other comprehensive income, net	(736)	(1,779)
At 31 December	17,440	18,176

The details of valuation techniques and assumptions applied for the measurement of fair value of investments are mentioned in Note 28.

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9. Investment in a Joint Venture

The movement in the Group investments in joint ventures is summarised below:

	HIVE AND MINA AED'000	ELLINGTON AED'000	TOTAL AED'000
At 1 January 2024	-	68,069	68,069
Share of profit during the year	-	8,976	8,976
At 31 December 2024	-	77,045	77,045
Transfer of investment property (Note 6)	16,817	-	16,817
Share of profit during the year	-	6,074	6,074
At 31 December 2025	16,817	83,119	99,936

Ellington Development FZ-LLC

In 2023, the Group entered into a joint venture agreement and a Development Management Agreement, collectively referred to as "the Agreements", with Ellington Properties Development LLC. To facilitate this arrangement, a development company called "Ellington Development FZ-LLC" ("Ellington") was incorporated. In accordance with the Agreements, both control and profit shall be on an equal 50:50 basis between the Group and with Ellington Properties Development LLC.

Hive and Mina Real Estate Development LLC

During the year, the Group entered into a joint venture agreement with ADC1 SPV LTD ("ADC1") a wholly owned subsidiary of ARM Holdings L.L.C for the development of a project located on Hayat Island, Ras Al Khaimah. Pursuant to the agreement, a new joint venture entity named Hive and Mina Real Estate Development LLC ("Hive and Mina") was incorporated, with the Group holding 51% of the equity and ADC1 holding the remaining 49%, however, control and profits will be shared equally. Under the terms of the agreement, the Group's has contributed to the Project land with a fair value of AED 16.8 million (Note 6), and ADC1 will contribute an equivalent funding to the fair value of the land.

One Facilities Management LLC

During the year, the Group entered into a joint venture agreement with I F M Facilities Management LLC to establish One Facilities Management LLC. As at 31 December 2025, the cost of investment in the joint venture is Nil, as operations have not commenced and no capital contributions have yet been made.

The following table summarises the income statements and statement of financial position of the Group's joint ventures as at and for the year ended 31 December 2025 and 31 December 2024:

	HIVE AND MINA 2025 AED'000	ELLINGTON 2025 AED'000	HIVE AND MINA 2024 AED'000	ELLINGTON 2024 AED'000
Statement of financial position				
Total assets	60,121	326,145	-	344,154
Total liabilities	(26,487)	(159,907)	-	(190,064)
Net assets	33,634	166,238	-	154,090
Share of net assets	16,817	83,119	-	77,045
Statement of comprehensive income				
Revenue	-	45,653	-	35,198
Profit for the year	-	12,148	-	17,952
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	12,148	-	17,952
Share of profit %	50%	50%	-%	50%
Group's share of profit in joint venture	-	6,074	-	8,976

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10. Trade and other receivables

	2025 AED'000	2024 AED'000
Trade receivables (Note 19)	616,577	479,888
Contract assets (Note 19)	1,214,856	795,679
Trade receivables and contract assets, gross	1,831,433	1,275,567
Less: Allowance for expected credit losses	(36,112)	(28,327)
Trade receivables and contract assets, net	1,795,321	1,247,240
Other receivables	43,546	64,832
	1,838,867	1,312,072
Capitalised cost to obtain contract	250,186	138,644
Advances to suppliers and contractors	100,663	92,712
VAT receivables	11,095	7,610
Prepayments	7,529	3,959
	2,208,340	1,554,997
Less: Non-current portion of trade and other receivables	(687,654)	(559,866)
	1,520,686	995,131

Advances paid to contractors at the commencement of works are adjusted against progress billings issued by the contractors throughout the project construction period.

Capitalised cost to obtain contract is amortised over the period of satisfying the related performance obligations.

Other receivables include amounts due from a related party of AED 10,313 thousand (2024: AED Nil) (Note 25)

The movement in the allowance of expected credit loss during the year is as follows:

	2024 AED'000	2024 AED'000
At 1 January	28,327	25,236
Allowance for expected credit loss	7,785	3,091
At 31 December	36,112	28,327

The ageing analysis of gross trade receivables and contract assets and expected credit loss is as follows:

	2025			2024		
	GROSS CARRYING AMOUNT AED'000	EXPECTED CREDIT LOSS AED'000	EXPECTED CREDIT LOSS RATE %	GROSS CARRYING AMOUNT AED'000	EXPECTED CREDIT LOSS AED'000	EXPECTED CREDIT LOSS RATE %
Neither past due nor impaired	1,603,275	22,257	1.4%	1,075,847	15,370	1.4%
Past due but not impaired						
0-30 days	110,947	1,540	1.4%	110,757	1,596	1.4%
30-60 days	29,352	407	1.4%	2,713	39	1.4%
60-90 days	8,966	124	1.4%	24,166	348	1.4%
> 90 days	78,893	11,784	14.9%	62,084	10,974	17.7%
	1,831,433	36,112		1,275,567	28,327	

Details of credit risk management are disclosed in Note 29.

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11. Trading properties

	2025 AED'000	2024 AED'000
At 1 January	38,705	38,552
Transfer from trading properties under development (Note 7)	2,206	10,536
Cost of properties sold	(8,271)	(19,983)
Transferred from investment properties (Note 6)	-	9,600
	32,640	38,705
Provision for impairment	(1,393)	-
	31,247	38,705
Inventories - hospitality and facility management	2,582	2,410
	33,829	41,115

The following table shows the location wise of the trading properties:

	2025 AED'000	2024 AED'000
Current		
Inside UAE	18,877	24,942
Outside UAE	12,370	13,763
	31,247	38,705

As at 31 December 2025, the Group determined net realisable value of trading properties. The estimates of net realisable values are based on the most reliable evidence available at the reporting date of the amount that the Group is expected to realise from the sale of these properties in its ordinary course of business less selling costs. These estimates also take into consideration the purpose for which such properties are held. The determination of net realisable value of trading properties is based on external valuations using various valuation methodologies and techniques. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. Based on this independent valuation, an impairment loss amounted to AED 1,393 thousand was recognised. (2024: AED Nil).

12. Bank balances and cash

	2025 AED'000	2024 AED'000
Cash in hand	260	270
Bank balances:		
- Current accounts	98,764	52,594
- Call accounts	13,162	3,997
- Current accounts - unclaimed dividends	5,723	5,729
- Term deposits	400,000	400,000
	517,909	462,590

For the purpose of consolidated statement of cash flows, cash and cash equivalent consist of:

	2025 AED'000	2024 AED'000
Bank balances and cash	517,909	462,590
Less: Current accounts - unclaimed dividends	(5,723)	(5,729)
Less: Bank overdrafts (Note 17)	(276,683)	(340,972)
Cash and cash equivalent at the end of the year	235,503	115,889

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12. Bank balances and cash (continued)

Current accounts - unclaimed dividends will be utilised only for the payment of dividend and cannot be used for any other purposes.

Bank balances include short-term deposits amounting to AED 400,000 thousand (2024: AED 400,000 thousand). The effective average interest rate on deposits ranges between is 4.3% to 5.1% per annum (2024: 4% to 5.3% per annum). Term deposits amounting to AED 400,000 thousand are under lien against bank overdraft (Note 17).

13. Share capital

	2025 AED'000	2024 AED'000
Authorised, issued and fully paid up		
3,000,000,000 shares of par value of AED 1 each	3,000,000	3,000,000

Dividends

The dividends declared during the year are disclosed in Note 27.

Amendment to the Company's share capital

The Shareholders at the Annual General Meeting held on 20 March 2024 approved to increase the Company's share capital by issuing 920 million shares with a nominal value of AED 1 per share, with a total value of AED 920 million to the Government of Ras Al Khaimah as a Strategic Investor. The transaction resulted in increase of Government of Ras Al Khaimah shareholding in the Company from 5% to about 34% after the issuance of the additional share capital. This transaction was approved by the Capital Market Authority ("CMA") (previously know as the "Securities and Commodities Authority" / "SCA") on 20 June 2024.

In exchange for the newly issued 920 million shares, the Government of Ras Al Khaimah contributed several plots of land to the Company as in-kind contribution with a fair value of AED 1,034,120 thousand, as determined by independent external valuers on 12 June 2024. The excess of the in-kind contribution of AED 114,120 thousand has been treated as share premium. Being a non-cash transaction, the transaction has been excluded in preparing the consolidated statement of cash flows.

Treasury shares

The Company entered into an agreement with a licensed liquidity provider on Abu Dhabi Stock Exchange (ADX), to place buy and sell orders of the Company's shares with the objective to reduce the spread between bid/ask price in trading as well as providing liquidity for the Company's shares. The Company's shares would be held under the legal name of liquidity provider on behalf of the Company. The liquidity provider operates within the pre-determined parameters approved by the Company. The Company monitors the transactions undertaken by the liquidity provider on a daily basis. As at 31 December 2025, 2,582 thousand treasury shares with a market value of AED 3,486 thousand were held (2024: 17,917 thousand treasury shares with a market value of AED 22,615 thousand).

14. Statutory reserve

In accordance with UAE Federal Decree Law No. (32) of 2021 (as amended) and the Company's Articles of Association, 10% of net profit for the year is required to be appropriated to statutory reserve until the reserve equals 50% of paid up share capital of the Company. The reserve is not available for distribution except in the circumstances stipulated by the Law. During the current year, an amount of AED 40,430 thousand was transferred from retained earnings to statutory reserve (2024: AED 28,092 thousand).

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15. Other reserves

	GENERAL RESERVE AED'000	DEVELOPMENT RESERVE AED'000	FAIR VALUE RESERVE AED'000	FF&E RESERVE AED'000	TOTAL AED'000
At 1 January 2024	656,708	303,675	(247,432)	1,626	714,577
Other comprehensive loss for the year	-	-	(1,779)	-	(1,779)
Transfer to retained earnings on disposal of investments designated at FVOCI	-	-	5,984	-	5,984
Transfer from retained earnings	-	-	-	3,789	3,789
At 31 December 2024	656,708	303,675	(243,227)	5,415	722,571
Other comprehensive loss for the year	-	-	(736)	-	(736)
Transfer from retained earnings	-	-	-	2,827	2,827
At 31 December 2025	656,708	303,675	(243,963)	8,242	724,662

Nature and purpose of other reserves

General reserve

In accordance with the previous version of the Company's Articles of Association, 10% of the net profit for the year is transferred to the general reserve. The transfer to general reserve shall cease by decision of the ordinary general meeting as recommended by the Board of Directors or if general reserve reaches 50% of the Company's paid-up share capital. General reserve shall be used for the purposes decided by the ordinary general meeting upon the suggestion of the Board of Directors.

Development reserve

In accordance with the Company's Articles of Association and pursuant to the approval of the Board of Directors, a development reserve has been created which will be utilised for future development and maintenance of facilities at various properties owned by the Group.

Fair value reserve

Fair value reserve represents the net unrealised gains or losses that are recognised on the financial assets at FVOCI.

Reserve for replacement of furniture, fixtures and equipment (FF&E reserve)

In accordance with the hotel management agreements entered into with the operators of the hotels, the reserve for replacement of furniture, fixtures and equipment will be used for the sole purpose of replacement and renewal of furniture, fixtures and equipment of the hotel buildings.

16. Employees' end of service benefit

The movement in the provision for employees' end-of-service benefits are as follows:

	2025 AED'000	2024 AED'000
At 1 January	8,003	5,635
Charge for the year	3,569	3,206
Payments made during the year	(1,333)	(838)
At 31 December	10,239	8,003

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17. Bank Borrowings

	2025 AED'000	2024 AED'000
Term loans	708,103	894,908
Short term borrowing	26,179	26,179
Bank overdrafts (Note 12)	276,683	340,972
Total bank borrowings	1,010,965	1,262,059
Less: current portion	(441,962)	(519,884)
Non-current portion	569,003	742,175

Bank overdrafts

The Group has obtained overdraft facilities of AED 700,000 thousand (2024: AED 700,000 thousand) from commercial banks. Interest on bank overdrafts, which are secured by term deposits is 0.25% per annum over such term deposit rates. Further, for unsecured bank overdrafts, interest is computed at a fixed margin + 3 months EIBOR per annum.

The overdraft facilities of the Group are secured by:

- Lien over fixed deposit for AED 400,000 thousand (Note 12); and
- To route funds 1.5 times of the net clean limit utilised under the overdraft.

As at 31 December 2025, net clean limit utilised was AED Nil (31 December 2024: AED Nil).

Short term borrowing

The facility is obtained from commercial bank during the current year and carries a rate of 3 months EIBOR + fixed margin per annum. The available drawdown limit on 31 December 2025 amounted to AED 573,821 thousand.

Term loans

The movement in the term loans during the year is as follows:

	2025 AED'000	2024 AED'000
Balance at 1 January	894,908	883,150
Loan drawdown during the year	24,550	177,510
Repayment during the year	(211,355)	(165,752)
Balance at 31 December	708,103	894,908

The Group has the following secured interest-bearing term loans:

- Term loan facility from a commercial bank with a limit of AED 358,000 thousand to finance the construction of a hotel project. This facility is repayable in 28 quarterly step-up instalments commencing from May 2022 and carries an interest rate of 3 months EIBOR + fixed margin per annum with an outstanding amount of AED 238,413 as at reporting date.
- Term loan facility from a commercial bank with a limit of AED 324,400 thousand to finance the construction of a hotel project. The facility is repayable in 30 equal quarterly instalments with moratorium for a period of 2 years 9 months from the date of first drawdown and carries an interest rate of fixed margin over 3 months EIBOR with an outstanding amount of AED 264,234 as at reporting date.

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17. Bank Borrowings (continued)

Term loans (continued)

- Term loan facility from a commercial bank with a limit of AED 275,000 thousand. The loan is repayable over a period of ten years in 39 equal instalments and final instalment (40th) of USD 29,948 thousand and carries interest at USD secured overnight financing rate (SOFR) plus a fixed margin. The outstanding balance of AED 143,071 is denominated of AED in USD and translated at a rate of USD 1: AED 3.675.
- Term loan facility from a commercial bank with a limit of AED 350,000 thousand. This facility is repayable in 35 monthly step-up instalments commencing from April 2024 and carries an interest rate of 3-month EIBOR + fixed margin per annum with an outstanding amount of AED 62,385 as at reporting date.

As at 31 December 2025, the Group is subject to compliance with certain financial covenants, such as maintenance of certain restrictive covenants including maintaining Debt to EBITDA ratio. The Group has complied with all covenants mentioned in those agreements in the current year.

Loans are secured against the following:

- Legal mortgage of land and buildings of specific properties included in property and equipment, investment properties, trading properties under development and trading properties (Notes 6, 7, and 11).
- Assignment of insurance over the mortgaged properties in favour of the bank.
- Assignment of guarantees from the main contractor/construction contracts under the project duly assigned in favour of the bank.
- Assignment of revenues from the hotel projects financed by the banks.
- Assignment of revenues from sale of apartments and rental revenues from the apartments financed by the bank.
- Pledge of project account opened with the bank for receiving the project receipts from buyers.

18. Trade payable, accruals and other liabilities

	2025 AED'000	2024 AED'000
Trade payables	207,095	163,102
Other payables and accruals	271,028	204,849
Contract liabilities (Note 19)	443,171	149,008
Project contract cost accruals	260,632	195,486
Advance connection charges	175,769	121,978
Unclaimed dividends (Note 12)	5,723	5,729
At 31 December	1,363,418	840,152
Less: Non-current portion	(700,314)	(354,434)
Current portion	663,104	485,718

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19. Revenue

	2025 AED'000	2024 AED'000
Type of revenue from contracts with customers		
Sale of properties	1,536,051	1,145,765
Hospitality services	225,367	199,760
Facility management income	38,692	27,292
Forfeiture and other income	2,972	592
Total revenue from contracts with customers	1,803,082	1,373,409
Other operating income		
Leasing income (Note 6)	34,367	32,909
Total revenue	1,837,449	1,406,318

	2025 AED'000	2024 AED'000
Timing of revenue recognition		
Recognised over a period of time	1,710,643	1,276,436
Recognised at a point in time	92,439	96,973
Total revenue from contracts with customers	1,803,082	1,373,409
Leasing income - recognised over the lease term	34,367	32,909
Total revenue	1,837,449	1,406,318

	2025 AED'000	2024 AED'000
Contract balances		
Trade receivables (Note 10)	616,577	479,888
Contract assets (Note 10)	1,214,856	795,679
Contract liabilities (Note 18)	(443,171)	(149,008)

Contract assets

Contract assets are initially recognised for revenue earned from sale of properties under development as receipt of consideration is conditional on acceptance of the customer. Upon the properties under development reaching pre-agreed completion milestones the amount recognised as contract assets are invoiced to customers and are reclassified as trade receivables. As such, the balance of this account vary and depends on the number of ongoing development projects at the end of the year.

Contract liabilities

Contract liabilities represent advances received from customers to deliver projects and advances for rental of properties. The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 1-3 years.

Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 AED'000	2024 AED'000
Within one year	1,380,548	836,594
More than one year	2,093,097	1,022,236
	3,473,645	1,858,830

Other income

Other income includes an amount of AED 18,122 thousand recovered from a third party in relation to a reimbursement of Mina Al Arab infrastructure costs (2024: AED Nil). The remaining other income relates to additional fees charged to customers and other miscellaneous income.

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20. Cost of Revenue

	2025 AED'000	2024 AED'000
Cost of revenue of properties	997,285	753,402
Hotel operations expenses	88,484	85,264
Facility management and property leasing expenses	56,992	46,341
Others	711	515
Amortisation of government grant (Note 6)	(13,844)	(22,124)
	1,129,628	863,398

Hotel operation expenses include cost of food and beverages of AED 20,835 thousand (2024: AED 20,190 thousand) and staff cost of AED 39,771 thousand (2024: AED 33,173 thousand).

21. Selling, marketing and administrative expenses

	2025 AED'000	2024 AED'000
General and administrative expenses	78,777	63,271
Payroll and related expenses	76,557	65,735
Depreciation of property and equipment (Note 5)	70,370	65,305
Advertisement and marketing expenses	59,944	54,921
Allowance for expected credit losses (Note 10)	7,785	3,091
Impairment of trading properties (Note 11)	1,393	-
	294,826	252,323

During the year, an amount of AED 1,015 thousand was paid as social contribution (2024: AED 1,130 thousand).

22. Finance income/cost

Finance Income

	2025 AED'000	2024 AED'000
Interest income on term deposits	18,314	18,605
Unwinding for discounting of long-term receivables	-	9,000
	18,314	27,605

	2025 AED'000	2024 AED'000
Interest cost on bank borrowings	71,799	86,656
Bank charges	2,560	2,924
	74,359	89,580

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23. Income Tax

The Group has calculated their income tax liability in accordance with Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law").

	2025 AED'000	2024 AED'000
Income tax		
Current income tax expense	34,868	21,762
Deferred tax liability	4,661	5,478
Total income tax expense	39,529	27,240

(ii) Reconciliation of income tax expense:

	2025 AED'000	2024 AED'000
Profit before tax	443,831	308,156
Tax at the tax rate of 9%	39,945	27,734
Tax effects of:		
Less: 9% tax on share of profit from joint ventures	(547)	(808)
Add: Expenses not deductible for tax purposes	165	348
Less: Taxable income not exceeding threshold	(34)	(34)
Total income tax expense	39,529	27,240

(iii) The movement in provision for current tax liability is as follows:

	2025 AED'000	2024 AED'000
Opening balance	21,762	-
Current tax expense (refer (i))	34,868	21,762
Paid during the year	(20,887)	-
Closing balance	35,743	21,762

iv) The movement in provision for current tax liability is as follows:

	UNREALISED GAIN ON INVESTMENT PROPERTIES AED '000	OTHERS AED'000	TOTAL AED'000
31 December 2025			
Opening balance	5,931	(453)	5,478
Provision for the year (refer (i))	4,661	-	4,661
Closing balance	10,592	(453)	10,139
31 December 2024			
Opening balance	5,931	(453)	5,478
Provision for the year (refer (i))	5,931	(453)	5,478
Closing balance	5,931	(453)	5,478

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24. Earnings per share

Earnings per share are computed by dividing the profit for the year by the weighted average number of shares outstanding during the year as follows:follows:

	2025	2024
Basic earnings per share		
Net profit for the year after tax (AED'000)	404,302	280,916
Issued ordinary shares outstanding at 1 January (in thousands)	3,000,000	2,000,000
Effects of bonus shares issued (in thousands)	-	80,000
Effects of treasury shares (in thousands)	(7,231)	(28,988)
Effects of shares in-lieu of property (in thousands)	-	488,986
Weighted average number of shares outstanding at 31 December (in thousands)	2,992,769	2,539,998
Basic and diluted earnings per share (AED)	0.135	0.111

There were no potentially dilutive shares as at 31 December 2025 and 31 December 2024.

25. Related party transactions and balances

The Group, in the ordinary course of business, enters into transactions, at agreed terms and conditions, with other business enterprises or individuals that fall within the definition of related parties contained in International Accounting Standard 24. These transactions are carried out at arm's length basis.

The significant transactions entered into by the Group with related parties during the year are as follows:

	2025 AED'000	2024 AED'000
Key management personnel of the Group		
Sale of properties	3,284	4,609
Commission paid to Directors on sale of properties	4,458	-
Sitting fee paid to Directors	479	344

Balances with related parties included in the consolidated financial statements are as follows:

	2025 AED'000	2024 AED'000
Due from a related party – other receivables (Note 10)	10,313	-

Outstanding balances arise in the normal course of business, are unsecured, interest-free and settlement occurs generally in cash.

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25. Related party transactions and balances (continued)

Compensation of key management personnel:

The remuneration of Directors and other key members of management during the year is as follows:

	2025 AED'000	2024 AED'000
Salaries and benefits	20,938	16,199
End of service benefits	588	472

The Directors have proposed a remuneration for Board of Directors for the year ended 31 December 2025 amounting to AED 8,000 thousand which has been accrued in the consolidated statement of profit or loss. This is subject to approval by the Shareholders in the Annual General Meeting.

The remuneration for the Board of Directors for the year ended 31 December 2024 amounting to AED 8,000 thousand was approved by the Shareholders in the Annual General Assembly held on 11 March 2025.

26. Commitments

Significant commitments relating to the property development are as follows:

	2025 AED'000	2024 AED'000
Approved and contracted	1,044,963	1,322,938

The above commitments represent the value of contracts entered into by the Group including contracts entered for construction of properties, net of any payables or accruals at year-end.

27. Dividends

No dividend was approved in Annual General Meeting held on 11 March 2025 for the year ended 31 December 2024 (For the year ended 31 December 2023, cash dividend of AED 0.03 per share amounting to AED 60,000 thousand and bonus shares of 4% amounting to AED 80,000 thousand was approved in 2024).

The Board of Directors have not proposed any dividend for the year ended 31 December 2025.

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28. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	LEVEL 1 AED'000	LEVEL 2 AED'000	LEVEL 3 AED'000	TOTAL AED'000
31 December 2025				
Fair value through OCI – unquoted equities and funds	-	-	17,440	17,440
Investment properties	-	-	1,406,611	1,406,611
	-	-	1,424,051	1,424,051

	LEVEL 1 AED'000	LEVEL 2 AED'000	LEVEL 3 AED'000	TOTAL AED'000
31 December 2024				
Fair value through OCI – unquoted equities and funds	-	-	18,176	18,176
Investment properties	-	-	1,577,216	1,577,216
	-	-	1,595,392	1,595,392

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Transfers between levels

During the current and prior year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

28. Fair value measurements (continued)

Fair value of Investment properties

The fair value of the investment properties is calculated on the basis of valuation carried out by independent external valuers. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations.

A valuation model recommended by the International Valuation Standards Committee has been applied which is consistent with the principles of IFRS 13. In estimating the fair value of the investment properties, management has concluded that the highest and best use of the properties is their current use.

The value of the investment properties has been determined through analysis of the following:

VALUATION TECHNIQUES AND KEY INPUTS	SIGNIFICANT OBSERVABLE INPUTS
Sales comparable method This method involves analysing sales and asking prices of similar units and comparing these to the subject property. Comparative analysis is based on similarities in the property rights appraised, market conditions, size, location and physical features.	Prices of land parcels range from AED 3.6 per square foot to AED 385 per square foot (2024: AED 3.75 per square foot to AED 325 per square foot). Prices of commercial properties range from AED 310 to AED 1,343 per square foot (2024: AED 310 to AED 1,100 per square foot).

Fair value through OCI – unquoted equities and funds

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments in the consolidated statement of financial position, as well as the significant unobservable inputs used. There has been no change in the valuation techniques and methods applied from previous year.

TYPE	VALUATION TECHNIQUES AND KEY INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	INTERRELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
Fair value through OCI – unquoted equities and funds	Net assets/ adjusted net asset value valuation method Due to the unavailability of market and comparable financial information. Net assets values were determined based on the latest available audited/historical financial information. Wherever such information is available.	Net assets value/ Market approach	Higher the net assets value of the investees, higher the fair value.
Financial assets carried at FVTPL	Net assets valuation This method is used due to the unavailability of market and comparable financial information. Net assets values were determined based on the latest available audited/historical financial information. Market approach is applied wherever such information is available.	Net assets value	Higher the net assets value of the investees, higher the fair value.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
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28. Fair value measurements (continued)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the consolidated financial statements.

Details of measurements basis of financial assets is as below.

	AT AMORTISED COST AED'000	FAIR VALUE THROUGH PROFIT OR LOSS AED'000	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AED'000	TOTAL AED'000
31 December 2025				
Investments	-	-	17,440	17,440
Trade and other receivables *	2,000,658	-	-	2,000,658
Bank balances	517,649	-	-	517,649
	2,518,307	-	17,440	2,535,747
31 December 2024				
Investments	-	-	18,176	18,176
Trade and other receivables *	1,430,611	-	-	1,430,611
Bank balances	462,320	-	-	462,320
	1,892,931	-	18,176	1,911,107

* Excluding capitalised cost to obtain contract, advances to suppliers and contractors, prepayments and VAT receivables.

Details of measurements basis of financial liabilities is as below.

	AT AMORTISED COST AED'000	FAIR VALUE THROUGH PROFIT OR LOSS AED'000	TOTAL AED'000
Financial liabilities			
31 December 2025			
Bank borrowings (Note 17)	1,010,965	-	1,010,965
Trade payables, accruals and other liabilities	954,698	-	954,698
	1,965,663	-	1,965,663
31 December 2024			
Bank borrowings (Note 17)	1,262,059	-	1,262,059
Trade payables, accruals and other liabilities	707,206	-	707,206
	1,969,265	-	1,969,265

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
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FOR THE YEAR ENDED 31 DECEMBER 2025

29. Financial risk management, objective and policies

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's management is responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on its activities. The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management practices in others.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk in relation to its financial assets, mainly trade receivables, other receivables and bank balances.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment allowance, represents the Group's maximum exposure to credit risk. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime ECL rather than 12-month ECL.

The Group is exposed to credit risk from its operating activities on the following financial assets:

Trade receivables and contract assets

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored. At 31 December 2025 and 2024, the Group had receivables from a large number of customers.

The Group is exposed to credit risk on receivables from sale of properties as the Group allows its customers to make payments in instalments over a pre-agreed number of years. The Group receives advances from its customers at the time of the sale and post-dated cheques and direct debit mandates for the remaining balance at the time of hand over, if applicable. In addition, the Group does not transfer the legal title of the property to the customer until the full amount has been paid. Furthermore, the risk of financial loss to the Group on account of customer default is low as the property title acts as collateral.

As at the reporting date, trade receivables are secured by post-dated cheques and direct debit mandates amounting to AED 360,553 thousand (2024: AED 297,997 thousand).

The Group considers a trade receivable in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a trade receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
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29. Financial risk management, objective and policies (continued)

Credit Risk (continued)

Trade receivables and contract assets (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, certain trade receivables are proposed for write-off if past due for more than one year and are not subject to enforcement activity. The Group evaluates the concentration of risk with respect to trade receivables as low, as the balances are due from a large number of customers. The information about the credit risk exposure on the Group's trade receivables and contract assets using the expected credit loss is disclosed in Note 10.

Bank balances

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group considers the credit risk on bank balances to be minimal given that the counterparties are banks with investment grade credit ratings assigned by international credit rating agencies and callable on demand. Considering these factors, management has assessed there is minimal credit risk on cash and cash equivalents.

Other receivables

With respect to credit risk arising from other receivables, the Group's exposure to credit arises from default of the counter party with maximum exposure equal to the carrying amount of these assets.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and borrowing facilities with financial institutions, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and include contractual interest payments:

	CARRYING AMOUNT AED'000	CONTRACTUAL CASH FLOWS AED'000	LESS THAN 1 YEAR AED'000	MORE THAN 1 YEAR AED'000
31 December 2025				
Trade payables, accruals and other liabilities	908,987	908,987	908,987	-
Bank overdrafts	276,683	276,683	276,683	-
Short term borrowing	26,179	26,179	26,179	-
Term loan	708,103	834,767	175,829	658,938
	1,919,952	2,046,616	1,387,678	658,938

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

29. Financial risk management, objective and policies (continued)

Liquidity Risk (continued)

	CARRYING AMOUNT AED'000	CONTRACTUAL CASH FLOWS AED'000	LESS THAN 1 YEAR AED'000	MORE THAN 1 YEAR AED'000
31 December 2024				
Trade payables, accruals and other liabilities	679,966	679,966	679,966	-
Bank overdrafts	340,972	340,972	340,972	-
Short term borrowing	26,179	26,179	26,179	-
Term loan	894,908	1,108,623	204,804	903,819
	1,942,025	2,155,740	1,251,921	903,819

Changes in liabilities arising from financing activities:

	1 JANUARY AED'000	CASH IN FLOWS AED'000	CASH OUTFLOWS AED'000	MORE THAN 1 YEAR AED'000
2025				
Term loan	894,908	24,550	(211,355)	708,103
Short term borrowing	-	26,179	-	26,179
Unclaimed dividend	5,723	-	-	5,723
	900,631	50,729	(211,355)	740,005

	1 JANUARY AED'000	CASH IN FLOWS AED'000	CASH OUTFLOWS AED'000	MORE THAN 1 YEAR AED'000
2024				
Term loan	883,150	177,510	(165,752)	894,908
Short term borrowing	-	26,179	-	26,179
Unclaimed dividend	5,729	-	-	5,729
	888,879	203,689	165,752)	926,816

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a. Currency risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Most of the Group's transactions are carried out in AED and USD. The risk related to the transactions denominated in USD is low as the USD is pegged against AED. Fluctuations in the exchange rates would not have a significant impact the Group's financial position.

b. Equity price risk

Equity price risk is the risk that the fair values of equities increase or decrease as a result of changes in the levels of individual stocks. Equity price risk arises from equity instruments held by the Group at fair value through other comprehensive income. The Management monitors equity securities in its investment portfolio based on market indices, which are managed by qualified team. The primary goal of the Group's investment strategy is to maximise investment returns.

RAK PROPERTIES P.J.S.C. AND ITS SUBSIDIARIES
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29. Financial risk management, objective and policies (continued)

Market Risk (continued)

b. Equity price risk (continued)

	2025 AED'000	2024 AED'000
Investments at fair value through other comprehensive income	17,440	18,176
	17,440	18,176

The Group is exposed to equity securities price risk because of the investments held by the Group and classified on the consolidated statement of financial position as FVOCI. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

Where the application of +/-1% sensitivity estimates would result in a change the following shows what would be the impact of change in the share price rates by +/-1%, with all other factors holding constant.

	OTHER COMPREHENSIVE INCOME FOR THE YEAR	
	1%	1%
2025	174	(174)
2024	182	(182)

c. Interest rate risk

The Group is mainly exposed to interest rate risk on its variable rate instruments i.e. bank borrowings. These are subject to normal commercial rates of interest, as determined by market conditions.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments is as under:

	2025 AED'000	2024 AED'000
Variable rate instruments		
Financial liabilities:		
Term loan	708,103	894,908
Short term borrowing	26,179	26,179
Bank overdrafts (Note 12)	276,683	340,972
	1,010,965	1,262,059

Sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points ("bp") in interest rates at the reporting date would have increased/(decreased) the consolidated equity and the consolidated profit or loss and the consolidated statement of financial position by the amounts shown below. The analysis assumes that all other variables remain constant.

	IMPACT ON CONSOLIDATED PROFIT OR LOSS AND TOTAL EQUITY	
	100 BP INCREASE AED '000	100 BP DECREASE AED '000
31 December 2025		
Variable rate instruments	(10,109)	10,109
31 December 2024		
Variable rate instruments	(12,621)	12,621

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29. Financial risk management, objective and policies (continued)

Capital management

For the purpose of the Group's capital management, capital includes issued share capital, treasury shares, statutory reserve, general reserve, fair value reserve, other reserves and retained earnings.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders. No changes were made in the objectives, policies or processes during the year and previous year.

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with capital. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions, its business model and risk profile.

30. Segment information

Management has determined the operating segments based on segments identified for the purpose of allocating resources and assessing performance. The Group is organised into three major operating segments: property sales, hotel operations and property leasing and other income. Information regarding the operations of each separate segment is included below:

	PROPERTY SALES AED'000	HOTEL OPERATIONS AED'000	PROPERTY LEASING & OTHERS AED'000	TOTAL AED'000
31 December 2025				
Revenue	1,538,479	225,367	73,603	1,837,449
Cost	(983,441)	(88,483)	(57,704)	(1,129,628)
Segment profit	555,038	136,884	15,899	707,821
Total assets	4,761,878	1,538,075	2,406,215	8,706,168
Total liabilities	1,293,492	558,182	912,524	2,764,198
Capital expenditure	-	31,524	73,234	104,758
31 December 2024				
Revenue	1,145,945	199,761	60,612	1,406,318
Cost	(731,278)	(85,264)	(46,856)	(863,398)
Segment profit	414,667	114,497	13,756	542,920
Total assets	3,958,375	1,433,708	2,619,906	8,011,989
Total liabilities	599,660	597,178	1,288,154	2,484,992
Capital expenditure	-	56,496	92,933	149,429

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31. Comparatives

As detailed in the table below, certain comparative figures in the consolidated statement of financial position and consolidated statement of profit or loss have been reclassified to conform the presentation with the current year

	AS PREVIOUSLY REPORTED 2024 AED'000	RECLASSIFICATION 2024 AED'000	AS CURRENTLY REPORTED 2024 AED'000
Consolidated statement of profit or loss			
Selling, marketing and administrative expenses	(249,232)	(3,091)	(252,323)
Provision for expected credit losses	(3,091)	3,091	-

	AS PREVIOUSLY REPORTED 2024 AED'000	RECLASSIFICATION 2024 AED'000	AS CURRENTLY REPORTED 2024 AED'000
Consolidated statements of financial position			
Trade payable, accruals and other liabilities	867,392	(27,240)	840,152
Deferred tax liability	-	5,478	5,478
Provision for income tax	-	21,762	21,762

However, there is no effect on previously reported equity, cash and cash equivalents and profit for the year.

32. Subsequent events

There have been no significant adjusting or non-adjusting events that have occurred between 31 December 2025 and the date of authorization of these consolidated financial statements.



**CORPORATE
GOVERNANCE**

CORPORATE GOVERNANCE REPORT ISSUED BY RAK PROPERTIES P.J.S.C. FOR THE YEAR 2025

I: Governance Rules Implementation Measures, 2025

RAK Properties ["the Company"] has adopted a well-crafted set of controls, rules and charters that aim at establishing institutional discipline in respect of the relations and management of the company in line with the international best standards and practices. This is achieved by defining the responsibilities and duties of members of the company's board of directors and senior executive management. Notably, the company attaches a great deal of importance to protecting and safeguarding the rights of shareholders and stakeholders. The company is also committed to communicating with the competent authorities and the public in order to maintain its prestigious standing locally, regionally and globally. In this respect, the company acts in full compliance with the Decision of the Chairman of the Board of Directors of the Securities and Commodities Authority [SCA] No. (3/RM) of 2020, as amended, concerning the Approval of Public Joint Stock Companies Governance Guide; with the aim of establishing the rules of transparency, justice and accountability based on the international best models, practices and standards.

As part of the Board of Directors' unwavering commitment to establishing a distinguished model of compliance with the Decision No. (3/RM) of 2020 issued by the Chairman of the SCA's Board of Directors concerning the Approval of Public Joint Stock Companies Governance Guide; the company is fully committed to implementing the best practices as follows:

Corporate Governance

1. The company implements the policies, procedures and decisions issued by the SCA regarding the Governance Guide for Public Joint Stock Companies, while applying the best practices regarding the Board of Directors and its committees, dealing transparently with the external auditor, and implementing the General Assembly's decisions.
2. The company has established well-crafted work rules that regulate the dealings of the company's board members and employees, and formed an Insiders Transactions Follow-up & Supervision Committee, which is tasked with closely monitoring and overseeing all transactions and ownerships of the insiders.
3. The Board of Directors has carried out all necessary measures to ensure the strict confidentiality of the company's materially significant data and information, in an accurate manner that ensures that they are not exploited. It has also established effective control mechanisms requiring all parties that have authorized access to internal data and information related to both the company and its clients to maintain the confidentiality of information and data and refrain from misusing, transferring, or facilitating the transfer of such data, whether directly or indirectly, to any third parties.
4. Any member of the company's board of directors, who - whether for himself or for the entity he represents - has a joint or conflicting interest in a transaction or deal that is presented to the Board for a decision, is required to disclose the same to

the Board and to have his disclosure recorded in the minutes of meeting. In addition, such a member is not allowed to vote on the decision to be issued in this respect.

5. The company is committed to conducting its business activities transparently in accordance with the requirements of the regulatory authorities and applicable laws, which include the disclosure of periodic reports, material information, ownerships of the insiders and their relatives, and related-party transactions with the company, in addition to making all information available to shareholders and investors in an accurate and clear manner.
6. All shares of stock issued by the company under the same category carry equal rights and obligations. Shareholders are entitled to all rights associated with their shares in accordance with the provisions of the Companies Law. The company's Articles of Association and internal bylaws set out the necessary procedures and controls to ensure that all shareholders are empowered to freely exercise their rights.
7. The Board of Directors has formed standing committees and other committees that report directly to it and operate in accordance with the governance rules of public joint stock companies, to carry out their tasks according to the powers vested in them.
8. The Board has established and approved in-depth written regulations and procedures for the Internal Audit Department, which define duties and responsibilities in accordance with the policy established by the Board of Directors and the general requirements and objectives, in order to monitor compliance with the provisions of applicable laws, regulations and decisions, as well as the requirements of regulatory authorities, the internal policy, regulations and procedures approved by the Board of Directors.
9. The company's board members, employees and auditor are committed to act in compliance with the code of professional conduct, internal policies and controls, and applicable laws and regulations.
10. Continuous updating of the company's website www.rakproperties.ae, which includes all relevant information about the company, for the sake of enhancing disclosure and transparency, and displaying any new developments. It also serves as a direct channel for shareholders to stay up-to-date with all events.
11. Continuous updating of the "Investor Relations Portal: <https://www.rakproperties.ae/investor-hub/>", through which the company is seeking to enable investors and parties concerned to have direct access to the most up-to-date information.

The Company fully complies with all provisions of applicable laws, regulations, decisions and requirements of regulatory authorities in the best possible manner. These provisions and rules apply to the members of the company's board of directors, the executive management and all employees in the course of performing their respective duties.

CORPORATE GOVERNANCE REPORT ISSUED BY RAK PROPERTIES P.J.S.C. FOR THE YEAR 2025

II: Ownership and Transactions of Board Members and their Spouses and Children on the Company's Securities during 2025

A. Rules governing transactions of the company's board members and employees

The company's board members are among the insiders who have authorized access to the financial statements and internal information of the company. Based on the Board of Directors' commitment to promoting the level of transparency in disclosure and full compliance with the laws and regulations of the authorities and markets, the following measures have been carried out:

- The Supervision and Follow-up Committee (Insiders Committee) has assumed the responsibility of following up on and supervising the transactions and ownerships of the insiders, and maintaining a separate record for that purpose.
- An independent, all-inclusive record is maintained for all insiders, including the persons who can be classified as temporary insiders and who are entitled or authorized to get access to the company's internal information before publication. This record includes prior and subsequent disclosures of the insiders.
- The financial market is provided with a list of the names of the chairman and members of the company's board of directors, as well as an updated list of the names of insiders from the executive management and department heads who are strictly required to comply with the procedures established by the market and the SCA, through obtaining the approval of the director of the financial market on any transactions involving the company's securities, whether through buying, selling on the trading floor, or family transfers in the clearing department.

The rules governing transactions of the company's board members, employees, and insiders on securities explicitly include the trading ban periods stipulated in Article (14) of Decision No. (2) of 2001, issued by the SCA's Board of Directors concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities. This Article states that 'The chairman and members of the board of directors of a company whose securities are listed on the market, as well as its director general or any employee with access to the company's material information shall be prohibited from trading—whether personally, on their own behalf through third parties, or in any other capacity for the account of third parties—in the securities of the company or its parent, subsidiary, sister, or affiliated company, if any of these companies have their securities listed on the market, during the following periods.

- (10) ten business days before the announcement of any material information unless that information results from emergency or unforeseen events.
- (15) fifteen days before the end of the quarterly, semi-annual or annual financial period and until the disclosure of the financial statements.

**CORPORATE GOVERNANCE REPORT ISSUED BY
RAK PROPERTIES P.J.S.C. FOR THE YEAR 2025**

B. The following table illustrates the shares held by the company's board members and total sale and purchase transactions as at December 31, 2025:

NO.	NAME	POSITION/ RELATIONSHIP	THE SHARES HELD AS AT DECEMBER 31, 2025	TOTAL SALES TRANSACTIONS DURING 2025	TOTAL SALES TRANSACTIONS DURING 2025
1	H.E Abdulaziz Abdulla AlZaabi	Board Chairman	1,920,000	2,721,374	-
2	Mr. Mohamed Ali Mussabeh Al Nuaimi	Deputy Chairman	20,800	-	-
3	Mr. Abdulla Rashed Jasem Al Abdouli	Board Member	10,400	-	-
4	Sheikh Ahmed Omar Abdulla Al Qasimi	Board Member	208,000	-	-
5	Mr. Mohamed Ghobash Ahmed Al Marri	Board Member	7,280	-	-
6	Mr. Yaser Abdulla Mohammed Al Ahmed	Board Member	10,400	-	-
7	Ms. Mouza Mohamed Majed Al Zaabi	Board Member	0	-	-

III: The Board of Directors

The Board of Directors has the broadest authority to carry out all actions and operations on behalf of the company, to the extent permitted for the company to do, including exercising all necessary powers to achieve its objectives. These powers are only restricted by the provisions of the law or the company's Articles of Association, which reserve certain matters for the General Assembly. Additionally, the company's Articles of Association provides that the Board of Directors consists of seven members to be elected by the General Assembly through secret cumulative voting.

A. Composition of the Board of Directors

The current board members were elected by the General Assembly held on March 20, 2024 for a period of three calendar years starting from the date of their election, subject to the governance requirements consistent with the company's Articles of Association in relation to the status of the board members, so that the majority of the members are at least independent non-executive members who have practical experience and technical skills that are beneficial to the company. The below table shows the composition of the Board of Directors.

NAME	POSITION CATEGORY	EXPERIENCES	QUALIFICATIONS	MEMBERSHIP TERM	THEIR MEMBERSHIPS AND POSITIONS IN ANY OTHER JOINT-STOCK COMPANIES	THEIR POSITIONS IN ANY OTHER SIGNIFICANT REGULATORY, GOVERNMENTAL, OR COMMERCIAL ROLES
H.E Abdulaziz Abdulla Al Zaabi	Board Chairman Non-executive Non-independent	Extensive experience in business management within the real estate and banking sectors, including real estate and banking investments. Additionally, he has a strong background in Federal National Council affairs	Bachelor of International Business Administration from San José State University, USA, 1987	21 Years	Director of Julphar Pharmaceuticals	Chairman of the Board of Directors of Ras Al Khaimah Charity Association

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RAK PROPERTIES P.J.S.C. FOR THE YEAR 2025**

NAME	POSITION CATEGORY	EXPERIENCES	QUALIFICATIONS	MEMBERSHIP TERM	THEIR MEMBERSHIPS AND POSITIONS IN ANY OTHER JOINT-STOCK COMPANIES	THEIR POSITIONS IN ANY OTHER SIGNIFICANT REGULATORY, GOVERNMENTAL, OR COMMERCIAL ROLES
Mr. Mohamed Ali Mussabeh Al Nuaimi	Deputy Chairman Non-executive Independent	A pioneer in the banking sector in the United Arab Emirates with over 30 years of experience, a key contributor to establishing the principles of Islamic finance and Islamic insurance, and a specialist in the listing of public joint stock companies. He has held several high-level positions at the national level.	Master of Business Administration	5 Years	Director of the Commercial International Bank, Board Member of Ras Al Khaimah Economic Zones (RAKEZ)	Chairman of the Board of Directors of Ras Al Khaimah Chamber
Mr. Abdulla Rashed Jasem Al Abdouli	Board Member Non-executive Independent	He possesses extensive experience in architecture and urban planning and plays an active role in entrepreneurship, innovation, and attracting foreign investments	Bachelor of Architecture from the American University of Sharjah Master of Urban and Regional Planning from Paris-Sorbonne University Abu Dhabi Certificate in Real Estate Development Investment Strategies from Harvard University	5 Years	Director of RAK Ceramics	Deputy Chairman and Managing Director of RAK Dredging Company Chief Executive Officer of Marjan Director and General Manager of Saraya Ras Al Khaimah Company
Sheikh Ahmed Omar Abdulla Al Qasimi	Board Member Non-executive Non-independent	He possesses extensive experience in management and business administration	Master of Business Administration from Canadian University Dubai	11 Years	-	-

NAME	POSITION	CATEGORY	EXPERIENCES	QUALIFICATIONS	MEMBERSHIP TERM	THEIR MEMBERSHIPS AND POSITIONS IN ANY OTHER JOINT-STOCK COMPANIES	THEIR POSITIONS IN ANY OTHER SIGNIFICANT REGULATORY, GOVERNMENTAL, OR COMMERCIAL ROLES
Mr. Mohamed Ghobash Ahmed Al Marri	Board Member	Non-executive	Former Senior Manager in Private Wealth Management at the National Bank of Abu Dhabi, with many years of experience at Abu Dhabi Financial Services	Higher Diploma from Higher Colleges of Technology in Business Administration	5 Years	Director of Fidelity United Insurance Company	-
		Independent					
Mr. Yaser Abdulla Mohammed Al Ahmed	Board Member	Non-executive	Extensive experience in the banking sector, having worked at National Bank of Ras Al-Khaimah and Dubai Islamic Bank, as well as experience at Etisalat and Ras Al Khaimah Economic Zones (RAKEZ)	Bachelor of Arts (BA)	5 Years	N/A	Head of Government Communication Department at Ras Al Khaimah Economic Zones
		Independent					
Ms. Mouza Mohamed Majed Al Zaabi	Board Member	Non-executive	An entrepreneur with a proven track record in the real estate sector, successfully leading various projects. She has over 15 years of experience in real estate and business management.	Master of Business Administration from Abu Dhabi University	2 Years	N/A	Chief Executive Officer of Mozaabi Real Estate
		Independent					

B. Female representation on the Board of Directors for the year 2024:

Under the company's Articles of Association, which provides that the company shall be managed by a Board of Directors to be elected by the General Assembly by secret ballot, the number and percentage of male and female directors are as follows:

GENDER	NUMBER	PERCENTAGE
Male Board Members	6	85%
Female Board Members	1	15%

The remuneration of members of the board of directors is determined based on the provisions of Article (169) of Federal Law No. 2 of 2015 regarding the Commercial Companies and the provisions of Article (29) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, and the provisions of Article (38) of the Company's Articles of Association.

The remuneration of the board chairman and members consists of a percentage of the net profit but not exceeding 10% of the profits for the fiscal year. The company may also pay expenses, fees, an additional bonus or a monthly salary to the extent decided by the Board of Directors to any of its board member if that member performs certain duties in any committee or exerts special efforts or performs additional duties to serve the company further to his/her normal duties as a director of the company. It is not permissible to pay an attendance allowance to the board chairman or members for board meetings.

The fines imposed on the company by the SCA or a competent authority due to the board of directors' violations of the Companies Law or the Company's Articles of Association during the fiscal year ended will be deducted from the remuneration of the board chairman and members. The General Assembly may decide against deducting those fines or any part of them if it becomes convinced that those fines are not the result of negligence or error on the part of the Board of Directors.

1. Total remuneration paid to board members for the year 2024

The total remunerations paid to chairman and members of the board of directors for the fiscal year ending on December 31, 2024 amounted to AED 8 million.

2. Total proposed remunerations of board members for the year 2024

The remuneration of board members is determined based on a proposal by the Board of Directors submitted to the General Assembly. In all cases, it must not exceed 10% of the net profit for the fiscal year ending on December 31, 2025, after deducting all depreciation and reserves. The board members propose to the General Assembly the distribution of remuneration for the year 2025 and it will be presented at the AGM for approval.

3. Allowances for attending meetings of the board' committees for the fiscal year 2025

#	NAME	POSITION	Allowances for Attending Meetings of committees of the Current Board of Directors				NUMBER OF MEETINGS
			EXECUTIVE AND INVESTMENT COMMITTEE (EIC)	NOMINATIONS AND REMUNERATIONS COMMITTEE (NRC)	AUDIT COMMITTEE	TOTAL	
1	H.E Abdulaziz Abdulla AlZaabi	Board Chairman	60,000 6 sessions	-	-	60,000	6v
2	Mr. Mohamed Ali Mussabeh Al Nuaimi	Chairman of the Audit Committee / Chairman of the Nominations and Remuneration Committee	-	50,000 5 sessions as Nominations Committee Chairman	50,000 5 sessions as Audit Committee Chairman	100,000	10

Allowances for Attending Meetings of committees of the Current Board of Directors							
#	NAME	POSITION	EXECUTIVE AND INVESTMENT COMMITTEE (EIC)	NOMINATIONS AND REMUNERATIONS COMMITTEE (NRC)	AUDIT COMMITTEE	TOTAL	NUMBER OF MEETINGS
3	Mr. Abdulla Rashed Jasem AlAbdouli	Chairman of the Executive and Investment Committee	40,000 sessions as Chairman of the Executive Committee and 6 sessions as a Committee Member	-	-	40,000	7
4	Sheikh Ahmed Omar Abdulla Al Qasimi	Member of the Nominations and Remuneration Committee / Member of the Executive and Investment Committee	35,000 7 sessions as an Executive Committee member	25,000 5 sessions As a member of the nominations committee	-	60,000	12
5	Mr. Mohamed Ghobash Ahmed Al Marri	Member of the Nominations and Remuneration Committee / Member of the Executive and Investment Committee	35,000 7 sessions	25,000 5 sessions	-	60,000	12
6	Mr. Yaser Abdulla Mohammed Al Ahmed	Member of the Audit Committee / Member of the Executive and Investment Committee	35,000 7 sessions	-	25,000 5 sessions	60,000	12
7	Ms. Mouza Mohamed Majed Al Zaabi	Member of the Audit Committee / Member of the Nominations and Remuneration Committee	-	25,000 5 sessions	25,000 5 sessions	50,000	10
8	Andrew Robinson	External member of the audit committee	-	-	49,000	49,000	5

4. Allowances, salaries or additional fees received by board members other than committee attendance allowances for the fiscal year 2025

There are no allowances, salaries or additional fees received by the board members for the fiscal year ending on December 31, 2025.

5. Board Meetings during the fiscal year ending on December 31, 2024

In accordance with the provisions of Article (23) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, and pursuant to Article (28) of the Company's Articles of Association, the Board of Directors must hold its meetings at least four times a year. The meeting must be convened based on a written call by the Chairman of the Board of Directors or upon a written request submitted by at least two board members, at least one week before the scheduled meeting date, accompanied by the agenda. Each board member has the right to include in the agenda any topic he deems necessary for discussion during the meeting.

In accordance with the above-mentioned controls, the company's Board of Directors held 6 meetings during the fiscal year ending on December 31, 2025, as shown in the following table:

NO.	MEETING DATE	PERSONAL ATTENDANCE	ATTENDANCE BY PROXY	NAMES OF ABSENT MEMBERS/ SENT THEIR APOLOGIES
First	5/2/2025	7	-	-
Second	11/3/2025	6	-	Sheikh Ahmed Omar Al Qasimi
Third	7/5/2025	7	-	-
Fourth	13/8/2025	7	-	-
Fifth	22/10/2025	6	-	Mr. Yaser Abdulla Mohamed Al Ahmed
Sixth	18/12/2025	7	-	-

F. Board Decisions passed by circulations during the fiscal year 2025

No decisions were passed by circulation during the fiscal year 2025.

IV. STANDING COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Board of Directors has formed standing committees that report directly to it, in order to contribute to performing the board's tasks and responsibilities. These committees play a crucial role in supporting the board in fulfilling its duties relating to the management of the company, with each committee operating within its designated scope of authority approved by the Board.

The Board has also established procedures outlining the committee's mission, term, powers, and the mechanism through which the Board of Directors oversees and assigns tasks to it. The committee submits a written report detailing its actions, findings, and recommendations with absolute transparency.

A. Audit Committee

• Declaration by Chairman of the Audit Committee on his Liability for the Committee's Rules of Procedure

Pursuant to the provisions of Article (61) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, Mr. Mohamed Ali Mussabeh Al Nuaimi, Chairman of the Audit Committee, acknowledges his liability for the committee's rules of procedure within the company, as well as for his review of its operational mechanism and effectiveness for the year 2025.

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A. Audit Committee

Names of Members of the Audit Committee, and details of the tasks and responsibilities of the committee

The Board of Directors, elected by the General Assembly held on March 20, 2024, formed the Audit Committee to support the Board in various areas. In accordance with the provisions of Article (58) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Audit Committee consists of three non-executive board members, all of whom are independent members. One of these members chairs the committee. The committee members have substantial expertise in financial and accounting matters, with past professional experience in the field of accounting and financial matters, as follows:

NAME	POSITION	CAPACITY
Mr. Mohamed Ali Mussabeh Al Nuaimi	Chairman	Independent
Mr. Yaser Abdulla Mohammed Al Ahmed	Member	Independent
Ms. Mouza Mohamed Majed Al Zaabi	Member	Independent

Mr. Andrew Robinson was appointed as an external member of the Audit Committee, independent of the company's Board of Directors. He is a highly qualified professional with over 23 years of experience in financial analysis and consulting. He is a chartered accountant in England, previously worked at KPMG offices in Dubai and Oman. Additionally, he holds a fellowship from the Institute of Chartered Accountants - Britain.

Audit Committee's Responsibilities

The Audit Committee undertake the tasks and duties assigned to it according to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, as follows:

- Review the financial and accounting policies and procedures in the company.
- Monitor the integrity of the company's financial statements and reports (annual, semi-annual, and quarterly) and review them as part of its regular duties throughout the year, with a particular focus on the following points:
 - Any changes in accounting policies and practices.
 - Highlighting the aspects subject to management's discretion.
 - Substantial amendments resulting from the audit.
 - Assuming the continuity of the company's business.
 - Adherence to the accounting standards determined by the SCA.
 - Adherence to the rules of listing and disclosure and other legal requirements related to the preparation of financial reports.
- Coordination with the company's Board of Directors, executive management, and the chief financial officer or the manager performing similar duties in the company in order to perform its duties.
- Consider any important and unusual items that are or should be included in these reports and accounts. Additionally, the committee should attach due importance to any matters raised by the company's chief financial officer, the manager performing similar duties, the compliance officer, or the auditor.
- Submit a recommendation to the Board of Directors regarding the selection, resignation or dismissal of the auditor. In the event that the Board of Directors does not approve the recommendations of the Audit Committee in this regard, the Board of Directors should include in the governance report a statement explaining the recommendations of the Audit Committee and the reasons underlying the board's rejection thereof.
- Develop and implement the policy of hiring an auditor, and submit a report to the Board of Directors specifying the issues it deems important to take action on, with recommendations on the necessary steps to be taken.
- Ensure that the auditor meets the conditions stipulated in the applicable laws, regulations, decisions and the company's articles of association, and follow up and monitor his independence.

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- Meet with the company's auditor without the presence of any of the senior executive management or their representatives, at least once a year, and discuss with him the nature and scope of the audit process and its effectiveness in accordance with the approved auditing standards.
- Review all matters related to the company's auditor, including his plan of action, communications with the company, observations, suggestions, reservations, and any significant inquiries raised by the auditor to senior executive management regarding accounting records, financial statements, or control systems. Additionally, monitor the company's management response to these inquiries and ensure the provision of necessary support to facilitate the auditor's work.
- Ensure that the Board of Directors responds in a timely manner to the clarifications and essential issues raised in the auditor's letter.
- Review and evaluate the internal control and risk management systems in the company.
- Discuss the internal control system with the Board of Directors and ensure its effective implementation in establishing a robust internal control framework.
- Review the findings of major investigations into internal control issues assigned to it by the Board of Directors or carried out at the initiative of the committee and with the approval of the Board of Directors.
- Review the auditor's assessment of internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
- Ensure the availability of the necessary resources for the internal audit department and review and monitor the effectiveness of that department.
- Examine the internal audit reports and follow up on the implementation of corrective measures for the observations contained therein.
- Establish controls that enable the company's employees to report any potential violations in the financial reports, internal control or other matters confidentially and the steps to conduct independent and fair investigations of such violations.
- Monitor the company's compliance with the rules of professional conduct.
- Review the dealings of related parties with the company and ensure that there is no conflict of interest and recommend the same to the Board of Directors before conclusion.
- Ensure the application of the work rules for its tasks and the powers assigned thereto by the Board of Directors.
- Submit the report and recommendations to the Board of Directors on the above-mentioned matters.
- Consider any other topics determined by the Board of Directors.

Audit Committee's Meetings during 2025

Based on the provisions of Article No. (62) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Audit Committee holds its meetings at least once every three months or whenever necessary. Accordingly, the Audit Committee held 5 meetings during the fiscal year ending on December 31, 2025, with all its members attending in person, as shown in the following table:

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	4/2/2025	4	-
Second	6/5/2025	4	-
Third	6/8/2025	4	-
Fourth	21/10/2025	4	-
Fifth	17/12/2025	4	-

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D. Audit Committee's Annual Report

1. The important matters considered by the Committee in respect of the financial statements and the way of addressing such matters:

	AREA OF FOCUS	ACTIONS TAKEN BY THE COMMITTEE
1	Tax Provision	The Group is subject to income tax where the determination of the global provision for income tax requires significant judgement. The Committee reviewed updates from the Group's Head of Tax, reports from the external auditor and external tax advisors, including those on the newly enacted UAE corporate tax and its implications for the Group. After assessing the appropriateness of the tax provisions in light of these updates and reports, the Committee concluded that the applied treatment was fair and reasonable.
2	Post-Employment Obligations	Determining the present value of the Group's future pension liabilities requires several assumptions, primarily relating to life expectancy, discount rates applied to the future cash flows, inflation rates and future salary increases. The valuation assumptions prepared by external experts and adopted by management were considered in light of the prevailing economic indicators and the view of the external auditors and were approved as appropriate.

2. An explanation of the mechanism used for assessing the independence and effectiveness of the external audit process and the approach followed in appointing or reappointing the external auditor, and information on the length of the current audit firm's term.

Grant Thornton, an experienced external audit firm accredited by the Ministry of Economy, was appointed as the company's external auditor for the year 2024 with the approval of the annual general assembly. There are no partners or agents affiliated with the firm's founders, its directors, or their relatives. All work performed by the external auditor is free from any conflict of interest and includes professional services related to reviewing quarterly and annual financial reports in compliance with all terms and conditions outlined in Decision No. 3 of 2020. Grant Thornton's term of appointment is one year.

3. A statement explaining the committee's recommendation regarding the appointment, reappointment or dismissal of the external auditor, and the reasons why the Board of Directors did not approve that recommendation.

Grant Thornton is an experienced external audit firm accredited by the Ministry of Economy. The Board of Directors' approval to reappoint Grant Thornton as the external auditor for the year 2024 aligns with the recommendation of the Audit Committee.

4. The mechanism used for ensuring the independence of the external auditor when providing non-audit services.

Grant Thornton provided only external audit services in 2023, and no special or additional services were obtained from them for the fiscal year 2024.

5. Actions taken or to be taken by the Committee to address any deficiencies or weaknesses in the event of any failures in the Internal Audit Department or risk management.

The Audit and Risk Committee periodically assesses the adequacy of internal controls and risk management processes across all organizational functions, including, among others, an annual review of the internal audit charter, evaluation of the internal audit department's structure, approval and execution of the risk-based internal audit plan (spanning two years), and oversight of the recruitment and seniority of the department head. The committee also examines the reporting structure, audit coverage, and frequency to identify and address any deficiencies, gaps, or weaknesses noted/found within the auditable functions during the audits. Additionally, it collaborates with the Board of Directors, senior management, and the Internal Audit Department to discuss necessary corrective actions and ensure effective implementation by the relevant department heads.

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6. Evidence that the committee has reviewed all reports of medium and high risks issued by the internal audit department to determine whether they arise from major failures or weaknesses in internal control, in addition to comprehensive information about the corrective remediation plan in the event of material deficiencies in the areas of risk management and internal control systems.

Until 2019, the Audit and Risk Committee approved the annual risk-based internal audit plans. Since 2019, the Committee has been approving risk-based internal audit plans covering a two-year period. The Committee approves these plans and instructs the Head of Internal Audit to conduct special audits or investigations in specific areas, as required.

Accordingly, the Head of Internal Audit provides the Audit and Risk Committee with monthly status updates on all ongoing and completed audits through a Monthly Activity Report, and also presents quarterly updates during the Committee's meetings, including progress on the implementation of the approved internal audit plan.

In addition, the Committee reviews the findings of all high-risk and medium-risk internal audit reports issued by the Internal Audit Department, along with the status of agreed action plans. The Committee also directs management, through the respective department heads, to implement all audit recommendations within the agreed timelines.

7. Evidence that the Committee has reviewed all transactions executed with related parties and the resulting observations or findings and the extent of compliance with applicable laws in this regard.

All transactions with related parties, including any material amendments to the transactions executed with the related parties, require the approval of the Audit Committee. The Committee assesses the criteria for granting approval, ensuring that related party transactions serve the best interests of the company. Additionally, it conducts a quarterly review of all approved related party transactions. Furthermore, the Committee recommends reviewing the related party policy on material related party transactions as well as the handling of related party transactions to be in line with the regulatory requirements.

B. Nominations and Remuneration Committee

• Declaration by Chairman of the Nominations and Remuneration Committee on his Liability for the Committee's Rules of Procedure

Pursuant to the provisions of Article (59) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, Mr. Mohamed Ali Mussabeh Al Nuaimi, Chairman of the Committee, acknowledges his liability for the committee's rules of procedure within the company, as well as for his review of its operational mechanism and effectiveness for the year 2025

• Names of Members of the Nominations and Remuneration Committee, and details of the tasks and responsibilities of the committee

The Board of Directors, elected by the General Assembly held on March 20, 2024, formed the Nominations and Remuneration Committee to ensure that the Board of Directors performs the tasks assigned to it efficiently and effectively and achieves the company's objectives, and in accordance with the requirements of the provisions of Article No. (58) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Nominations and Remuneration Committee consisted of four non-executive board members, three of whom are independent members, and one of them chairs the committee, as follows:

NAME	POSITION	CAPACITY
Mr. Mohamed Ali Mussabeh Al Nuaimi	Chairman	Independent
Sheikh Ahmed Omar Abdulla Al Qasimi	Member	Non-independent
Mr. Mohamed Ghobash Ahmed Al Marri	Member	Independent
Ms. Mouza Mohamed Majed Al Zaabi	Member	Independent

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• Nominations and Remuneration Committee's Responsibilities

The Nominations and Remuneration Committee carries out the tasks and duties assigned to it according to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, as follows:

1. Develop a policy regulating candidacy for membership of the Board of Directors and Executive Management, aimed at ensuring gender diversity within the formation and encouraging women through incentive and training benefits and programs, and providing the SCA with a copy of this policy and any amendments thereto.
2. Organize and follow up on the procedures for nominations for membership in the Board of Directors in accordance with the applicable laws and regulations and the provisions of this decision.
3. Verify that the membership requirements for board members continue to be met.
4. Ensure the independence of independent members on an ongoing basis.
5. Develop the policy for granting bonuses, benefits, incentives and salaries to board members and employees of the company, and review the same annually. The committee must ensure that the bonuses and benefits granted to the company's senior executive management are reasonable and commensurate with the company's performance.
6. Annually review the required skills requirements for membership in the Board of Directors and preparing a description of the capabilities and qualifications required for membership in the Board of Directors, including the details of the time the member is required to dedicate for performing duties of the board of directors.
7. Review the required skills requirements for membership in the Board of Directors.
8. Review the structure of the Board of Directors and make recommendations regarding the changes that can be made.
9. Determine the company's needs for competencies at the level of senior executive management and employees and the basis for their selection.
10. Develop the company's HR & Training Policy and monitor its implementation, and review it annually.
11. Any other tasks determined by the Board.

• Nominations and Remuneration Committee's Responsibilities

Pursuant to the provisions of Article No. (59) of the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, the Nominations and Remuneration Committee holds its meetings at least once a year or whenever necessary. Accordingly, the Nominations and Remuneration Committee held 5 meetings during the fiscal year ending on December 31, 2025, as shown in the following table:

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	27/1/2025	4	-
Second	5/5/2025	4	-
Third	28/7/2025	4	-
Fourth	15/10/2025	4	-
Fifth	17/12/2025	4	-

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C. Insiders Transactions Follow-up & Supervision Committee

• Declaration by Chairman of the Insiders Transactions Follow-up & Supervision Committee

Pursuant to the SCA Board Chairman's Decision No. (3/RM) of 2020 concerning the Approval of Public Joint Stock Companies Governance Guide, and the decision of the Board of Directors of the Company regarding the formation of a committee specialized in insiders' affairs, Mr. Fayez Khouri- Chairman of the Committee - acknowledges his liability for the committee's rules of procedure in the company and for reviewing its working mechanism and ensuring its effectiveness for the year 2025.

- Members of the Committee:

1. Legal Advisor (Chairman of the Committee)
2. Chief Financial Officer (Member)
3. Investor Relations Officer (Member)

- The Committee's tasks and responsibilities:

1. Create a special and integrated register that contains the names and data of insiders, including persons who can be considered as temporary insiders, and who are entitled or authorized to get access to the company's information before being published.
2. Monitor and supervise the transactions and ownerships of insiders, and maintain a relevant register.
3. Periodically review the records and statements of insiders, to ensure that they are continuously updated, and consult with the company's executive management regarding any updates that need to be made to these records and statements as they occur in accordance with the requirements and requirements of the company's business.
4. Submit periodic statements and reports on the insiders to Abu Dhabi Securities Market and/or the Securities and Commodities Authority.
5. Ensure the continuous updating of the list of the company's insiders on Abu Dhabi Securities Market's website, and make any updates to that list as soon as they occur.
6. Continuously communicate with the insiders and raise awareness about their trading in the company's shares and securities issued by the company, including educating them and constantly reminding them of the trading ban periods in the company's shares and securities issued by the company in accordance with the regulations and rules in force at both the Securities and Commodities Authority and the Abu Dhabi Securities Market, to ensure compliance with them and avoid committing any violations.
7. Be generally responsible for all matters specified in the Securities and Commodities Authority's guidelines and which falls under the responsibility of the Insiders Transactions Follow-up & Supervision Committee.
8. Ensure the company's compliance with all disclosure and transparency rules.
9. Prepare and adopt a model and standards to identify the insiders from among the employees and external parties.
10. Identify the material and sensitive information that can be accessed and affect the company's share price.
11. Instruct the insiders from among the employees and board members of the necessity of disclosing any transactions to the Committee.

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- **Summary of the Committee's work report during the year 2025**

The Committee updated the lists of insiders with the financial market to include board members and the first and second tier of the company's senior employees, as well as some insiders from the relevant departments. It also alerted employees and board members of the necessity of adhering to the laws and regulations of trading and not to sell and/or buy during trading ban periods.

D. Executive and Investment Committee

- **Declaration by the Chairman of the Executive Committee**

By virtue of the tasks and powers conferred upon it by the Board of Directors, Mr. Abdulaziz Abdulla AlZaabi - Chairman of the Committee - acknowledges his liability for the Committee's rules of procedure in the company and for reviewing its working mechanism and ensuring its effectiveness for the year 2025.

- Names of members of the Executive Committee, and details of the tasks and responsibilities of the committee:

NAME	POSITION
Mr. Abdulaziz Abdulla AlZaabi	Chairman
Mr. Abdulla Rashed Jassem Al Abdouli	Member
Sheikh Ahmed Omar Abdulla Al Qasimi	Member
Mr. Mohamed Ghobash Ahmed Al Marri	Member
Mr. Yaser Abdulla Mohammed Al Ahmed	Member

- **Tasks and Responsibilities of the Committee:**

1. Provide support and assistance to the CEO and the executive management team.
2. Periodically review the progress of the company's projects and business in general.
3. Review and approve the applicable policies and procedures in the company and the approval and signature authorities from time to time
4. Submit timely proposals and opinions to the Board and its Chairman, which are related to the company's overall performance and major issues, if any.
5. Propose major projects and strategic investments for the company and propose participation in public offering of the company's shares, and submit the same to the Board of Directors for approval.
6. Discuss and approve financial reports and commodities in the event that the Board of Directors fails to hold a meeting at the appropriate time.
7. Ensure the implementation of corporate governance controls.
8. Review and evaluate the company's investments and approve appropriate solutions regarding them, such as choosing exit mechanisms or choosing the most appropriate investment opportunities (in amounts not exceeding AED 20 million).
9. Ensure that an appropriate classification and archiving system is in place (such as meeting minutes, committee decisions, etc.).
10. The Committee may pass urgent decisions by circulation if it is unable to hold a meeting as quickly as possible.
11. The Committee's term of office is the same term of the Board unless the Board of Directors issues a decision to the contrary.
12. The committee handles any other matters assigned to it by the Chairman of the Board or the Board of Directors or required by the interest of work, and in line with the tasks and nature of the Committee's work.
13. The committee handles any other matters determined by the Board of Directors.
14. The Committee may seek the assistance of any specialized employees or members of the Executive Management at any time to explain topics related to the work of the Committee.
15. The Board of Directors has the right to request a meeting with the Committee whenever it deems necessary.
16. The Committee must submit all its reports to the Company's Board of Directors for approval and endorsement at the first meeting held by the Board and following the last meeting of the Committee.
17. The committee holds periodic meetings or at the request of the Chairman of the Committee or the majority of its members whenever necessary.

CORPORATE GOVERNANCE REPORT ISSUED BY RAK PROPERTIES P.J.S.C. FOR THE YEAR 2025

- **Meetings of the Committee during 2025**

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	20/1/2025	4	-
Second	10/4/2025	5	-
Third	13/5/2025	5	-
Fourth	1/7/2025	5	-
Fifth	18/8/2025	5	-
Sixth	17/9/2025	5	-
Seventh	16/10/2025	5	-
Eighth	16/12/2025	5	-

Z. The tasks and responsibilities of the Board of Directors carried out by a member of the Board or Executive Management based on authorization from the Board of Directors during the year 2025.

General authorization issued by the Board of Directors of RAK Properties based on the provisions of the Articles of Association of RAK Properties (the "Company") and the special authorization of the CEO No. 1773/2022 dated 26/9/2022 certified by a notary public, whereby the board unanimously decided to delegate the CEO of RAK Properties, Mr. Sameh Al-Muhtadi, to represent the company before all departments and authorities on all information and official, unofficial and private authorities and before companies, governmental institutions and private sector institutions, sign all transactions and papers necessary to complete the company's business with all governmental, non-governmental and private authorities and before banks and financial institutions. He is also authorized to represent the company and sign on its behalf in all financial, administrative, legal and judicial matters and aspects according to the decisions of the Board of Directors issued in this regard and also in purchasing shares and stakes in existing companies and those still being established, and participating in their management, making their decisions, managing all their affairs from all administrative, legal, and judicial aspects.

The Board of Directors also decided to authorize Mr. Sameh Al-Muhtadi to sign contracts that include an arbitration clause, to conclude and sign arbitration agreements with any party in the name of the company and on its behalf after the issuance of a Board of Directors' decision in this regard, to take all necessary measures in this regard, including appointing and disqualifying arbitrators and experts, making settlements, reconciliations and waivers, and to take all other measures related to arbitration that require special authorization under the law, pursuant to the stipulation of Article (25) of the company's Articles of Association, and to approve and ratify all arbitration agreements and contracts that include an arbitration clause that were previously concluded in the name of the company and on its behalf with any party, and all measures taken in this regard in light of the provisions of the company's articles of association .

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H. Details of transactions made with related parties (stakeholders) during the year 2025

STATEMENT OF THE RELEVANT PARTY	THE NATURE OF THE RELATIONSHIP	TYPE OF TRANSACTION	TRANSACTION VALUE
Sheikh Ahmed bin Omar Al Qasimi	purchasing a residential unit in 2024	Commission	17860
Mohammed Musbah Al Nuaimi	Commission for selling a building	Commission	2,220,000
Yasser Abdullah Al Ahmad	Commission for selling a building	Commission	2,220,000
Mazen Mardini	Purchasing a residential unit during 2025	Purchasing a residential unit	1,202,700
Fayez Khouri	Purchasing a residential unit during 2025	Purchasing a residential unit	817,950
Emad Samaha	Purchasing a residential unit during 2025	Purchasing a residential unit	1,263,500

FIFTH: BOARD OF DIRECTORS EVALUATION

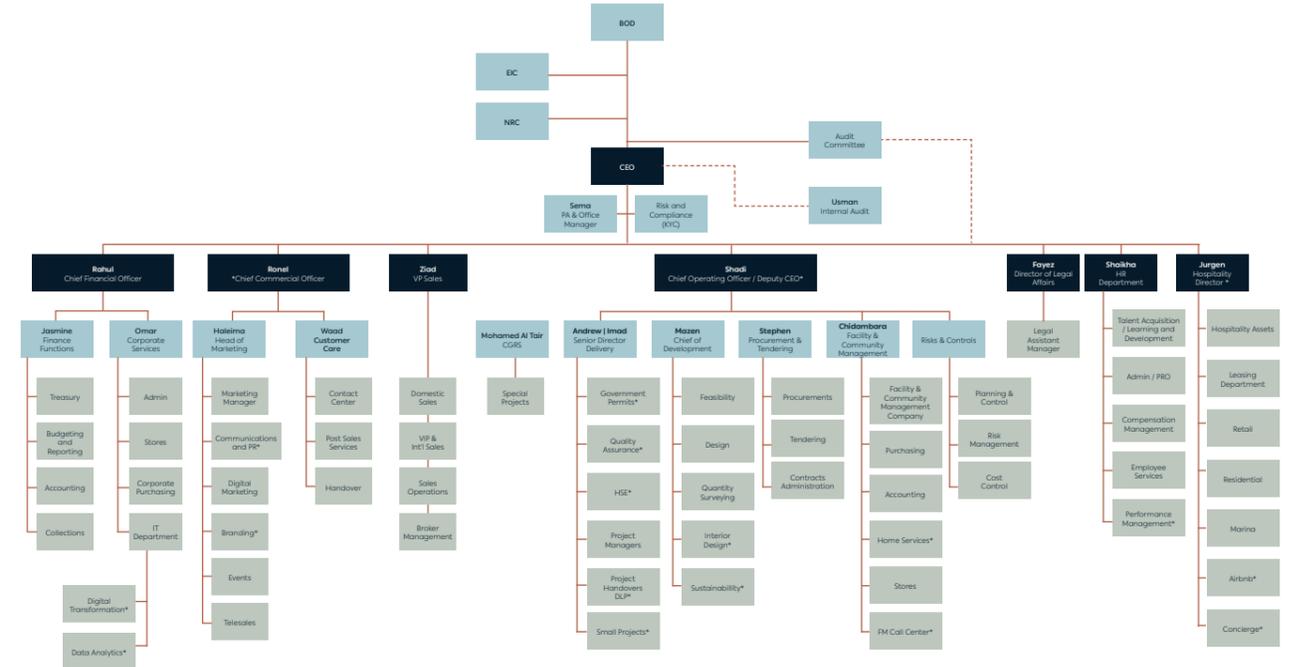
According to the decision of the Chairman of the Board of Directors of the SCA No. (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies. It stipulates that the Board of Directors shall conduct an evaluation annually, for its performance and the performance of its members and committees, to identify ways to enhance its effectiveness, and to ensure that it is subject to evaluation at least once a year, through the Nominations and Remuneration Committee or by the Chairman of the Board of Directors. It is also permissible, if necessary, to seek assistance from independent consultants to assist the Board of Directors in conducting the evaluation. The Board of Directors is also committed to inviting an independent professional body every third year to conduct an evaluation of the Board of Directors, its members and its committees.

A special policy and procedures have also been formulated to evaluate the performance of the Board of Directors and its members based on the decision of the Chairman of the Board of Directors of the Authority No. 3/م of 2020 in addition to the laws and regulations applicable in the country. Accordingly, the competent authority responsible for supervising the implementation of the Board of Directors' evaluation policy for the year 2025 will be either through the Chairman of the Board of Directors of the company or through the Nominations and Remuneration Committee.

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SIXTH: COMPANY'S ORGANIZATIONAL STRUCTURE

RAK Properties has been keen to develop and implement an efficient and effective organizational structure at the level of the company's various departments and sections, to ensure a high level of coordination and administrative interaction. As shown below, the company's organizational structure approved by the company's Board of Directors is as follows:



Detailed statement with the names of senior executives in the company

The table below shows the appointment dates of the Executive Management members and their current positions according to the company's organizational structure, and the salaries and bonuses granted for the year 2025:

POSITION	DATE OF APPOINTMENT	TOTAL SALARIES AND ALLOWANCES PAID FOR THE YEAR 2025 AED	TOTAL BONUSES PAID FOR 2025 AED	ANY OTHER CASH/ IN-KIND BONUSES FOR THE YEAR 2025 OR DUE IN THE FUTURE
Chief Executive Officer	August 2022	4,743,120	To be Presented to the Nominations and Remuneration Committee	-
Chief Financial Officer	November 2023	1,567,052	To be Presented to the Nominations and Remuneration Committee	-
Head of Corporate Services	August 2017	1,315,450	To be Presented to the Nominations and Remuneration Committee	-
Head of Legal Affairs	June 2025	651,272	To be Presented to the Nominations and Remuneration Committee	-
Chief Operations Officer	April 2025	1,444,588	To be Presented to the Nominations and Remuneration Committee	-

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POSITION	DATE OF APPOINTMENT	TOTAL SALARIES AND ALLOWANCES PAID FOR THE YEAR 2024 AED	TOTAL BONUSES PAID FOR 2024 AED	ANY OTHER CASH/ IN-KIND BONUSES FOR THE YEAR 2024 OR DUE IN THE FUTURE
Head of Marketing	October 2025	268,539	To be Presented to the Nominations and Remuneration Committee	-
Head of Development	January 2025	1,320,371	To be Presented to the Nominations and Remuneration Committee	-
Head of Government Communications and Special Projects	February 2008	1,356,990	To be Presented to the Nominations and Remuneration Committee	-
Head of Sales	November 2022	3,338,247	To be Presented to the Nominations and Remuneration Committee	-

SEVENTH: EXTERNAL AUDITOR

• **External Auditor Contracting Policy**

In accordance with the decision of the Chairman of the Board of Directors of SCA No. (3/R.M) of 2020 regarding the approval of the Governance Guide for Public Joint Stock Companies and the Company's Articles of Association, the Board of Directors of the Company has committed to the policy of selecting the external auditor by nominating him before the General Assembly. Then, Executive Management, at the request of the Audit Committee, provides offers from auditing companies to examine them and meet with the nominated applicant external auditors, discuss their offers, and nominate whomever it deems appropriate based on competence, reputation and experience. Also based on a recommendation by the Audit Committee, the Board nominates the external auditor, and the appointment and determination of his fees are based on a decision of the General Assembly.

In the event that the Board of Directors does not approve the nomination of the Audit Committee regarding the selection, appointment, resignation or removal of the external auditor, the Board of Directors shall write a statement in the governance report explaining the recommendations of the Audit Committee and the reasons for not adopting it.

• **About the company's auditor**

Grant Thornton is one of the external auditing firms with extensive experience in the field of auditing and accredited by the Ministry of Economy. Grant Thornton has been appointed as the company's external auditor for the year 2024 with the approval of the Annual General Assembly. It is an external auditor independent from the company and the board of directors and is not a partner or agent of anyone of the company's founders or a member of its board of directors or a relative of it. All work performed by the external auditor is free of any conflict of interest, and their services include all professional services related to reviewing quarterly and annual financial reports in accordance with, and in application of, all the terms and conditions of the external auditor pursuant to Decision No. 3 of 2020.

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• **External auditor fees and costs during the year 2024**

Audit office name	Grant Thornton
Partner Auditor Name	Mr. Osama Bakri
Number of years he spent as an external auditor for the company	3 years
Number of years the partner auditor has been auditing the company's accounts	2 years and 9 months
Total Audit Fees for the year 2025 (AED)	435,000 dirhams
Details and nature of other services provided	295,000 dirhams
Details and nature of other services provided	2024 ICOFR Management Assessment in accordance with the previous SCA regulation 2024 Special Purpose Financial Statements in accordance with CT filing requirements
Statement of other services provided by an external auditor other than the company's auditor during the year 2025	-

• **External auditor's reservations on the interim or annual financial statements for the year 2025**

There are no reservations by the external auditor regarding the interim or annual financial statements for the year 2025.

EIGHTH: INTERNAL AUDIT CHARTER

Purpose and Mission

The purpose of the internal audit function (IAF) is to strengthen RAK Properties' (RAKP's) ability to create, protect, and sustain value by providing the Board of Directors (BOD) and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances RAKP's:

1. Successful achievement of its objectives.
2. Governance, risk management, and control processes.
3. Decision-making and oversight.
4. Reputation and credibility with its stakeholders.
5. Ability to serve the public interest.

RAKP's internal audit function is most effective when:

1. Internal auditing is performed by competent professionals in conformance with IIA's Global Internal Audit Standards, which are set in public interest.
2. The internal audit function is independently positioned with direct accountability to the Audit & Risk Committee (ARC) of the Board.
3. Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhere to the GIAS & Relevant Regulatory requirements

RAKP's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF), which are the Global Internal Audit Standards (GIAS) and Topical Requirements. Head of Internal Audit Department (HIAD) will report annually to the Audit & Risk Committee (ARC) and Senior Management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program (QAIP) as defined in the Internal Audit Manual.

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Mandate

3.1 Authority

The internal audit function's authority is created by its direct reporting relationship to the ARC of the Board. Such authority allows for unrestricted access to the ARC.

The ARC authorizes the Internal Audit Function to:

1. Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
2. Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
3. Obtain assistance from the necessary personnel of RAKP and other specialized services from within or outside RAKP to complete internal audit services.

3.2 Independence, Organizational Position, and Reporting Relationships

The HIAD will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. HIAD will report functionally to the ARC and administratively (for example, day-to-day operations) to the CEO. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the ARC, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

HIAD will confirm to the ARC, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the HIAD will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. HIAD will disclose to the ARC any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

3.3 Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the HIAD, ARC, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

1. A significant change in the Global Internal Audit Standards.
2. A significant reorganization within the RAKP.
3. Significant changes in the HIAD, ARC, and / or senior management.
4. Significant changes to the RAKP's strategies, objectives, risk profile, or the environment in which the organization operates.
5. New laws or regulations that may affect the nature and/or scope of internal audit services.

ARC of the Board Oversight

To establish, maintain, and ensure that RAKP's internal audit function has sufficient authority to fulfill its duties, the ARC will:

1. Discuss with the HIAD and senior management / CEO the appropriate authority, role, responsibilities, scope, and services (assurance and / or advisory) of the internal audit function.
2. Ensure HIAD has unrestricted access to and communicates and interacts directly with the ARC, including in private meetings without senior management present.
3. Discuss with the HIAD and senior management other topics that should be included in the internal audit charter.
4. Participate in discussions with the HIAD and senior management about the "essential conditions," described in the GIAS, which establish the foundation that enables an effective internal audit function.
5. Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.

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6. Review the internal audit charter annually with the HIAD to consider changes affecting the organization, such as the employment of a new HIAD or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
7. Approve the risk-based internal audit plan.
8. Provide input to the internal audit function's human resources administration and budgets.
9. Review the internal audit function expenses.
10. Provide input to senior management on the appointment and removal of the HIAD, ensuring adequate competencies and qualifications and conformance with the GIAS.
11. Approve the remuneration of the HIAD.
12. Review and provide input to senior management on HIAD's performance.
13. Receive communications from HIAD about the internal audit function including its performance relative to its plan.
14. Ensure a quality assurance and improvement program (QAIP) has been established and review the results annually.
15. Make appropriate inquiries of senior management and the HIAD to determine whether scope or resource limitations are inappropriate.

HIAD Roles and Responsibilities

Ethics and Professionalism

HIAD will ensure that internal auditors:

1. Conform with the Global Internal Audit Standards (GIAS), including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
2. Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
3. Encourage and promote an ethics-based culture in the organization.
4. Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Objectivity

HIAD will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the HIAD determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

1. Assessing specific operations for which they had responsibility within the previous year.
2. Performing operational duties for RAKP or its affiliates.
3. Initiating or approving transactions external to the internal audit function.
4. Directing the activities of any RAKP employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

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Internal auditors will:

1. Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the HIAD, ARC, management, or others.
2. Exhibit professional objectivity in gathering, evaluating, and communicating information.
3. Make balanced assessments of all available and relevant facts and circumstances.
4. Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

HIAD has the responsibility to:

1. Annually or once in 2 years (as directed by the ARC), develop a risk-based internal audit plan that considers the input of the ARC and senior management. Discuss the plan with the ARC and senior management and submit the plan to the ARC for review and approval.
2. Communicate the impact of resource limitations on the internal audit plan to the ARC and senior management.
3. Review and adjust the internal audit plan, as necessary, in response to changes in RAKP's business, risks, operations, programs, systems, and controls.
4. Communicate with the ARC and senior management if there are significant interim changes to the internal audit plan.
5. Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations.
6. Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the ARC and senior management annually or bi-annually and for each engagement as appropriate.
7. Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
8. Identify and consider trends and emerging issues that could impact RAKP and communicate to the ARC and senior management as appropriate.
9. Consider emerging trends and successful practices in internal auditing.
10. Establish and ensure adherence to methodologies designed to guide the internal audit function.
11. Ensure adherence to RAKP's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or GIAS. Any such conflicts will be resolved or documented and communicated to the ARC and CEO / senior management.
12. Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the HIAD cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the ARC.

Communication with the ARC and Senior Management

HIAD will report annually to the ARC and senior management regarding:

1. The internal audit function's mandate.
2. The internal audit plan and performance are relative to its plan.
3. Internal audit budget.
4. Significant revisions to the internal audit plan and budget.
5. Potential impairments to independence, including relevant disclosures as applicable.
6. Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
7. Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the ARC that could interfere with the achievement of RAKP's strategic objectives.
8. Results of assurance and advisory services.
9. Resource requirements.
10. Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond RAKP's risk appetite.

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Quality Assurance and Improvement Program (QAIP)

HIAD will develop, implement, and maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and / or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, HIAD will communicate with the ARC and CEO about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the RAKP; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all RAKP's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the ARC and management on the adequacy and effectiveness of governance, risk management, and control processes for RAKP.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

1. Risks relating to the achievement of RAKP's strategic objectives are appropriately identified and managed.
2. The actions of RAKP's officers, directors, management, employees, and contractors or other relevant parties comply with RAKP's policies, procedures, and applicable laws, regulations, and governance standards.
3. The results of operations and programs are consistent with established goals and objectives.
4. Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
5. Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact RAKP.
6. The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
7. Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Based on the above, the Board of Directors acknowledges its responsibility for the Company's internal audit system, which has sufficient power to apply governance rules in all of the Company's activities and achieve transparency, accountability and justice.

• Name and qualifications of the Director of Internal Audit Department

Mr. Usman Zishan holds a Bachelor's Degree in Commerce (2002) and brings over 18 years of extensive professional experience in internal auditing, governance, risk management, and internal controls. Throughout his career, he has been actively involved in developing and executing risk-based internal audit plans, evaluating the effectiveness of internal control systems, strengthening governance frameworks, and providing value-added recommendations to senior management and audit committees.

In addition to his internal audit expertise, he also possesses three years of practical experience in accounting, gained while working in Dubai. This accounting background has further strengthened his financial analysis, reporting, and control assessment capabilities, enabling him to provide comprehensive assurance and advisory services aligned with organizational objectives and best practices.

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• Compliance Officer's Name and Qualifications

It was decided to appoint Ms. Duaa Masoud Al-Mahri as Compliance Officer for the fiscal year 2025. She holds a bachelor's degree in public relations and advertising from the United Arab Emirates University in 2018 and has previous experience spanning 4 years in the field of compliance.

• Number of reports issued by the Internal Audit Department to the Company's Board of Directors

During the year 2025, the Internal Audit Department submitted 17 audit reports to the audit and risk committee of the Board covering operational, financial, compliance, and governance matters.

NINTH: VIOLATIONS DURING THE YEAR 2025

The company was keen to adhere to federal and local laws, ministerial decisions, laws and decisions issued by authorities and markets, and the governance of the Board of Directors in all its dealings, and achieved justice with all those dealing with it, which is consistent with the company's distinguished reputation. Also, during the year 2025, the company did not commit any violations.

TENTH: THE COMPANY'S CONTRIBUTIONS TO COMMUNITY DEVELOPMENT AND ENVIRONMENTAL PRESERVATION.

The community has solid privacy and a lofty goal in the company's strategies. It is a national responsibility that establishes the basic foundations for the tasks entrusted to everyone. Since the company is an integral part of the surrounding community and works with all sincerity and belonging to consolidate effective community partnerships, the company supports community activity of all kinds with a package of voluntary contributions, according to the laws and regulations followed in the country. It works to ensure that all its employees are an active and influential part of society. In implementation of Federal Law No. (2) of 2015 on commercial companies as amended regarding voluntary contributions, which allowed companies to pay voluntary contributions, cash contributions were provided during the year 2025 as follows:

Shaml Association for Popular Arts and Theater	15,000
Ras Al Khaimah Charity Association	500,000
Ajr Humanitarian Foundation	500,000
TOTAL	1,015,000

ELEVENTH: GENERAL INFORMATION

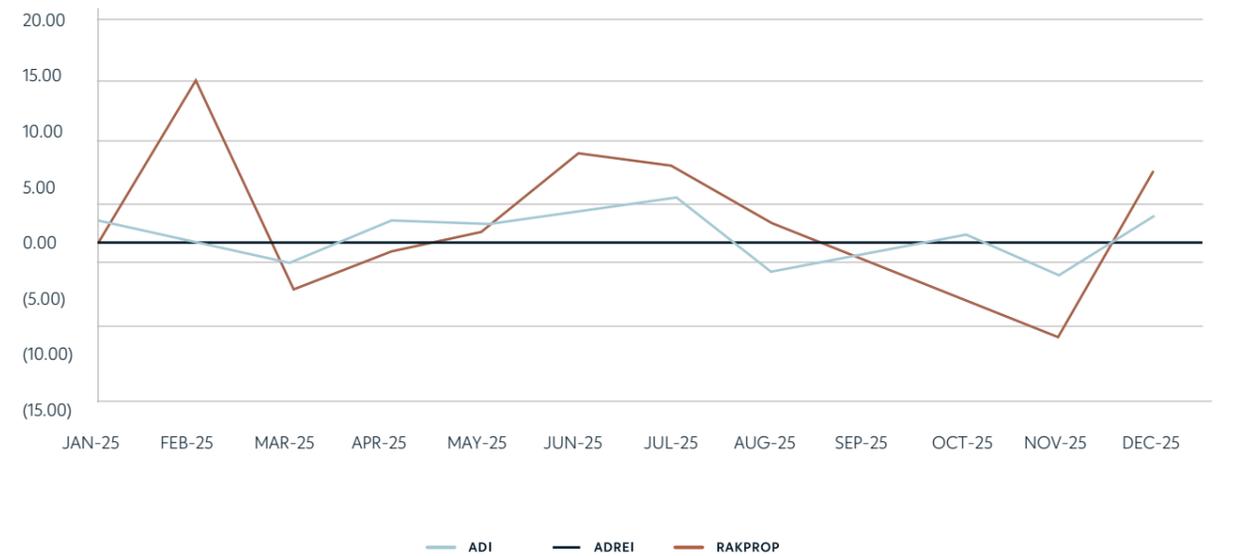
• Trading movement and price of the company's share in the Abu Dhabi Securities Market (Closing price/ High price/ Low price) during the fiscal year 2025

MONTH	HIGH PRICE (AED)	LOWEST PRICE (AED)	CLOSING PRICE (AED)	TRADING VOLUME (AED)	TRADING VALUE (AED)
January	1.250	1.200	1.210	12,374,824	15,216,628.09
February	1.360	1.330	1.350	4,085,706	5,499,148.11
March	1.380	1.340	1.340	986,204	1,340,457.34
April	1.300	1.260	1.270	14,469,710	18,467,878.22

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MONTH	HIGH PRICE (AED)	LOWEST PRICE (AED)	CLOSING PRICE (AED)	TRADING VOLUME (AED)	TRADING VALUE (AED)
May	1.310	1.280	1.310	4,984,463	6,501,104.34
June	1.500	1.410	1.440	91,888,130	133,765,407.75
July	1.580	1.540	1.540	17,912,084	27,902,705.12
August	1.600	1.580	1.580	11,751,259.46	7,392,368
September	1.500	1.460	1.480	7,061,803	10,464,327.21
October	1.430	1.400	1.410	2,842,142	4,012,946.23
November	1.300	1.280	1.280	3,310,744	4,269,680.04
December	1.350	1.320	1.350	1,997,371	2,668,384.42

• RAK Properties' share with the general market index and the industrial sector index during the year 2024S



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• **Distribution of the company's shareholders' ownership as of 31 December 2025**

SHAREHOLDER / INVESTOR	INDIVIDUALS		COMPANIES		GOVERNMENT		TOTAL	
	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO
Local	675,942,682.00	22.53%	585,829,507.00	19.53%	1,025,057,905	34.17%	2,286,830,094	
Arab	125,800,305.00	4.19%	74,641,556.00	2.49%	-	-	200,441,861	
Gulf	91,509,610.00	3.05%	1,036,861.00	0.03%	-	-	92,546,471	
Foreign	42,934,832.00	1.43%	377,246,742.00	12.57%	-	-	285,343,131	
TOTAL	893,252,597	31.2	1,038,754,666	34.62%	1,025,057,905	34.17%	3,000,000,000	100%

• **Shareholders who own (5%) or more of the company's capital as of 31 December 2025**

S/N	SHAREHOLDER'S NAME	NUMBER OF SHARES OWNED	PERCENTAGE OF SHARES OWNED FROM CAPITAL
1.	RAK Government	1,025,057,905	% 34.17
2.	United Al Saqer Group LLC	225,847,307	7.53%

• **Distribution of shareholders according to ownership size as of 31 December 2025**

S	STOCK (SHARE) OWNERSHIP	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES OWNED	PERCENTAGE OF CAPITAL
1.	Less than 50,000	12,094	109,767,393	3.66 %
2.	50,000 to less than 500,000	1,005	161,618,687	5.39%
3.	500,000 to less than 5,000,000	347	511,947,607	17.06%
4.	More than 5,000,000	70	2,206,666,313	73.56%
5.	Equals 5,000,000	2	10,000,000	0.33 %

• **Actions taken regarding investor relations controls:**Investor Relations Officer Name: Mr. Abdullah Shukri Al Akhdar/ Investor Relations Officer, who can be contacted via email at ir@rakproperties.ae. Also, the electronic link to the investor relations page on the company's website contains a special page for investor relations according to the following link: <https://www.rakproperties.ae/investor-hub/>

• **Special resolutions presented at the Annual General Assembly:** in its meeting held on 11 March 2025, the General Assembly approved the following:

- To provide voluntary contributions for community service purposes worth AED 1.2 million, taking into account the provisions of the Commercial Companies Law, and authorizing the Board of Directors to determine the entities to which these amounts will be allocated.

**CORPORATE GOVERNANCE REPORT ISSUED BY
RAK PROPERTIES P.J.S.C. FOR THE YEAR 2025**

• **Meetings Secretary and Date of Appointment:** Board of Directors' Meetings' rapporteur/ Mr. Majed Abdulla - Secretary of the Board of Directors, appointed since 2023.

• **Key events during the year 2025:**

- There were no key events during the year 2025.

• **Transactions made by the company during the year 2025 that are equal to 5% or more of the company's capital:**

According to the decision of the Chairman of the Board of Directors of SCA No. (3/R.M) of 2020 regarding the Governance Guide for Public Joint Stock Companies, which defined a "transaction" as an event that affects the assets of a public joint stock company listed on the market, its liabilities, or its net value from transactions, contracts, or agreements concluded by the company, and any other transactions determined by the SCA from time to time by decisions, instructions, or circulars issued by it, and based on the stipulation of the decision, there are no deals or transactions concluded by the company during the year 2025 that affected its assets, liabilities, or net value.

• **The percentage of localization in the company:**

The company attaches great importance to localization and considers it one of its responsibilities. The table below shows the localization percentage as follows:

YEAR	POSITION
2023	18%
2024	21%
2025	22%

• **Innovative projects and initiatives which the company has carried out or is being developed during the year 2025**

There are no innovative projects or initiatives undertaken by the company or being developed during the year 2025.



H.E. Abdulaziz Abdulla Al Zaabi
Chairman of the Board of Directors



Mr. Mohamed Ali Mussbeh Al Nuaimi
Chairman of the Audit & Risk Committee
Chairman of the Nominations & Remuneration Committee



Mr. Usman Zishan
Head of Internal Control Department



SUSTAINABILITY REPORT 2025

SUSTAINABILITY REPORT 2025 RAK PROPERTIES P.J.S.C.



REPORTING SCOPE

This Sustainability Report presents a comprehensive overview of the organization's activities, initiatives, and programs for the reporting period from January 1 to December 31, 2025. Where relevant, it includes historical data and references from previous years to provide context for the organization's sustainability journey and illustrate progress over time.



ASSURANCE

The annual ESG report has not been subjected to independent third-party assurance for this reporting cycle. Nonetheless, RAK Properties has applied rigorous internal review and validation processes to compile, analyse, and cross-check the underlying data to help ensure the accuracy and reliability of the information presented in this report.



REPORT BOUNDARY

The reporting boundary of this Sustainability Report encompasses all operations, activities, and entities over which the organization has direct control during the reporting period from January 1 to December 31, 2025. Where applicable, the report also references data and examples from previous years and related entities to ensure a complete and contextual understanding of the organization's sustainability performance and progress.



INTENDED AUDIENCE

This ESG Report is primarily intended for investors, shareholders, and regulatory bodies such as the Abu Dhabi Securities Exchange (ADX) and Securities and Commodities Authority (SCA). It also addresses our employees and contractors, providing transparency on occupational health, safety, and human capital development initiatives. Additionally, customers, tenants, suppliers, local communities, and government stakeholders can use this report to understand our ESG programs and performance.



REPORTING GUIDELINES

This Sustainability Report has been prepared to meet the ESG disclosure requirements of the Abu Dhabi Securities Exchange (ADX) for listed companies and to align with the Global Reporting Initiative (GRI) Standards and the United Nations Sustainable Development Goals (UN SDGs), as well as relevant UAE Securities and Commodities Authority (SCA) guidelines.



INQUIRIES ABOUT THIS REPORT

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LEADING WITH PURPOSE: A MESSAGE FROM OUR CEO



As a master developer occupying a position of prominence in the Emirate of Ras Al Khaimah, we take our responsibility for building enduring communities seriously. We celebrated 20 years of operations in 2025, and moving into our third decade, we approach the future with a strong sense of optimism, but also the acute awareness that we need to do more to protect our natural environment and integrate sustainability throughout our entire value chain.

In shaping and expanding the built environment within one of the UAE's most naturally rich destinations, the imperative to build in sympathy with, rather than in opposition to, our surroundings becomes ever more acute. As a result, ESG discussion, and crucially, action, occupies more executive time than before – and rightly so. As a listed company, as a place maker with purpose, as a steward of the land and sea, and as a provider of homes and employment to many, it is our responsibility to make sustainability an integral component of how we plan, invest, and operate.

The continued reporting of our sustainability efforts is representative of an ongoing journey at RAK Properties. This is a journey that compels us to bring along with us our contracting partners, consultants, investors, operators, customers, and colleagues. As 2026 progresses, we shall take strides to embed ESG considerations into all aspects of our business, but in a more deliberate, structured manner.

In doing so, we shall aim to align ourselves more progressively with the principles of integrated reporting that recognise the need for consistent, actionable, transparent disclosure. Through this, we will not only showcase our role in the promotion and enhancement of sustainable development in the Emirate of Ras Al Khaimah, but also our role as a listed company on the Abu Dhabi Securities Exchange.

The UAE real estate sector continues to evolve amid ongoing structural changes. Expectations from all stakeholder groups are evolving fast: governance, purpose, social impact, and long-term resilience have never been as high on the corporate agenda as they are today. This drives us to be more disciplined, more risk-aware, and more purposeful.

Our commitment to the protection of our 2,000,000 sqm of mangroves, flamingo and turtle populations, and vast array of other flora and fauna, underscores the sustainability foundations already present in our business and operating model. We continue to prioritise long-term thinking throughout our planning and delivery processes, strengthening our governance systems, creating integrated communities, better managing resource usage, and encouraging greater levels of accountability.

Alongside this, we recognise the nascent nature of our sustainability approach, and whilst this report outlines current practices, areas of focus, and rudimentary scoring systems, we need to be vigilant in our efforts to strengthen sustainability governance, improve data consistency and quality, and develop and embed better processes. As our efforts mature, so does our optimism that we are making a positive difference to our surroundings and communities.

Looking ahead, and in summary, I urge you to read this report in the spirit with which it has been drafted, one of continuation rather than conclusion. We have a long way to go, and working closely with all of our partners and stakeholders, we remain committed to contributing positively to the ongoing development of our business and also the wider Emirate of Ras Al Khaimah.


Sameh Al Muhtadi,
Chief Executive Officer

LEADERSHIP PERSPECTIVE ON SUSTAINABILITY



Shadi Al Azzeh,
 Chief Operating Officer

Climate and sustainability are central to RAK Properties' long-term business strategy, driving innovation, risk mitigation, and value creation as we align with Ras Al Khaimah's Energy Efficiency Strategy 2040 and UAE net-zero goals. We embed ESG principles into every project phase, from master planning to operations, ensuring resilience against climate risks while capturing market premiums for green developments like Mina Al Arab. Our approach differentiates us from other UAE developers through deep integration with RAK's sustainability leadership, including mangrove preservation, treated effluent irrigation, walkable communities, and biodiversity focus, beyond typical green certifications.

Climate-risk assessments for flooding, sea-level rise, and heat stress are now mandatory in project selection, master planning, and design approvals, guiding resilient infrastructure like elevated

structures and passive cooling. Key steps to reduce our carbon footprint include energy-efficient retrofits, EV charging facilities, wastewater recycling, carbon sequestration through diversified softscape, and Scope 1/2 emissions tracking, supporting RAK's 2040 decarbonization targets. While challenges persist in the built environment's high emissions baseline and supply chain decarbonization, opportunities abound in low-carbon technologies, regenerative design, and establishing RAK Properties as a regional sustainability benchmark.

Accountability is reinforced through executive-level ESG oversight, materiality assessments tying sustainability KPIs to performance reviews, cross-departmental targets, and transparent reporting that highlights contributions from teams like Facilities and Community Management.

Sustainability plays a pivotal role in our long-term business strategy, particularly in funding and capital allocation decisions. As stakeholders increasingly prioritize ESG factors for debt and equity investments, our commitment to sustainability enhances access to capital, fosters partnerships with like-minded investors, and builds investor confidence. This approach not only offers potential cost advantages over traditional financing, potentially lowering our cost of capital, but also drives operational efficiencies and protects asset values, enabling us to build a cost-effective, optimized portfolio that delivers enhanced value to shareholders.

The 2023 UAE storms and floods underscored the financial risks of climate vulnerabilities in real estate, highlighting the need for climate-resilient developments to avoid losses and claims. We are embedding ESG into our core processes and strategies to unlock green financing opportunities from banks and investment institutions, with dedicated opex and capex budgetary allocations for sustainable practices. We have also strengthened our corporate insurance framework to mitigate climate-related exposures, ensuring resilience and alignment with UAE's forward-looking sustainability goals.



Rahul Jogani
 Chief Financial Officer



Climate resilience ranks as a top priority at RAK Properties and is a cornerstone of our governance framework. Our legal team ensures compliance with UAE climate regulations, including Federal Decree-Law No. (11) of 2024 on emissions reporting. We also proactively identify risks related to climate change, monitor evolving regulatory requirements, and update agreements to safeguard our operations.

We adhere to UAE and global standards

through staff training, policy reviews, and robust contractual frameworks, helping ensure that our developments remain compliant and resilient throughout their lifecycle. Design features such as elevated structures and intelligent, climate-responsive solutions exemplify this approach, turning regulatory and climate-related challenges into long-term competitive strengths.

Fayez Khouri
 Sr. Director - Legal

KEY ESG HIGHLIGHTS

2025 ESG highlights

RAK Properties remains dedicated to fostering sustainable growth by integrating robust Environmental, Social, and Governance (ESG) practices that deliver long-term value for all stakeholders. The following are the key sustainability highlights for the year: lasting value for all stakeholders. Below are the key highlights for the year:

<p> ENVIRONMENTAL STEWARDSHIP 100% of all building sewage water in Mina is treated and recycled for reuse</p> <p>Zero potable water use for more than 95% of landscape irrigation across the portfolio</p>	<p> ESG LEADERSHIP Strong ESG Score of 46/100 (industry average 29) in the S&P Global Corporate Sustainability Assessment in 2025 reflects our strategic focus</p>
<p> SUSTAINABILITY DESIGN GUIDELINES In-house Sustainability Design Guidelines for new development projects are tailored to ensure full integration of green building and health and wellbeing considerations</p>	<p> CONTINUOUS LEARNING CULTURE Averaging 12.6 Training Hours Per Employee</p>
<p> CONSISTENT EMPLOYEE CONTENTMENT 93% Satisfaction Rate in 2025</p>	<p> EMIRATIZATION MILESTONE Surpassed 21.9% in 2025</p>

ABOUT RAK PROPERTIES

COMPANY PROFILE & OVERVIEW

Established in 2005 under the visionary leadership of H.H. Sheikh Saud Bin Saqr Al Qasimi, RAK Properties has emerged as the foremost real estate developer in the Northern Emirate of Ras Al Khaimah. Since its inception, the company has been instrumental in driving the Emirate's urban transformation, shaping its skyline, enriching its communities, and contributing to its sustainable economic growth.

Guided by a steadfast commitment to quality, innovation, and long-term value creation, RAK Properties develops contemporary, well-planned communities that meet the evolving needs of residents, businesses, and visitors. Its diverse portfolio includes residential, commercial, hospitality, and mixed-use developments that collectively enhance liveability, strengthen community engagement, and support Ras Al Khaimah's vision for sustainable development and prosperity.

BUSINESS ACTIVITIES

RAK Properties operates across multiple facets of the real estate value chain. Its business spans the management of standing investments, ensuring long-term asset performance and value optimization; the development of projects, from master planning and design through construction and delivery; and a suite of real estate services that support leasing, sales, property management, and customer experience. Together, these integrated capabilities allow RAK Properties to create, manage, and grow sustainable, high-quality developments while responding effectively to market demand and long-term strategic objectives.

A LEGACY OF EXCELLENCE OVER 20 YEARS

For nearly two decades, RAK Properties has established itself as a leading force in both residential and commercial real estate. Its developments are widely recognized for distinctive architecture, sustainable design principles, and uncompromising construction quality. Among the company's defining milestones are Julphar Towers, an iconic landmark on Ras Al Khaimah's skyline, and Mina, a visionary waterfront community that redefined coastal living in the Emirate. Mina is home to premium residential offerings alongside world-class hospitality destinations, including the InterContinental Resort & Spa and the Anantara Resort. Together, these developments have played a meaningful role in shaping Ras Al Khaimah's contemporary identity, reinforcing RAK Properties' reputation as a trusted, forward-looking developer with a lasting impact on the Emirate's urban landscape.

STRATEGIC OPERATIONS

RAK Properties operates from two headquarters strategically positioned in Ras Al Khaimah:

- Corporate Headquarters: Located on the 40th and 41st floors of Julphar Towers, it manages overarching company operations.
- Mina Headquarters: An on-site office overseeing activities in the Mina area.

Together, these offices support a dynamic workforce of 292 full-time professionals, committed to driving the company's continued growth and success.

COMPANY'S VISION, MISSION, AND VALUES

At RAK Properties, we are committed to staying ahead of the curve in the dynamic real estate development sector by continuously integrating the latest technological advancements. Our focus on information technology systems and operational automation allows us to enhance project efficiency, improve customer service, and maintain our position as agile and future-oriented developers.

Our key technological initiatives include Innovative developments, Customer Relationship Management Systems, Project Management Software, Operational Automation, and Sustainability-Driven Technologies.

<p>VISION</p> <p>To be a global company that generates long-term value by creating sustainable and successful lifestyle developments where people aspire to live, work and enjoy.</p>	<p>MISSION</p> <p>Leading and developing the real estate and tourism infrastructure in Ras Al Khaimah, RAK Properties aims to attract reputable foreign investors to launch state-of-the-art projects, including luxury hotels, resorts, and shopping malls. In doing so, RAK Properties acts as a catalyst for a dynamic real estate market in Ras Al Khaimah and the UAE in general.</p>
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VALUES

At RAK Properties, our values guide every decision and action, ensuring we remain a trusted and respected leader in the real estate sector.

COMMUNITY CENTRIC	VALUE-DRIVEN	RESPONSIBLE AND ACCOUNTABLE	EXCELLENCE	SUSTAINABILITY
Our focus is on creating environments where individuals can connect, grow, and flourish.	Our dedication to the betterment of society and the preservation of our planet, ensures that we leave a legacy of positive change.	Every decision we take is with a sense of responsibility towards the people, the places, and the environment we interact with.	We believe in setting new benchmarks, constantly evolving, and striving to exceed	We are driven by the long-term impact of our actions on our community and the environment.

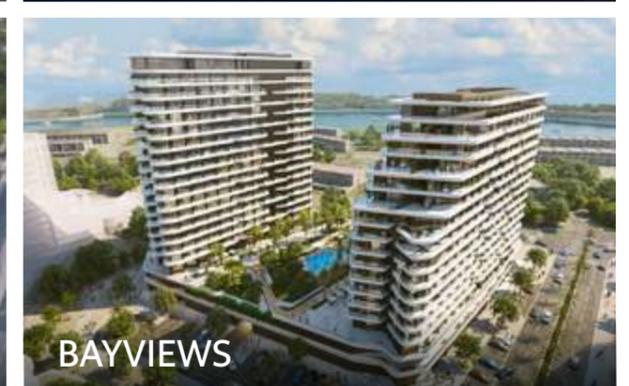
RAK PROPERTIES PORTFOLIO OVERVIEW:

Over the past 20 years, RAK Properties has solidified its position as the leading real estate developer in Ras Al Khaimah. Our diverse portfolio spans five key verticals, each contributing to the growth and development of the region: (a) Destination, (b) Residential, (c) Commercial, (d) Retail, and (e) Partner Hospitality.

DESTINATION



RESIDENTIAL





CAPE HAYAT



QUATTRO DEL MAR



EDGE



LAGOON VIEWS



JULPHAR RESIDENCES, ADH



JULPHAR TOWERS

COMMERCIAL



JULPHAR TOWERS

RETAIL



LAGOON MARINA



ANGEL BAY

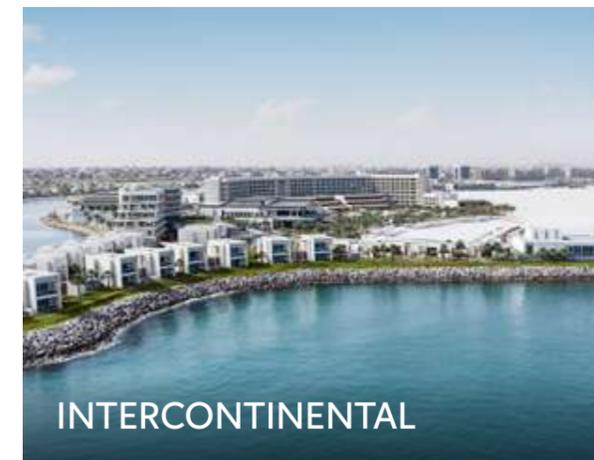


LAGOON WALK



JULPHAR AVENUES

HOSPITALITY (PARTNERSHIP)



INTERCONTINENTAL



ANANTARA

MATERIALITY ASSESSMENT

The materiality assessment at RAK Properties covers the following scope.

- all development phases (design, construction, handover, operations)
- key asset types (residential, commercial, mixed-use)
- supply chain and contractors
- community impact

The materiality assessments are conducted annually from dual perspectives and reviewed by the company's executive management. The outcome of the materiality assessment is integrated into the company's risk management process.

Many economic, environmental, and social factors heavily influence the real estate sector. The material topics are dynamic and evolve in response to global trends, stakeholder feedback, and regulatory developments.

The assessment evaluates sustainability-related topics based on two primary dimensions:

- Financial Materiality- Impact on enterprise value, including potential effects on financial performance, asset value, risk exposure, regulatory compliance, and long-term growth
- Impact Materiality- Importance to key stakeholders, including investors, customers, employees, regulators, and local communities.

Below are the matters identified as material for our business, along with their impact magnitude.

	MATERIAL ISSUES	RATIONALE	FINANCIAL MATERIALITY	IMPACT MATERIALITY
ENVIRONMENTAL	GHG Emissions	Carbon pricing risks	Low	High
	Air Quality	Minor direct emissions; indirect via construction dust	Low	Medium
	Energy Management	Opex savings, Resource conservation	Very High	Very High
	Water & Wastewater Management	Opex savings, Water scarcity	High	Very High
	Waste & Hazardous Materials Management	Construction waste disposal fees; circular savings	Low	Low
	Ecological Impacts	Biodiversity/regulatory risks in coastal projects	Medium	High
	Sustainable Design, Construction & Resource Efficiency	Impacts Capex and Opex, GHG Emissions	High	Very High
	Physical Impacts of Climate Change	Flood/ heat risk/ Sea level rise to assets	High	High

	MATERIAL ISSUES	RATIONALE	FINANCIAL MATERIALITY	IMPACT MATERIALITY
SOCIAL	Human Rights & Community Relations	Local engagement for license to operate.	Medium	Medium
	Customer Privacy	Limited data handling	Low	Low
	Data Security	Cyber risks growing	Medium	Medium
	Access & Affordability	Affordable housing initiatives	Low	Medium
	Product Quality & Safety	Building safety standards	Medium	Medium
	Customer Welfare	Tenant satisfaction	Medium	Medium
	Selling Practices & Product Labelling	Marketing transparency	Low	Low
	Labour Practices	Supply chain labor	Medium	Medium
	Employee Health & Safety	Insurance/downtime	Medium	High
	Employee Engagement, Diversity & Inclusion	Talent retention key for projects	Medium	High
GOVERNANCE	Supply Chain Management	Volatility risks	Medium	Medium
	Materials Sourcing & Efficiency	Volatility risks	Medium	Medium
	Business Ethics	ADX compliance	Medium	High
	Competitive product	Market conduct	Low	Low
	Management of Legal & Regulatory Environment	Permitting/ ESG disclosure	Low	Low

The materiality assessment process ensures that ESG efforts and reporting focus on the issues that matter most to both the business and its stakeholders and support compliance with ESG disclosure expectations.

MATERIAL ISSUES IDENTIFIED FOR ENTERPRISE VALUE CREATION

The materiality topics have been assessed as most significant based on their magnitude of impact on enterprise value creation. Through internal discussions with key functions, Energy Management, Water and Wastewater Management, and Sustainable Building Design and Construction emerged as the topics with the highest combined financial significance (costs, asset values, regulatory and transition risk) and impact significance (long-term effects on climate, water resources, and local environments). These are therefore prioritised as RAK Properties' most material environmental topics.

RELEVANCE	IMPACT ON THE BUSINESS	STRATEGIES
1. Energy Management		
Our buildings and community consume substantial energy for cooling, ventilation, lighting, pumping, and equipment, with grid electricity dominating alongside on-site fuels and renewables. Energy management is critical as utility costs directly impact operating expenses, amid rising electricity prices and regulatory pressures.	<ul style="list-style-type: none"> - Energy costs impact operating margins - Carbon performance (Scope-1, Scope-2) affects asset attractiveness and financing - Reduces exposure to climate risks (e.g., high temperature driving cooling demand) and supports insurance affordability, ensuring long-term portfolio resilience - Alignment with RAK Energy Efficiency Strategy 2040 and Barjeel standards to avoid penalties 	<ul style="list-style-type: none"> - Builds energy-efficient features into developments, such as advanced HVAC systems, LED lighting, Smart controls, EV chargers, and high-performing building envelopes. - Adheres to Barjeel green building standards and EtihadWE requirements, ensuring new assets achieve superior energy savings - Conducts audits and upgrades on the existing portfolios, such as LED lighting, optimized cooling systems, Smart lighting controls, BMS upgrades, and Central command center.
2. Water & Wastewater Management		
Our portfolio's buildings consume significant water through fixtures, appliances, swimming pools, cleaning activities, and irrigation, fuelling substantial operating costs amid water scarcity. Effective water management is essential to meet tenant demand for efficiency, comply with regulations, build a strong reputation for conservation, and control opex.	<ul style="list-style-type: none"> - Water costs impact operating margins - Stricter regulations and efficiency mandates - Reputational and permitting risks for water-intensive developments - Water-efficient designs enhance property appeal, command higher rents from eco-conscious tenants 	<ul style="list-style-type: none"> - Low-flow fixtures installed in buildings to reduce potable water demand for wash basins, kitchen sinks, showers, and toilets, directly lowering opex and tenant utility bills - Advanced irrigation controllers with weather stations are deployed for landscaping to deliver precise, weather-responsive watering, minimizing waste - On-site sewage treatment plants (STP) treat wastewater for reuse, enhancing circular water systems and reducing reliance on municipal supplies- Procured treated sewage effluent for irrigation, eliminating potable water use for irrigation.

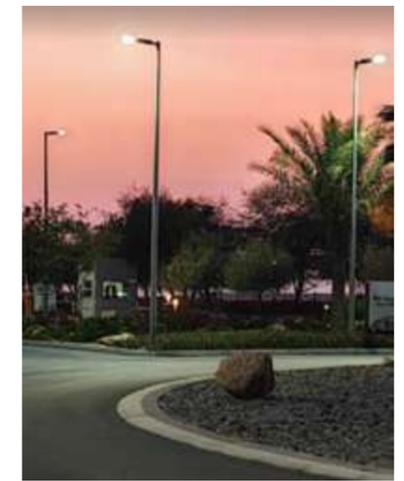
RELEVANCE	IMPACT ON THE BUSINESS	STRATEGIES
3. Sustainable Design, Construction & Resource Efficiency		
Real estate assets generate substantial sustainability impacts through resource consumption, waste generation, and indoor environmental quality, with tenant operations often dominating these effects through their energy, water use, and activities.	<ul style="list-style-type: none"> - Sustainable design affects: Capex and lifecycle costs - Construction waste, material price volatility, and supply risk - Market differentiation and investor confidence - rental premiums, higher occupancy, and elevated valuations 	<ul style="list-style-type: none"> - Tailored sustainability design guidelines have been developed for new development projects, complementing the local Barjeel green building regulations - Prioritize locally produced construction material purchase - Our Mina community is designed as a green waterfront destination, preserving mangroves and wetlands and nature-connected infrastructure



WEATHER MONITORING STATION



AUTO-IRRIGATION CONTROLLER



LED STREET LIGHTS

ENTERPRISE VALUE PERFORMANCE INDICATORS

Our strategic ESG metrics, targeting energy and water efficiency, and sustainable design, focus on enhancing enterprise value, reducing risks, and meeting stakeholder expectations.

MATERIAL ISSUE	METRIC/ TARGET	TARGET YEAR	LINK TO BUSINESS VALUE/ EMPLOYEE COMPENSATION
Energy Management	5% Utility cost reduction	2026	Tied to the utilities management team's annual performance KPIs
	5% Utility cost reduction	2026	Tied to the utilities management team's annual performance KPIs
Water & Wastewater Management	Maintain 100% irrigation by non-potable water in the Mina community	2026	Tied to the utilities management team's annual performance KPIs
	Blue Flag certification for Angel Bay Beach	2027	Individual performance objectives

MATERIAL ISSUE	METRIC/ TARGET	TARGET YEAR	LINK TO BUSINESS VALUE/ EMPLOYEE COMPENSATION
Sustainable Design, Construction & Resource Efficiency	% of tenants are separately metered/ sub-metered for all utilities such as Electricity, Water, Gas, and Chilled water	2026	Target - 100% Drives conservation and behavior change

MATERIAL ISSUES IDENTIFIED FOR EXTERNAL STAKEHOLDERS

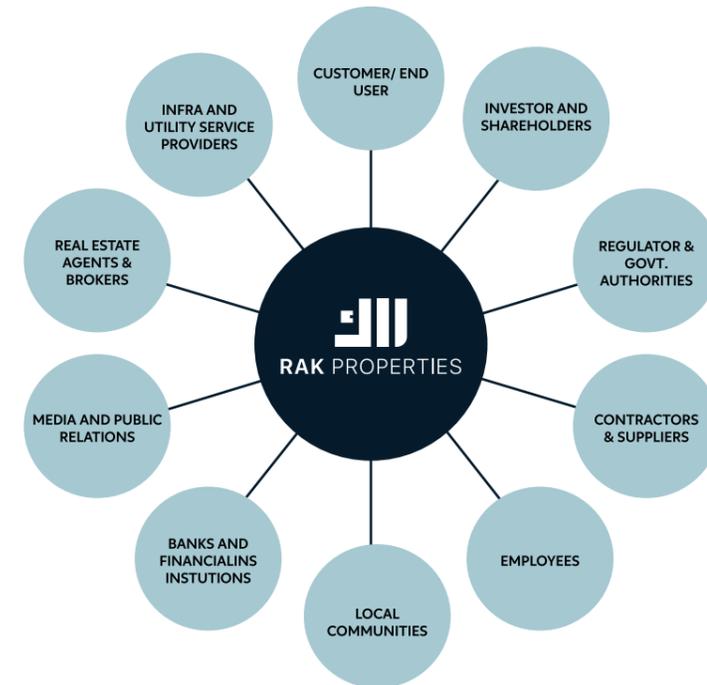
The following material issues have been identified as particularly significant for our external stakeholders, reflecting their expectations and areas of greatest impact.

POSITIVE IMPACT	NEGATIVE IMPACT
<p>1. Environmental Impact</p> <p>Using energy-efficient designs, green building materials, and renewable energy sources reduces the environmental footprint. Protecting the site habitat and implementing landscaping projects and green spaces contribute to local ecosystems.</p>	<p>Real estate developments may disrupt local habitats, leading to loss of biodiversity and long-term ecological imbalance. Overuse of finite resources, such as water, timber, and raw materials, could harm ecosystems and lead to shortages.</p>
<p>2. Social Impact</p> <p>Real estate projects create jobs and improve infrastructure, boosting local economies.</p> <p>Addressing housing shortages by developing cost-effective housing benefits for low- and middle-income families.</p>	<p>Large-scale developments may displace local communities or disrupt existing cultural and social systems.</p>
<p>3. Economic Impact</p> <p>Transparent reporting on sustainability performance, governance practices, and financial metrics directly influences investor decisions. Building trust with local communities, tenants, and employees is vital for avoiding conflicts and ensuring smooth project execution.</p>	<p>New developments can lead to gentrification, pricing out existing residents and small businesses. Real estate market volatility can lead to financial instability for communities and investors.</p>
<p>4. Supply Chain Impact</p> <p>Working with local suppliers supports small businesses and reduces the carbon footprint of transportation.</p> <p>Implementing eco-friendly procurement policies promotes sustainable practices across the supply chain.</p>	<p>Inadequate vetting of suppliers may lead to poor labour conditions, including underpayment and unsafe work environments. Over-reliance on global suppliers exposes the company to risks like geopolitical tensions or delays.</p>

STAKEHOLDER ENGAGEMENT

The active participation of our stakeholders directly influences our ability to achieve objectives, and we believe that strong, engaged relationships with a wide range of stakeholders are vital for sustained growth. Our success lies in understanding and addressing the needs of each of our stakeholders, maintaining transparency, and building partnerships that drive long-term value for all involved.

Active engagement with our stakeholders is crucial for conducting a materiality assessment, identifying key ESG topics, and enhancing our ESG performance.



KEY STAKEHOLDERS	WHO THEY ARE	INTEREST	INFLUENCE
Customers/ End Users	Homebuyers, tenants (residential and commercial), and occupants.	Quality, affordability, location, safety, sustainability, and overall value	Drive market trends and demand for sustainable, smart, and innovative living and working spaces.
Investors and Shareholders	RAK Government, Institutional investors, and individual shareholders.	Financial performance, ROI, sustainable growth, and risk management.	Provide capital for projects and influence strategic decisions, particularly regarding profitability and ESG initiatives
Government Authorities and Regulators	Local municipalities, urban planning agencies, environmental protection agencies, and regulatory bodies	Compliance with laws and regulations, urban planning, sustainability goals, and infrastructure development	Set policies, issue permits, enforce building codes, and drive sustainability standards.
Contractors and Suppliers	Construction firms, subcontractors, and suppliers of building materials, technology, and equipment.	Fair contracts, timely payments, and consistent demand.	Direct impact on the quality, sustainability, and timelines of real estate projects.

KEY STAKEHOLDERS	WHO THEY ARE	INTEREST	INFLUENCE
Employees	Staff involved in management, marketing, sales, operations, engineering, and customer support.	Job security, fair wages, career growth, diversity and inclusion, and workplace safety	Expertise and motivation drive operational efficiency, innovation, and customer satisfaction
Local Communities	Residents and businesses in the areas surrounding real estate developments	Environmental impact, job opportunities, infrastructure improvements, and community well-being	Strong community relations can enhance project success and reduce opposition or delays.
Banks and Financial Institutions	Commercial banks, mortgage providers, and credit agencies	Financial stability, debt repayment, and creditworthiness	Financing and loans, which are essential for project development and customer affordability
Media and Public Relations	Journalists, real estate publications, and social media platforms.	Transparency, notable developments, and corporate social responsibility.	It shapes public perception and can build or harm a company's reputation.
Technology Providers	Companies offering smart building solutions, property management software, and automation tools	Long-term partnerships and integration of cutting-edge solutions	Enhance operational efficiency and elevate customer experience.
Real Estate Agents and Brokers	Independent or company-affiliated intermediaries who facilitate property transactions	Successful property sales and commissions.	Help drive customer acquisition and market reach.
Infrastructure and Utility Providers	Utility companies, public transportation agencies, and telecommunication providers.	Collaboration for seamless infrastructure integration and timely payments.	Critical to ensuring the liveability and functionality of real estate projects.

STAKEHOLDER ENGAGEMENT PROGRAM

Designed to identify material ESG priorities, our stakeholder engagement program actively brings local stakeholders into the conversation, listening, responding, and collaborating. This forward-looking approach goes beyond awareness of impacts. It builds trust, strengthens relationships, and turns dialogue into action, ensuring sustainability is not just managed, but meaningfully lived.

KEY STAKEHOLDERS	WHO THEY ARE	INTEREST	INFLUENCE
Communities	Biodiversity protection, water conservation, employment opportunities, and environmental and health impacts	Mangrove Planting and tours, Discovery center Volunteer program, Curriculum aligned workshops and field trips for schools, Community events, Intelqa, and Masaar Programs, Ru'ya careers events	As required

KEY STAKEHOLDERS	WHO THEY ARE	INTEREST	INFLUENCE
Government Authorities	Barjeel compliance, Mangrove protection, Energy Management, EV Charger, Green concrete, Community Garden, Waste Management, Flamingo feeding, Ambient Air Quality monitoring	Regular EPDA/RAK Municipality meetings, REEM workshops, EPDA and PSD meetings, and regulatory submissions	As required
Media	Sustainability achievements, Eco-tourism, corporate governance	Regular EPDA/RAK Municipality meetings, REEM workshops, EPDA and PSD meetings, and regulatory submissions	Bi-annual
Business Associations	Local procurement, facilities management partnerships, ESG alignment	Press releases, media briefings, site visits	The RAK Investment and Business Summit (RAKIS 2025), RAKEZ/RAK Chamber events, supplier forum
NGOs	Mangrove conservation, Turtle protection, and Bird conservation	Partnership with research organizations, Flamingo feeding, and site visits	Yearly

OUR IMPACTS ON SUSTAINABLE DEVELOPMENT

We recognize our pivotal role in driving transformative change and shaping a more sustainable future for our communities and stakeholders. Our commitment to sustainability is firmly aligned with the UAE's national and emirate-level priorities, including the We the UAE 2031 Vision, the Paris Agreement, and the UN 2030 Agenda for Sustainable Development.

Alignment with RAK Energy Efficiency and Renewables Strategy 2040: RAK Properties is proud to align its sustainability initiatives with the Ras Al Khaimah Energy Efficiency and Renewables Strategy 2040, a transformative roadmap designed to reduce energy and water consumption and accelerate the clean energy transition. Through energy-efficient developments, sustainable construction practices, and preparation for renewable energy integration across our portfolio, our operations and projects actively support the Strategy's goals and contribute to decarbonizing the built environment.

Alignment with the UN Sustainable Development Goals: The 17 UN Sustainable Development Goals (SDGs), introduced in 2015, provide a comprehensive blueprint for achieving balanced economic, environmental, social, and governance outcomes worldwide. At RAK Properties, we recognize the strong alignment between the SDGs and the UAE's national sustainability agenda and reflect this in our strategy, project design, and community management practices.



We are committed to aligning our sustainability initiatives with the SDGs to ensure that our operations, projects, and strategies contribute meaningfully to global and national efforts toward sustainable development. By embedding these goals into our business practices, we aim to drive measurable progress across economic, environmental, and social dimensions.

Utilizing the SDG Compass methodology, our assessment identified eight Sustainable Development Goals where our business can make a meaningful and positive contribution.

SDG	SDG IMPLICATION	HOW WE CAN CONTRIBUTE
	Ensure the availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> 100% elimination of potable water use for Mina irrigation Water conservation strategies: Low-flow fixtures, smart irrigation, leak detection Provide access to adequate and equitable sanitation and hygiene for all
	Ensure access to affordable, reliable, sustainable, and modern energy for all	<ul style="list-style-type: none"> Barjeel green building compliance, achieving 30% energy savings EV charging stations across residential/commercial zones supporting clean transport LED lighting and smart building systems are reducing operational energy demand Locally produced STP water for irrigation systems reduces water pumping energy EtiHADWE Distributed Solar program readiness for PV installations Solar thermal system for domestic hot water for new villa communities
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Local job creation through construction, facilities management, and Mina operations Supplier Code of Conduct ensuring fair labor practices, no forced labor, and safe working conditions for contractors Sustainable tourism via eco-tourism (mangrove kayaking), generating quality jobs while preserving biodiversity Youth employment and training through partnerships with in-house Intelqa and Maasar programs, and Ru'ya career UAE program Support local procurement
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	<ul style="list-style-type: none"> Mina Masterplan: Roads, marina boulevard, beach clubs, wastewater infrastructure, sustainable landscape Smart connectivity: EV charging networks, cycling track, pedestrian-friendly paths, and water taxi supporting multimodal transport Digital integration: Our digital resident applications for services, maintenance requests, and community engagement
	Aims to make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> Sustainable urban form: 7km coastline preserved, protected mangroves/wetlands, 7,000+ trees supporting biodiversity Community amenities: Lagoon Walk public spaces, marina, beach clubs accessible to residents/visitors Smart connectivity: Smart app, smart energy/water management systems Inclusive design: Pedestrian promenades, dedicated bicycle tracks, accessible EV charging across residential/commercial areas Resilient infrastructure: Environmental impact assessment study, flood-resilient coastal planning, construction environmental management

SDG	SDG IMPLICATION	HOW WE CAN CONTRIBUTE
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Constructing healthier homes that provide connection to nature, dedicated wellness areas, and sustainable mobility Circular water systems: In-house STP + TSE water from RAK PSD eliminates potable water for irrigation Waste minimization: Construction and Operational Sustainable procurement: Supplier Code of Conduct prioritizes local/low-carbon materials, ethical sourcing Energy efficiency: 30% savings via Barjeel standards, EV charging infrastructure, and LED lighting Biodiversity integration: Mangrove preservation, Artificial reef balls, Diversified landscape, Mina Bees pollination program, etc., supporting the ecosystem C-level Executive Sustainability Committee overseeing climate risks/opportunities with annual reviews and Board reporting
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Physical risk mitigation: Flood-resilient coastal design, mangrove preservation as natural barriers against storm surges Transition risk management: Carbon emission MRV, Barjeel green building compliance, TSE irrigation, Water recycling Scope 1/2 emissions reduction: LED lighting, EV charging infrastructure, solar-ready rooftops Scope 3 focus: Supplier Code of Conduct and ethical practices. Regional material procurement.
	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> Mangrove preservation: 2+ million sqm protected across the community, serving as carbon sinks and fish nurseries while buffering storm surges Flamingo & turtle habitats: Protected wetlands and lagoons, turtle egg hatchery, migratory bird corridors Native landscaping: Drought-resistant species creating habitat corridors for local fauna Mangrove Discovery Centre at Anantara: Education hub raising awareness of coastal ecosystems

BUSINESS ETHICS

CODES OF CONDUCT

A comprehensive Group-wide Code of Conduct applies to all subsidiaries, employees, management, and business partners, serving as a guiding framework for responsible behaviours and decision-making. This Code ensures adherence to our corporate values, compliance with applicable laws and regulations, and alignment with the best interests of all stakeholders, including employees, customers, investors, suppliers, and the wider community. The company upholds strict policies and codes of conduct in the following areas:

- Honest and ethical conduct: Employees commit to integrity in all actions, avoiding conflicts between personal interests and company duties
- Conflicts of interest: Personal, financial, or relational activities that could impair objectivity must be disclosed to HR/Compliance Officer for review and management.
- Antitrust: Staff adhere to competition laws by avoiding unhealthy practices, basing pricing on market data, and refraining from competitor discussions.
- Corporate opportunities: Company resources and information cannot be used for personal gain, and competitive business activities are prohibited.
- Fraud: management implements best practices to detect and prevent fraudulent acts.
- Confidentiality: All proprietary information is protected on a need-to-know basis, with obligations extending post-employment and no sharing via personal email.

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RAK PROPERTIES P.J.S.C.

- Use of illegal drugs/alcohol: Prohibited at work; employees maintain integrity in personal conduct outside hours to uphold company standards.
- Dress code: Staff dress respects UAE cultural and religious traditions to protect reputation.
- Corruption and bribery: Zero tolerance for offering, giving, receiving, or soliciting bribes; partners selected on merit, with immediate reporting required.
- Receiving gifts and entertainment: Nominal items allowed; cash equivalents or high-value gifts need approval to avoid conflicts.
- Intellectual property: Employees safeguard inventions, data, and confidential info, assigning all work-related IP rights to RAK Properties.
- Discrimination: Equal opportunities in all HR processes regardless of gender, race, age, disability, or marital status; violations reported via channels.
- Harassment: Zero tolerance for verbal, physical, sexual, or visual behaviours creating hostile environments; investigated promptly with disciplinary action.
- Anti-money laundering: Due diligence on customers, transaction monitoring, and reporting suspicious activity to the compliance officer as per UAE laws.
- Maintaining a healthy and safe workplace: Compliance with UAE laws; reporting hazards and prohibiting anti-social behaviours or illegal content access.
- Environmental, health, and safety: Adherence to ISO 14001/45001 for environmental systems management, hazard elimination, training, and sustainable practices.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

RAK Properties maintains an Anti-Bribery and Anti-Corruption Policy by providing clear guidance, procedures, and controls to prevent, detect, and respond to any form of bribery or corrupt conduct. We adopt a zero-tolerance approach to bribery and corruption. All persons acting on behalf of RAK Properties are strictly prohibited from offering, giving, soliciting, or accepting any bribe or improper advantage, whether directly or indirectly, in connection with the company's business, in dealings with both public officials and private parties.

This Policy applies to all our entities and personnel, including directors, shareholders, executives, employees, contractors, consultants, and interns, regardless of location or function. It also covers interactions with third parties such as contractors, suppliers, agents, joint-venture partners, and customers, and sets expectations that they adhere to equivalent anti-bribery and anti-corruption standards. We follow specific internal guidelines on gifts and hospitality, political contributions, charitable donations, and sponsorships to ensure these are not used, or perceived to be used, as a means of exerting improper influence.

All employees receive training on the requirements of this Policy and relevant laws during induction and periodically thereafter. Employees and third parties are required to report any suspected or actual breach of this Policy through designated reporting channels, including an anonymous whistleblowing mechanism.

The organization promptly and confidentially investigates all reports of potential bribery or corruption. We take appropriate measures to protect the identity of whistleblowers and shield them from any form of retaliation. Harassment, discrimination, or retaliation against anyone who raises a concern in good faith will not be tolerated and may result in disciplinary action, up to and including dismissal or termination of contracts.

WHISTLEBLOWING POLICY

The organization upholds a clear and robust whistleblowing policy to ensure that all reports or concerns regarding improper, unethical, or illegal conduct or situations involving company property, personnel, suppliers, customers, or any other third parties associated with the company's activities are handled effectively, securely, appropriately, and in full compliance with applicable law.

We encourage all personnel, suppliers, customers, or any other third party with whom RAK Properties has dealings to report any conduct or situation they find concerning.

The first category of concern covers behaviours that could harm the company's reputation or financial position, including fraud, theft, embezzlement, corruption, blackmail, bribery, financial malpractice, tax evasion, failure to comply with legal or professional obligations, failure to comply with regulatory requirements, and any other conduct that threatens the company's reputation or financial well-being.

The second category covers actions or behaviours related to the effectiveness, productivity, and general work environment of RAK Properties' personnel. This includes, for example, concerns about a colleague's well-being or suggestions to improve the workplace or work environment.

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

We encourage everyone to use the whistleblowing channel available on the company website to make a disclosure. The company will take appropriate measures to protect the whistleblower's identity and to shield them from any form of retaliation for speaking up. Harassment, discrimination, or retaliation against a whistleblower will not be tolerated and may constitute grounds for disciplinary action.

REPORTING ON BREACHES

The company is committed to the highest standards of integrity and expects all employees and business partners to promptly report any suspected breach of company policy, applicable law, or ethical standards. Reports may relate to potential fraud, corruption, conflicts of interest, misuse of company assets, violations of regulatory requirements, or any other conduct that could harm the company's reputation, stakeholders, or working environment.

All disclosures will be handled confidentially, investigated fairly and without delay, and may result in corrective or disciplinary action where appropriate. We prohibit retaliation in any form against any person who raises a concern in good faith and will take all reasonable steps to protect the individual who raised the concern.

In 2025, RAK Properties recorded zero breaches across key governance areas, demonstrating the strength of our compliance programs. The reported information has been compiled from various internal departments and verified by the company's internal and external auditors.

POSITIVE IMPACT	NEGATIVE IMPACT
Money Laundering or Insider Trading	0
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest	0

GOVERNANCE PROCEDURES

RISK MANAGEMENT

RAK Properties maintains a robust Risk Management Policy that provides a structured framework for systematically identifying, assessing, mitigating, and monitoring risks across its operations and business units.

The Risk governance structure includes:

- Risk Management Committee: Responsible for overseeing the risk management process, setting risk tolerance levels, and ensuring alignment with strategic goals.
- Risk Owners: Individuals responsible for specific risk categories, including identification, assessment, and mitigation strategies.
- Executive Leadership Team: Accountable for the overall risk profile and integrating risk considerations into strategic decision-making.

We recognize that project risks are inherent in real estate development and must be managed proactively to ensure successful outcomes. Our tailored risk management plan defines a structured, integrated approach to identifying, assessing, mitigating, and monitoring these risks, engaging key internal and external stakeholders to enable informed, risk-based decision-making throughout the project lifecycle.

Our risk management process is structured, comprehensive, and practical, facilitating informed decision-making throughout all project phases: Development, Construction, and Handover. It aligns with the ERM procedures, incorporates ISO 31000:2018 principles and framework, and follows PMI industry best practices to ensure a consistent and proven approach. The process is dynamic, inclusive, and continually improved, empowering stakeholders to apply risk tools and best practices effectively.

The risk management process includes Risk planning, Risk identification, Risk assessment, Risk response, Risk monitoring, and Opportunity management.

We leverage Microsoft 365 tools, including Excel for risk workshops, PowerPoint for presentations, Teams for virtual collaboration, Word for documentation, and Power BI for centralized risk dashboards.

We conduct regular risk awareness training for various functional departments

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

TAX STRATEGY

RAK Properties has a responsible tax policy that aligns with its overall business objectives, ESG commitments, and long-term value creation for shareholders and other stakeholders. The company strives to comply fully with both the letter and spirit of all applicable tax laws and regulations in the jurisdictions where it operates, paying the right amount of tax at the right time while avoiding artificial arrangements or aggressive tax planning lacking genuine commercial substance.

The company prioritizes compliance through adherence to tax rules, timely filings, and payments, supported by qualified internal professionals and external consultants who regularly review and update policies. Efforts focus on minimizing unintended tax leakages via efficient management, while steadfastly avoiding artificial tax arrangements.

The Tax strategy is approved by the Executive Management with Board oversight via its relevant committee. Day-to-day execution is managed by the finance function, supported by external advisors as needed. Roles, responsibilities, and internal controls integrate with our broader governance framework, ensuring material tax risks are escalated promptly and inform key decisions on new projects and transactions.

All intercompany transactions adhere to arm's-length principles as outlined in the Group's Transfer Pricing (TP) Policy, which forms part of the overarching Corporate Tax framework to promote fairness and regulatory compliance. This policy applies to all Group entities subject to the UAE Corporate Tax Law, fostering alignment with Group-wide tax governance standards. RAK Properties avoids profit-shifting to low-tax areas, artificial setups without real business reasons, secret jurisdictions, or tax havens for avoidance purposes; any operations there are only for legitimate business needs and complete legal compliance.

Income Tax contribution:

POSITIVE IMPACT	NEGATIVE IMPACT
Resident entities	<ul style="list-style-type: none"> RAK Properties PJSC Intercontinental RAK Mina Al Arab Resorts & Spa L.L.C Anantara Mina Al Arab Ras Al Khaimah Resort Lagoon Marina Ship Management & Operation LLC
Primary activities	<ul style="list-style-type: none"> Development of Properties and Property Management Facilities and Communities Management Hotel Operations Marina Management & related services
Employee count	291*
Revenue	1,837,449,000 AED
Profit (Loss) before tax	443,831,000 AED
Income tax accrued (current year)	39,529,000 AED
Income tax paid	20,887,000 AED (for the FY 2024)

Note: Tax reporting (finance) shows 1 FTE fewer than HR records (292 FTEs), due to minor methodological and timing differences in how FTE is calculated

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

INTEGRATED MANAGEMENT SYSTEM

RAK Properties operates a comprehensive Integrated Management System (IMS) across all its operations based at its headquarters in Julphar Towers and Mina. The IMS aligns with international standards and best practices to ensure operational excellence, legal compliance, and customer satisfaction.



ISO 9001

ISO 14001

ISO 45001

ISO 27001

Key components of our IMS include the following management system:

- Quality Management System (QMS)- ISO 9001, ensures that products and services consistently meet customer and regulatory requirements.
- Environmental Management System (EMS)-ISO 14001, to minimize the environmental impact of operations through sustainable practices.
- Occupational Health and Safety Management System (OHSMS)- ISO 45001, to provide a safe and healthy workplace for employees, contractors, and stakeholders.
- Information Security Management System (ISMS)- ISO 27001, to protect its information assets and manage cyber and data-related risks across the organisation.

By integrating multiple management systems, we achieve greater efficiency, consistency, and accountability across all organizational functions.

INFORMATION SECURITY MANAGEMENT

The organization enforces a clear information security governance structure where the CEO and Executive Team approve policies and provide organizational support, the IT Manager/CSSO leads ISMS implementation, threat management, and audits, department heads ensure unit-level compliance, all employees adhere to guidelines by protecting assets and reporting incidents, and vendors/contractors fulfil contractual security obligations per company standards.

Our key Commitments:

- Data Integrity: Classify information per level, encrypt sensitive data in transit/rest, protect against unauthorized access/ alteration/ loss/ destruction.
- Employee Responsibility: Comply with security policies; safeguard credentials, handle data securely, report incidents, attend training; non-compliance faces HR disciplinary action.
- Threat Monitoring & Response: Deploy real-time detection tools; log/ prioritize/ contain/ recover/ incorporate lessons from incidents; immediate employee reporting required.
- Third-Party Security: NDAs mandatory; contracts specify access scope, protections, audits, notifications, data destruction; approve/log/monitor all third-party access.
- ISMS Continuous Improvement: Regular reviews, risk assessments, audits; ISSC oversees updates informed by incidents and threat intelligence

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

We operate a robust Information Security Management Program (ISMP) aligned with ISO 27001 to protect data assets, ensure business continuity, and support governance through proactive threat management and compliance.

- Awareness & Training: Mandatory onboarding/annual sessions cover phishing, passwords, data handling, mobile security; periodic campaigns foster shared responsibility.
- Vulnerability & Risk Assessment: Regular assessments/penetration testing identify weaknesses; Risk Register tracks remediation of critical issues per SLA timelines.
- Business Continuity: Plans define RTO/RPO, backups, fallback systems for cyber/disaster resilience; reviewed annually and tested periodically.
- Incident Reporting: Quick escalation via IT Helpdesk/CSSO for phishing, malware, lost devices; all incidents logged, analyzed, and mitigated.
- Internal Audits: Annual reviews verify policy compliance, controls, and patch management; ISSC oversees corrective actions.
- External Audits & Certification: Independent ISO 27001 audits assess risk management, access controls, encryption, and third-party oversight; certification pursued through gap remediation.

The Information Security Policy governs all employees (full-time, part-time, contract, third-party), all company-owned/controlled/processed information assets, and all service providers, vendors, and partners handling RAK Properties data.

SUPPLY CHAIN MANAGEMENT

We address supply chain risks through ethical sourcing, local supplier prioritization, and ESG integration, mitigating outsourced responsibilities and reputational exposures while optimizing costs and sustainability.

The local suppliers are prioritized for ethical, responsible material sourcing to minimize environmental impacts and ensure compliance across the value chain. We emphasize ESG-aligned procurement, incorporating low-carbon materials, circular-economy principles, and risk criteria into project development to balance profitability with reduced social/environmental costs. Regular risk reviews, audits, and materiality assessments integrate supply chain management into enterprise risk processes, supporting long-term financial performance amid globalization pressures.

Our supply chain strategy:

FOCUS AREA	ACTIONS & OUTCOMES
Risk Management	Ethical sourcing, ESG risk audits
Sustainability	Local/low-carbon materials, waste reduction, EPD, HPD
Cost/ Opportunity	Timely payments, fair contracts for quality/timelines
Oversight	Executive commitment to ESG supply chain

SUPPLIER CODE OF CONDUCT

The company upholds strict standards for vendor governance to ensure alignment with legal, ethical, and sustainability principles. All vendors are required to comply with applicable UAE federal and Ras Al Khaimah regulations, as well as RAK Properties' internal policies and procedures relevant to their contractual scope. Vendors must adhere to RAK Properties' Health, Safety, and Environment (HSE) Management System, ensuring full compliance with laws, standards, and procedures that safeguard public wellbeing, occupational health, and safe work environments in accordance with OSHAD requirements. They are also responsible for maintaining business continuity in line with NCEMA 7001, upholding environmental stewardship, and managing operations in a manner that respects human rights, prohibits forced labour, and guarantees humane and hygienic working conditions.

Suppliers must demonstrate integrity by prohibiting corruption, bribery, and fraud, ensuring accurate disclosures, protecting confidential information, and observing fair competition and responsible procurement practices. Vendors are also required to prevent counterfeit or fraudulent items, safeguard RAK Properties' intellectual property, and comply with data protection regulations, including those under UAE law and applicable international standards such as the EU GDPR. Through these standards, RAK Properties reinforces transparent, responsible, and sustainable supply chain management as part of its broader ESG commitment.

These expectations are embedded in procurement contracts and supplier audits with local prioritization and ESG risk assessments. Violations trigger investigations, corrective actions, or termination, supporting the company's governance framework.

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

SUPPLIER ESG PROGRAMS

We integrate ESG criteria into procurement processes via mandatory supplier onboarding assessments, contract clauses requiring ESG compliance, and periodic audits to verify adherence to predefined requirements. Purchasing practices undergo regular reviews by the procurement team to confirm alignment with the Supplier Code of Conduct, identifying and resolving any discrepancies such as preferential treatment, pricing irregularities, or ESG conflicts that could undermine sustainability commitments.

Key measures include supplier scorecards that track ESG performance metrics, capacity-building workshops for local suppliers, corrective action plans for noncompliance, and escalation to management for persistent violations, ensuring that supply chain practices consistently support our ESG objectives.

SUPPLIER SCREENING

RAK Properties conducts supplier screening to ensure that contractors, consultants, and vendors meet defined standards on quality, compliance, and ESG performance before engagement. Below is a summary of the screening process applied.

	2025
Total number of suppliers engaged	492
Total number of local suppliers engaged	466
Percentage of local suppliers hired	94.72%
Total number of SME suppliers engaged	492
Total procurement spending (AED)	72,486,453
Procurement spending on local suppliers (AED)	69,237,621
Percentage of spending on local suppliers (%)	95.52%
Number of suppliers assessed against the sourcing code of conduct	100%

SUSTAINABILITY AT RAK PROPERTIES

OUR SUSTAINABILITY APPROACH

Environmental, Social, and Governance (ESG) principles are at the heart of RAK Properties' vision and mission. Our commitment to sustainability, ethical business practices, and social responsibility is evident in the way we integrate sustainable practices across all our development projects and operations.

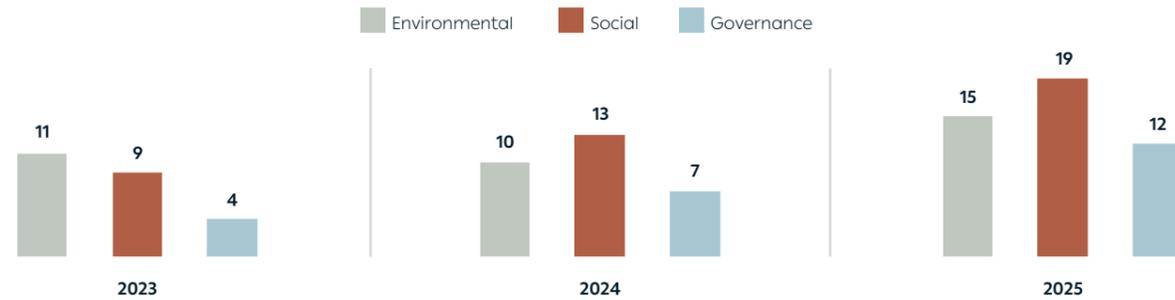
Our leadership is committed to driving environmental responsibility and sustainable growth across all developments, as reflected in our 2025 S&P Global Corporate Sustainability Assessment (CSA) result, where we achieved a score of 46 out of 100, around 58% above the global average score of 29 for Real Estate Management and Development (REM) companies.

We improved by 16 points compared to the previous year's ESG score, and our overall performance across the three ESG dimensions (Environmental, Social, and Governance) increased by 53% over 2024.

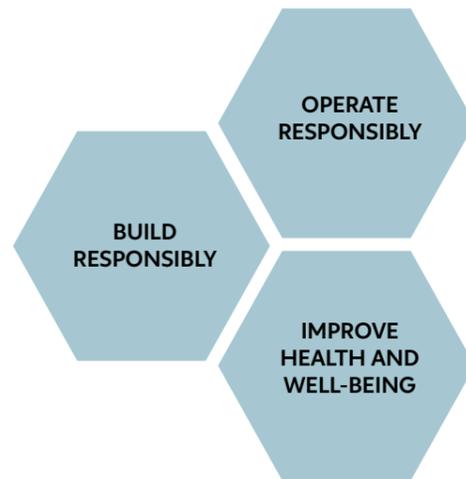
RAK Properties' Corporate Sustainability Assessment Score Journey in a snapshot:



ESG SCORE YEAR ON YEAR PROGRESS



The real estate sector plays a significant role in global carbon emissions, being one of the largest contributors due to the combined impact of construction, operation, and maintenance of buildings. The sector has a major responsibility and opportunity to reduce carbon emissions, contributing to climate change mitigation by adopting more sustainable practices in development and operations. Despite the challenges, we remain steadfast in our commitment to driving positive change in the industry.



RAK PROPERTIES- SUSTAINABILITY PRINCIPLES:

1. Build Responsibly

We are committed to optimizing the use of materials, reducing waste, and maximizing value from resources across their life cycle. Our material resource efficiency programs focus on using recycled, local, and certified materials while minimizing waste and environmental impact.

Key Initiatives:

Recycled Materials: Structural steel contains at least 25% post-consumer recycled content. Reinforcing or stressing steel contains a minimum of 90% post-consumer recycled content. Concrete incorporates supplementary recycled cementitious materials such as fly ash, slag, and recycled aggregates.

Certified Timber: At least 50% of the wood materials, including temporary construction timber, are sourced from certified suppliers with chain-of-custody credentials, such as FSC.

Regional Materials: At least 20% of building materials (by cost) are sourced from manufacturing or assembly facilities within 500 km of the project site, supporting local economies and reducing transport emissions.

Product Declarations: We prioritize materials accompanied by Environmental Product Declarations (EPDs) and Health Product Declarations (HPDs), ensuring transparency on environmental and health impacts.

Construction Waste Management: All construction sites follow a Construction and Demolition Waste Management Plan, diverting a minimum of 50% of waste from landfill through recycling and reuse

Sustainable Project Design: From the very beginning, our design teams focus on creating environmentally responsible spaces that utilize energy-efficient solutions, green building materials, and eco-friendly technologies.

Ongoing Maintenance: We emphasize long-term sustainability by incorporating green technologies for the ongoing maintenance of buildings.

Circular Economy Alignment: We are committed to reusing and recycling resources and minimizing waste.

Biodiversity Protection: We design projects with careful consideration of their impact on surrounding ecosystems.

2. Improve Health and Well-being

All our developments are designed to provide value to the local community. By understanding local needs, we ensure our developments support both functional living spaces and a vibrant, integrated community life.

RAK Properties conducts bi-annual tenant satisfaction surveys, walkthroughs, and ambient air quality measurements to identify risks such as poor cleaning, sanitation, inadequate indoor air quality, lighting, thermal discomfort, noise, and insufficient active design features.

Facilities and Community management teams perform weekly inspections across community areas as preventive measures to detect issues early and pinpoint opportunities for improvement.

Assessment Methods:

- **Bi-annual Surveys:** Gather tenant feedback on cleanliness, sanitation facilities, outdoor activities, health, well-being, and other environmental factors
- **Air Quality Measurements:** Track ambient air quality via the air quality monitoring station's dashboards
- **Thorough pre-handover inspections:** Visual checks of maintenance issues, sanitation, thermal comfort, noise, and overall unit condition before handing over to residents
- **Weekly Inspections:** Routine patrols to address risks before escalation

RAK Properties uses advanced AI-driven design tools to optimise building massing and orientation for privacy, views, and natural daylight. We have set clear, measurable targets for occupant wellbeing, including minimum natural light levels in occupied spaces, thermal comfort ranges, indoor noise limits, open views, and low percentages of tenants reporting dissatisfaction with air quality or noise in regular surveys.

Monitor progress via periodic IEQ measurements (CO₂, temperature, humidity, noise, lighting), maintenance logs, and tenant satisfaction surveys aligned with the defined indicators. Review performance at least annually, adjust action plans where indicators are off-track, and communicate progress and improvements to tenants as part of ongoing engagement.



SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

Key features of our living spaces are:

Connection with Nature: From landscaped gardens to uninterrupted outdoor views, our designs bring nature closer, creating a calming, restorative environment for residents.

Wellness Areas: Fitness centers, yoga zones, and outdoor recreation spaces ensure healthy living for both body and mind. The community is equipped with football and basketball courts, swimming pools, dedicated bicycle tracks, and safe pedestrian pathways to actively promote residents' physical activity and overall well-being.

Abundant Natural Light: Homes are designed to welcome sunlight, lifting moods, improving productivity, and creating bright, inviting spaces.

Shaded Outdoor Spaces: Thoughtfully designed shaded areas make outdoor living comfortable year-round, perfect for relaxing or socializing.

Thoughtful Greenery: Lush greenery, trees, and gardens enrich air quality, encourage biodiversity, and offer a daily connection to the natural world.

Sustainable Mobility: Our communities are walkable and eco-friendly, featuring bike paths, water taxis, and EV charging stations to make green travel easy.

Safety and Security: State-of-the-art systems, from surveillance to well-lit public spaces, ensure residents can live with peace of mind.

Air Quality Monitoring: Real-time monitoring stations in Mina track ambient air quality, while advanced air filters keep indoor air fresh and healthy.

Healthy Materials: We carefully select materials that safeguard both people and planet, using low-VOC paints, coatings, adhesives, and sealants, while strictly prohibiting hazardous substances such as Asbestos, CCA-treated timbers, etc.

3. Operate Responsibly

We take a proactive approach to responsible operations. Our social integration program ensures the perspectives, priorities, and resources of all key stakeholders, from government authorities to local communities, are embedded into planning, design, construction, and operation phases of our communities.

Our responsible operation programs include:

Emergency Preparedness: We equip our community and buildings with the knowledge and tools to respond effectively to emergencies. Regular education and training sessions empower residents to act confidently in times of need.

Integrative Design: All new developments are created through a collaborative process that embraces sustainability, health, and well-being standards, including ADA-compliant design to ensure accessibility for all.

Resident Feedback: Through our bi-annual occupant surveys, we listen closely to residents, shaping our services and sustainability measures around their real experiences and needs.

Civic Engagement: Public spaces, volunteering, educational activities, and cultural events help residents feel connected to the wider community. Complimentary water taxis and electric buggies make exploring our development easy and eco-friendly.

Co-living & Co-working Spaces: Designed for collaboration and creativity, we build Co-living & Co-working Spaces featuring dedicated desks, private offices, meeting rooms, and outdoor working zones, creating vibrant hubs for both living and working.

Promoting Local Economic Development: By prioritizing local contractors, service providers, and material suppliers, ensuring our developments strengthen the local economy. We provide affordable housing solutions in Ras Al Khaimah, offering lower entry costs and excellent value for quality and lifestyle, compared to most equivalent properties in the country.

Local Empowerment: Through our Intelraq program, we support UAE Nationals in building rewarding careers, from fresh graduates transitioning into the workforce to experienced talent. We actively participate in Emirati career events and align with the UAE Ministry of Human Resources to expand employment opportunities for citizens.

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL POLICY

RAK Properties' Environmental Management Policy is designed to ensure that we minimize the environmental impact of our activities, enhance resource efficiency, and foster sustainable development for the well-being of future generations. By adhering to ISO 14001 standards, we take measures to minimize our environmental footprint, comply with relevant legal requirements, and achieve our environmental objectives.

We are dedicated to maintaining the highest standards of environmental management across our entire portfolio of projects. This policy is aligned with our corporate vision of integrating ESG principles into every stage of our real estate development processes, from planning and design to construction, operation, and eventual decommissioning.

The EMS policy is reviewed and approved by senior leadership, who commit to its effective rollout across sites and operations. Assigned Roles and Responsibilities:

- Executive leadership: Provides strategic oversight, reports KPIs to the Board
- Construction Director, and Facilities & Community Director: Oversees site-level execution and compliance.
- HSE Manager and HSE Engineers lead daily implementation, monitoring, and reporting
- Procurement team ensures supplier alignment with EMS targets.

The policy is shared via inductions, procedures, risk assessments, and audits with all employees/contractors.

ENVIRONMENTAL MANAGEMENT SYSTEM

Our verified Environmental Management System (EMS), certified to ISO 14001 international standards, demonstrates systematic commitment to environmental performance monitoring and continual improvement. Regular internal audits and independent third-party certification validate the implementation, effectiveness, and compliance of our EMS procedures across operations.

ENVIRONMENTAL PROGRAMS

RAK Properties maintains comprehensive environmental programs to manage its property portfolio responsibly across the investment lifecycle.

Our key environmental programs include:

Corporate environmental guidelines: Established requirements and management programs oversee the entire portfolio, ensuring consistent environmental performance in residential, commercial, hospitality, and retail assets.

Pre-acquisition due diligence: Conducts environmental audits for each new property acquisition or investment, identifying risks, opportunities, and establishing baseline environmental performance metrics before purchase.

Stakeholder capacity building: Delivers targeted guidelines, training programs, and newsletters to property managers and tenants, keeping them informed on emerging best practices, regulatory updates, and resource efficiency measures.

Performance-Focused Maintenance: Implements specialized maintenance programs prioritizing environmental KPIs, energy/water optimization, waste reduction, and resource efficiency across operational assets to drive continuous improvement and cost savings.

ESG/ CLIMATE GOVERNANCE

RAK Properties integrates ESG and climate considerations into core governance through a dedicated Executive Sustainability Committee and clear accountability structures. We established a dedicated C-level Executive Committee in the fourth quarter of 2025 to carry out the oversight and management responsibility of

- ESG/Sustainability issues
- Climate-related risks and opportunities, and resilience initiatives

The committee will meet biannually for each topic to review progress, address emerging challenges, and integrate ESG and climate considerations into core business strategy. Sustainability key performance indicators (KPIs) and achievements will be presented annually to the Board of Directors, ensuring robust executive accountability and alignment with long-term environmental objectives.

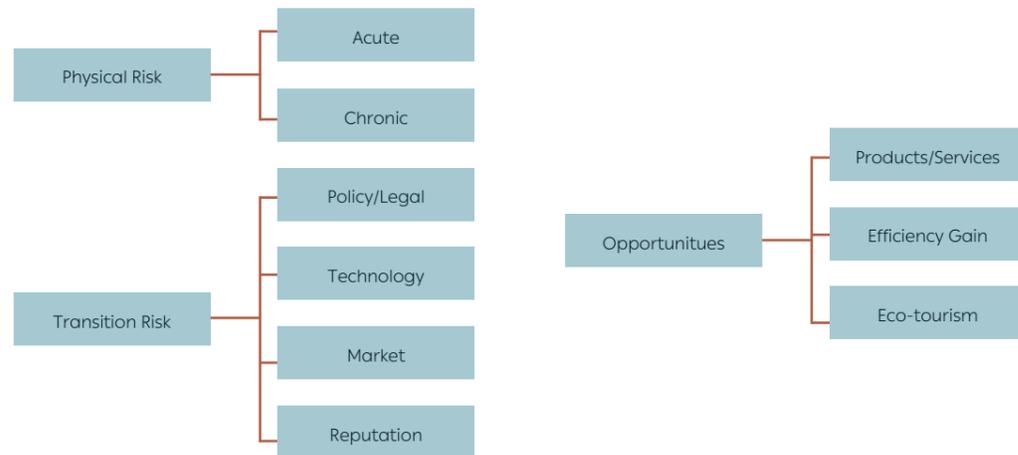
This governance structure strengthens RAK Properties' commitment to proactive sustainability and climate stewardship while supporting informed decision-making across the organization.

The committee composition is as follows:

ESG/ SUSTAINABILITY COMMITTEE	CLIMATE COMMITTEE
Chief Executive Officer	Chief Executive Officer
Chief Operating Officer	Chief Operating Officer
Chief Marketing Officer	Chief Marketing Officer
Director- Facilities and Community	Director- Facilities and Community
Sustainability Manager	Sustainability Manager

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks and opportunities are potential impacts of climate change on business operations, finances, and strategy. Climate-related risks for RAK Properties fall into physical and transition categories, while opportunities mainly relate to resilient, efficient, and low-carbon development that aligns with UAE and RAK strategies.



PHYSICAL CLIMATE RISKS

Heat stress and cooling demand: Rising temperatures and more frequent heatwaves increase cooling loads, operating costs, and potential discomfort complaints in residential developments.

Flooding and extreme rainfall: Recent UAE storms and localized flooding highlight risks of water ingress, damage to building fabric, disruption to access roads, and higher insurance costs if drainage and elevation are inadequate.

Coastal and sea-level exposure: Since our major developments are situated in the coastal and waterfront areas, there are chances to face long-term sea-level rise and storm surge risk, which can affect asset values and financing conditions if not addressed in design and siting.

TRANSITION RISKS

Stricter building and efficiency standards: The UAE and Ras Al Khaimah have set energy and water reduction targets, implying tighter codes, retrofits, and potential capital expenditures to improve the performance of existing assets.

Market and financing expectations: Investors and lenders are increasingly pricing climate and ESG performance into capital costs, which can disadvantage inefficient, high-emission buildings in the UAE real estate market.

Carbon and material constraints: Global and regional moves toward lower-carbon construction materials and potential carbon pricing can raise costs for carbon-intensive designs and delay approvals for non-aligned projects.

Legal compliance: Compliance with UAE frameworks such as Federal Decree-Law No. 11 of 2024 mandating businesses to measure, report, and reduce GHG emissions across sectors, with strategies for emission cuts. Ras Al Khaimah real estate-specific regulations enforce sustainable practices in development, project registration, and off-plan sales, amplifying legal exposure for non-compliance in the real estate sector.

CLIMATE-RELATED OPPORTUNITIES

Energy-efficient and low-carbon buildings: Integrating high-performance building envelopes, efficient HVAC, district cooling, and on-site renewables can reduce operating costs, enhance tenant demand, and support premium positioning.

Resilient coastal and tourism assets: Designing coastal resorts and waterfront communities with elevation, robust drainage, and resilient infrastructure can differentiate RAK Properties' projects as "climate-resilient destinations" and attract long-term tourism.

Alignment with RAK sustainability strategy: Supporting Ras Al Khaimah's electricity and water reduction and renewable energy objectives through green certifications and sustainable master planning can strengthen government relationships and gain stakeholder trust.



ENVIRONMENTAL FOOTPRINT

RAK Properties is actively working to minimize its environmental footprint. We implemented a practice of closely monitoring environmental impacts, with a focus on reducing greenhouse gas (GHG) emissions. The company is transitioning to a circular workplace, emphasizing recycling, energy efficiency, water conservation, and waste management initiatives to enhance sustainability efforts.

Acknowledging the sector's significant impact, we are strengthening sustainability initiatives across all new and existing developments, ensuring alignment with the UAE's Nationally Determined Contribution.

To effectively decarbonize our properties, we initiated a process of assessing their lifetime emissions, factoring in both embodied carbon and operational carbon. This comprehensive approach will guide our efforts to reduce the carbon footprint of our properties. We are in the process of establishing Key Performance Indicators (KPIs) to consistently monitor our impact.



SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

Scope 1 and Scope 2 emissions of our company mainly arise from building operations: fuels, refrigerants, purchased electricity, and purchased chilled water. These sit squarely in the use stage of the project life cycle.

ENERGY CONSUMPTION

In terms of energy consumption, our organization closely monitors various sources to ensure responsible practices. The total energy consumption of all our operating facilities and services reached 163,830.4 GJ in 2025.

The following tables break down energy use by type across our operations and developments.

ENERGY CONSUMPTION		UNIT	2024	2025
DIRECT	Diesel used by owned Vehicles/ Power Generator/ equipment	GJ	458.27	608.63
	Petrol used by Owned/ leased Vehicles	GJ	972	1643.58
	Petrol used by the owned water taxi	GJ	-	70.73
	Total Energy- Direct	GJ	1430.27	2322.94
INDIRECT	Purchased Electricity	GJ	57,161.2	50,972.3
	Purchased Chilled Water	GJ	113,935.2	110,535.2
	Total Energy- Indirect	GJ	171,096.4	161,507.5
	Total (Direct+ Indirect)	GJ	172,526.6	163,830.4

ENERGY INTENSITY		2024	2025
DIRECT	GJ/ FT	6.47	7.96
	GJ/ Revenue (Million. AED)	1.02	1.26
INDIRECT	GJ/ FTE	774.19	553.11
	GJ/ Revenue (Million. AED)	121.66	87.90
TOTAL	GJ/ FTE	780.66	561.06
	GJ/ Revenue (Million. AED)	122.68	89.16

SUSTAINABILITY REPORT 2025

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In 2025, the organization's energy profile comprised approximately 98.6% indirect energy consumption from purchased electricity and chilled water, and 1.4% direct energy consumption mainly associated with on-site fossil fuel uses. RAK Properties currently generates no renewable energy, such as solar PV, for direct consumption due to local utility restrictions, and does not procure certified renewable electricity, resulting in 0% renewable share in our total energy mix for the reporting year. However, we maintain 136 solar streetlights across the Mina community, solar thermal systems for the new villa projects, contributing minimally but meaningfully to sustainability, and have solar-ready infrastructure in place for future PV installations once regulatory barriers are lifted.

ENERGY EFFICIENCY MEASURES/PROGRAMS

We actively deploy multiple energy efficiency and conservation initiatives to reduce consumption across operations and developments while cutting greenhouse gas emissions.

Energy audits: We conduct regular internal audits, in addition to external consultant audits, to identify efficiency opportunities in HVAC, lighting, and building systems across our assets.

Quantified targets: An energy reduction goal of a 5% decrease against the 2024 baseline has been achieved, and a further 5% energy reduction target has now been set for 2026

Reduction actions: In 2025, the implemented Energy conservation measures in our portfolio include:

- Chilled water Piping insulation replacement in Julphar Towers that restores thermal performance, cutting heat gain and chilled water consumption.
- LED Corridor and Lobby lighting retrofits in Julphar Towers reduce fixture power draw while extending the life
- BMS Upgrade in both Julphar Towers and Mina community enables precise control, occupancy-based adjustments, and predictive maintenance.
- Faulty FAHU Replacement in Lagoon Building 7, and FAHU Heat wheel replacement in Julphar Residential Tower
- LED bollard lights and LED streetlights swap target exterior lighting with durable, low-wattage alternatives
- Incorporating high-efficient system and equipment, and smart sub-meters in all new development projects through sustainability design guidelines.



CHWP INSULATION



LED LIGHTING



FAHU HEAT WHEEL



BMS UPGRADE

Progress evaluation: Monthly KPI progress tracking via the utilities bill summary.

Clean/green energy: Solar-powered street lighting, Solar thermal systems, EV chargers, electric/ hybrid cars, electric bikes

R&D investment: Testing IoT energy monitoring and operating tools for connecting all buildings through a central command centre in the Mina community through FM partnerships.

Notice/ Sign boards: Notices and signboards in Lifts and common areas provide practical tips, help employees, owners, and tenants use energy responsibly

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

RENEWABLE ENERGY

RAK Properties has mandated the installation of solar thermal hot water systems in all villa projects in Mina constructed from 2023 onwards, supporting reduced energy consumption and the integration of renewable energy in residential communities, and currently it covers approximately 6% of the constructed GFA.

ELECTRIC VEHICLE CHARGING

RAK Properties has strategically deployed electric vehicle (EV) charging stations throughout the Mina community and Julphar Towers, supporting the UAE's sustainable mobility transition and reducing transportation carbon emissions. These facilities are conveniently distributed across key locations, including residential clusters, commercial hubs, public parking areas, and marinas, ensuring easy accessibility for all.



GHG EMISSIONS

Federal Decree-Law No. 11 of 2024 on the Reduction of Climate Change Effects establishes a national framework requiring in-scope entities to measure, report, and verify (MRV) their greenhouse gas (GHG) emissions in line with international best practices. Measurement and management of GHG emissions are at the core of RAK Properties' climate mitigation actions.

The consolidation approach we followed to establish the organization's GHG emissions is Operational Control. The locally available emission factors are used for emission calculation wherever available. The emission factors used for various energy applications are as follows. Electricity- 0.41 Kg CO₂/kWh, Chilled Water- 0.65 kg CO₂/RTH, Diesel- 3.1 Kg CO₂/Liter, and Petrol- 2.39 Kg CO₂/Liter. The refrigerant annual leakage rate is assumed 2.5%.

The following tables break down the GHG Emissions in MT CO₂e by type across our operations and development.

GHG EMISSIONS (MT CO ₂ E)		2024	2025	
SCOPE 1	Owned Vehicles/ Power Generator/ equipment	Diesel	35.34	48.38
	Owned/ leased Vehicles	Petrol	69.33	114.86
	Owned Water Taxi	Petrol	-	4.94
	Refrigerant leakage	R22 & R410	24.46	72.73
	Total Scope 1		129.14	240.91
SCOPE 2	Purchased Electricity	kWh	6,510.02	5,805.18
	Purchased Chilled Water	RTh	5,849.75	5,675.19
	Total Scope 2	-	12,359.77	11,480.4
Total (Scope 1 & 2)		-	12,488.91	11,721.3

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

GHG EMISSION INTENSITY (SCOPE 1 & 2)	2024	2025
MT CO ₂ e / FTE	56.51	40.14
MT CO ₂ e / Revenue (Million AED)	8.88	6.38

Case Study: Sewage Treatment Plant:

RAK Properties has established and maintains more than 7,000 trees across streetscapes, parks, and community areas within Mina, which contribute to local carbon sequestration, shading, and urban cooling benefits. While site-specific measurements have not yet been undertaken, international studies suggest that mature urban trees can absorb in the order of tens of kilograms of CO₂ per tree per year, indicating that Mina's tree canopy represents a significant long-term carbon sink alongside its nearby mangrove and wetland blue carbon ecosystems.

Many mature urban trees are estimated to sequester around 7-20 kg of CO₂ per tree per year, which implies that Mina community's 7,000 trees could absorb approximately 50-140 tonnes of CO₂ annually.

- Lower end: 7,000 × 7 ≈ 49,000 kg CO₂ ≈ 50 t CO₂/year
- Upper end: 7,000 × 20 ≈ 140,000 kg CO₂ ≈ 140 t CO₂/year



WATER CONSUMPTION

The major water uses in RAK Properties' portfolio occur in the common areas of our communities, including swimming pools, common toilets, janitor rooms, and pantries across residential, commercial, and retail buildings, as well as irrigation, firefighting, and maintenance activities. We diligently track and manage this consumption to promote responsible water stewardship.

In 2025, RAK Properties recorded a total water withdrawal of 674,014 m³, comprising purchased potable water from utilities and TSE water from external providers. We recycled 425,157 m³ of water through our Mina community-owned sewage treatment plant (STP), which is reused on-site. At Mina, 100% of irrigation water demand is met by a combination of STP-recycled water and purchased TSE, thereby avoiding potable water for irrigation. Potable water is used for irrigation only at Julphar Towers and Julphar Residence, representing less than 5% of the total portfolio irrigation demand.

GHG EMISSION INTENSITY (SCOPE 1 & 2)	2025
Total Potable water purchased, m3	67,181
Total TSE water purchased for irrigation, m3	606,833
Total Water discharge to the municipal sewer, m3	55,181
Total Water Recycled / reused in own STP, m3	425,157 (63% of total water withdrawal)

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

Case Study: Sewage Treatment Plant:

RAK Properties operates an on-site sewage treatment plant (STP) in Mina Community, which uses MBBR (Moving Bed Biofilm Reactor) technology to achieve 100% recycling of building sewage water for non-potable reuse, primarily irrigation within Mina Community.

Wastewater from all buildings within the Mina is collected through a dedicated sewage network and directed to our central Sewage Treatment Plant (STP). During the reporting period, a total of 425,157 m³ of wastewater was treated and recycled, meeting 41.2% of the community's overall irrigation water demand. The remaining 58.8% was fulfilled using Treated Sewage Effluent (TSE) supplied by Ras Al Khaimah Municipality.



METRIC	QUANTITY	% of Total Irrigation
Total Irrigation water used in Mina, m3	1,031,990	
Own STP recycled water, m3	425,157	41.2%
TSE water outsourced, m3	606,833	58.8%

WATER EFFICIENCY MEASURES/PROGRAMS

RAK Properties implements comprehensive water conservation measures across its ongoing operations and developments. Key initiatives include:

- Retrofitting existing developments with low-flow and low-flush sanitary fixtures
- Upgrading the on-site sewage treatment plant in the Mina community to accommodate inflows from newly opened buildings and to increase recycled water output
- Continuing to source Treated Sewage Effluent (TSE) water from external providers for irrigation
- Extending drip irrigation systems in newly landscaped areas
- Incorporating smart irrigation controllers to optimise irrigation schedules and detect leaks
- Installing smart sub-meters for major water-use categories in new developments to enable granular monitoring and leak detection

WASTE MANAGEMENT

Construction and Demolition Waste: RAK Properties requires all new construction sites to implement a Construction and Demolition (C&D) Waste Management Plan, achieving a minimum 50% waste diversion from landfills through recycling and reuse. The waste management process covers proper segregation, licensed handling, a circular approach, and meets regulatory compliance. Construction wastes, such as concrete, metals, wood, commingled waste, and hazardous waste, are properly segregated and transferred to allocated areas by RAK municipalities for further processing and treatment. C&D waste management is handled directly by the appointed contractors on-site.

Operational waste: Our organization emphasizes responsible segregation, disposal, and recycling practices aligned with RAK municipality regulations. We have distributed recycling bins throughout the community for efficient collection at the source. The multi-floor residential buildings feature a dual-chute system to enhance waste segregation at the source and support recycling goals.

In 2025, RAK Properties generated 2651.15 metric tons (MT) of non-hazardous operational waste across its portfolio. While hazardous waste quantities were not specifically quantified, all waste streams receive proper handling per regulatory standards. We successfully segregated and diverted 180.85 MT of non-hazardous waste for recycling.

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

WASTE GENERATED	2024	2025
Total Non-Hazardous Operational Waste collected, in Metric Tons	1876.9	2651.15

RECYCLED WASTE	2024	2025
Total Non-Hazardous Operational Waste recycled, in Metric Tons	190	180.85
% Recycled	10.12	6.82

BIODIVERSITY

BIODIVERSITY RISK ASSESSMENT

RAK Properties employs a site/location-specific biodiversity risk assessment process that examines both dependencies on and impacts to nature, integrating the results into the company-wide ERM framework.

We start with environmental screening and EPDA-compliant EIA studies that map habitats (including protected trees, mangroves, wetlands, coastal, and marine areas) and identify sensitive species, such as birds, turtles, etc. The assessment distinguishes between nature-related dependencies (e.g., reliance on healthy mangroves for coastal protection and fisheries, vegetation for microclimate and amenity) and impacts (e.g., habitat loss, disturbance from construction, light and noise, water quality changes).

Methodologies used include qualitative risk matrices, habitat and sensitivity mapping, regulatory EIA requirements from EPDA, and biodiversity mitigation hierarchies (avoid, reduce, regenerate, restore, and transform) to design mitigation and enhancement measures.

Biodiversity-related risks identified at the project level are translated into company-level risk registers and integrated into the enterprise risk management (ERM) framework alongside climate and other ESG risks. Material nature-related risks (for example, potential damage to protected habitats or non-compliance with EPDA mangrove and tree protection rules) are escalated to the Executive Sustainability Committee and, where relevant, to the Board through regular risk and ESG reporting.

RAK Properties manages and operates in three main destination communities with a combined area of 277.63 hectares. A comprehensive Environmental Impact Assessment (EIA) was conducted for the Mina community, covering approximately 274 hectares, identified as having high biodiversity value and located in proximity to critical habitats such as mangroves, wetlands, and associated coastal ecosystems. Our biodiversity strategies include the following:

- **Pre-Construction EIA:** Every new development site undergoes a comprehensive EIA to identify potential impacts on biodiversity. This includes site-specific baseline studies, impact matrices, and mitigation recommendations.
- **Key EIA Components:** Assessments cover habitat loss, irreversible impacts on flora/fauna, drainage/hydrology, and protected areas. The EPDA in Ras Al Khaimah guidelines require detailed matrices for construction, operations, and decommissioning phases, with prioritization of significant risks.
- **Mitigation and Monitoring:** Post-EIA, a project-specific Environmental Management Plan (EMP) is developed based on assessment conclusions to safeguard biodiversity, including compliance monitoring programs with site visits and reporting.

Every new development project specification requires the contractor to prepare and implement a project-specific Construction Environmental Management Plan (CEMP). This plan must be approved before construction begins and must set out detailed measures for habitat protection, species protection protocols, pollution prevention, environmental monitoring, and incident response.

The biodiversity risk assessment conducted in the Mina community includes land use planning, infrastructure, buildings, landscaping, and associated coastal and marine interfaces under the company's operational control. It also covers construction and early operational phases, where impacts on habitats, species, and ecosystem services are most significant.

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

BIODIVERSITY MITIGATION ACTIONS

RAK Properties integrates several biodiversity protection/ mitigation measures within the Mina community, with a strong focus on preserving and enhancing the natural coastal and wetland ecosystems that define the destination. These efforts are centered around mangrove conservation, habitat protection, and nature-based community initiatives.

Our biodiversity mitigation measures are aligned with the mitigation hierarchy and are organised into five categories:

Avoid: We prioritise site selection and master planning that retain existing mangroves, wetlands, and other high-value habitats, thereby avoiding development in the most sensitive areas. Ecological no-go zones and buffer areas are defined through EIAs and Construction Environmental Management Plans (CEMPs) to ensure construction activities do not encroach on critical biodiversity areas.

Reduce: CEMPs are applied to every new development footprint to control noise, light, dust, runoff, and marine disturbance, reducing residual impacts on birds, marine life, and coastal ecosystems. Efficient irrigation, the use of treated wastewater, and the selection of drought-tolerant plant species further reduce pressure on local water resources and associated ecosystems.

Regenerate: We contribute to the regeneration of biodiversity at Mina through a range of nature-positive initiatives, including diversified soft-scaping with native and adaptive plant species, deployment of artificial reef balls to enhance marine habitats, the Mina Bees programme that supports pollinator populations, and dedicated wildlife initiatives such as the flamingo feeding and observation arrangements that encourage protection of local birdlife.

Restore: Existing mangrove and wetland areas in Mina are preserved and enhanced through project design, with replanting and habitat improvement undertaken where limited areas are disturbed during construction. Post-construction, we implement landscaping and ecological enhancement measures to restore and support biodiversity.

Transform: Biodiversity considerations are embedded into governance through the integration of biodiversity risk assessment and environmental due diligence for major projects. RAK Properties also promotes nature-integrated destinations, including mangrove kayaking and community awareness initiatives on birds, biodiversity, shifting Mina's value proposition towards eco-tourism, and long-term nature stewardship.

ARTIFICIAL REEF BALL

Artificial reef balls were deployed as part of our commitment to nature-positive action and marine ecosystem restoration. Designed to mimic natural reef structures, these eco-engineered modules provide stable habitats for corals, fish, and other marine organisms, supporting biodiversity recovery in degraded coastal areas. Beyond habitat creation, reef balls help attenuate wave energy and reduce coastal erosion, contributing to long-term shoreline resilience.



SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

MANGROVE AND WETLAND CONSERVATION

Large areas of natural mangroves and associated wetlands next to the Mina community are preserved and protected as key ecological assets that support marine life, fish nurseries, and nesting areas for local and migratory birds. Development and resort construction, including Anantara Mina, are planned around these ecosystems to minimize disturbance and maintain the integrity of lagoons, wetlands, and shoreline habitats.

Dedicated green spaces, mangrove-lined pathways, and protected wetland corridors are integrated into the Mina masterplan to provide continuous habitats for wildlife and support biodiversity within the community.



FLAMINGO BIRD SANCTUARY

We maintain a flamingo bird feeding initiative in the Mina Community that provides supplemental nutrition to migratory flamingo populations during key seasons, enhancing their resilience amid environmental changes.



This carefully managed program, adhering to EPDA guidelines, uses natural, algae-rich feeds placed in protected lagoon zones to minimize human-wildlife interaction while boosting bird health and breeding success.

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RAK PROPERTIES P.J.S.C.

BEEHIVE HONEY HARVESTING

Mina Bees, RAK Properties' innovative beekeeping initiative in Mina Community, promotes sustainable honey harvesting from community apiaries where bees forage on native flora, mangroves, and landscaped plants. Honey is extracted seasonally using gentle, low-impact methods to preserve hive health, yielding raw, unprocessed varieties that capture the region's unique ecological flavors.



EXPLORING THE MANGROVES

Mina community offers immersive mangrove exploration experiences through guided kayaking tours that allow visitors and residents to navigate the serene waterways of its protected mangrove reserves. These tours are accessible from resorts like Anantara, Mina, and Intercontinental. Mina community provides close-up views of diverse wildlife, including flamingos, herons, and marine species, while highlighting the ecological importance of mangroves for shoreline protection and biodiversity.



DIVERSIFIED SOFTSCAPE

Carefully designed landscaping integrates mangroves, coastal plants, shrubs, and trees that provide food, shelter, and habitat corridors for birds, pollinators, and other wildlife. By prioritizing drought-tolerant and climate-resilient species, the community reduces water consumption while preserving the ecological value of its green and blue spaces. These diversified plantings, combined with protected wetland and mangrove areas, reinforce Mina's role as a nature-integrated destination.



SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.



DISCOVERY CENTRE

RAK Properties constructed a Mangrove Discovery Centre at the Anantara resort in Mina, providing an immersive environmental education hub focused on the surrounding mangrove wetlands and coastal ecosystem. The centre raises awareness about the ecological importance of mangroves, supports local biodiversity and wetland conservation efforts, and engages guests, residents, and community groups in learning about habitat protection and nature-based climate resilience



Key Objectives:

- Research & Conservation: Supports mangrove protection and local biodiversity monitoring.
- Public Awareness: Educates on mangrove ecological value.
- Environmental Education: Delivers programs on ecology, conservation, and sustainability.
- Community Engagement: Drives active participation in preservation efforts.

Key Offerings:

- Volunteer Opportunities: Mangrove planting and habitat restoration activities.
- Partnerships: Collaborations with environmental/research organizations.
- School Programs: Curriculum-aligned workshops and field trips.
- Community Workshops: Sessions on sustainable living and conservation

NO DEFORESTATION COMMITMENT

RAK Properties aims to avoid gross deforestation and unnecessary clearing of natural habitats, which help protect biodiversity and reduce deforestation risks. We effectively prohibit the clearance of native trees and mangroves in our projects, except where strictly required and approved through the Environmental Impact Assessment (EIA) process. We align with the Ras Al Khaimah Environment Protection and Development Authority (EPDA) Mangrove Management Plan guidelines, which require baseline surveys, impact assessment, and mitigation, compensation, and planting programmes before any project affecting mangroves or wetlands can proceed.

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The company's executive management endorses this no-deforestation commitment and applies it to all its own areas of operation, and partially to its supply chain through a commitment to source at least 70% of wood products from FSC-certified or equivalent responsibly managed forests for new construction projects.

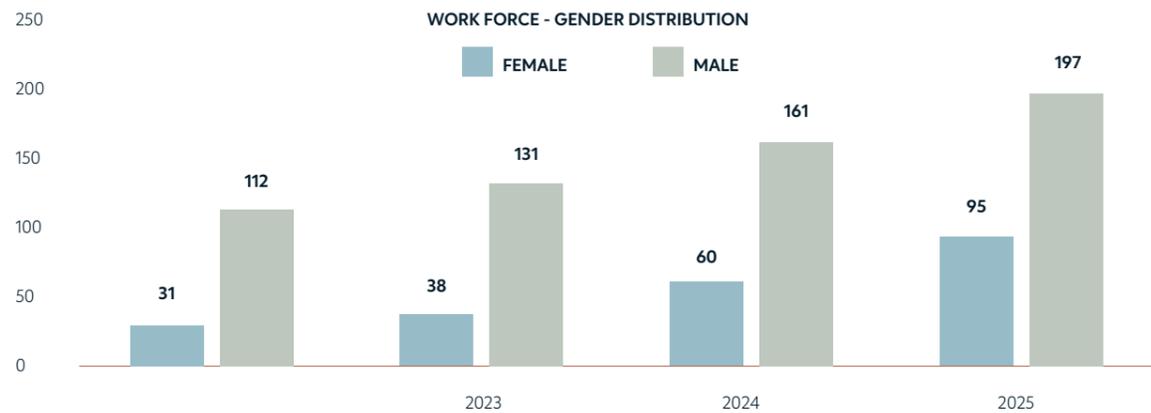
GROWING OUR HUMAN CAPITAL

WORKPLACE CULTURE & VALUES

Prioritizing employee well-being creates a ripple effect that positively impacts both the workforce and the company's bottom line. By fostering an environment where employees feel valued, there's often a direct correlation to greater job satisfaction and loyalty, which in turn leads to higher performance. We cultivate a workplace culture rooted in integrity, inclusion, innovation, and excellence, core values that empower our human capital to drive sustainable real estate leadership. Employees are invited to contribute to the enhancement plan by providing feedback on current policies and proposing improvements. We also introduced impactful initiatives such as the Employee Welfare Loan Scheme, the Housing Loan Scheme, and the Child Education Allowance.

The progressive increase in female hires in 2025 reached around 32.6% of the total workforce. This underscores RAK Properties' commitment to providing equal opportunity to both genders, advancing workplace diversity, and values.

YEAR	FTE, #	Part-time, #	2025, #	
2022	143	0	95 Females (32.5%)	197 Males (67.5%)
2023	169	0		
2024	221	0		
2025	292	0		



NO. OF EMPLOYEES, JOB CATEGORY			
	Entry-Level	Mid-Level	Senior-to-Executive Level
2025	55	169	68

NO. OF EMPLOYEES, BY AGE GROUP			
	< 30 years	> 30 - < 50 years	> 50 years
2025	65	194	33

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

TALENT MANAGEMENT & ENGAGEMENT

Employee Engagement

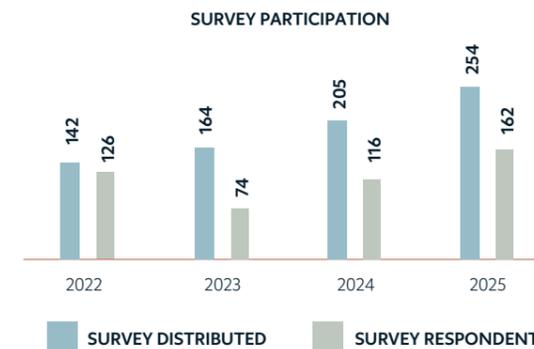
We are committed to actively engaging and nurturing our workforce through comprehensive company-wide policies. These initiatives encompass enticing rewards and incentives, promoting open communication channels, fostering a healthy work-life balance, and providing ample opportunities for career growth and talent development.



Our HR team conducts annual surveys to assess and understand employee satisfaction levels. The insights derived from these surveys play a pivotal role in shaping future policies, refining recruitment practices, and guiding decisions related to employee management. The survey design strategically covers the following key aspects:

- employee needs
- job satisfaction
- individual contributions
- teamwork dynamics
- career progression
- personal development
- health and well-being

The 2025 employee engagement survey shows continued strong results, with 93% of employees reporting high levels of engagement, satisfaction, and well-being, demonstrating sustained positive momentum in RAK Properties' workplace culture.



The employee satisfaction rate has remained above 90% over the past four years, demonstrating a sustained commitment to fostering a workplace culture that prioritizes employee well-being and satisfaction.

SUSTAINABILITY REPORT 2025

RAK PROPERTIES P.J.S.C.

Employee Excellence Awards

The organization recognizes and rewards employees who demonstrate exceptional performance, innovation, teamwork, and alignment with organizational values. The following fantastic initiatives are in place to realize and celebrate employees' outstanding contributions, dedication, and performance.

- Top sales performer award: a recognition given to an individual who demonstrates exceptional sales performance within a specific period.
- 10 years of service award: celebrates an employee's 10 years of continuous service with the company.
- Team Excellence Award: recognizes a team of employees who showed exceptional teamwork and cooperation skills to fulfill a task.
- Customer Service Award: recognizes employees who go above and beyond in delivering outstanding services and ensuring customer satisfaction.
- RAK Properties Ambassador Award: reward volunteers who have directly or indirectly improved the company's reputation and heightened trust in the community through their dedicated efforts.

NON-DISCRIMINATION AND ANTI-HARASSMENT

We uphold human rights principles as mandated by the UAE's labour laws and regulations. Our commitment is to ensure a respectful, fair, and inclusive workplace for all employees. Every employee at RAK Properties signs an employment contract that clearly defines the rights and obligations of both the employer and the employee. This reinforces our dedication to maintaining ethical and lawful practices.

We maintain zero-tolerance policies against the following:

- Discrimination: Unfair or unequal treatment based on race, colour, religion, gender, nationality, age, disability, or other personal characteristics.
- Harassment: Any unwelcome behaviour, comments, actions, or conduct that creates an intimidating, hostile, or offensive environment for employees.
- Sexual Harassment: Includes unwelcome sexual advances, requests for sexual favours, or verbal, non-verbal, or physical conduct of a sexual nature that fosters an intimidating, hostile, or offensive environment.
- Forced Labor: Any form of work performed involuntarily under the threat of penalty, such as physical harm, wage withholding, or restrictions on freedom.
- Child Labor: The employment of minors under the age of 18 and the exploitation of any labour force.
- Equal Remuneration: Ensuring fairness in the workplace by providing equal pay for equal work, irrespective of gender, nationality, or other factors.

LABOR PRACTICE COMMITMENT & PROGRAMS

RAK Properties is fully committed to honouring internationally recognized labor rights and fair labor practices. These principles are embedded in our HR Manual and operational processes.

Living Wages: We ensure that all basic salaries and fixed allowances meet or exceed the UAE's minimum living wage standards. These rates are reviewed annually to remain aligned with market conditions and national benchmarks.

Prohibition of Child Labor and Juvenile Employment: We do not permit the employment of individuals under the age of 15 under any circumstances. For juvenile employees between 15 and 17 years of age, employment is only permitted under strict conditions.

Avoiding Excessive Overtime and Setting Maximum Working Hours: Overtime is discouraged unless essential to meet operational needs. Overtime compensation is 125% of the basic hourly rate for regular overtime, and 150% of the basic hourly rate for work between 10:00 PM and 4:00 AM or during official off days.

Notice Period: The one-month notice period gives staff reasonable time to plan their next steps, manage handovers professionally, and avoid abrupt income disruption.

Equal Remuneration for Men and Women: Men and women performing the same role or equivalent duties are entitled to the same compensation, without discrimination.

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RAK PROPERTIES P.J.S.C.

Paid Annual Leave: Employees working on a five-day week pattern are entitled to 22 to 30 working days of paid annual leave, while those on a six-day week pattern receive 26 working days of paid annual leave.

End of Service Gratuity: Upon termination of service, employees are entitled to end-of-service gratuity in accordance with the UAE Labour Law. For UAE Nationals, this benefit is provided by the General Pensions and Social Security Authority (GPSSA). For GCC Nationals, it is processed through their respective national pension bodies.

Repatriation for Expatriate Employees: Expatriate employees who leave the company are entitled to one-way economy airfare for themselves and eligible dependents back to their home country.

Labor Practice Programs

The HR department is maintaining and implementing fair labor practices programs. It covers compliance with labor laws, promoting workplace equity, supporting employee well-being, and mechanisms for monitoring and improving labor standards.

Equal Pay Practices – A job grading system ensures equal remuneration for all genders.

Healthcare Coverage – Medical insurance is provided for all employees, with extended coverage for their first-degree family members.

Annual leave Policy – Clear policies regulate employees to use their annual leave within the year and specify the maximum number of leave days that may be carried forward to the following year.

Comprehensive Leave Policy– In addition to the paid annual leave, employees are entitled to paid sick leave, emergency leave, Pilgrimage (Hajj) leave, Medical escort leave (for Emiratis), Maternity leave, Breastfeeding leave, Paternity leave, Death leave, Iddah (mourning) Leave (for Emiratis), Study leave, National Services Leave (for Emiratis), and Unpaid leave in special circumstances.

Automated Attendance Tracking – An automated attendance registering system is used to monitor employees' working hours.

Fair Compensation Reviews – Salaries are regularly reviewed based on market conditions and cost-of-living assessments, and according to UAE labour laws.

Overtime Compensation – Eligible overtime payments are calculated in line with the prevailing overtime policy and disbursed with the monthly salary.

Employee Voice & Engagement – Staff provide feedback on workplace conditions through annual surveys and toolbox talks.

Travel assistance – Eligible employees are entitled to one annual return flight ticket to their home country, in accordance with company policy.

Continuous Learning – All employees are given free access to an online learning platform to stay updated on the latest technologies, industry trends, and climate change topics.

HUMAN RIGHTS

The human rights commitment we follow is to safeguard and advance human rights across our business operations and the communities we serve. With our core operations based in the UAE, all principles and procedures are aligned with the applicable UAE Federal Laws, ensuring full compliance with the protections they provide. We acknowledge that the potential for human rights violations may be heightened in certain regions and sectors and therefore, remain proactive in addressing and mitigating such risks. At RAK Properties, we recognize that protecting human rights is a shared responsibility and an integral part of our ethical, social, and business practices.

- Fair and equal treatment: Everyone receives fair and equal treatment and opportunity
- No discrimination or harassment: All our recruitment and employment practices are free from discrimination or harassment of any form
- No forced labour of any form: Forced labour, whether in the form of prison labour, indentured labour, or bonded labour, is strictly prohibited
- No child labour: We do not employ any person under the age of fifteen (15) years old. Employing juveniles (aged 15-18) is only permitted with strict conditions
- Occupational health and safety: Everyone is entitled to safe working conditions and access to workspaces that do not jeopardize their health in any way or form.
- Decent working conditions and remuneration: We establish working conditions and schedules that align with operational needs while adhering to UAE labor regulations, which limit the workweek to a maximum of 48 hours.

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- No human trafficking: We work only with licensed, reputable recruitment agencies, ensure employees retain control of their personal documents, prohibit placement fees, monitor recruitment practices to prevent exploitation, and provide safe, anonymous reporting channels with prompt investigation and corrective action.

We maintain a company-wide human rights due diligence process that includes risk identification in all business operations and a periodic review. This involves considering workers' rights, fair working conditions, fair wages, discrimination and harassment, forced labour, privacy, and data protection.

The company has measures to mitigate and remediate the negative impacts of human rights risks, such as Risk assessment, Policy Development, Employee Grievance mechanisms, Training and Capacity Building, Monitoring and Auditing, Reporting and Transparency, Employee feedback surveys, Supplier Management, etc.

EMPLOYEE SUPPORT PROGRAM

Through a comprehensive range of Employee Support Programs, the company ensures employee well-being, professional development, and work-life balance, reflecting our core values of respect, equity, transparency, and care.

Employee Well-being and Benefits: We promote holistic well-being through regular stress management workshops and wellness awareness sessions led by the HR Department. Sports and health initiatives encourage fitness and teamwork across departments, while medical teleconsultation services, available to employees and their dependents, provide convenient access to quality healthcare.

Workplace Flexibility and Equity: To support diverse employee needs, flexible working hours allow staff to balance personal and professional responsibilities within an eight-hour workday. Eligible employees may avail up to three work-from-home days monthly, with additional flexibility considered where applicable. Various employment modalities, including full-time, part-time, and remote options, are recognized to accommodate evolving workforce demands.

Family Support and Care: Comprehensive healthcare coverage extends to employees and their immediate families, supplemented by parental leave policies that ensure both mothers and fathers benefit from five days of paid leave, compliant with UAE regulations. Female employees returning from maternity leave receive daily breastfeeding breaks for up to six months, while additional family leave is available for urgent caregiving needs.

Learning and Development: Continuous learning forms a cornerstone of our human capital strategy. Annual training plans—developed by the HR Department—focus on advancing technical, administrative, leadership, and digital competencies aligned with corporate objectives and industry growth.

The Employee Support Program reinforces our commitment to employee satisfaction, engagement, and retention. By providing equitable policies, developmental opportunities, and a supportive work environment, RAK Properties empowers employees to thrive personally and professionally while contributing to long-term organizational success.

EMPLOYEE DEVELOPMENT PROGRAM

The organization encourages all employees to pursue professional development actively. We support employees in undertaking courses, attending seminars or conferences, or obtaining relevant credentials, where such activities enhance performance in their current role or contribute to career development within RAK Property.

The program applies to all RAK Properties employees and reflects our commitment to building a capable, motivated, and future-ready workforce. It establishes the framework for identifying, implementing, and approving professional development opportunities that enhance individual and organizational performance.

Our Employee Development Program aims to:

- Strengthen employees' knowledge and skills for effective job performance.
- Support continuous improvement and adaptability to internal and external changes.
- Facilitate career advancement and personal growth within the company.
- Reinforce the company's belief that employee capability and engagement are critical to long-term success.

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In partnership with HR, unit heads and employees jointly plan professional development activities aligned with departmental goals and strategic priorities. These activities may include in-house or external training, online learning, conferences, seminars, or accredited professional courses. The program encompasses several key learning areas:

Job-Specific Professional Development: Enhances specialized expertise and innovation within employees' roles.

Leadership Development: Equips current and future leaders with essential leadership and management skills to drive organizational success.

Cultural Education: Promotes inclusivity, respect, and awareness of diverse backgrounds within RAKP's multicultural workforce.

Software and Digital Training: Builds technological proficiency by providing continuous training on relevant systems and software updates.

Performance-Based Development: Targets improvement in areas identified through performance evaluations to ensure ongoing growth and excellence.

EMPLOYEE PERFORMANCE MANAGEMENT FRAMEWORK

The company uses a structured Employee Performance Management Framework to align individual performance with strategic business objectives, strengthen capabilities, and support fair and transparent people decisions. The framework applies to all employees and spans the full performance cycle, including planning, interim review, annual appraisal, feedback, development, and reward, thereby reinforcing a high-performance and accountable culture.

The framework ensures that employee objectives clearly support corporate strategy and that performance outcomes inform decisions on rewards, development opportunities, and, where necessary, disciplinary measures. It covers every employee and governs all key stages of the performance cycle, from initial goal setting through to final evaluation and follow-up actions.

Performance is managed through a Management by Objectives (MBO) approach, whereby employees and their line managers jointly define goals, performance standards, and key performance indicators at the beginning of each cycle. The process aims to identify and address performance gaps, recognize and reinforce strengths, and use job performance as a primary indicator of productivity, job fit, and overall contribution to the organization. Administrative units participate in setting departmental objectives, ensuring alignment, shared accountability, and organizational effectiveness.

Formal performance reviews are conducted twice a year in line with an approved Performance Management Calendar: A Mid-Year Evaluation and an End-of-Year Evaluation. Evaluations are based on clear, measurable targets and objective metrics, and results are finalized through a moderation process to ensure consistency and fairness across departments.

Satisfactory performance may lead to eligibility for incentives, bonuses, or salary adjustments in line with the Reward & Recognition Policy and approved budgets, while unsatisfactory performance triggers a formal Performance Improvement Plan supported by corrective actions and ongoing coaching.

TALENT MANAGEMENT

By cultivating an inclusive work environment, we attract a broader pool of talent, as individuals are drawn to an employer that values their unique skills and capabilities.

Employment:

YEAR	EMPLOYEES BY JOB CATEGORY AND BY GENDER					
	Entry-Level, %		Mid-Level, %		Senior-to-Executive Level, %	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2022	100	0	70.4	29.6	81.8	18.2
2023	91.5	8.5	66.3	33.7	86.1	13.9
2024	76.8	23.2	65.2	34.8	84.9	15.1
2025	90.9	9.1	54.4	45.6	80.9	19.1

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All employees, regardless of gender or job category, receive regular performance and career development reviews, supporting our efforts to nurture individual growth and drive professional advancement. These practices contribute to our low turnover rates, affirming the success of our talent retention strategies and the cultivation of a resilient and thriving workplace culture.

EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP									
YEAR	ENTRY-LEVEL (%)			MID-LEVEL (%)			SENIOR-TO-EXECUTIVE LEVEL (%)		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
2022	17.6	76.5	5.9	13.3	77.6	9.2	0.0	54.5	45.5
2023	21.3	72.3	6.4	14.0	79.1	7.0	0.0	72.2	27.8
2024	35.7	58.9	5.4	12.5	82.1	5.4	0.0	73.6	26.4
2025	27.2	67.3	5.5	29.6	65.1	5.3	0.0	69.1	30.9

The workforce data below reflects a positive trend in new hires across genders and age groups.

YEAR	NEW HIRES BY GENDER					POSITIONS FILLED BY INTERNAL CANDIDATES, #
	MALE	%	FEMALE	%	TOTAL	
2022	21	77.8	6	22.2	27	0
2023	36	76.6	11	23.4	47	2
2024	49	66.2	25	33.8	74	2
2025	66	60.0	44	40.0	110	0

YEAR	NEW HIRES BY AGE GROUP					
	BELOW 30 Y.O.		BETWEEN 30-50 Y.O.		OVER 50 Y.O.	
	#	%	#	%	#	%
2022	8	29.6	14	51.9	5	18.5
2023	10	21.3	32	68.1	5	10.6
2024	20	27.0	48	64.9	6	8.1
2025	42	38.2	59	53.6	9	8.2

NEW EMPLOYEES HIRED AT THE MANAGEMENT LEVEL			
YEAR	JUNIOR LEVEL, #	MID-LEVEL, #	SENIOR-TO-TOP MANAGEMENT, #
2025	16	69	25

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YEAR	NEW HIRING		EMPLOYEE TURNOVER RATE%
	NEW HIRE RATE, %	AVERAGE HIRING COST/ FTE, AED	
2022	18.9	14,080	15.4
2023	27.8	13,919	12.4
2024	33.5	12,229	12.7
2025	37.6	21,334	13.4

We track employee turnover to monitor workforce stability and demonstrate strong human capital management.

YEAR	EMPLOYEES LEFT BY GENDER				TOTAL
	MALE, #	%	FEMALE, #	%	
2022	18	81.8	4	18.2	22
2023	17	81.0	4	19.0	21
2024	21	75.0	7	25.0	28
2025	30	76.9	9	23.1	39

YEAR	EMPLOYEES LEFT BY AGE GROUP						TOTAL
	< 30 YEARS		> 30 - < 50 YEARS		> 50 YEARS		
	#	%	#	%	#	%	
2022	2	9.1	16	72.7	4	18.2	37
2023	1	4.8	16	76.2	4	19.0	22
2024	5	17.9	18	64.3	5	17.9	21
2025	8	20.5	27	69.2	4	10.3	28

YEAR	VOLUNTARY EMPLOYEE TURNOVER RATE					
	Total VOLUNTARY RATE, %	By Gender		By Age Group		
		MALE, %	FEMALE, %	< 30 YEARS, %	> 30 - < 50 years, %	> 50 YEARS, %
2025	13.4	9.5	15.2	12.31	13.92	12.12

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EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER			
YEAR	FEMALE, #	MALE, #	% OF TOTAL WORKFORCE
2022	31	112	100
2023	38	131	100
2024	60	161	100
2025	95	197	100

EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY JOB CATEGORY				
YEAR	ENTRY-LEVEL	MID-LEVEL	SENIOR-TO-EXECUTIVE LEVEL	% of Total Workforce
2022	34	98	11	100
2023	47	86	36	100
2024	24	144	53	100
2025	55	169	68	100

RAK Properties is steadfast in its support for empowering women in the workplace. Acknowledging the vital input and viewpoints that women offer, we worked hard to create a culture where everyone, regardless of gender, can succeed.

VOLUNTARY EMPLOYEE TURNOVER RATE						
YEAR	Share of women in all management positions		Share of women in junior management positions		Share of women in top management positions	
	#	%	#	%	#	%
2025	13	19	6	14	1	10

VOLUNTARY EMPLOYEE TURNOVER RATE				
YEAR	Share of women in management positions in revenue-generating functions		Share of women in STEM-related (Science, technology, engineering, and mathematics) positions	
	#	%	#	%
2025	10	19	91	32

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Afkari & Injazati Programs:

Our commitment to nurturing a dynamic and engaged workforce is exemplified through strategic initiatives embedded within the Afkari & Injazati Programs, designed to empower and retain our invaluable talent. These programs emphasize the significance of "my ideas" and "my achievements."

- Afkari Program- employees are actively encouraged to contribute groundbreaking ideas and concepts related to our business activities, with a focus on achieving a positive financial impact on the company.
- Injazati Program- serves to acknowledge exceptional employee achievements in job performance, fostering a culture of going above and beyond in assigned tasks.

All submissions must meet defined criteria to ensure that proposed ideas are realistic, acceptable, affordable, appropriate, and profitable. Shortlisted proposals undergo a rigorous review by a cross-functional committee, which evaluates their feasibility and potential impact. Approved ideas that are successfully implemented are acknowledged through formal recognition and awards, demonstrating the company's appreciation.

WORKFORCE EQUITY & INCLUSION

RAK Properties is committed to providing a fair, inclusive, and respectful workplace where all employees have equitable access to opportunities and feel valued.

Diversity & Inclusion

As of 2025, our diverse workforce comprises individuals from 28 different nationalities, with a consistent upward trend in recent years. The figure below indicates the trends of increase in nationalities in the workforce from the year 2022.



Diversified Nationalities in the Workforce

The top six nationalities employed at RAK Properties in 2025 are Emirati, Indian, Pakistani, Filipino, Jordanian, and Egyptian.

NATIONALITY	Share in total employee count		Share in all management positions	
	#	%	#	%
Emirati	64	21.9	7	10.3
Indian	117	40.1	29	42.6
Pakistani	23	7.9	1	1.5
Filipino	19	6.5	1	1.5
Jordanian	10	3.4	6	8.8
Egyptian	14	4.8	3	4.4
Others	45	15.4	21	30.9

The diversity of our workforce promotes innovation and creativity, influencing strategic planning and operational excellence. An inclusive work environment not only enhances our ability to attract top talent but also underscores our reputation as an employer valuing individual skills and capabilities. Inclusivity is ingrained in our corporate ethos and is evident across our offices and business operations.

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EMIRATIZATION

To augment the representation of Emiratis in our workforce, we have implemented various initiatives, accompanied by exclusive benefits. Local recruitment strategically enhances our team with individuals well-versed in the local culture and values.

In 2025, we continued to make significant strides in Emiratisation. The percentage of UAE Nationals in our employee base demonstrates a consistent upward trend, reaching 21.9% by the end of the year.

Gender-wise, the distribution reflects a balanced effort, with an increase in female UAE Nationals, comprising 79.7% of the total, showcasing a positive move towards gender inclusivity.

UAE NATIONALS BY GENDER						Emiratization rate, %
Year	MALE, #	%	FEMALE, #	%	TOTAL, #	
2022	7	26.9	19	73.1	26	18.2
2023	5	16.7	25	83.3	30	17.8
2024	8	17.0	39	83.0	47	21.3
2025	13	20.3	51	79.7	64	21.9

Examining the workforce across job categories, the data highlights a progressive integration of Emiratis across various levels.

UAE NATIONALS BY JOB CATEGORY						
YEAR	ENTRY-LEVEL (%)		MID-LEVEL (%)		SENIOR-TO-EXECUTIVE LEVEL	
	#	%	#	%	#	%
2022	0	0	19	73.08	7	26.92
2023	2	6.67	23	76.67	5	16.67
2024	12	25.53	27	57.45	8	17.02
2025	0	0	57	89.06	7	10.94

Intelaq Program: This program is committed to accelerating the growth of recent Emirati graduates from UAE universities and colleges. This initiative focuses on enhancing their practical skills and preparing them for a smooth and successful transition into the workforce. The program follows a structured approach to identify key positions within our replacement plan. Candidates undergo comprehensive internal training to equip them for advanced managerial roles. The evaluation process, managed by the head of the administrative unit and the Human Resources department, carefully assesses personal qualities, practical skills, and the knowledge gained during the training phase.

The program offers a formal one-year training contract, renewable by mutual agreement, reflecting our commitment to developing talent. Upon successful completion of the training and demonstration of competence, participants may transition into permanent roles. In recognition of their dedication, trainees receive good benefits, including a competitive monthly salary, health insurance coverage, and enrollment in the General Pension and Social Security Authority.

Masaar Program: The program aims to attract and develop the skills of UAE citizens and relatives of employees, including graduates without designated positions in the human resources budget. This initiative involves training and qualifying individuals for a specified period, which may be renewed to facilitate their career path.

Collectively, these Emiratisation programs contribute to a sustained increase in the Emiratisation rate at RAK Properties.

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GENDER PAY INDICATORS

A Gender Equal Pay Assessment is an essential step we have taken to affirm our commitment to equity, diversity, and inclusion. The organization is committed to fair remuneration procedures, which are fundamental to this ethos. This ensures compliance with sustainable development goals and fosters a fair and inclusive workplace.

EMPLOYEE LEVEL	PERMANENT EMPLOYEES	
	AVERAGE WOMEN'S SALARY	AVERAGE MAN'S SALARY
Executive level (base salary only)	0	65,270
Executive level (base salary + other cash incentives)	0	98,768
Management level (base salary only)	20,773	20,750
Management level (base salary + other cash incentives)	39,645	37,727
Non-management level (base salary only)	7,091	5,870

We make certain that women are not only represented but also appropriately compensated for their abilities and efforts, with a female-to-male median compensation ratio of 0.85 in 2025.

YEAR	MEDIAN COMPENSATION		FEMALE TO MALE MEDIAN COMPENSATION RATIO
	MALE	FEMALE	
2022	13700	11000	1.25
2023	13700	10709	1.28
2024	11000	14000	0.79
2025	11000	13000	0.85

EMPLOYEE ABSENTEEISM

Monitoring employee absenteeism is a significant aspect of demonstrating commitment to employee well-being, workplace culture, and operational efficiency. This estimate is based on the total number of days lost due to absenteeism of any kind, not only because of work-related injury or disease. However, it does not include scheduled or permitted absenteeism such as holidays, study time, maternity or paternity leave, etc

ABSENTEE RATE OF EMPLOYEES	
YEAR	% OF TOTAL DAYS SCHEDULED TO WORK
2022	1.91
2023	1.37
2024	1.57
2025	1.39

EMPLOYEE TRAINING AND SKILLS DEVELOPMENT

We employ meticulous evaluation methods to design initiatives that address the specific needs of each employee, tailoring programs to match their skill sets and job requirements. This commitment to empowering our workforce is extended universally, making these training opportunities accessible to every member of our organization.

Our annual collaboration between the Human Resource Department and various divisions is a testament to our forward-looking approach. This collaborative effort delves into identifying opportunities for career growth and skill development, creating a dynamic training calendar for the upcoming year. This proactive approach not only underlines our commitment to employee development but also propels us toward a future where continuous improvement is ingrained in our organizational culture.

YEAR	TRAINING HOURS BY GENDER		AVERAGE TRAINING HOURS / GENDER		TOTAL TRAINING HOURS, #	Training Hours/ FTE, #
	MALE	%	FEMALE	%		
2022	219	318	7.06	2.84	537	3.8
2023	115	509	3.03	3.89	624	3.7
2024	540	1079	9.00	6.70	1619	7.3
2025	1257.5	2431.5	13.24	12.34	3689	12.6

In 2025, we achieved an average of 12.6 training hours per employee, a trend that emphasizes skills enhancement across all organizational levels

YEAR	TRAINING HOURS BY AGE GROUP			AVERAGE TRAINING HOURS / AGE GROUP		
	< 30	30-50	> 50	< 30	30-50	> 50
2025	570.5	2663	455.5	8.78	13.73	13.80

We conduct an annual Learning Needs Analysis (LNA) in collaboration with line managers, who identify employee skill gaps as part of the performance evaluation process. Using insights from both the LNA and performance reviews, the HR Department systematically assesses development priorities, designs strategic training plans, and delivers tailored programmes so that employees receive relevant, focused learning aligned with evolving role requirements and business needs. In addition, from 2024, RAK Properties partnered with Udemy to provide all employees with free access to its extensive online course library, further supporting continuous learning and upskilling across the organisation.

HEALTH & SAFETY

OCCUPATIONAL HEALTH & SAFETY POLICY

RAK Properties maintains an ISO 45001-aligned Occupational Health & Safety (OH&S) policy as part of its Integrated Management System, communicating this commitment to employees, tenants, visitors, suppliers, and contractors working on behalf of RAK Properties.

Our business activities involve significant OH&S risks and is committed to providing and maintaining a safe and healthy workplace for all individuals who may be affected by our operations. The OH&S Management System (OH&SMS) provides consistent guidance and procedures to manage these risks across all sites and functions.

The OHS policy has been formally reviewed and approved by senior leadership, who have confirmed their commitment to its effective implementation across all RAK Properties' sites. Dedicated resources, including budget, competent staff, training programmes, and management time, etc., are allocated to ensure the policy is applied in day-to-day operations. Clear OHS roles and responsibilities are assigned to managers, supervisors, and HSE personnel, who are accountable for enforcing the policy and monitoring compliance. The policy is communicated to all employees and contractors and is integrated into operational procedures, induction programmes, risk assessments, and audit processes.

We take responsibility for ensuring the well-being of our employees, contractors, tenants, and the wider community. Through the implementation of rigorous safety measures across our operations and properties, we actively work to prevent accidents, injuries, and health risks.

Our commitment to occupational health and safety is validated by our ISO 45001:2018 certification, a globally recognized standard for effective OH&S management systems. This system extends to all employees, service providers, activities such as fit-out works and maintenance, and key workplaces. To secure ISO 45001 certification, we focus on the key areas:

- Continual Improvement of H&S Performance
 - Implementation of a comprehensive H&S management system
 - Regular health and safety inspections
 - Provision of H&S training and education
 - Implementation of effective emergency response procedures
 - Continuous review and improvement of our H&S approach
- Fulfilment of Legal & Government Regulations
 - Identify and maintain a register of applicable H&S legal and regulatory requirements
 - Ensure compliance with UAE federal laws, emirate-level regulations, and authority guidelines
 - Obtain and maintain all required permits, licenses, approvals, and certifications
- Achieving H&S Objectives
 - Introduction of a company-wide comprehensive H&S policy
 - Conducting risk assessments
 - Focusing on employee involvement and training
 - Monitoring and auditing safety practices

HEALTH & SAFETY TRAINING AT RAK PROPERTIES

Effective policies are complemented by ongoing staff training in H&S protocols. In 2025, we provided a total of 520 hours of training in areas such as emergency preparedness, firefighting, first-aid, evacuation drills, and operational procedures.

- Safety induction/orientation: For all new employees, contractors, and site visitors; covers general OH&S rules, emergency procedures, site hazards, and reporting lines.
- General OH&S awareness: Basic health and safety principles, roles and responsibilities, PPE use, incident reporting, and your IMS/OHS policy.
- Job-specific / task-based training: For roles like maintenance, FM teams, lifeguards, cleaners, landscapers, security, etc., focusing on the specific hazards and controls in their tasks.
- Risk-specific training: Working at height, confined spaces, hot work, electrical safety, chemical handling/cleaning agents, manual handling, driving/vehicle safety, etc.
- Emergency preparedness and response: Fire safety, evacuation drills, first aid, spill response, rescue procedures in pools, gyms, plant rooms, and other critical facilities.
- Contractor HSE training/toolbox talks: Short, regular site briefings for contractors and subcontractors on current activities, risks, method statements, and permit-to-work requirements.
- Management and supervisor HSE leadership training: For line managers, engineers, and property managers on legal duties, incident investigation, risk assessment, and leading safety culture.
- Refresher training: Periodic updates to maintain competence, address new risks, and integrate lessons learned from incidents and audits
- To ensure well-being and promote worker health, we implemented a range of initiatives:
 - Safety Induction Program
 - Daily Toolbox Talk
 - Firefighting Training (Internal & External)
 - First Aid Training
 - Evacuation Drill
 - Spill Drill for Lagoon Marina
 - Operational Training for Beach Cleaning Machines, Boom Lifts & Road Sweepers
 - 5S - Good Housekeeping
 - Environmental Awareness for Aspects & Impacts

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FATALITIES

RAK Properties systematically tracks all work-related injuries and fatalities across its operations, covering both internal employees and external contractors. This comprehensive tracking is essential to comply with applicable legal and regulatory requirements in the UAE, to identify high-risk or problematic activities, and to continuously improve our health and safety controls and preventive measures. Maintaining a stellar H&S track record in 2025, encompassing 884,772 hours worked, including our facility management sub-contractors, we achieved zero fatalities, zero high-potential and near-miss incidents, and zero near-miss cases. The ISO external auditors verify the reported data as part of the annual/periodic audit of our OH&S management system.

	2024	2025
Fatalities	0	0
High potential and Near-miss incidents	0	0
Near-miss cases	0	0

LOST-TIME INJURY FREQUENCY RATE (LTIFR)

Lost-Time Injury Frequency Rate (LTIFR) – Employees, is one of our safety KPI and measures how often work-related injuries resulting in lost work time occur among our employees, normalised per 1,000,000 hours worked. A lost-time injury is defined as any work-related incident where an employee is unable to perform their normal duties for at least one full work shift after the accident. The reported LTIFR data covers our entire employee workforce and provides a consistent basis for tracking safety performance over time and identifying areas for improvement.

	2024	2025
Employees	0	0

SUPPORTING OUR COMMUNITY

We are deeply committed to enriching the communities we serve. As a leading real estate developer, we go beyond business to ensure that our operations and initiatives foster social well-being and align with our ESG principles. RAK Properties curates a diverse calendar of community events designed to bring residents, visitors, and partners together across its master-planned destinations.

Art Workshops: In collaboration with Ras Al Khaimah Art, RAK Properties hosts regular children's art workshops at Mina, including activities such as texture and pattern art, delivered during festivals and on weekends from November 2025 onwards. These sessions encourage creativity and community engagement for young residents and visitors. In addition, Mina's weekend programming features roaming entertainment such as buskers, dancers, stilt walkers, cultural arts performers, and stationary shows, creating an enhanced overall community experience.



Community Seasonal Events

The Mina community hosts winter festivals and other seasonal gatherings that encourage residents and visitors to come together and interact in a relaxed waterfront setting. These events typically feature family-friendly activities, food stalls, live entertainment, and cultural programming, helping to strengthen communities.

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RIPE Market:

We host regular community markets at Mina featuring local vendors and artisan goods. As part of this programme, the RIPE Market event at Mina on 29th Nov 2025 was organised as a UAE National Day long-weekend pop-up market in partnership with Ripe Market, running from 29th Nov to 2nd Dec 2025 along the seaside promenade. The event offered a vibrant community experience with local food and craft vendors, and live entertainment.



Arabian Warrior event:

As part of RAK Properties' partnership with Arabian Warrior to promote an active lifestyle, community wellbeing, and position Mina as a leading sports and tourism destination, the Arabian Warrior RAK 2025 event formed part of the broader Arabian Warrior Middle East series in the lead-up to LA28. The event featured a large-scale obstacle course race with multiple distance options and more than 40 obstacles, including mud runs, climbing walls, and rope swings, designed to test participants' strength, agility, and mental resilience.



Emirati Women's Day celebration:

RAK Properties partnered with Intercontinental Hotel, Ras Al Khaimah, to celebrate Emirati Women's Day with an inspiring event on August 27, 2025. The special event honoured the remarkable accomplishments and unwavering dedication of Emirati women across various sectors such as entrepreneurship, engineering, and aviation, providing a platform to recognize their invaluable contributions to the nation's progress. During the event, a dedicated desk was set up to provide support to Emirati businesses.



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Co-Living and Co-Working Spaces:

RAK Properties has partnered with A.R.M Holding and HIVE, the pioneering co-living developer and operator, to construct a co-living and coworking development in the heart of Mina. This innovative project is set to redefine the lifestyle offering in the emirate, catering to the evolving needs of young modern professionals and entrepreneurs. The coworking space is intended to be a vibrant, social environment for work and collaboration, featuring dedicated desks, private offices, meeting rooms, quiet zones, social event spaces, and a coffee bar. An outdoor area will extend the workspace, catering to those who prefer to work in an open-air environment.



Local Talent Empowerment:

RAK Properties participated in Ru'ya Careers UAE 2025, the UAE's premier career fair dedicated to Emirati nationals, from September 23 to 25. The event served as a key platform for RAK Properties to engage with aspiring Emirati professionals interested in pursuing careers in the real estate sector. With a focus on fostering local talent and empowering the next generation of leaders and professionals, RAK Properties is actively recruiting for various roles throughout the organization.



RESPONSIBLE GOVERNANCE & PROSPERITY

GOVERNANCE STRUCTURE

Since its inception, RAK Properties has embedded strong corporate governance as a cornerstone for sustainability, operational efficiency, credibility, and long-term market success. By adhering to corporate governance regulations, internationally recognized ethical standards, and a clear chain of command, the company has cultivated a culture of responsibility, accountability, and disciplined oversight. These practices reinforce internal controls and strengthen stakeholder confidence, positioning RAK Properties as a trusted, forward-looking real estate leader. The table below presents the company's Board of Directors for 2025.



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The Board of Directors and governance committees play a pivotal role in ensuring alignment with our ESG goals, seamlessly integrating ESG factors into our business model. From designing energy-efficient, sustainable developments to creating safe, inclusive spaces that generate positive social impacts, we are committed to ethical project governance.

Dedicated leaders, supported by robust internal auditing committees, ensure checks and balances at every operational step. Transparency is at the heart of our operations. We prioritize accurate reporting to maintain trust with stakeholders, detailing our ESG performance, financial outcomes, and business practices with integrity.

BOARD CHARACTERISTICS	Description
Board Independence	The Board of Directors' independence criteria comply with the Securities and Commodities Authority (SCA) UAE requirements
Target share of independent directors	75%
Board Type	One-Tier System Independent directors- 5 Other non-executive directors- 2 Total Board size - 7
Board Chairman	Number of female board directors - 1 The roles of CEO and chairperson are split. The Board is chaired by a non-executive chairperson who is not independent
Board Diversity Policy	RAK Properties has a policy on board diversity that clearly requires diversity factors such as gender, race, ethnicity, country of origin, nationality, or cultural background in the board nomination process.
Board Gender Diversity	We have adopted a policy to ensure gender diversity is explicitly considered in the nomination and selection of candidates for our Board of Directors, in line with UAE regulatory expectations. The company's board of directors includes one female member. The Board of Directors comprises six male and one female members
Board Accountability	The average attendance of the board of directors is 80% of total board meetings. A minimum of 57% attendance of all members is required to hold a board meeting. The company has five independent board members, each holding four or fewer other mandates.
Board Performance Review	The Nomination and Remuneration Committee (NRC) assesses the board's performance every year. Independent assessment of board performance is carried out every 3 years.
Board Election Process	The board members are elected individually as opposed to being elected by slate
Board Average Tenure	The average tenure of Board members is 6.7 years as of 2025
CEO Succession Plan	A CEO succession plan is in place through the appointment of a Chief Operating Officer (COO), helping to ensure continuity of the company's operations Several Board members have extensive backgrounds in real estate development, investment, and asset management, as well as regional market experience in the UAE.
Board member's industry experience	The independent directors, namely Mr. Abdallah Rashed Jasem Al Abdouli and Ms. Moza Mohammed Majid Salem Al Zaabi, bring strong real estate industry experience that supports effective oversight of strategy, risk, and performance

Our three-pronged committee structure is a cornerstone of our company's approach to developing impactful operational strategies and ensuring responsible oversight. Each committee serves a unique function in guiding RAK Properties toward sustainable growth while upholding the highest standards of ethical corporate governance. By working in synergy, these committees foster a culture of accountability and transparency, ensuring that our business practices align with long-term value creation and ESG principles.

EXECUTIVE MANAGEMENT & INVESTMENT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE	AUDIT COMMITTEE
<p>This committee assumes a pivotal role in supervising and evaluating investment opportunities, strategies, and resources. Charged with developing risk-efficient investment strategies, the Executive Management & Investment Committee actively contributes to the company's success. It collaborates closely with executive leadership, including the CEO, to implement and sustain ethical best practices, ensuring a robust foundation for our operations.</p>	<p>This committee serves as a liaison between senior management and company professionals to create a transparent and efficient remuneration system. By employing effective human resource strategies, this committee ensures fair personnel nominations across all company levels while meticulously recording their progress. This commitment to fairness and transparency strengthens our institutional integrity.</p>	<p>The audit committee exemplifies meticulous attention to detail, upholding company-wide integrity. This committee oversees internal audits, maintains financial records, and ensures compliance with corporate laws and regulations. By advising on progressive methods for internal controls and fostering a culture of accountability, the Audit Committee contributes significantly to our risk management strategies.</p>

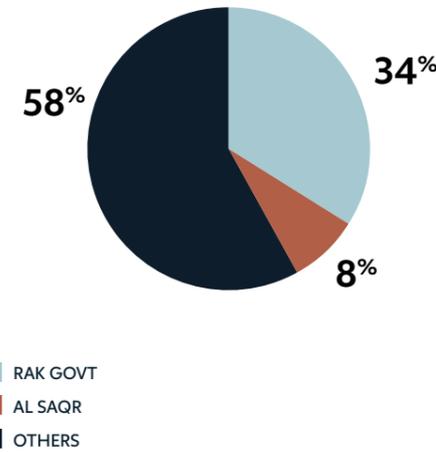
OUR OWNERSHIP STRUCTURE

At RAK Properties, we prioritize a diverse and inclusive ownership structure that reflects the interests of individuals, companies, and the government. This commitment to representative shareholding is integral to our vision of fostering broad participation in our success.

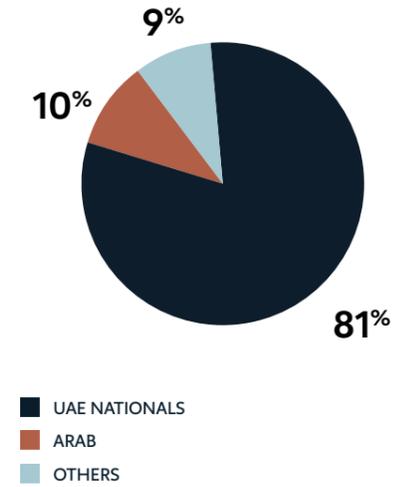
Below is a breakdown of company ownership by type and nationality:

SHAREHOLDERS BY PERCENTAGE		SHAREHOLDERS BY NATIONALITY	
Government of Ras Al Khaimah	34.17%	UAE Nationals	80.7%
Al Saqr United Group LLC	7.43%	Arabs	9.79%
Others	58.4%	Others	9.51%
3689	12.6	3689	12.6

SHAREHOLDER BY PERCENTAGE



SHAREHOLDER BY NATIONALITY



ECONOMIC PERFORMANCE

RAK Properties is shaping the local economy. Our extensive track record has played a crucial role in positioning the Emirate as a leader within the nation. At our core, we focus on developing expansive real estate projects, strengthening the local property market, and enhancing access to affordable housing across the Emirate. Simultaneously, our projects contribute significantly to the growing tourism sector in Ras Al Khaimah.

Furthermore, our commitment to providing gainful employment makes a direct impact on both Emirati nationals and the expatriate community, elevating living standards and providing professional advancement.

Our financial and economic contributions are:

- Job creation- create employment, engage businesses across the value chain, and offer growth opportunities for workers.
- Housing solutions- provide accessible and affordable residential communities
- Attracting growth- Quality developments make an appealing hub for living and working, contributing overall growth of Ras Al Khaimah.
- Value-driven communities- well-planned projects establish safe, healthy, and welcoming living conditions
- Local empowerment- prioritizing regional sourcing, we support local businesses, contributing to the local community empowerment



MEASURING OUR IMPACT

As of December 31st, 2025, RAK Properties reports 10.239 million AED in the Provision for employees' End-of-Service Benefits (EOSB) for expatriate staff, which has been paid from our current account's collection and cash balance.

The National Staff Pension Scheme requires a 5% employee contribution and a 12.5% employer contribution. Our participation in retirement plans includes both EOSB and the Pension Plan.

In 2025, the company made no monetary contributions to political parties, election campaigns, or lobbying organizations. The company provided charitable donations to registered humanitarian and cultural organizations in Ras Al Khaimah, totalling AED 1.015 million, equivalent to 0.055% of total revenue, demonstrating our commitment to community impact.

Lobbying organizations	Nil
Local, regional, or national political parties	Nil
Trade associations	Nil
Tax-exempt groups (charitable and humanitarian donations)	1,015,000 AED

The following table shows RAK Properties' economic value generated and distributed in 2025, in line with GRI 201-1.

AED 1,837.449 MILLION	AED 443.831 MILLION	AED 1,282.193 MILLION	AED 76.557 MILLION
Total Revenue (direct economic value generated)	Profit Before Tax	Total Operating costs (cost of revenue [cash component] + general + admin + Advt + marketing)	Total Employee Wages and Benefits (payroll and related)

AED 71.986 MILLION	AED 39.529 MILLION	AED 1.015 MILLION
Payment to providers of capital (interest paid; zero dividend for 2025)	Payments to the government (income tax expense)	Social Contribution

ADX ESG DISCLOSURE METRICS

#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
ENVIRONMENT							
E1. Environmental Operations	GRI, GCC ESG Metrics		E1.1) Does your company follow a formal Environmental Policy?	Yes, Reported	Environmental Policy	21	
			E1.2) Does your company follow specific waste, water, energy, and/or recycling policies?	Yes, Reported	-	24-27	
			E1.3) Does your company use a recognised energy management system?	Not yet, this is under discussion	Environmental footprint		
E2. Water Usage	GRI, GCC ESG Metrics		E2.1) Total amount of water consumed	Reported	Water Consumption	26	
			E2.2) Total amount of water reclaimed	Reported	Water Consumption	26	
E3. Waste Generation	GRI		E3.1) Total waste generated, per waste type	Reported	Waste Management	26-27	
			E3.2) Percentage of waste recycled, per waste type	Reported	Waste Management	26-27	
E4. Energy Usage	GRI, GCC ESG Metrics		E4.1) Total amount of energy directly consumed	Reported	Energy Consumption	24	
			E4.2) Total amount of energy indirectly consumed	Reported	Energy Consumption	24	
E5. Energy Intensity	GRI, GCC ESG Metrics		E5.1) Total direct energy usage per output scaling factor	Reported	Energy Consumption	24	
E6. Energy Mix	GRI, GCC ESG Metrics		E6.1) Percentage: Energy usage by generation type	Reported	Energy Consumption	24	
E7. GHG Emissions			E7.1) Total amount in CO2 equivalents, for Scope 1	Reported	GHG Emissions	25	
			E7.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	Reported	GHG Emissions	25	
			E7.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	Unreported			
E8. Emissions Intensity	GRI, IFRS S-2, GCC ESG Metrics		E8.1) Total GHG emissions per output scaling factor	Reported	GHG Emissions	25	
			E8.2) Total non-GHG emissions per output scaling factor	Immaterial, unreported			

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
ENVIRONMENT							
E9. Climate Strategy		IFRS S-2	E9.1) Describe the climate-related risks and opportunities that could reasonably be expected to affect your organisation's prospects. Also explain, for each climate-related risk your organisation has identified, whether your organisation considers the risk to be a climate-related physical risk or transition risk.	Reported	Climate-related risks and opportunities	22-23	
			E9.2) Describe the current and anticipated impacts of climate-related risks and opportunities on your organisation's business model and value chain.	Unreported			
			E9.3) How has your organisation responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?	Partially, Federal Decree-Law No. 11 of 2024	GHG Emissions	25	
			E9.4) What are the current effects (during the reporting period) of climate-related risks and opportunities on your organisation's financial position, financial performance, and cash flows for the reporting period (current financial effects)?	Unreported			

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
ENVIRONMENT							
E10. Climate Related Risks and Opportunities		IFRS S-2	E10.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor climate-related risks, and the inputs and parameters used in these processes.	Climate-related risk monitoring is currently unavailable	Water Consumption	26	
			E10.2) Whether and how does your organisation use climate-related scenario analysis to inform the identification of climate-related risks?	Climate scenario analyses have not yet been performed	Water Consumption	26	
E11. Climate Governance		IFRS S-2	E11.1) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of climate-related risks and opportunities?	Reported	ESG/Climate Governance	22	
			E11.2) How does the body or individual consider climate-related risks and opportunities when overseeing your organisation's strategy?	Partially addressed	Leadership perspective on sustainability	4	
			E11.3) Are performance metrics related to climate targets included in remuneration policies? If so, how?	No			
			E11.4) Has your organisation delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Yes, Reported	ESG/Climate Governance	22	

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
ENVIRONMENT							
	E12. Climate Targets	IFRS S-2	E11.3) Are performance metrics related to climate targets included in remuneration policies? If so, how?	No			
SOCIAL							
	S1. CEO Pay Ratio	GRI, GCC ESG Metrics	S1) Has your organisation provided the annual compensation for the CEO and the median of the annual compensation of all other employees, as well as the ratio between the two?	Unreported			
	S2. Gender Pay Ratio	GRI, GCC ESG Metrics	S2) Has your organization monitored and disclosed the results of its gender pay gap or equal pay assessment?	Reported	Gender Pay Indicators	38	
	S3. Employee Turnover	GRI, GCC ESG Metrics	S3.1) Percentage: Year-over-year change for full-time employees	Reported	Workplace culture & values	30-31	
			S3.2) Percentage: Year-over-year change for part-time employees	Reported	Workplace culture & values	30-31	
			S3.3) Percentage: Year-over-year change for contractors/ consultants	Unreported			
	S4. Gender Diversity	GRI, GCC ESG Metrics	S4.1) Percentage: Total enterprise headcount held by men and women	Reported	Workplace culture & values	30-31	
			S4.2) Percentage: Entry- and mid-level positions held by men and women	Reported	Talent Management	35	
			S4.3) Percentage: Senior- and executive-level positions held by men and women	Reported	Talent Management	35	

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
	S5. Temporary Worker Ratio	GRI, GCC ESG Metrics	S5.1) Percentage: Total enterprise headcount held by part-time employees	Reported	Workplace culture & values	30	
			S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	Unreported			
	S7. Nationalisation	GRI, GCC ESG Metrics	S7.1) Percentage of national employees, per employment category	Reported	Emiratization	37	
	S8. Non-Discrimination	GRI, GCC ESG Metrics	S8.1) Does your company follow a non-discrimination policy?	Reported	Non-discrimination and Anti-Harassment	32	
	S9. Health, Safety and Wellbeing	GRI, GCC ESG Metrics	S9.1) Does your company follow an occupational health and/or health & safety policy?	Reported	Occupational health & safety policy	39	
	S10. Injury Rate	GRI, GCC ESG Metrics	S10.1) Percentage: Frequency of injury events relative to total workforce time	Reported	Occupational health & safety policy	40	
	S11. Child and Forced Labor	GRI, GCC ESG Metrics	S11.1) Does your company follow a child and/or forced labour policy?	Yes, Reported	Labor practice commitment & programs	32	
			S11.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors?	Yes, forced labour	Supplier code of conduct	18	
	S12. Human Rights	GRI, GCC ESG Metrics	S12.1) Does your company follow a human rights policy?	Yes, Reported	Human Rights	33	
			S12.2) If yes, does your human rights policy also cover suppliers and vendors?	Yes, Reported	Supplier code of conduct	18	
	S13. Community Investment	GRI, GCC ESG Metrics	S13.1) Amount invested in the community, as a percentage of company revenues.	Yes, Reported	Economic Performance/ Measuring Our Impact	44	

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
GOVERNANCE							
G1. Board Independence	GCC ESG Metrics		G1.1) Does the company prohibit the CEO from serving as board chair?	Yes, Reported	Board Characteristics	42-43	
			G1.2) Percentage: Total board seats occupied by independent board members	Yes, Reported	Board Characteristics	42-43	
G2. Board Diversity	GRI, GCC ESG Metrics		G2.1) Percentage: Total board seats occupied by men and women	Yes, Reported	Board Characteristics	42-43	
			G2.2) Percentage: Committee chairs occupied by men and women	Unreported			
G2. Board Diversity	GRI, GCC ESG Metrics		G2.1) Percentage: Total board seats occupied by men and women	Yes, Reported	Board Characteristics	42-43	
			G2.2) Percentage: Committee chairs occupied by men and women	Unreported			
G3. Supplier Code of Conduct	GRI, GCC ESG Metrics		G3.1) Are your vendors or suppliers required to follow a Code of Conduct?	Yes, Reported	Supplier code of conduct	18	
			G3.2) If yes, what percentage of your suppliers have formally certified their compliance with the code	Yes, Reported	Supplier Screening	19	
G4. Ethics and Prevention of Corruption	GRI, GCC ESG Metrics		G4.1) Does your company follow an Ethics and/or Prevention of Corruption policy?	Yes, Reported	Anti-bribery and anti-corruption policy	15	
			G4.2) If yes, what percentage of your workforce has formally certified its compliance with the policy	100%, Reported	Anti-bribery and anti-corruption policy	15	
G5. Data Privacy	GRI, GCC ESG Metrics		G5.1) Does your company follow a Data Privacy policy?	Yes, Reported	Information Security Management	17-18	
			G5.2) Has your company taken steps to comply with GDPR rules?	Yes	Information Security Management	17-18	

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
G6. Sustainability Strategy	IFRS S-1		G6.1) Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organisation's prospects.	Reported	Climate-related risks and opportunities	42-43	
			G6.2) Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organisation's business model and value chain.	Unreported			
			G6.3) Describe how your organisation responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making	Unreported		42-43	
			G6.4) Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organisation's business model, financial position, performance, and cash flows. How are these risks considered in financial planning (current financial effects)?	Unreported			
G7. Sustainability Risks Management	IFRS S-1		G7.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor sustainability-related risks, and the inputs and parameters used in these processes.	Unreported	Board Characteristics	42-43	
			G7.2) How are the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities integrated into and informing your organisation's overall enterprise risk management process?	Unreported			

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
G8. Sustainability Governance		IFRS S-1	G8.1) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of sustainability-related risks and opportunities?	Reported	ESG/Climate Governance	22	
			G8.2) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organisation's strategy?	Unreported			
			G8.3) Are performance metrics related to these targets included in remuneration policies? If so, how?	Unreported			
			G8.4) Has your organisation delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Yes, Reported	ESG/Climate Governance	22	
G10. Disclosure Practices			G10.1) Does your company publish a sustainability report?	Yes	Sustainability Report	1	
			G10.2) Does your company publish a GRI, IFRS, CDP, SASB, IIRC, or UNGC-based report?	No			
G11. External Assurance		GRI, GCC ESG Metrics	G11.1) Are your sustainability disclosures assured or verified by a third-party audit firm?	No			

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#	METRIC	STANDARDS ALIGNMENT	INDICATOR	RESPONSE	REFERENCE SECTION	PAGE NO	NOTES
INTEGRATED KPIS							
11. Sustainability Reporting		GRI, IFRS S-1, UNGC	I1.1) Does your company publish a sustainability report?	Yes	Sustainability Report	1	
12. ESG Ratings		MSCI, ESG Invest, Sustainalytics, S&P, etc.	I2.1) Has your company received an ESG rating (solicited or unsolicited)?	Yes		19	
			I2.2) If yes, provide the latest overall ESG score.	46/100 from the S&P Global in the REM sector	Our Sustainability Approach	19	
13. Stakeholder Engagement		GRI, IFRS S-1, UNGC	I3.1) Does your company engage with stakeholders on ESG/sustainability topics?	Yes, Reported	Stakeholder Engagement Program	12	
			I3.2) If yes, report on the frequency and effectiveness of engagement.	Reported	Stakeholder Engagement Program	12	