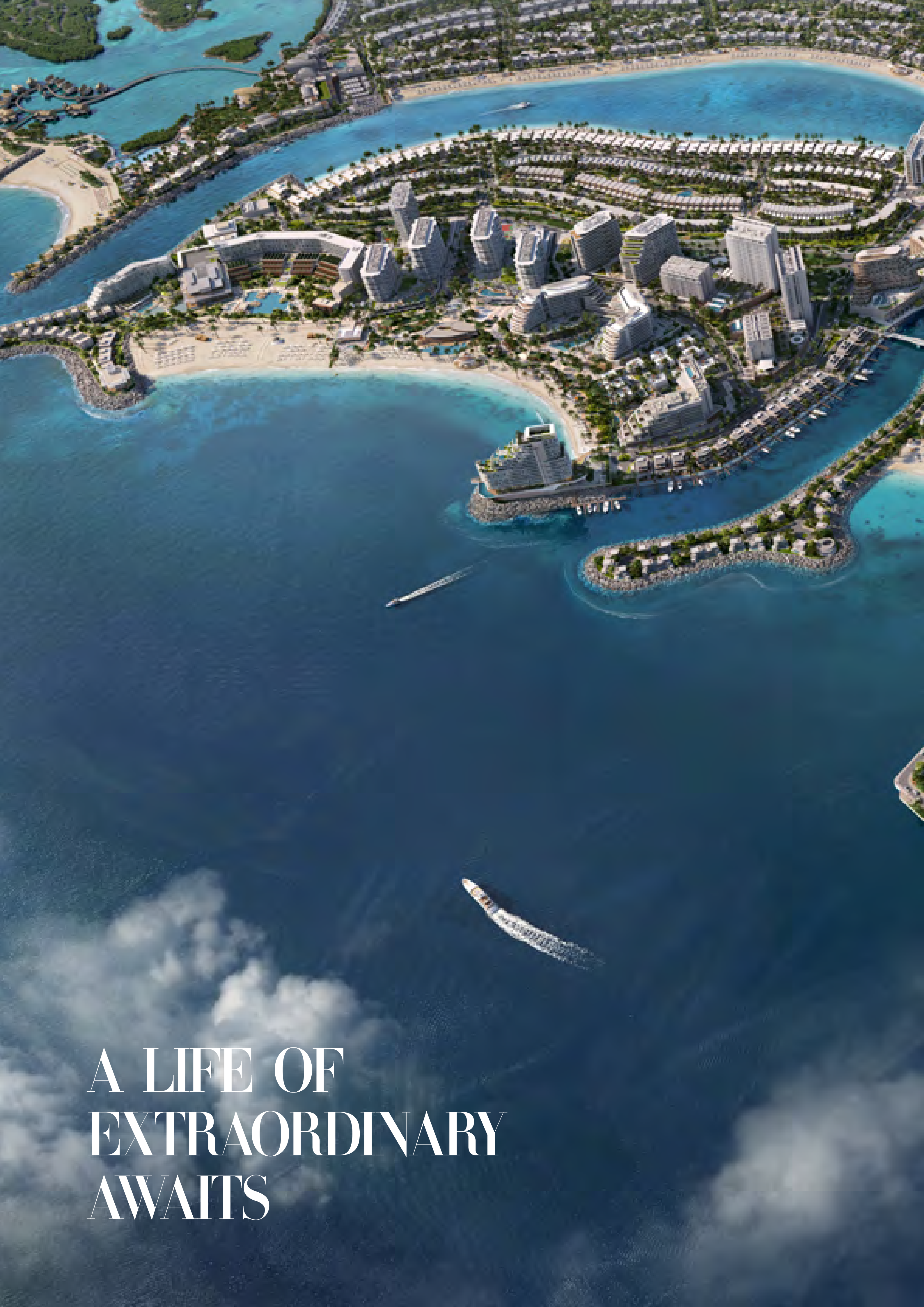
RAK PROPERTIES

ANNUAL REPORT 2024

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.



A LIFE OF EXTRAORDINARY AWAITS

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.

YOUR ISLAND ESCAPE

AN ISLAND WHERE WORLDS CONVERGE

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

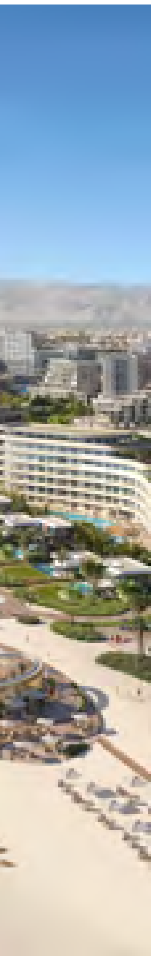
Mina offers an unmatched blend of untouched beauty and sophisticated living, nestled amidst two million square metres of protected mangroves, 18 kilometres of pristine coastline, five kilometres of beaches, and just a five-minute walk to the water from anywhere on the island.

AN AVIAN SYMPHONY

Home to flamingos and over 60 other species of birds – this is the beating heart of Mina's natural environment.

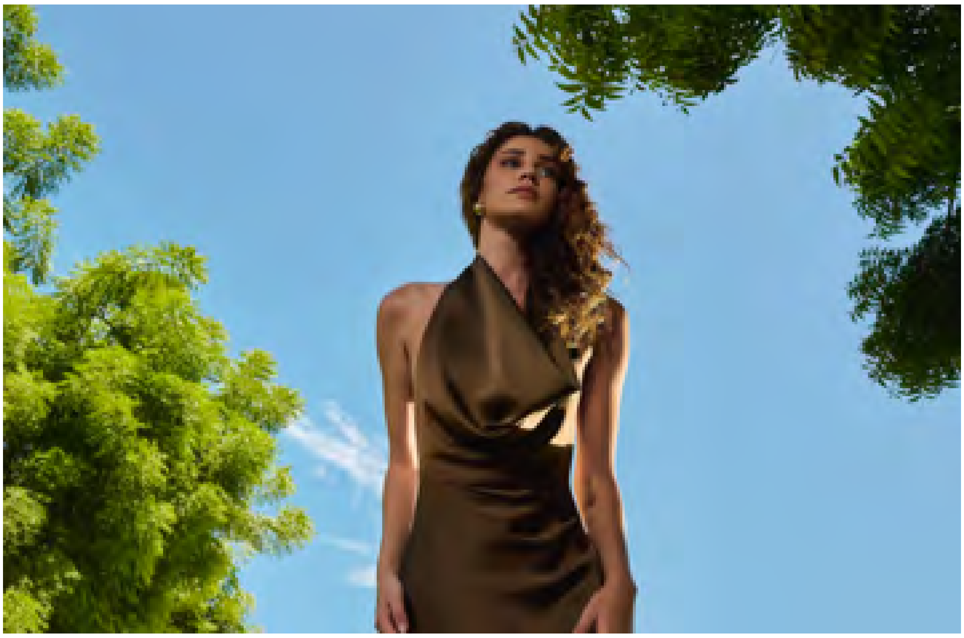
BREATH OF FRESH AIR

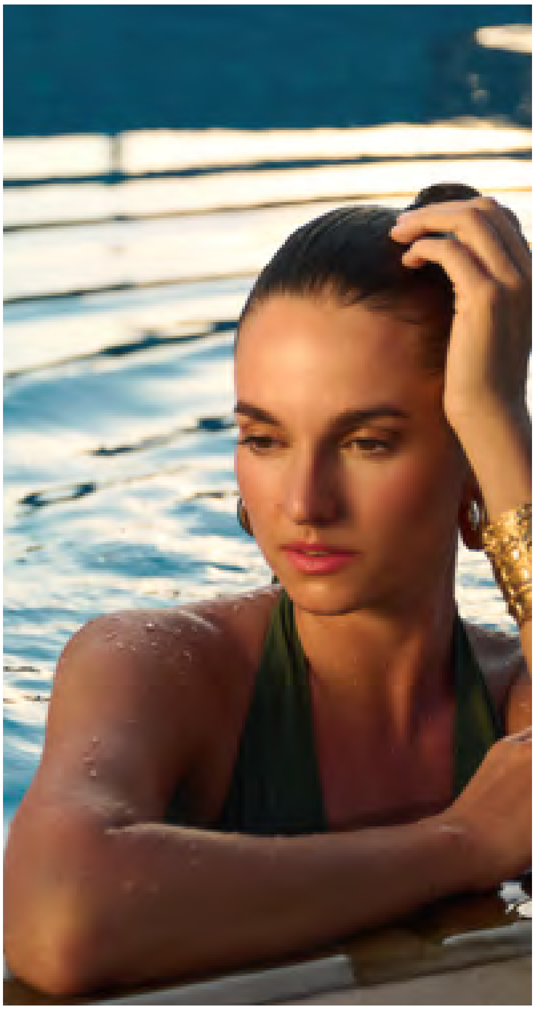
Mina's lush mangroves and vibrant greenery fill the air with a natural freshness, enriched by coastal breezes and the untouched beauty of its surroundings.



SPACES THAT INSPIRE

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





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 unparalled luxury and excitement, the emirate invites you to be part of its visionary journey.

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.

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 tranquillity and choose from 174 mangrove and ocean-facing guest rooms, including Maldivian-style water villas.

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.

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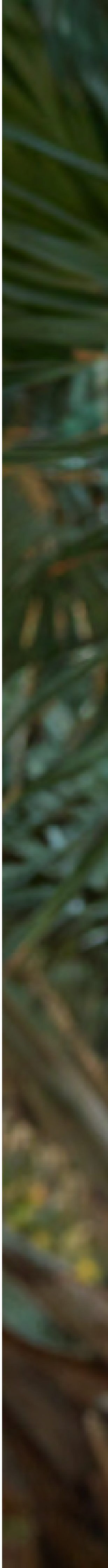

BOARD OF DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors of RAK Properties PJSC is pleased to present the consolidated financial statements for the year ended 31st December 2024.

RAK Properties has once again delivered an exceptional year of financial growth, demonstrating the strength of our vision and the confidence of our stakeholders. Our strong balance sheet and performance reflect not only the sustained demand for high-quality developments in Ras Al Khaimah, but also our ability to anticipate market needs and create destinations that elevate the emirate's real estate landscape.

As we enter 2025, we are poised for a defining phase of expansion, led by the unveiling of the Mina masterplan — a transformative development that will establish Ras Al Khaimah's most sought-after island living community. Coupled with our AED 5 billion development pipeline and a strong recurring revenue portfolio, we remain committed to shaping the future of the emirate with visionary projects that attract investors, enhance communities, and reinforce Ras Al Khaimah's position as a premier real estate destination.

PRINCIPAL ACTIVITIES:

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

FINANCIAL RESULTS

2024
REVENUE
40%↑
AED 1406.32 Mn
vs AED 1,004.89 Mn
(2023)

2024
NET PROFIT
39%↑
AED 280.92 Mn
vs AED 201.82 Mn
(2023)

2024
EARNINGS PER SHARE
14%↑
AED 0.111
vs AED 0.097
(2023)

2024
COMPREHENSIVE INCOME
53%↑
AED 279.14 Mn
vs AED 181.98 Mn
(2023)

2024
TOTAL ASSETS
24%↑
AED 8.01 Bn
vs AED 6.46 Bn
(2023)

primarily due to investments in land, hotels and residential projects. These investments align with RAK Properties' medium and long term strategy of recurring revenue generation, capital appreciation, and maintaining a robust balance sheet.

OPERATIONAL ACHIEVEMENTS

Throughout 2024, RAK Properties continued its investments in residential and hospitality developments, achieving significant milestones across key projects.

RESIDENTIAL DEVELOPMENTS

BAY RESIDENCE PHASE 1
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Beachfront Residential Buildings

Construction of these 2 towers is progressing as per the development plan. All 324 units within the two towers have been fully sold out, with handover scheduled for the first half of 2025.

BAY RESIDENCE PHASE 2
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Beachfront Residential Buildings

All 324 units within the 2 towers located next to Intercontinental Hotel Ras Al Khaimah have been successfully sold. Handovers are scheduled for the second half of 2025.

GATEWAY RESIDENCE 2
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Residential Building

Construction of this 8-storey tower at the entrance of Hayat Island is progressing well as planned. Handover is scheduled for the first quarter of 2025. All 146 apartments in this tower have been fully sold out.

PORTO PLAYA
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Waterfront Residential Building

Ellington Properties, in collaboration with RAK Properties, has commenced construction on Porto Playa. This groundbreaking marks Ellington's strategic expansion into Ras Al Khaimah.

MARBELLA VILLA PHASE 2
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Luxury Villas and Townhouses

Construction of these additional 89 villas and townhouses has been completed, and units have been handed over successfully.

BAYVIEWS
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Residential Buildings

Construction of these 2 towers commenced at the end of 2023. All 344 apartments within the 2 towers sold out within a few hours of the launch.

CAPE HAYAT
HAYAT ISLAND, MINA,RAS AL KHAIMAH
Beachfront Residential Buildings

The sale of these 4 towers consisting of 678 apartments was launched last year. 96% of the project was sold as of Q4 2024. Project construction of this 4 Residential Tower commenced at the end of 2023 and is on track.

QUATTRO DEL MAR
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Residential Buildings

The new project, featuring an integrated lifestyle hub with entertainment and world-class facilities, was launched at the beginning of this year. Piling has commenced for this project, with planned completion by the end 2026. Main contractor Fujiseng appointed.

NB COLLECTION
HAYAT ISLAND, MINA, RAS AL KHAIMAH
Exclusive Beachfront Villas

A bespoke collection of high-end beach front villas was introduced by RAK Properties and launched to the market at the end of Q2 2024. This collection consists of 11 high-end villas, with completion date expected at the end of 2026.

EDGE
RAHA ISLAND, MINA, RAS AL KHAIMAH
Residential Buildings

A yacht inspired waterfront residential tower comprising 237 units with a mix of studios, one-bedroom and two-bedroom apartments. Since its launch at the end of Q2 2024, 80% of the launched inventory has been sold as of Q4 2024.

GRANADA II
MINA, RAS AL KHAIMAH
Residential building

Phase 2 of Granada, consisting of 80 townhouses, was launched at the end of Q2 2024. 86% of the launched inventory has been sold as of Q4 2024. The construction of the Granada extension project is progressing, with planned completion in Q1 2026.

HOSPITALITY DEVELOPMENTS

THE INTERCONTINENTAL RAS AL KHAIMAH MINA AL ARAB RESORT & SPA

A notable 5-Star luxury hospitality asset, has been operating successfully since February 2022, delivering strong revenues. In 2023, as the hotel completed its first full year of operation, it achieved higher occupancy and financial performance compared to its competitive set.

ANANTARA MINA AL ARAB RESORT, RAS AL KHAIMAH

the second 5 Star luxury hospitality asset with 174 keys opened its door subsequent to financial year closing and started operation from 02 January 2024. Results to date are ahead of targets.

PLANNED PROJECTS

RAK Properties partners with Nikki Beach Global to open first branded resort and beach club in Mina, Ras Al Khaimah.	RAK Properties has expanded its partnership with Minor Hotels to introduce the upcoming Anantara Branded Residences, marking another significant milestone in RAK Properties' vision to position Mina as a leading global destination for luxury island living within a vibrant community hub.	RAK Properties has partnered with A.R.M Holding and HIVE to launch a coliving and coworking development in the heart of Mina, catering to the evolving needs of young modern professionals and entrepreneurs
RAK Properties launched Mirasol, a new resort style living concept, and a fresh perspective on luxury living. Featuring a range of studios, apartments and duplexes and scheduled for handover in the first half of 2028.	RAK Properties has partnered with Four Seasons to introduce a luxury resort and private residences in Mina. Designed as a sanctuary of sophistication and natural beauty with a wide array of amenities, the 150 rooms, suites and signature villas, alongside approximately 130 Private Residences.	

OUTLOOK FOR 2025

RAK Properties is building on its strong 2024 performance with an ambitious 2025 agenda, focusing on key projects, strategic partnerships, and landbank expansion.

We remain committed to strategic growth by investing in high-potential asset classes and in human capital to address ongoing business challenges and capitalize on opportunities.

With the support of all stakeholders RAK Properties has developed a robust budget for 2025, allocating substantial funds for development, predominantly in Mina. The focus is on maximizing asset value and increase revenue generation, as well as enhancing brand appeal for RAK Properties PJSC and Mina among target customers and investors.

OUTLOOK FOR 2025

Abdul Aziz Abdullah Al Zaabi
Chairman

Mohamed Musabbeh Al Nuaimi
Deputy Chairman

Sheikh Ahmed Omar Al Qassimi
Director

Abdallah Rashed Alabdouli
Director

Mohamed Ghobash Al Marri
Director

Yasser Abdulla Al Ahmad
Director

Mouza Mohamed Majed Alzaabi
Director

AUDITORS:

The consolidated financial statements for the year ended 31st December 2024 have been audited by M/s. Grant Thornton. They remain eligible for re-appointment 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 2024, 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 2024 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 2024. 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.

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

Key Audit Matters (continued)

i.) Valuation of Investment Properties

As at 31 December 2024, the Group owns a portfolio of investment properties amounting to AED 1,577,216 thousand (2023: AED 1,560,806 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 65,899 thousand during the year ended 31 December 2024 (2023: AED 28,646 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 valuers engaged by the Group (the "valuers"). The valuation process involves significant judgements in determining and estimating the underlying assumptions to be applied. 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 coupled with the existence of market volatility, warrants specific audit focus in this area as any error 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 valuation assessment report prepared by external valuer;
- We have evaluated the qualifications and competence of the management appointed valuer and read the terms of the engagement of the valuers with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;
- 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;
- On sample basis, we assessed valuation methodologies used in the valuation process and challenged assumptions for key assumptions and critical judgements used in the valuation process by comparing these with market data, or other publicly available information. We also held discussions with the Group's management to assess the appropriateness of methodology adopted and reasonableness of the key valuation assumptions used;
- On a sample basis, for those properties valued using the discount cash flow method, 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; 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.

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 2024, the Group has trading properties amounting to AED 38,705 thousand (2023: AED 38,552 thousand) and trading properties under development amounting to AED 2,457,989 thousand (2023: AED 1,341,869 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 stated at the lower of their costs and their net realisable values. The Group engaged a professionally qualified independent real estate valuer to assess the net realisable value of a substantial portion of these properties. The valuation process involves significant judgements in determining and estimating the underlying assumptions to be applied. Assessment of net realisable value requires management to make significant estimates and judgements. This coupled with the existence of market volatility, warrants specific audit focus in this area as any error in determining the net realisable value could have a material impact on the carrying value of the Group's trading properties and trading properties under development in the consolidated financial statements

Our audit procedures, among others, included:

- On a sample basis, for additions to trading properties and trading properties under development, we have verified the underlying supporting documents;
- We obtained the valuation assessment report prepared by the independent external real estate valuers;
- We have evaluated the qualifications and competence of the management appointed external valuer and read the terms of the engagement of the external valuers with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;
- On sample basis, we assessed valuation methodologies used in the valuation process and challenged assumptions for key assumptions and critical judgements used in the valuation process by comparing these with market data, or other publicly available information. We also held discussions with the Group's management to assess the appropriateness of methodology adopted and reasonableness of the key valuation assumptions used;
- 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, for those properties valued using the discount cash flow method, 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 realisable value by comparing property cost to the estimated selling prices and assessed the appropriateness of the carrying value of such properties and resultant write-down if any, 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 Standard

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"

The Group recognises revenue on sale of trading properties under development on over time based on the sale and purchase agreements entered into with its customers. Revenue recognition on sale of trading properties under development was considered a key audit matter as the Group estimates total development and infrastructure costs required to meet performance obligations under the contract and recognises proportionate revenue to the extent of satisfaction of performance obligations as at the end of the reporting period.

Our audit procedures, among others, included:

- We assessed the appropriateness of the revenue recognition accounting policy 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 a period of 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, we assessed the contractual arrangements with the customers and the reasonableness of the costs estimated to complete the underlying project development;
- On a sample basis, we tested that the revenue as per the contract with customer and the costs incurred is per the progress of the project development based on the approved payment certification/invoices. We checked the percentage of completion of the project by comparing the costs incurred to the estimated project development costs; and
- We assessed the disclosures made in the consolidated financial statements is in accordance with the requirements of IFRS Accounting Standards.

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.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, 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.

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

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 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.
- 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.

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

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, we report that:

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;

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;

v. Note 8 to the consolidated financial statements discloses investment in securities by the Group during the financial year ended 31 December 2024;

vi. Notes 18 and 25 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted;

Report on other Legal and Regulatory Requirements (continued)

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 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, 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 2024; and

viii. Note 21 to these consolidated financial statements discloses social contributions during the financial year ended 31 December 2024.

GRANT THORNTON

Farouk Mohamed
Registration No: 86
Sharjah, United Arab Emirates

5 February 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

ASSETS	NOTES	2024 AED'000	2023 AED'000
Non-current assets			
Property and equipment	5	**1,822,861**	1,868,205
Investment properties	6	**1,577,216**	1,560,806
Trading properties under development	7	**2,403,580**	1,341,869
Investments at fair value through other comprehensive income	8	**18,176**	20,270
Investment in a joint venture	9	**77,045**	68,069
Trade and other receivables	10	**559,866**	548,900
Total non-current assets		**6,458,744**	5,408,119
Current assets			
Trading properties under development	7	**54,409**	-
Inventories		**2,410**	1,618
Investments at fair value through profit or loss	8	**-**	3,249
Trading properties	11	**38,705**	38,552
Trade and other receivables	10	**995,131**	549,667
Bank balances and cash	12	**462,590**	457,705
Total current assets		**1,553,245**	1,050,791
TOTAL ASSETS		**8,011,989**	6,458,910
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**3,000,000**	2,000,000
Share premium	13	**114,120**	-
Statutory reserve	14	**1,028,092**	1,000,000
Treasury shares	13	**(22,615)**	-
Retained earnings		**684,829**	589,778
Other reserves	15	**722,571**	714,577
Total equity		**5,526,997**	4,304,355
Non-current liabilities			
Employees' end-of-service benefits	16	**8,003**	5,635
Bank borrowings	17	**742,175**	781,042
Deferred government grants	6	**347,538**	369,662
Trade payable, accruals and other liabilities	18	**359,912**	154,846
Total non-current liabilities		**1,457,628**	1,311,185
Current liabilities			
Bank borrowings	17	**519,884**	452,067
Trade payable, accruals and other liabilities	18	**507,480**	391,303
Total current liabilities		**1,027,364**	843,370
Total liablilities		**2,484,992**	2,154,555
TOTAL EQUITY AND LIABILITIES		**8,011,989**	6,458,910

These consolidated financial statements for the year ended 31 December 2024, were approved by the Board of Directors and authorised for issuance on 5 February 2025 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 2024

	NOTES	2024 AED'000	2023 AED'000
Revenue	19	**1,406,318**	1,004,891
Cost of revenue	20	**(863,398)**	(639,668)
GROSS PROFIT		**542,920**	365,223
Selling, marketing and administrative expenses	21	**(249,232)**	(139,380)
Other income		**7,908**	8,563
Net change in fair value of investment properties	6	**65,899**	28,646
Share of profit in joint venture	9	**8,976**	69
Loss on impairment of trading properties under development	7	**-**	(2,998)
Provision for expected credit losses	10	**(3,091)**	(3,588)
OPERATING PROFIT		**373,380**	256,535
Finance costs	22	**(89,580)**	(66,129)
Finance income	22	**27,605**	13,609
Net change in fair value of investments through profit or loss	8	**(3,249)**	(2,198)
PROFIT FOR THE YEAR BEFORE TAX		**308,156**	201,817
Income tax expense	23	**(27,240)**	-
NET PROFIT FOR THE YEAR AFTER TAX		**280,916**	201,817
Earnings per share for the year – basic and diluted (AED)	24	**0.111**	0.097

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 2024

		2024 AED'000	2023 AED'000
NET PROFIT FOR THE YEAR AFTER TAX	NOTE	**280,916**	201,817
Other comprehensive loss:			
Items that will not be reclassified to profit or loss in subsequent years:			
Net change in fair value of investments at fair value through other comprehensive income	8	**(1,779)**	(19,838)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**279,137**	181,979

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 2024

	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 2023	2,000,000	-	1,000,000	-	409,057	713,112	4,122,169
Profit for the year	-	-	-	-	201,817	-	201,817
Other comprehensive income for the year	-	-	-	-	-	(19,838)	(19,838)
Total comprehensive income for the year	-		-		201,817	(19,838)	181,979
Transfer to reserves	-	-	-	-	207	-	207
Transfer to other reserves (Note 15)	-	-	-	-	(21,303)	21,303	-
Balance at 31 December 2023	2,000,000	-	1,000,000	-	589,778	714,577	4,304,355
Profit for the year after tax	-	-	-	-	280,916	-	280,916
Other comprehensive loss 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**

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 2024

	NOTES	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit before tax for the year		**308,156**	201,817
Adjustments for:			
Depreciation	5	**71,758**	36,201
Provision for employees' end-of-service benefits	16	**3,206**	1,842
Dividend income	8	**(296)**	-
Net change in fair value of investments at fair value through profit or loss	8	**3,249**	2,198
Net change in fair value of investment properties	6	**(65,899)**	(28,646)
Write down of trading properties under development	7	**-**	2,288
Write down of trading properties	11	**-**	710
Expected credit losses on trade, contract and other receivables	10	**3,091**	3,588
Share of joint venture income	9	**(8,976)**	(69)
Amortisation of government grant	6	**(22,124)**	(18,823)
Gain on disposal of property and equipment		**(90)**	
Finance income		**(27,605)**	(13,609)
Finance costs	22	**89,580**	66,129
Cash from operations before working capital changes		**354,050**	253,626
Trading properties		**19,983**	(2,456)
Trading properties under development		**34,335**	345,659
Trade and other receivables		**(465,632)**	(325,030)
Trade payable, accruals and other liabilities		**300,236**	165,597
Inventories		**(792)**	(237)
Net cash flows from operations		**242,180**	437,159
Employees end of service benefits paid	16	**(838)**	(258)
Net cash flows generated from operating activities		**241,342**	436,901
Cash flows from investing activities			
Additions to property and equipment	5	**(74,540)**	(215,335)
Additions to investment properties		**(20,015)**	(24,791)
Interest received		**14,875**	10,764
Dividend received		**296**	-
Proceed from sale of property and equipment		**90**	-
Proceeds from disposal of investment		**315**	-
Net cash used in investing activities		**(78,979)**	(229,362)
Cash flows from financing activities			
Dividend paid	27	**(60,000)**	(33,266)
Acquisition of treasury shares (net)		**(22,615)**	-
Bank borrowings availed	17	**203,689**	96,247
Bank borrowings repaid	17	**(165,752)**	(111,467)
Interest paid		**(95,813)**	(55,909)
Board of directors' remuneration paid	25	**(8,000)**	-
Net cash flows used in financing activities		**(148,491)**	(104,395)
Net change in cash and cash equivalents		**13,872**	103,144
Cash and cash equivalents at the beginning of the year		**102,017**	(1,127)
Cash and cash equivalents at the end of the year	12	**115,889**	102,017

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

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 2024 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 05 February 2025.

2. Basis of preparation

a. Statement of compliance

The consolidated financial statements of the Group have been prepared 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.

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 statements of the Company and entities controlled by the Company and its Subsidiaries. The Subsidiaries of the Company are as follows:

		OWNERSHIP %	
SUBSIDIARY	**COUNTRY OF INCORPORATION**	**31 DECEMBER 2024**	31 DECEMBER 2023
RAK Properties International Limited	United Arab Emirates	**100%**	100%
Lagoon Marina Ship Management & Operation LLC	United Arab Emirates	**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.	United Arab Emirates	**100%**	100%
RAK Properties Gayreimenkul Pazarlama Anonim Sirketi	Turkey	**100%**	100%
Anantara Mina Al Arab Ras Al Khaimah Resort LLC	United Arab Emirates	**100%**	100%

Anantara Mina Al Arab Ras Al Khaimah Resort LLC was incorporated on 13 June 2023 and commenced commercial operations from 2 January 2024.

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

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.

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 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued that is not yet effective.

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)
- These amendments did not have a significant impact on these consolidated financial statements. and therefore, the disclosures have not been made.

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 Company include:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

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 statement of comprehensive income, the 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.

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.

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.

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 a customer does not fulfil the contractual payment terms and the contract of sale is terminated.

4.3 Contact 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.

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.

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.

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.

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.

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.

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 intension 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.

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 is 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.

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.

Dividend Dividend distributed and paid 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.

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

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 it is disclosed as a non-current liability.

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 deducting depreciation and the reserves.

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 a detailed assessment of the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies. Based on the assessment management determined that the impact of applying IAS 29 is not material to 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.

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, 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.

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.

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.

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. Going Concern
Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, these consolidated financial statements have been prepared on the going concern basis.

iii. 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

iv. 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.

4. **Material Accounting Policies** (continued)

4.27 **Judgements** (continued)

v. Component of cash and cash equivalents

The cash and cash equivalents shown in the 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 6 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.

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.

5. Property and equipment

	PLOTS OF LAND AED'000	BUILDINGS AED'000	HOTEL EQUIPMENT 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 2023	561,598	684,978	37,829	32,735	9,989	1,365	437,450	1,765,944
Additions	-	5,671	-	1,370	328	444	207,522	215,335
Transfers from investment properties (Note 6)	27,406	12,669	-	-	-	-	259	40,334
At 31 December 2023	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**
Accumulated depreciation:								
As at 1 January 2023	-	94,726	2,233	10,732	8,665	851	-	117,207
Charge for the year	-	25,710	2,522	7,221	585	163	-	36,201
At 31 December 2023	-	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**
Net book value								
As at 31 December 2024	**540,878**	**1,155,648**	**70,449**	**41,231**	**2,478**	**545**	**11,632**	**1,822,861**
At 31 December 2023	589,004	582,882	33,074	16,152	1,067	795	645,231	1,868,205

5. **Property and equipment** (continued)

The depreciation charge has been allocated as follows:

	2023 AED'000	2022 AED'000
Cost of revenue (Note 20)	**6,453**	6,448
Selling, marketing and administrative expenses (Note 21)	**65,305**	29,753
At 31 December	**71,758**	36,201

Property and equipment mainly comprise land and buildings that are located in the United Arab Emirates.

The borrowing cost capitalized during the current year amounted to AED 331 thousand (2023: an amount of AED 26,525 thousand of borrowing costs capitalised related to construction of hotel properties calculated using an average capitalisation rate of 7.5% (2023: 8.16%) per annum.

Capital work-in-progress as at 31 December 2023, mainly represented expenditure incurred on the construction of a hotel property. The Group commenced operations of the hotel property on 2 January 2024 and accordingly, related assets amounting to AED 686,204 thousand have been transferred from capital work-in-progress to their related class of assets and depreciation has commenced from that date. As at 31 December 2024, the capital work-in-progress represents expenditure incurred on the construction of another hotel property project.

Property and equipment pertaining to hotel properties with net book value of AED 1,521,932 thousand as at 31 December 2024 (2023: AED 1,563,921 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 2023	876,465	682,551	44,299	1,603,315
Cost incurred	-	-	25,259	25,259
Transfer from trading properties (Note 11)	-	6,044	-	6,044
Transfer to trading properties under development (Note 7)	-	-	(28,532)	(28,532)
Transfer to property and equipment (Note 5)	(27,406)	-	(12,928)	(40,334)
Transfer to investment in a joint venture (Note 9)	(33,592)	-	-	(33,592)
Change in fair value	11,783	16,863	-	28,646
At 31 December 2023	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
As at 31 December 2024	**779,552**	**756,494**	**41,170**	**1,577,216**

Investment properties, including those under development as capital work-in-progress are located in the United Arab Emirates.

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

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

	2024 AED'000	2023 AED'000
Rental income derived from investment properties (Note 19)	**32,909**	29,797
Direct operating expenses generating rental income	**(4,002)**	(2,098)
Net income arising from investment properties carried at fair value	**28,907**	27,699

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 172 thousand (2023: AED 1,891 thousand), calculated using an average capitalisation rate of 7.5% (2023: 8.16%) per annum.

6. Investment properties (continued)

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 fair value measurement for all of the investment properties has been categorised as Level 3-fair value based on the inputs to the valuation technique used.

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

Valuation technique underlying management's estimation of fair value	Significant unobservable inputs
Discounted cash flow method: The fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.	Based on the type and location of the property, the value of each of the properties has been determined by assuming discount rates of 17% (2023: 17%). The fair value for the properties valued under the discounted cash flow method are sensitive to the change in the above factors.
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 3.75 per square foot to AED 1,485 per square foot (2023: AED 3.6 per square foot to AED 1,415 per square foot). Prices of commercial properties range from AED 310 to AED 2,050 per square foot (2023: AED 300 to AED 1,901 per square foot).

As at 31 December 2024, capital work-in-progress amounted to AED 41,170 thousand (2023: AED 28,098 thousand) were recorded at cost as the fair value could not be reliably determined.

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

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 will be released on the fulfilment of the conditions stipulated by the Government of Ras Al Khamiah and is based on the progress of the development activities. Following is the movement in the remaining amounts of deferred government grant.

	2024 AED'000	**2023** AED'000
At 1 January		
Amortisation of government grant (Note 20)	**369,662**	388,485
At 31 December	**(22,124)**	(18,823)
At 31 December	**347,538**	369,662

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

7. Trading properties under development

	2024 AED'000	2023 AED'000
At 1 January	**1,341,869**	1,696,662
Land acquired against issuance of additional shares (Note 13)	**1,034,120**	-
Cost incurred during the year	**622,513**	182,719
Transfer of advances pertaining to land in Abu Dhabi (Note 10)	**18,841**	-
Cost transferred to cost of revenue during the year	**(656,848)**	(346,831)
Transferred from property and equipment (Note 5)	**48,126**	-
Transfer from investment properties (Note 6)	**59,904**	28,532
Transfer to investment in a joint venture (Note 9)	**-**	(34,408)
Impairment loss	**-**	(2,288)
Transfer to trading properties (Note 11)	**(10,536)**	(182,517)
At 31 December	**2,457,989**	1,341,869
Less: classified as current assets	**(54,409)**	-
Classified as non-current assets	**2,403,580**	1,341,869

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

	2024 AED'000	2023 AED'000
Inside UAE	**2,444,174**	1,328,054
Outside UAE	**13,815**	13,815
Classified as non-current assets	**2,457,989**	1,341,869

As at 31 December 2024, 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.

In 2023, based on the above assessment of net realizable value, the Board of Directors decided to write down net realisable value of AED 2,288 thousand based on the independent valuation of net realisable value of trading properties under development. No impairment loss was noted in the current year.

Issuance of shares

During the year, the Group issued 920 million shares to the Government of Ras Al Khaimah (as a strategic partner) in exchange for contribution of several plots of land to the Company as in-kind consideration against the issuance of new shares with a fair value of AED 1,034,120 thousand. Fair valuation of the plots of land acquired was determined by an independent external valuer on 12 June 2024. Refer to Note 13 for further details of this transaction. The Group has decided to develop this land and accordingly categorised it under trading properties under development.

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

8. Investments

	2024 AED'000	2023 AED'000
Non-current investments		
At fair value through other comprehensive income		
Investments within UAE		
Unquoted equity investments	**1,259**	1,898
Investments outside UAE		
Unquoted real estate funds	**3,320**	3,320
Unquoted equity investments	**13,597**	15,052
	18,176	20,270
Current investments		
At fair value through profit and loss		
Unquoted equity investments	**-**	3,249
	-	3,249
Total investments	**18,176**	23,519

During the year, dividend income of AED 296 thousand were received on these investments (2023: AED Nil).

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

	2024 AED'000	2023 AED'000
At 1 January	**23,519**	45,555
Disposals during the year	**(315)**	-
Change at fair value through profit or loss, net	**(3,249)**	(2,198)
Change at fair value through other comprehensive income, net	**(1,779)**	(19,838)
At 31 December	**18,176**	23,519

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

9. Investment in a Joint Venture

	2024 AED'000	2023 AED'000
Investment in a joint venture		
Ellington Development FZ-LLC	**77,045**	68,069

In 2023, the Group entered into a joint venture agreement ("JVA") and a Development Management Agreement ("DMA"), collectively referred to as "the agreements", with Ellington Properties Development LLC ("Ellington"). Whereby, the Group intends to develop a plot of land situated on Hayat Island, Ras Al Khaimah into a premium development (the "Project") and granted a power of attorney in favour of Ellington, appointing it to manage the development of Porto Playa project.

Under the agreements, the Group's contribution in the Project is land with initial value of AED 68 million. Ellington shall, without any set-off, counterclaim or deduction, contribute the development funding for the Project in an amount equal to the land value, such contribution shall include the Development Manager fee during the project development duration. To facilitate this arrangement, Ellington incorporated a development company called "Ellington Development FZ-LLC", of which Ellington owns 100% of the share capital, however, under the agreements both parties have equal control, and profit shall be on an equal 50:50 basis between the Group and Ellington.

The movement in the investment in a joint venture during the year is as follows:

	2024 AED'000	2023 AED'000
At 1 January	**68,069**	-
Transfer from investment properties (Note 6)	**-**	33,592
Transfer from trading properties under development (Note 7)	**-**	34,408
Share of profit during the year	**8,976**	69
At 31 December	**77,045**	68,069

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

	2024 AED'000	2023 AED'000
Statement of financial position		
Total assets	**344,154**	276,681
Total liabilities	**(190,064)**	(140,543)
Net assets	**154,090**	136,138
Share of net assets	**77,045**	68,069

	2024 AED'000	2023 AED'000
Statement of financial position		
Revenue	**35,198**	-
Profit for the year	**17,952**	138
Other comprehensive income	**-**	-
Total comprehensive income for the year	**17,952**	138
Share of profit %	**50%**	50%
Group's share of profit in joint venture	**8,976**	69

10. Trade and other receivables

	2024 AED'000	2023 AED'000
Trade receivables (Note 19)	**479,888**	533,096
Contract assets (Note 19)	**795,679**	326,831
Trade receivables and contract assets, gross	**1,275,567**	859,927
Less: Allowance for expected credit losses	**(28,327)**	(25,236)
Trade receivables and contract assets, net	**1,247,240**	834,691
Other receivables	**64,832**	29,774
	1,312,072	864,465
Capitalised cost to obtain contract	**138,644**	113,119
Advances to suppliers and contractors	**92,712**	111,572
VAT receivables	**7,610**	7,452
Prepayments	**3,959**	1,959
	1,554,997	1,098,567
Less: Non-current portion of trade and other receivables	**(559,866)**	(548,900)
	995,131	549,667

In 2023, advances to suppliers and contractors included AED 18,841 thousand paid in the previous years to a real estate entity for purchase of parcels of land in Abu Dhabi. In 2024, the legal formalities for purchase of these parcels of land have been completed and the land has been transferred to trading properties under development (Note 7). This transaction has been eliminated while preparing the consolidated statement of cash flows, being a non-cash transaction.

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.

Trade receivables are secured by post-dated cheques amounting to AED 297,997 thousand (2023: AED 424,284 thousand). The movement in the allowance of expected credit loss during the year is as follows:

	2024 AED'000	2023 AED'000
At 1 January	**25,236**	21,648
Provision for expected credit loss	**3,091**	3,588
At 31 December	**28,327**	25,236

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

	2024			2023		
	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	**1,075,847**	**15,370**	**1.4%**	724,287	115,027	2.1%
Past due but not impaired						
0-30 days	**110,757**	**1,596**	**1.4%**	103,933	2,156	2.1%
30-60 days	**2,713**	**39**	**1.4%**	2,239	46	2.1%
60-90 days	**24,166**	**348**	**1.4%**	1,191	25	2.1%
> 90 Days	**62,084**	**10,974**	**17.7%**	28,277	7,982	28.2%
	1,275,567	**28,327**	**2.3%**	859,927	25,236	2.9%

11. Trading properties

	2024 AED'000	2023 AED'000
At 1 January	**38,552**	42,140
Transferred from investment properties (Note 6)	**9,600**	-
Transferred to investment properties (Note 6)	**-**	(6,044)
Transfer from trading properties under development (Note 7)	**10,536**	182,517
Cost of properties sold	**(19,983)**	(179,351)
Impairment	**-**	(710)
At 31 December	**38,705**	38,552

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

	2024 AED'000	2023 AED'000
Current		
Inside UAE	**24,942**	24,789
Outside UAE	**13,763**	13,763
	38,705	38,552

As at 31 December 2024, 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.

During the current year, no impairment of trading properties was recorded (2023: impairment loss amounted to AED 710 thousand) based on an independent valuation of net realisable value of trading properties.
Certain items of trading properties are mortgaged against bank borrowings (Note 17).

12. Bank balances and cash

	2024 AED'000	2023 AED'000
Cash in hand	**270**	140
Bank balances:		
- Current accounts	**52,594**	48,543
- Call accounts	**3,997**	3,293
- Current accounts – unclaimed dividends	**5,729**	5,729
- Term deposits	**400,000**	400,000
	462,590	457,705

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

	2024 AED'000	2023 AED'000
Bank balances and cash	**462,590**	457,705
Less: Current accounts – unclaimed dividends	**(5,729)**	(5,729)
Less: Bank overdrafts (Note 17)	**(340,972)**	(349,959)
Cash and cash equivalent at the end of the year	**115,889**	102,017

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. As required by directive issued by SCA dated 30 April 2023, the Group transferred an amount of AED 32,992 thousand on 18 May 2023 as approved unclaimed dividends pertaining to periods before March 2015 to Securities and Commodities Authority (SCA).

Bank balances include short0term deposits amounting to AED 400,000 thousand (2023: AED 400,000 thousand). The effective average interest rate on deposits ranges between is 4% to 5.30% per annum (2023: 1.85% to 5.30% per annum). Term deposits amounting to AED 400,000 thousand are under lien against bank overdraft (Note 17).

13. Share capital

	2024 AED'000	**2023** AED'000
Authorised, issued and fully paid up 3,000,000,000 shares (2023: 2,000,000,000 shares) of par value of AED 1 each	**3,000,000**	2,000,000

The shareholders in the Annual General Meeting held on 20 March 2024 approved a cash dividend of AED 0.03 per share (2023: AED Nil) amounting to AED 60,000 thousand in addition to bonus shares of 4% (2023: AED Nil) amounting to AED 80,000 thousand (2023: AED Nil).

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, 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 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

On 10 January 2024, 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 2024, 17,917 thousand treasury shares with a cost value of AED 22,615 thousand were held (2023: AED Nil).

14. Statutory reserve

In accordance with UAE Federal Decree Law No. (32) of 2021 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 28,092 thousand was transferred from retained earnings to statutory reserve (2023: AED Nil).

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 2023	636,526	303,675	(227,594)	505	713,112
Other comprehensive loss for the year	-	-	(19,838)	-	(19,838)
Transfer from retained earnings	20,182	-	-	1,121	21,303
At 31 December 2023	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**

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 used to be transferred to the general reserve. 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. During the year, there is no movement in the development reserve (2023: AED Nil).

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:

	2024 AED'000	2023 AED'000
At 1 January	**5,635**	4,051
Charge for the year	**3,206**	1,842
Payments made during the year	**(838)**	(258)
At 31 December	**8,003**	5,635

17. Bank Borrowings

	2024 AED'000	2023 AED'000
Term loans	**894,908**	883,150
Short term borrowing	**26,179**	-
Bank overdrafts (Note 12)	**340,972**	349,959
Total bank borrowings	**1,262,059**	1,233,109
Less: current portion	**(519,884)**	(452,067)
Non-current portion	**742,175**	781,042

Bank overdrafts

The Group has obtained overdraft facilities of AED 700,000 thousand (2023: AED 540,000 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);
- To route funds 1.5 times of the net clean limit utilised under the overdraft.
- On 31 December 2024, the net clean limit utilised was AED Nil (31 December 2023: AED 3,847 thousand).

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 2024 amounted to AED 573,821 thousand.

Term loans

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

	2024 AED'000	2023 AED'000
Balance at 1 January	**883,150**	898,370
Loan drawdown during the year	**177,510**	96,247
Repayment during the year	**(165,752)**	(111,467)
Balance at 31 December	**894,908**	883,150

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. There is no available drawdown limit on 31 December 2024 (2023: AED Nil).
- 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. The available drawdown limit on 31 December 2024 amounted to AED 1,065 thousand (2023: AED 14,492 thousand).

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 is denominated in USD and translated at a rate of USD 1: AED 3.673. There is no available drawdown limit on 31 December 2024 (2023: AED Nil).
- 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. The available drawdown limit on 31 December 2024 amounted to AED 192,500 thousand.

As at 31 December 2024, 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

	2024 AED'000	2023 AED'000
Trade payables	**163,102**	81,882
Project contract accruals	**195,486**	114,442
Other payables and accruals	**204,849**	184,849
Contract liabilities (Note 19)	**149,008**	48,550
Unclaimed dividends (Note 12)	**5,729**	5,729
Advance connection charges	**121,978**	110,697
Provision for income tax (Note 23)	**21,762**	-
Deferred tax liability (Note 23)	**5,478**	-
At 31 December	**867,392**	546,149
Less: Non-current portion	**(359,912)**	(154,846)
Current portion	**507,480**	391,303

Trade payables include amounts due to a related party of AED Nil (2023: AED 4,953 thousand) (Note 25).

19. Revenue

	2024 AED'000	2023 AED'000
Type of revenue from contracts with customers		
Sale of properties	**1,145,765**	830,536
Hospitality services	**199,760**	116,074
Facility management income	**27,292**	26,467
Forfeiture and other income	**592**	2,017
Total revenue from contracts with customers	**1,373,409**	975,094
Other operating income		
Leasing income (Note 6)	**32,909**	29,797
Total revenue	**1,406,318**	1,004,891

	2024 AED'000	2023 AED'000
Timing of revenue recognition		
Recognised over a period of time	**1,276,436**	667,825
Recognised at a point in time	**96,973**	307,269
Total revenue from contracts with customers	**1,373,409**	975,094
Leasing income - recognised over the lease term	**32,909**	29,797
Total revenue	**1,406,318**	1,004,891

	2024 AED'000	2023 AED'000
Contract balances		
Trade receivables (Note 10)	**479,888**	533,096
Contract assets (Note 10)	**795,679**	326,831
Contract liabilities (Note 18)	**149,008**	48,550

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 depend 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:

	2024 AED'000	2023 AED'000
Within one year	**836,594**	791,697
More than one year	**1,022,236**	845,318
	1,858,830	1,637,015

20. Cost of Revenue

	2024 AED'000	2023 AED'000
Cost of sale of properties	**753,402**	569,347
Hotel operations expenses	**85,264**	46,987
Facility management and property leasing expenses	**46,341**	41,815
Others	**515**	342
Amortisation of government grant Note 6)	**(22,124)**	(18,823)
	863,398	639,668

Hotel operation expenses include cost of food and beverages of AED 36,641 thousand (2023: AED 15,658 thousand) and staff cost of AED 33,173 thousand (2023: AED 20,926 thousand).

Facility management expenses include depreciation expense amounting to AED 6,453 thousand (2023: AED 6,448 thousand) (Note 5).

21. Selling, marketing and administrative expenses

	2024 AED'000	2023 AED'000
Payroll and related expenses	**65,735**	45,037
Depreciation of property and equipment (Note 5)	**65,305**	29,753
Advertisement and marketing expenses	**54,921**	32,034
General and administrative expenses	**63,271**	32,556
	249,232	139,380

During the year, an amount of AED 2,156 thousand was paid as social contribution (2023: AED 598 thousand).

22. Finance income/cost

Finance Income

	2024 AED'000	2023 AED'000
Interest income on fixed deposits	**18,605**	13,609
Unwinding for discounting of long-term receivables	**9,000**	-
	27,605	13,609

Finance Cost

	2024 AED'000	2023 AED'000
Interest on bank borrowings	**86,656**	54,454
Discounting of long-term receivables	**-**	10,231
Bank charges	**2,924**	1,444
	89,580	13,609

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") with effect from 1 January 2024.

(i) The income tax expense recognised in the consolidated statement of profit or loss comprises the following:

	2024 AED'000	2023 AED'000
Income tax		
Current income tax expense	**21,762**	-
Deferred tax liability	**5,478**	-
Total income tax expense	**27,240**	-

(ii) Reconciliation of income tax expense:

	2024 AED'000	2023 AED'000
Profit before tax	**308,156**	-
Tax at the tax rate of 9% effective from 1 January 2024 (2023: 0%)	**27,734**	-
Tax effects of:		
Less: 9% tax on Share of profit from associate	(808)	-
Add: Expenses not deductible for tax purposes	348	-
Less: Taxable income not exceeding threshold	(34)	-
Total income tax expense	**27,240**	-

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

	2024 AED'000	2023 AED'000
Opening balance	**-**	-
Current tax expense (refer (i))	**21,762**	-
Closing balance (Note 18)	**21,762**	-

iv) The movement in deferred tax liability is as follows:

	UNREALISED GAIN ON INVESTMENT PROPERTIES AED '000	OTHERS AED'000	TOTAL AED'000
31 December 2024			
Opening balance	-	-	-
Provision for the year (refer (i))	5,931	(453)	5,478
Closing balance (Note 18)	**5,931**	**(453)**	5,478

(v) Status of assessments

In line with Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law"), the Group must prepare their first corporate tax filing, within nine months after the end of their relevant tax period i.e. 30 September 2025. As this is the first period for which corporate tax is applicable to the Group, a return has not previously been filed and no previous assessments have been made.

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:

	2024 AED'000	2023 AED'000
Basic earnings per share		
Net profit for the year after tax (AED'000)	**280,916**	201,817
Issued ordinary shares outstanding at 1 January (in thousands)	**2,000,000**	2,000,000
Effects of bonus shares issued (in thousands)	**80,000**	80,000
Effects of treasury shares (in thousands)	**(28,988)**	-
Effects of shares in-lieu of property (in thousands)	**488,986**	-
Weighted average number of shares outstanding at 31 December (in thousands)	**2,539,998**	2,080,000
Basic and diluted earnings per share (AED)	**0.111**	0.097

There were no potentially dilutive shares as at 31 December 2024 and 31 December 2023.

In accordance with IAS 33, "Earnings per Share" as the issue of bonus shares is without consideration, the calculation of basic and diluted earnings per share is adjusted retrospectively as if the bonus share issue had occurred at the beginning of the earliest period presented.

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:

	2024 AED'000	2023 AED'000
Key management personnel of the Group		
Sale of properties	**4,609**	1,860

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

	2024 AED'000	2023 AED'000
Due to a related party - trade payables (Note 18)	**-**	4,953

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

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:

	2024 AED'000	2023 AED'000
Salaries and benefits	**16,199**	11,107
End of service benefits	**472**	389
Board of Directors' remuneration	**8,000**	-
	24,671	11,496

The Directors have proposed the Board of Directors' remuneration of AED 8,000 thousand (2023: AED 8,000 thousand) for the year ended 31 December 2024. This is subject to approval by the Shareholders in the Annual General Meeting.

26. Commitments

Significant commitments relating to the property development are as follows:

	2024 AED'000	2023 AED'000
Approved and contracted	**1,322,938**	1,144,523

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.

The above does not include any commitments to related parties (2023: AED Nil).

27. Dividends

The Company has paid cash dividend of AED 60,000 thousand (AED 0.03 per share) in addition to bonus shares with total amount of AED 80,000 thousand (AED 0.04 per share) as approved by Shareholders in the Annual General Meeting held 20 March 2024.

The Board of Directors have not proposed any dividend for the year ended 31 December 2024.

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 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.

Valuation techniques and assumptions applied for the purposes of measuring fair value
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.

28. Fair value measurements (continued)

TYPE	VALUATION TECHNIQUES AND KEY INPUTS	SIGNIFICANT UNOBSERVABLE INPUTS	INTERRELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR TYPE 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 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. Market approach is applied wherever such information is available.	Net assets value	Higher the net assets value of the investees, higher the fair value.

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 2024				
Fair value through OCI – unquoted equities and funds	-	-	18,176	18,176
Investment properties	-	-	1,577,216	1,577,216
	-	**-**	**1,595,392**	**1,577,216**

	LEVEL 1 AED'000	LEVEL 2 AED'000	LEVEL 3 AED'000	TOTAL AED'000
31 December 2023				
Fair value through OCI – unquoted equities and funds	-	-	20,270	20,270
Financial assets carried at FVTPL	-	-	3,249	3,249
Investment properties	-	-	1,560,806	1,560,806
	-	-	1,584,325	1,584,325

28. Fair value measurements (continued)

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.

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 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**
31 December 2023				
Investments	-	3,249	20,270	23,519
Trade and other receivables *	922,109	-	-	922,109
Bank balances	457,565	-	-	457,565
	1,379,674	3,249	20,270	1,403,193

* 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 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**
31 December 2023			
Bank borrowings (Note 17)	1,233,109	-	1,233,109
Trade payables, accruals and other liabilities	486,286	-	486,286
	1,719,395	-	1,719,395

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 2024 and 2023, 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 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.

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.

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 2024				
Trade payables, accruals and other liabilities	**707,206**	**707,206**	**707,206**	**-**
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**
	1,969,265	2,182,980	1,279,161	903,819

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 2023				
Trade payables, accruals and other liabilities	486,286	486,286	486,286	
Bank overdraft	349,959	349,959	349,959	
Term loans	883,150	1,188,759	173,004	1,015,755
	1,719,395	2,025,004	1,009,249	1,015,755

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
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**

	1 JANUARY AED'000	CASH IN FLOWS AED'000	CASH OUTFLOWS AED'000	MORE THAN 1 YEAR AED'000
2023				
Term loan	898,370	96,247	(111,467)	883,150
Unclaimed dividend	38,995	-	(33,266)	5,729
	937,365	**96,247**	**(144,733)**	**888,879**

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

The majority of investment held by the Group is in unquoted equities. The unquoted equity securities are valued by experts at each reporting date. 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 and fair value through profit or loss. 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.

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

Market Risk (continued)

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:

	2024 AED'000	**2023** AED'000
Variable rate instruments		
Financial liabilities:		
Term loan	**894,908**	883,150
Short term borrowing	**26,179**	-
Bank overdrafts (Note 12)	**340,972**	349,959
	1,262,059	1,233,109

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 INCREASE** AED'000
31 December 2024		
Variable rate instruments	**(12,621)**	12,621
31 December 2023		
Variable rate instruments	(12,331)	12,331

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 2023				
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
31 December 2023				
Revenue	832,170	116,074	56,647	1,004,891
Cost	(550,524)	(46,987)	(42,157)	(639,668)
Segment profit	281,646	69,087	14,490	365,223
Total assets	2,397,691	1,533,179	2,528,040	6,458,910
Total liabilities	515,627	624,577	1,014,351	2,154,555
Capital expenditure	-	211,864	57,376	269,240

31. Comparatives

During the current year, the Management have reclassified an amount of AED 18,823 from other income to cost of revenue in the consolidated statement of profit or loss. Further, investment properties under development have been reclassified to within investment properties and disclosed as capital work-in-progress in Note 6. Management have made these reclassifications in order to better reflect the nature of these items. However, there is no effect on previously reported total equity, profit for the year and the net change in cash and cash equivalent.

The reclassifications are as follows:

	AS PREVIOUSLY REPORTED AED'000	**RECLASSIFICATION** AED'000	**AS CURRENTLY REPORTED** AED'000
Consolidated statement of profit or loss			
For the year ended 31 December 2023			
Cost of revenue	(658,491)	18,823	**(639,668)**
Other income	27,386	(18,823)	**8,563**

	AS PREVIOUSLY REPORTED AED'000	**RECLASSIFICATION** AED'000	**AS CURRENTLY REPORTED** AED'000
Consolidated statement of financial position			
For the year ended 31 December 2023			
Investment properties	1,532,708	28,098	**1,560,806**
Investment properties under development	28,098	(28,098)	-

32. Subsequent events

There have been no significant adjusting or non-adjusting events that have occurred between 31 December 2024 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 2024

I: Governance Rules Implementation Measures, 2024

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

CORPORATE GOVERNANCE REPORT ISSUED BY
RAK PROPERTIES P.J.S.C. FOR THE YEAR 2024

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.

II. OWNERSHIP AND TRANSACTIONS OF BOARD MEMBERS AND THEIR SPOUSES AND CHILDREN ON THE COMPANY'S SECURITIES DURING 2024

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.

B. The following table illustrates the shares held by the company's board members and total sale and purchase transactions as at December 31, 2024

NO.	NAME	POSITION/ RELATIONSHIP	THE SHARES HELD AS AT DECEMBER 31, 2024	TOTAL SALES TRANSACTIONS DURING 2024	TOTAL SALES TRANSACTIONS DURING 2024
1	H.E Abdulaziz Abdulla AlZaabi	Board Chairman	4,641,374	4,467,149	233,985
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	-	7,000
6	Mr. Yaser Abdulla Mohammed Al Ahmed	Board Member	10,400	-	-
7	Ms. Mouza Mohamed Majed Al Zaabi	Board Member	-	-	-

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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	THE DURATION OF HIS/HER TENURE AS A COMPANY BOARD MEMBER.	THEIR MEMBERSHIP AND POSITIONS AT ANY OTHER JOINT STOCK COMPANIES	THEIR OTHER IMPORTANT REGULATORY, GOVERNMENTAL OR COMMERCIAL POSITIONS.
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	20 Years	Director of Julphar Pharmaceuticals	Chairman of the Board of Directors of Ras Al Khaimah Charity Association
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	4 Years	Director of the Commercial International Bank	Chairman of the Board of Directors of Ras Al Khaimah Chamber

NAME	POSITION	CATEGORY	EXPERIENCES	QUALIFICATIONS	THE DURATION OF HIS/HER TENURE AS A COMPANY BOARD MEMBER.	THEIR MEMBERSHIP AND POSITIONS AT ANY OTHER JOINT STOCK COMPANIES	THEIR OTHER IMPORTANT REGULATORY, GOVERNMENTAL OR COMMERCIAL POSITIONS.
Mr. Abdulla Rashed Jasem AlAbdouli	Board Member	Non-executive 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 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	4 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	10 Years	-	-
Mr. Mohamed Ghobash Ahmed Al Marri	Board Member	Non-executive Independent	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	4 Years	Director of Fidelity United Insurance Company	-

NAME	POSITION	CATEGORY	EXPERIENCES	QUALIFICATIONS	THE DURATION OF HIS/HER TENURE AS A COMPANY BOARD MEMBER.	THEIR MEMBERSHIP AND POSITIONS AT ANY OTHER JOINT STOCK COMPANIES	THEIR OTHER IMPORTANT REGULATORY, GOVERNMENTAL OR COMMERCIAL POSITIONS.
Mr. Yaser Abdulla Mohammed Al Ahmed	Board Member	Non-executive Independent	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)	4 Years	N/A	Head of Government Communication Department at Ras Al Khaimah Economic Zones
Ms. Mouza Mohamed Majed Al Zaabi	Board Member	Non-executive Non-Independent	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	1 Year	N/A	Chief Executive Officer of Mozaabi Real Estate

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 2023**
   The total remunerations paid to chairman and members of the board of directors for the fiscal year ending on December 31, 2023 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, 2024, after deducting all depreciation and reserves. The board members propose to the General Assembly the distribution of remuneration for the year 2024, amounting to AED 8 million.
3. **Allowances for attending meetings of the board' committees for the fiscal year 2024**

			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 OF ALLOWANCE VALUE	NUMBER OF MEETINGS
1	Abdulaziz Abdullah Al Zaabi	Board Chairman	-	-	-	-	-
2	Mr. Mohamed Ali Mussabeh Al Nuaimi	Chairman of the Audit Committee / Chairman of the Nominations and Remuneration Committee	-	10,000 2 sessions as Nominations Committee Chairman 5,000 1 session as Nominations Committee Member	10,000 5 sessions as Audit Committee Chairman	75,000	8
3	Mr. Abdulla Rashed Jasem AlAbdouli	Chairman of the Executive and Investment Committee	10,000 5 sessions as Executive Committee Chairman	-	-	50,000	5
4	Sheikh Ahmed Omar Abdulla Al Qasimi	Member of the Nominations and Remuneration Committee / Member of the Executive and Investment Committee	5,000 5 sessions	5,000 2 sessions as a member of the Nominations Committee 10,000 1 session as Chairman of the Nominations Committee	-	45,000	8

			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 OF ALLOWANCE VALUE	NUMBER OF MEETINGS
5	Mr. Mohamed Ghobash Ahmed Al Marri	Member of the Nominations and Remuneration Committee / Member of the Executive and Investment Committee	5,000 5 sessions	5,000 2 sessions	5,000 1 session	40,000	8
6	Mr. Yaser Abdulla Mohammed Al Ahmed	Member of the Audit Committee / Member of the Executive and Investment Committee	5,000 5 sessions	5,000 1 session	5,000 5 sessions	55,000	11
7	Ms. Mouza Mohamed Majed Al Zaabi	Member of the Audit Committee / Member of the Nominations and Remuneration Committee	-	5,000 2 sessions	5,000 4 sessions	30,000	6

4. **Allowances, salaries or additional fees received by board members other than committee attendance allowances for the fiscal year 2024**
   There are no allowances, salaries or additional fees received by the board members for the fiscal year ending on December 31, 2024.

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 7 meetings during the fiscal year ending on December 31, 2024, as shown in the following table:

NO.	MEETING DATE	PERSONAL ATTENDANCE	ATTENDANCE BY PROXY	NAMES OF ABSENT MEMBERS/ SENT THEIR APOLOGIES
First	12/02/2024	6	-	Mr. Yaser Abdulla Mohammed Al Ahmed
Second	20/03/2024	7	-	-
Third	08/05/2024	7	-	-
Fourth	15/07/2024	6	-	Mr. Yaser Abdulla Mohamed Al Ahmed
Fifth	07/08/2024	7	-	-
Sixth	06/11/2024	7	-	-
Seventh	23/12/2024	7	-	-

6. **Board Decisions passed by circulations during the fiscal year 2024**
   No decisions were passed by circulation during the fiscal year 2024.

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 Moussbeh 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 2024.
- **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 22 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:

1. Review the financial and accounting policies and procedures in the company.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. Ensure that the Board of Directors responds in a timely manner to the clarifications and essential issues raised in the auditor's letter.
11. Review and evaluate the internal control and risk management systems in the company.
12. Discuss the internal control system with the Board of Directors and ensure its effective implementation in establishing a robust internal control framework.
13. 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.
14. Review the auditor's assessment of internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.

15. Ensure the availability of the necessary resources for the internal audit department and review and monitor the effectiveness of that department.
16. Examine the internal audit reports and follow up on the implementation of corrective measures for the observations contained therein.
17. 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.
18. Monitor the company's compliance with the rules of professional conduct.
19. 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.
20. Ensure the application of the work rules for its tasks and the powers assigned thereto by the Board of Directors.
21. Submit the report and recommendations to the Board of Directors on the above-mentioned matters.
22. Consider any other topics determined by the Board of Directors.

- **Audit Committee's Meetings during 2024**

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 4 meetings during the fiscal year ending on December 31, 2024, with all its members attending in person, as shown in the following table:

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	08/02/2024	3	-
Second	08/05/2024	3	-
Third	05/08/2024	3	-
Fourth	05/11/2024	3	-
Fifth	06/12/2024	3	-

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.

		AREA OF FOCUS	ACTIONS TAKEN BY THE COMMITTEE
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 future cash flows, inflation rates and future salary increases.	The valuation assumptions prepared by external experts and adopted by management were considered in the 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 internal control 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 Control Department to discuss necessary corrective actions and ensure effective implementation by the relevant department heads.

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.

   Since 2019, the Audit and Risk Committee has approved a risk-based internal audit plan covering a two-year period. Before 2019, the Committee had approved an annual audit plan and instructed the Internal Control Department to conduct special audits or investigations in specific areas as needed on a monthly basis in the monthly activity report and at the quarterly Audit and Risk Committee meetings, where the Head of Internal Control Department provides a status update on all ongoing and completed audits for that quarter, as well as the progress of the internal audit plan's implementation. Additionally, the Committee reviews the findings of all high-risk and medium-risk internal audit reports issued by the Internal Control Department, along with the status of agreed action plans. It also directs management to implement all audit recommendations within the agreed timeframes through the relevant department heads.

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 2024

- **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	Indpendent

- **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.

5. **Nominations and Remuneration Committee's Meetings during the year 2024**
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 3 meetings during the fiscal year ending on December 31, 2024, as shown in the following table:

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	24/01/2024	4	-
Second	18/04/2024	4	-
Third	31/07/2024	4	-

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. Maan Abdul Karim - 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 2024.
  - 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 maintaining 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.

- **Summary of the Committee's work report during the year 2024**

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. Abdulla Rashed Jasem Al Abdouli - 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 2024.
- Names of members of the Executive Committee, and details of the tasks and responsibilities of the committee:

NAME	POSITION
Mr. Abdulla Rashed Jassem Al Abdouli	Chairman
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.

- **Meetings of the Committee during 2024**

MEETING NUMBER	MEETING DATE	PERSONAL ATTENDANCE OF MEMBERS	ABSENTEES
First	03/04/2024	4	-
Second	15/05/2024	4	-
Third	06/06/2024	4	-
Fourth	06/08/2024	4	-
Fifth	21/10/2024	4	-

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 2024.

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.

H. Details of transactions made with related parties (stakeholders) during the year 2024

STATEMENT OF THE RELEVANT PARTY	THE NATURE OF THE RELATIONSHIP	TYPE OF TRANSACTION	TRANSACTION VALUE
Mr. Sameh Al - Muhtadi CEO	purchasing a residential unit in 2024	purchasing a residential unit	4.6 million dirhams

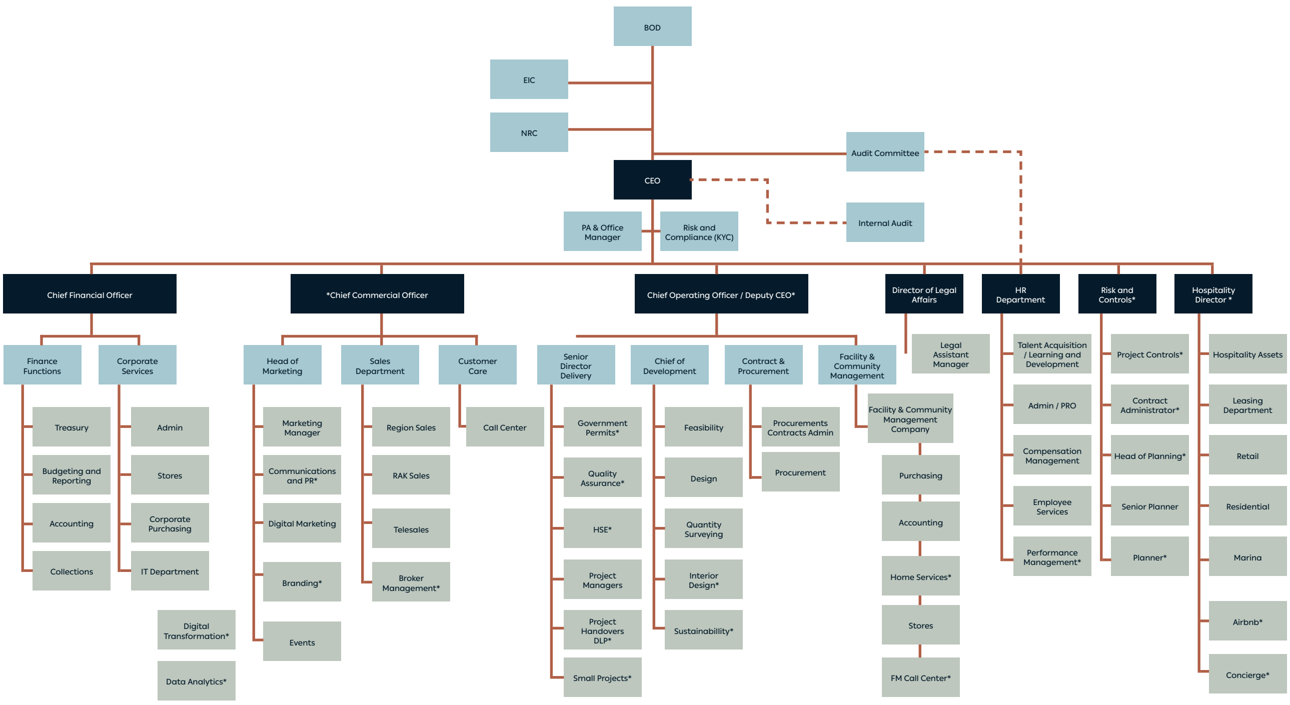
Fifth: Board of Directors Evaluation

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/ر.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 2024 will be either through the Chairman of the Board of Directors of the company or through the Nominations and Remuneration Committee.

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 2024:

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
Chief Executive Officer	August 2022	2, 348,808	To be brought before the Nominations and Remuneration Committee	-
Chief Financial Officer	November 2023	1,050,000	To be brought before the Nominations and Remuneration	-
Head of Corporate Services Department	August 2017	863,454	To be brought before the Nominations and Remuneration	-
Head of Legal Affairs Department	October 2019	637,956	To be brought before the Nominations and Remuneration	-

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 it with 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.

- **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	2 years
Number of years the partner auditor has been auditing the company's accounts	year
Total Audit Fees for the year 2024 (AED)	Total Audit Fees for the year 2024 (AED)
Fees and costs for other special services other than the audit of the financial statements for the year 2024 "AED"	240,000 dirhams
Details and nature of other services provided	- the company's capital - agreed upon Procedures (AUP) to confirm the cost of shared infrastructure incurred for the Mina Al Arab Project to estimate the allocation of Sheikh Omar's plot.
Statement of other services provided by an external auditor other than the company's auditor during the year 2024	-

- **External auditor's reservations on the interim or annual financial statements for the year 2024**

There are no reservations by the external auditor regarding the interim or annual financial statements for the year 2024.

Eighth: Control System Interior

The Internal Audit Department enjoys complete independence in performing its tasks and is directly subordinate to the Board of Directors and the Audit Committee. The Internal Audit Department implements audit and oversight policies and contributes to the proper application of governance rules in the company. It also verifies the company's and its employees' compliance with the provisions of applicable laws, regulations and decisions that regulate its work, organizes internal policies and procedures, reviews financial statements, and reviews accounting policies and practices.

The Internal Audit Department has full authority to access all the company's documents, records, data and transactions of its employees. The Internal Audit Department shall take appropriate measures to ensure the accurate implementation of the decisions and directives issued by the Board of Directors or its Chairman and Committees to the Executive Management. According to the governance issued by the Board of Directors, all departments and employees must cooperate permanently with the Internal Audit Department. The most important objectives, tasks and powers of the Internal Audit Department determined by the Board of Directors are as follows:

- **Values: The Director and employees of the Internal Control Department shall do the following:**
    - Doing the utmost in professionalism, honesty and ethics
    - Building up strong and effective relationships through mutual respect and teamwork
    - Developing partnership with all company employees during the audit and advisory services process.
    - Recruiting and training individuals with appropriate expertise.

- **Scope of work:** The The Internal Control Department participates with the management, the internal community of the company and various parties in contributing to achieving the company's objectives and supporting them in adhering to policies, rules and procedures.

  The Internal Control Department works to pay attention to risk areas that have a significant impact on the company. The Internal Control Department must also have sufficient flexibility to react to changing circumstances. Specifically, the Internal Control Department evaluates the extent of the company's internal control, monitoring and risk management system to ensure that:
  - Risks have been identified and managed appropriately.
  - Important administrative, financial and operational information is accurate, reliable and timely demonstrating integrity.
  - The employees adhere to policies, laws and instructions.
  - Materials are economically procured, efficiently used and adequately protected.
  - Programs, plans and goals are achieved with the required effectiveness
  - Continuous quality and development of the company's control process
  - Legislative and regulatory requirements that have an impact on the company have been properly managed.

- **Accounting:** The Director of Internal Control shall be responsible for performing his duties before the Board of Directors of the Company through the Audit Committee. He shall also be responsible for submitting audit reports to the Acting CEO. This responsibility includes the following:
  - Regularly verify the accuracy and efficiency of the company’s internal control and monitoring in the activities that fall within the scope and tasks of the audit.
  - Report on important issues with information on appropriate decision of such issues and make recommendations for improving operations in activities related to such issues.
  - Provide periodic information on the status and results of the annual audit plan and on the adequacy of internal control management tools.
  - Coordinate with other supervisory and regulatory functions, both internal and external, including all areas such as risk management, compliance control, security, laws, ethics and environmental and external auditing.

- **Powers:** The Director and the staff of internal control have the following powers:
  - Unrestricted access to all functions, records, properties and employees.
  - Allocating internal control management resources, selecting tasks, defining the scope of internal control work, and applying the techniques necessary to achieve audit objectives.
  - Obtaining the necessary assistance from employees in the company’s various departments when conducting the audit, in addition to other specialized services from within or outside the company.

- **Independence:** There is no interference in internal control activity in terms of determining the scope of internal control or performance of work and reporting results. To achieve the independence of the internal control management, the management employees are responsible to the internal control manager who is directly responsible to the audit committee coming out directly of the board of directors and he has full and independent authority to deal with any individual within the company to perform his duties.

- **Information and confidentiality:** The information obtained by auditors through their audit provides a reliable basis for the audit process and the submission of reports and recommendations. The audit worksheets containing this information are the property of the company while these sheets remain under the supervision of the Internal Control Department and can be accessed only by authorized individuals.

- **Responsibilities:** The Director and staff of the Financial Control Department are responsible for:
  - establishing policies for internal control activity and the manager is responsible for the technical or administrative implementation of those policies.
  - developing the annual audit plan using an activity-based risk identification approach and submitting that plan to the Audit Committee and the Chairman for executive review and approval.

- implementing the annual audit plan, as approved by the Committee, incorporating any special tasks or duties required by management and the Committee.
- creating and implementing comprehensive work programs to cover all audit areas mentioned in the annual plan, and evaluating and developing the company's internal control and regulatory activities.
- Continuously re-evaluating the audit plan based on changing circumstances and making adjustments.
- issuing audit reports to the CEO and other directors on the results of audit activities.
- informing the Acting CEO and the Audit Committee of current trends and successful practices in the field of internal control in the company.
- reporting to the Audit Committee on internal control activities and critical issues at periodic meetings.
- following up on comments sent to management and evaluating corrective actions taken.
- conducting close follow-up to ensure the implementation and effectiveness of the corrective actions taken.
- considering the scope of work of external auditors and external bodies as is necessary for the purpose of comprehensiveness of the company's audit process.
- assisting in conducting investigations into acts of dishonesty within the company and notifying the acting CEO, the Audit Committee and other directors of the results. assisting official authorities in various allegations (if necessary).
- providing consulting services to assist the management in achieving its objectives and addressing various issues, which may include designing new systems, training and initiatives.
- participating in various committees, compliance monitoring tasks and systems development tasks to provide the company with guidance to address potential issues and areas of weakness.
- conducting an evaluation of the company's important functions, as well as evaluating changes and innovations in the company's operational systems, services, main systems and control systems, while working to develop assistance in implementing these changes.
- performing all requirements related to internal control matters assigned by the Board of Directors.

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**
  The position of Internal Control Manager is held by Mr. Usman Zishan, holding a bachelor's degree in commerce in 2002. He is on the Board of Directors and has more than 17 years of experience in internal auditing. The Board of Directors continuously reviews the internal audit system to ensure its effectiveness and the achievement of its objectives.

- **Compliance Officer's Name and Qualifications**
  It was decided to appoint Ms. Duaa Masoud Al-Mahri as Compliance Officer for the fiscal year 2024. 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.

- **How the internal audit department deals with any major challenges in the company**
  The Internal Audit Department evaluated the company's risk management methods and procedures, reviews the systems followed regarding internal policies, ensures the implementation of governance rules, continuously verifies the company's compliance with laws and decisions, and submits periodic reports to both the Board of Directors and the Audit Committee.

  The Internal Audit Department deals with any challenges in the company independently and objectively by informing the Audit Committee and the Senior Executive Management of the potential challenges and risks and proposing the necessary steps to address them, ensuring that they are not repeated and following up with the Senior Management to ensure that the procedures and decisions taken are implemented. The company also supports a policy for reporting violations that allows any employee, customer or supplier to report any financial, professional, legal or ethical violations in complete confidentiality.

- **Number of reports issued by the Internal Audit Department to the Company's Board of Directors**
  The Internal Audit Department submitted 18 reports on the Internal Audit Department to the Board of Directors during the year 2024.

Ninth: Violations during the year 2024

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 2024, 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 2024 as follows:

Emirates Red Crescent Society	50,000
Shaml Association for Popular Arts and Theater	15,000
Al-Ihsan Charity Association	50,000
Ajman Club for the Disabled	10,000
Ras Al Khaimah Charity Association	1,000,000
Global Citizen Forum	330,750
Ras Al Khaimah Arts Festival	100,000
Arab Warrior Event	600,000
TOTAL	**2,155,750**

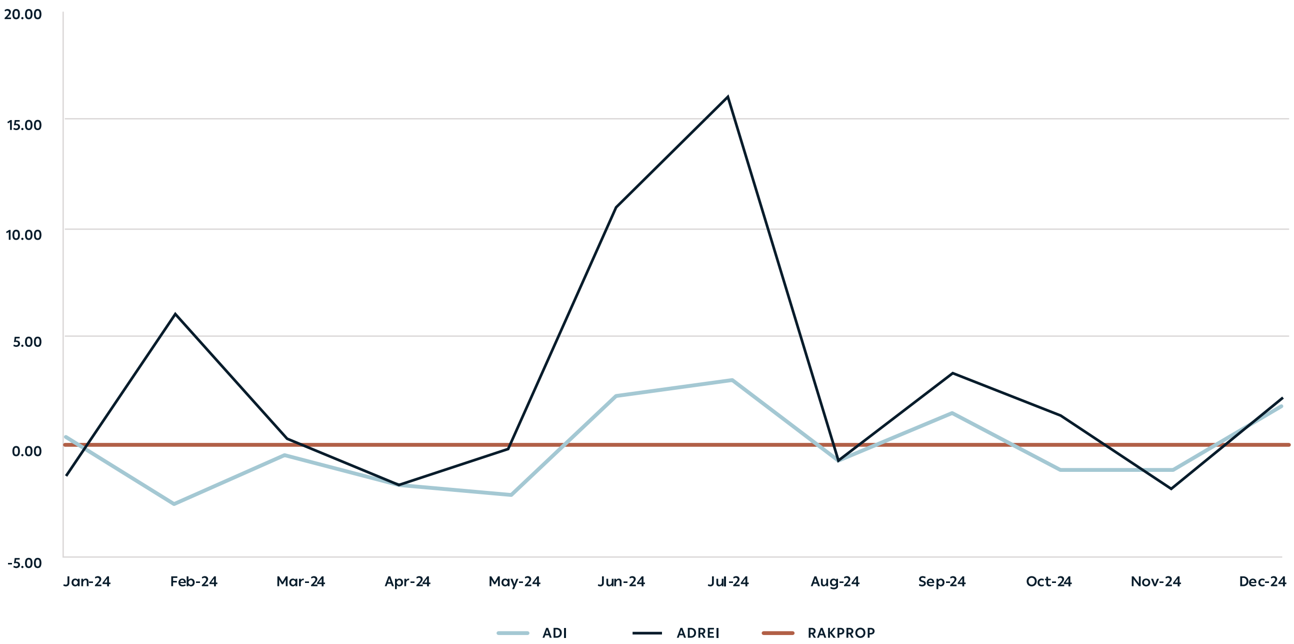
Eleventh: General Information

- **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 2024**

MONTH	HIGH PRICE (AED)	LOWEST PRICE (AED)	CLOSING PRICE (AED)	TRADING VOLUME (AED)	TRADING VALUE (AED)
January	1.330	1.310	1.310	2,526,401	3,323,242.330
February	1.390	1.260	1.330	211,356,681	283,971,276.760
March	1.360	1.230	1.250	88,511,812	117,103,952.190
April	1.280	1.160	1.220	57,753,622	70,249,595.770

MONTH	HIGH PRICE (AED)	LOWEST PRICE (AED)	CLOSING PRICE (AED)	TRADING VOLUME (AED)	TRADING VALUE (AED)
May	1.240	1.130	1.140	80,891,048	96,138,626.670
June	1,200	1.060	1.060	92,106,845	102,660,437.820
July	1.120	1.040	1.070	135,670,266	146,562,455.620
August	1.090	0.992	1.070	79,306,078	82,687,469.750
September	1.210	1.060	1.190	289,985,917	335,954,084.070
October	1.270	1.150	1.190	220,000,863	265,911,878.930
November	1.180	1.080	1.110	128,724,099	144,828,064.800
December	1.150	1.030	1.140	85,665,788	92,636,527.940

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



- Distribution of the company's shareholders' ownership as of 31 December 2024

SHAREHOLDER / INVESTOR	INDIVIDUALS		COMPANIES		GOVERNMENT		TOTAL	
	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO	NUMBER OF SHARES	RATIO
Local	790,571,918	26%	603,639,849	20%	1,026,677,836	34%	2,420,889,603	80%
Arab	211,291,759	7%	82,475,507	3%	-	-	293,767,266	10%
Foreign	88,284,831	3%	197,058,300	7%	-	-	285,343,131	10%
TOTAL	**1,090,148,508**	**36%**	**883,173,656**	**29%**	**1,026,677,836**	**34%**	**3,000,000,000.00**	**100%**

- Shareholders who own (5%) or more of the company's capital as of 31 December 2024

S/N	SHAREHOLDER'S NAME	NUMBER OF SHARES OWNED	PERCENTAGE OF SHARES OWNED FROM CAPITAL
1.	RAK Government	1,025,057,905	34%
2.	United Al Saqer Group LLC	225,847,307	8%

- Shareholders who own (5%) or more of the company's capital as of 31 December 2024

S	STOCK (SHARE) OWNERSHIP	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES OWNED	PERCENTAGE OF CAPITAL
1.	Less than 50,000	12010	113,600,962	4%
2.	50,000 to less than 500,000	1116	179,859,273	6%
3.	500,000 to less than 5,000,000	350	501,023,697	17%
4.	More than 5,000,000	64	2,205,516,068	74%
	TOTAL	**13,540**	**410,548,410**	**100%**

- **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 20 March 2024, the General Assembly approved the following:

1. Increasing the company's capital by issuing 920 million shares at a nominal value of one dirham, with a total issue value of 920 million dirhams, in favor of the Ras Al Khaimah government as a strategic shareholder. This raises its shareholding in the company from 5% to approximately 34% after the increase, after obtaining the approval of the Securities and Commodities Authority.

2. Amending Article (6) of the company's articles of association to be consistent with the amendment of the company's capital after the increase.
3. Providing voluntary contributions for community service purposes, provided that voluntary contributions do not exceed (2%) of the company's average net profits during the two fiscal years (2022/2023), 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.

- **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 2024:**
  - Increasing the company's capital by issuing 920 million shares at a nominal value of one dirham, with a total issue value of 920 million dirhams, in favor of the Ras Al Khaimah government as a strategic shareholder. This raises its shareholding in the company from 5% to 34% after the increase.
  - Amending Article (6) of the company's articles of association to be consistent with the amendment of the company's capital after the increase.
- **Transactions made by the company during the year 2024 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 2024 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
2022	18.1%
2023	18.3%
2024	21.3%

- **Innovative projects and initiatives which the company has carried out or is being developed during the year 2024:**
- There are no innovative projects or initiatives undertaken by the company or being developed during the year 2024.

H.E Abdulaziz Abdulla Al Zaabi	**Mr. Mohamed Ali Mussbeh Al Nuaimi**	**Mr. Usman Zishan**
Chairman of the Board of Directors	Chairman of the Audit & Risk Committee Chairman of the Nominations & Remuneration Committee	Head of Internal Control Department

SUSTAINABILITY REPORT 2023

SUSTAINABILITY REPORT 2024
RAK PROPERTIES P.J.S.C.

ABOUT THIS REPORT
(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

The 2024 Sustainability Report reflects RAK Properties' dedication to advancing sustainable development while aligning with global best practices in Environmental, Social, Economic, and Governance topics. The report underscores the organization's key achievements, measurable progress, and future ambitions in these critical areas.

2024 REPORTING SCOPE

This year's RAK Properties PJSC Sustainability Report provides a comprehensive overview of the organization's activities, initiatives, and programs between January 1 and December 31, 2024. Where relevant, the report also incorporates historical data and references from prior years to provide a contextual understanding of the organization's sustainability journey and demonstrate progress over time.

REPORT BOUNDARY

The reporting boundaries extend across all RAK Properties PJSC operations within the United Arab Emirates (UAE), ensuring a comprehensive and transparent representation of our sustainability endeavours.

Table 1: Reporting Boundary

OPERATING FACILITY	TYPOLOGY	LOCATION/ EMIRATE	COUNTRY
Mina Al Arab Community	Residential, Hospitality, and Retail	Ras Al Khaimah	UAE
Julphar Towers	Residential, Office, and Retail	Ras Al Khaimah	UAE
Julphar Residence	Residential	Abu Dhabi	UAE

REPORTING GUIDELINES
The 2024 Sustainability Report has been developed following the Global Reporting Initiative (GRI) Standards, reinforcing RAK Properties PJSC's commitment to transparency, accountability, and adherence to internationally recognized reporting practices. The report also aligns with:

- Abu Dhabi Stock Exchange (ADX) ESG Disclosure Guidance: Ensuring compliance with the ESG requirements for listed companies and strengthening investor confidence by addressing key Environmental, Social, and Governance (ESG) factors.
- The United Nations Sustainable Development Goals (SDGs): Highlighting how RAK Properties contributes to global sustainability priorities through its initiatives and strategies.

REPORTING INTEGRITY

Rigorous measures have been implemented throughout the development process to uphold the integrity and credibility of the 2024 Sustainability Report.

- Thorough Internal Review: The report has undergone a detailed review by relevant internal departments to ensure accuracy, completeness, and alignment with organizational objectives and reporting standards.
- Verified Financial Data: The financial data included in the report has been sourced directly from the annual Financial Statements, which a reputable third-party firm independently audited. This ensures the accuracy and reliability of the financial information disclosed.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that inherently involve a degree of uncertainty. These statements are influenced by external factors and circumstances beyond the company's control, including market dynamics, economic conditions, and regulatory changes. RAK Properties is not obligated to publicly update or revise any forward-looking statements unless required by applicable laws and regulations.

COMMUNICATION & FEEDBACK

We highly value stakeholder input and welcome feedback or suggestions regarding the content of this report. Please feel free to reach out to us at: +971 7 228 4777

CEO'S MESSAGE

(GRI 2-2, GRI 2-14)

RAK Properties has been dedicated to pioneering sustainability since our inception in 2005 in the northern region of the United Arab Emirates. Through the development of the Mina Al Arab Community in Ras Al Khaimah, we have positioned ourselves as a leader in sustainable real estate. This commitment to sustainable development has not only established RAK Properties as a regional leader but also extended its influence beyond the UAE, setting a benchmark for responsible and innovative real estate development.

Sustainability is a fundamental necessity for the preservation and advancement of our society. Individuals, companies, and governments alike must recognize the essential role sustainability plays in safeguarding our collective well-being and the health of the planet. Achieving true sustainability demands voluntary commitment, dedication, and consistent effort over the long term. As highlighted in our 2024 Sustainability Report, RAK Properties is making significant strides in this journey, demonstrating our ongoing commitment to integrating sustainable practices into every aspect of our business operations.

We are inspired by the leadership of the Ras Al Khaimah Government, which has become a trailblazer in sustainability across the Middle East. Their efforts have led the Emirate to secure Silver Certification under the EarthCheck Sustainable Destinations program. HH Sheikh Saud bin Saqr Al Qasimi, UAE Supreme Council Member and Ruler of Ras Al Khaimah, personally presented the RAK Energy Summit 2024, which is a testament to the government's unwavering commitment to sustainability. By maintaining strong relationships with local municipal authorities, we ensure that our projects align with the Emirate's growth strategies and contribute to its long-term vision. At RAK Properties, we are fully aligned with the RAK Energy Efficiency and Renewables Strategy 2040, which reflects our commitment to building a sustainable future.

We recognize the critical importance of creating a community that focuses on health and well-being for improving the overall quality of life through a thoughtful, holistic approach to urban planning and development. By creating spaces that prioritize mental and physical health, sustainable practices, and inclusiveness, we foster a thriving, resilient community that enhances the overall well-being of all stakeholders.

Sustainability is a core principle that guides every aspect of our work. At RAK Properties, we are dedicated to embedding sustainable practices into every phase of our projects, from construction and operation techniques to our Environmental, Social, Economic, and Governance initiatives and Corporate Social Responsibility programs. RAK Properties has taken numerous initiatives to promote sustainability, such as preserving mangroves, implementing effective waste management solutions, creating walkable communities, and adopting measures to reduce energy and water consumption. We also ensure that most of our irrigation water comes from treated sewage effluent further minimizing our environmental impact.

We are dedicated to aligning our efforts with the global sustainability agenda, including the United Nations Sustainable Development Goals (SDGs) and National Vision for progress. Through rigorous measurement and reporting, we track our contributions to these goals, ensuring that our actions not only meet but exceed expectations, creating a positive and lasting impact on our communities. By staying focused on these objectives, we remain committed to fostering sustainable development that benefits both current and future generations.

Our contributions to Ras Al Khaimah's economic landscape extend far beyond bricks and mortar. Through job creation, development of accessible housing, and delivery of innovative co-living and co-working spaces, we are fostering sustainable growth that benefits the wider community. Additionally, our leadership in the hospitality sector plays a pivotal role in shaping the region's economy by attracting investment, tourism, and business opportunities. By engaging strategic partnerships with hospitality sector leaders such as Anantara Resorts, Nikki Beach Resorts, Intercontinental Group, etc. RAK Properties is driving progress that enhances the social and economic well-being of Ras Al Khaimah, creating long-term value for all. With ambitious plans to launch over 5,000 residential units, we are poised to play a leading role in shaping the future of urban living in Ras Al Khaimah.

We are committed to protecting biodiversity in our developments by carefully considering the significance of the surrounding land, particularly the mangroves. We recognize the critical role mangroves play as natural habitats for marine organisms, fish, and the nesting areas for both local and migratory birds in the lagoons and wetlands. Another initiative undertaken includes creating a turtle egg hatchery facility to protect endangered turtle species and their habitats. In addition to that, the new Mangrove Discovery Centre in Anantara Hotel offers a unique opportunity to educate and engage hotel guests about the critical importance of mangrove ecosystems and protecting biodiversity.

As we look to the future, we remain steadfast in our commitment to sustainability, continuously adapting to meet new challenges and surpass expectations. We are deeply grateful to our stakeholders for their active collaboration and support, which has been instrumental in driving our progress. Together, we will continue this journey toward a more sustainable and prosperous future, ensuring that our efforts benefit not only the present but also the generations to come.

Sameh Al Muhtadi,

Chief Executive Officer

KEY ESG HIGHLIGHTS

2024 ESG highlights

RAK Properties is committed to driving sustainable growth through strong Environmental, Social, and Governance (ESG) practices that create lasting value for all stakeholders. Below are the key highlights for the year:

EMIRATIZATION MILESTONE

Surpassed **21.3%** In 2024

CONTINUOUS LEARNING CULTURE

Averaging **7.3** Training Hours Per Employee

CONSISTENT EMPLOYEE CONTENTMENT

93% Satisfaction Rate in 2024

ENVIRONMENTAL STEWARDSHIP

Recycling **404,103 M³** of Water, and **190 MT** of Non-hazardous Waste

ABOUT RAK PROPERTIES

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

COMPANY PROFILE & OVERVIEW:

RAK Properties stands as the leading real estate developer in the Northern Emirate of Ras Al Khaimah, embodying the vision of H.H. Sheikh Saud Bin Saqr Al Qasimi, who founded the company in 2005. From its inception, the company has been committed to driving real estate growth in the Emirate, shaping its modern identity with contemporary properties designed to meet the evolving needs of local communities.

A Legacy of Excellence Over 20 Years

For nearly two decades, RAK Properties has solidified its position as the residential and commercial real estate market leader. The company's developments have been recognized for their remarkable architecture, sustainable design, and high-quality construction. The company's key milestone includes Julphar Towers, a landmark development in Ras Al Khaimah, and Mina Al Arab, a transformative waterfront community housing luxury residences and world-class hospitality projects such as InterContinental Mina Al Arab Resort & Spa, and Anantara Mina Al Arab Resort. These projects have significantly contributed to the Emirate's modern identity and established RAK Properties as a trusted name in the industry.

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, manages overarching company operations.
- Mina Al Arab Headquarters: An on-site office overseeing activities in the Mina Al Arab area.

Together, these offices support a dynamic workforce of 221 full-time professionals, committed to driving the company's continued growth and success.

Company's Vision and Mission
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.

VISION

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.

MISSION

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.

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

OUR VALUES

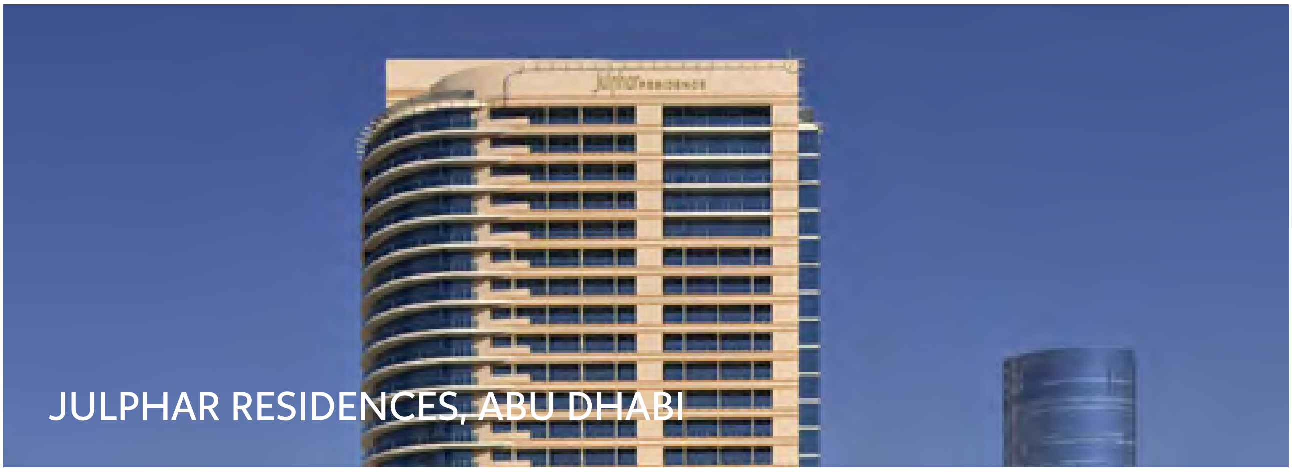
COMMUNITY CENTRIC	VALUE-DRIVEN	RESPONSIBLE AND ACCOUNTABLE	EXCELLENCE	SUSTAINABILITY
Our focus is on creating environments where individuals can connect, grow, and flourish.	Our dedication to the betterment of society and the preservation of our planet, ensures that we leave a legacy of positive change.	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.

W hile we continue to advance our leadership in residential real estate, we are equally committed to expanding our presence and influence in the commercial, retail, and hospitality sectors.

DESTINATION



RESIDENTIAL


MARBELLA VILLAS

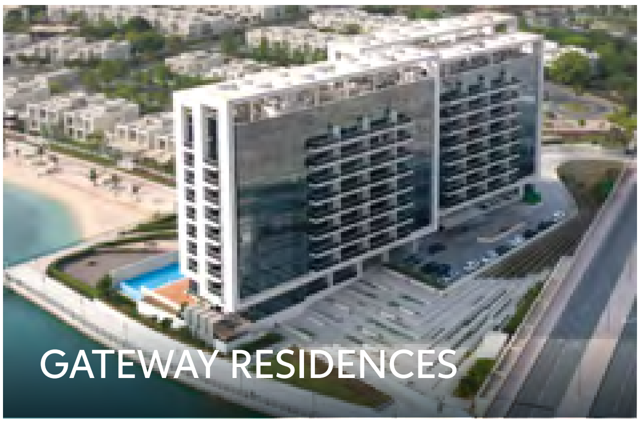

MALIBU VILLAS


BERMUDA VILLAS


FLAMINGO VILLAS

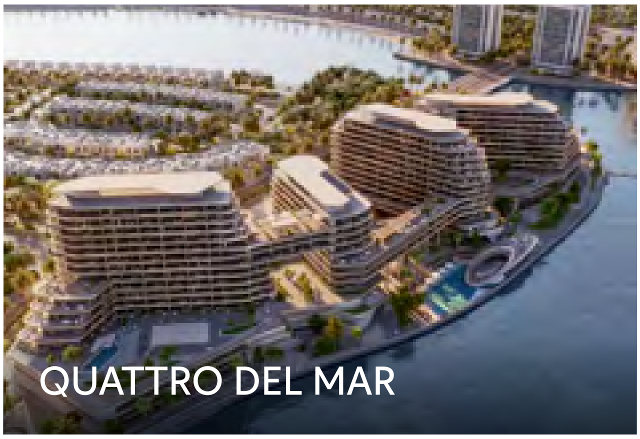

GRANADA VILLAS


BAY RESIDENCES


GATEWAY RESIDENCES


BAYVIEWS

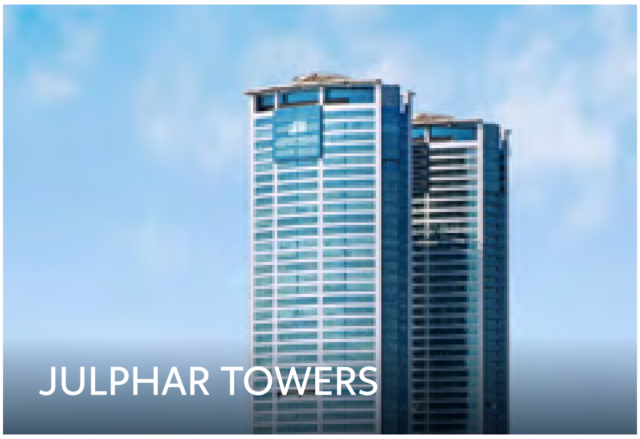

CAPE HAYAT


QUATTRO DEL MAR

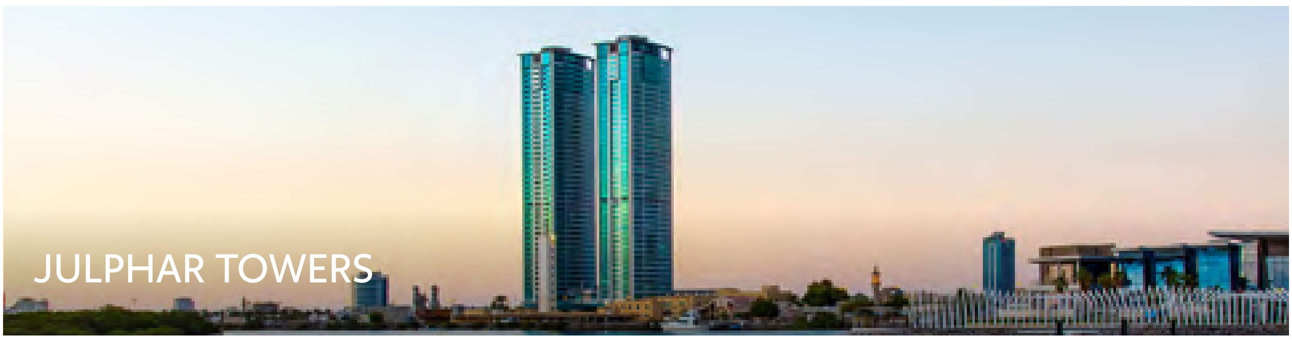

EDGE


LAGOON VIEWS

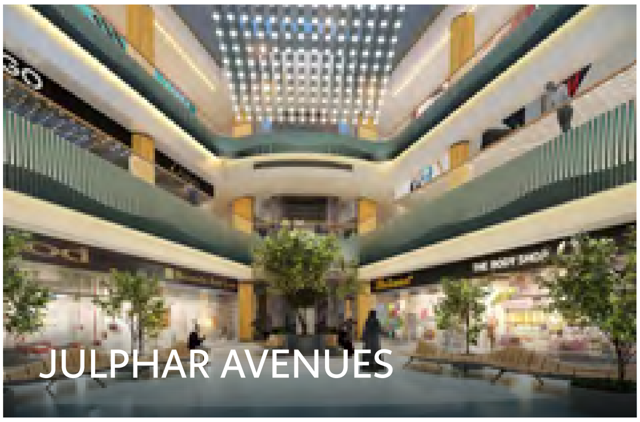

RAK TOWER


JULPHAR TOWERS

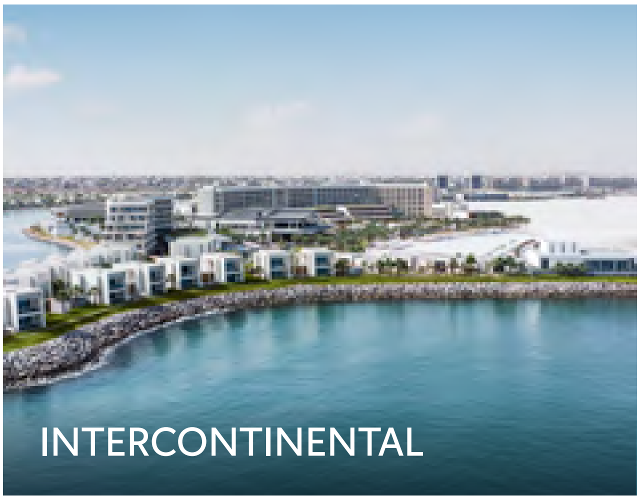
COMMERCIAL


JULPHAR TOWERS

RETAIL



PARTNER HOTELS



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.

RAK Properties is dedicated to sustainability and ESG principles, which are a central focus for both our Board of Directors and Executive Management team. Our leadership team is fully committed to driving environmental responsibility and sustainable growth across all our developments. This commitment was reflected in our 2023 S&P Corporate Sustainability Assessment (CSA) participation, where we achieved a score of 24 out of 100, slightly above the global average of 23 in real estate management and development companies.

We are confident that our recently implemented sustainability initiatives will significantly improve our CSA score in the coming years. We recently submitted for the 2024 CSA Assessment and anticipate achieving a minimum score of 33 out of 100, marking an overall improvement of nearly 40%.

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 real estate 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.

1. Build Responsibly

Our approach involves a comprehensive transformation of our project delivery value chain, where sustainability principles are not just an add-on but are deeply embedded throughout our operations.

Our key areas of commitment are:

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.

Material Procurement: Sustainability is considered in every material we procure, aiming for the use of low-carbon, sustainable materials that have minimal environmental impact.

Construction Practices: We ensure that all practices adhere to sustainable building standards, and that waste minimization and resource optimization are prioritized.

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 materials and minimizing waste.

Biodiversity Protection: We design projects with careful consideration of their impact on surrounding ecosystems.

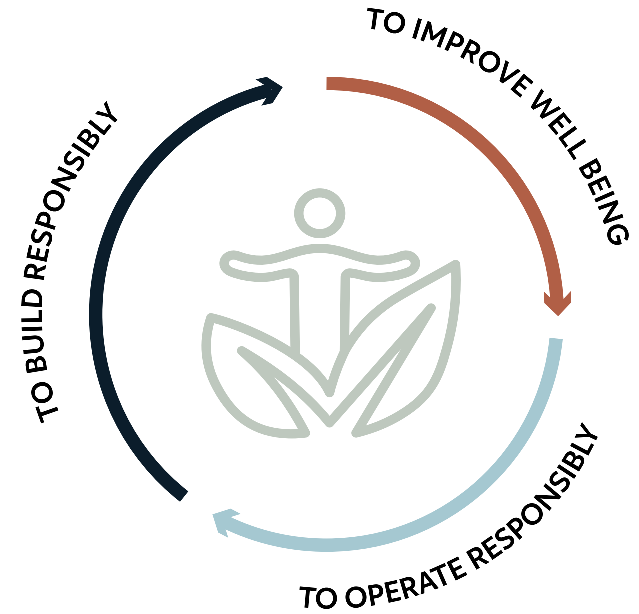


Figure 1: RAK Properties - Sustainability Principles

2. Build Responsibly

Each project is 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.

Key features of our living spaces are:

Connection with Nature: We prioritize integrating natural elements into our designs, allowing residents to feel connected to the outdoors, whether through landscaped gardens, proximity to natural surroundings, or providing ample views of the outdoors.

Wellness Areas: Our developments feature wellness-oriented spaces such as fitness centers, yoga areas, and outdoor recreational facilities, promoting mental and physical well-being for all residents

Abundant Natural Light: Each living space is designed to allow plenty of natural light, enhancing the ambiance and providing health benefits such as improved mood and productivity.

Shaded Outdoor Spaces: We incorporate shaded outdoor areas to provide comfortable spaces for relaxation and socializing while protecting residents from the heat and enhancing the quality of outdoor living.

Thoughtful Greenery: Greenery is an essential feature in our developments, with plants, trees, and landscaped gardens strategically placed to promote a calming environment, improve air quality, and enhance biodiversity.

Sustainable Mobility: We ensure that our developments are pedestrian-friendly and integrate sustainable mobility solutions, such as bicycle paths and electric vehicle charging stations, encouraging eco-friendly transportation choices.

Safety and Security: The safety and security of residents are our top priority. Our developments are equipped with state-of-the-art security systems, including surveillance, access control, and well-lit public areas to ensure peace of mind.

3. Operate Responsibly

We take a proactive approach to responsible operations. Key aspects of our responsible operations are:

Safety and Security: We adhere to RAK Municipality guidelines and implement strict safety protocols to minimize risks, ensuring that health and safety standards are consistently met across the entire operation.

Health and Well-being Guidelines: We prioritize health guidelines to protect everyone from potential hazards, contributing to a safe and secure working environment at every project site.

Supply Chain Responsibility: We work closely with local suppliers, ensuring that materials are ethically sourced and that environmental impacts are minimized.
Ethical and Responsible Sourcing: We ensure that the sourcing of materials aligns with responsible business principles and supports the broader goal of creating a sustainable built environment.

Wellness Areas: Our developments feature wellness-oriented spaces such as fitness centers, yoga areas, and outdoor recreational facilities, promoting mental and physical well-being for all residents.

STAKEHOLDER ENGAGEMENT

(GRI 2-29)

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

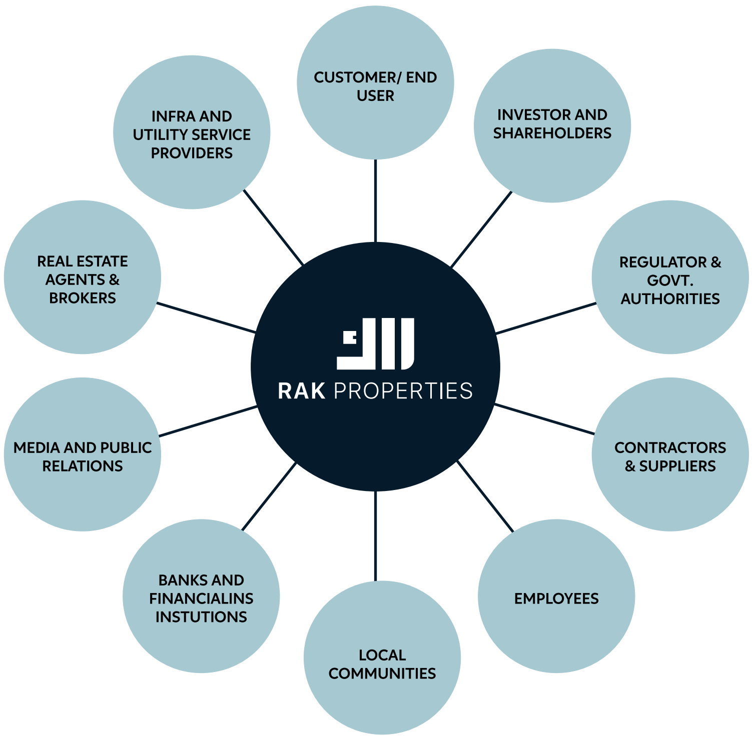


Figure 2: RAK Properties Stakeholders

The table below highlights insights into our stakeholder engagement map:

Table 2: Stakeholder Engagement

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
Regulators and Government Authorities	Local municipalities, urban planning agencies, environmental protection agencies, and real estate 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.
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.	Shape 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.

KEY STAKEHOLDERS	WHO THEY ARE	INTEREST	INFLUENCE
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.

MATERIALITY ASSESSMENT

(GRI 3-1, GRI 3-2, GRI 3-3)

The materiality assessments are conducted annually from dual perspectives and reviewed by company executive management. The outcome of the materiality assessment is integrated into the company's risk management process. We identified the following ESG topics relevant to our company operation through materiality assessment:

ENVIRONMENTAL	Climate Change Mitigation	Reducing carbon footprints across operations and developments
	Energy Efficiency	Integrating energy-saving systems and technologies in buildings.
	Sustainable Design and Construction	Promoting resource-efficient construction practices and materials.
	Water Conservation	Implementing strategies for reducing water use in projects and operational processes.
	Biodiversity Protection	Preserving and enhancing natural ecosystems surrounding developments.
	Waste Management	Prioritizing recycling, minimizing construction waste, and adopting circular economy
SOCIAL	Community Engagement and Development	Enhancing the quality of life and fostering local economic growth
	Employee Well-Being and Diversity	Ensuring a safe, inclusive, and engaging work environment
	Customer Satisfaction and Experience	Delivering high-quality, safe, and sustainable living and working spaces.
	Health and Safety Standards	Adhering to stringent protocols to safeguard workers, residents, and communities.
	Affordable Housing	Providing solutions that cater to different income levels in the UAE market.

GOVERNANCE	Ethical Business Practices	Upholding transparency, integrity, and compliance with local and international laws.
	Sustainability Governance	Strengthening oversight for ESG performance and decision-making.
	Stakeholder Engagement	Actively collaborating with customers, investors, regulators, and communities.
	Data Privacy and Security	Ensuring robust protection of stakeholder data and information systems.
	Supply Chain Responsibility	Partnering with ethical and environmentally conscious suppliers.

The material topics listed above are dynamic and evolve in response to global trends, stakeholder feedback, and regulatory developments. Many economic, environmental, and social factors heavily influence the real estate sector. Below are a few important matters recognized as part of our material assessment.

Material issues identified for Enterprise Value Creation

IMPACT ON THE BUSINESS	SIGNIFICANCE FOR VALUE CREATION
1. Climate Change and Environmental Sustainability	
Regulatory requirements: Implementing stricter energy efficiency standards, green building regulations, and carbon reduction goals to curb GHG emissions. Operational Costs: Rising energy costs and resource scarcity influence the long-term operational expenses Customer Demand: Buyers and tenants increasingly demand sustainable, energy-efficient buildings.	Sustainable buildings attract higher occupancy rates, premium rents, and enhanced market value. We reduce operational costs by embracing energy and efficiency measures. Aligning with climate goals improves brand reputation and strengthens relationships with stakeholders, particularly investors and regulatory bodies.
2. Affordability and Housing Accessibility	
Market Demand: Affordability remains a critical issue for customers. High housing costs may limit the pool of potential buyers and tenants.	Offering accessible housing fosters brand loyalty and positions the company as a socially responsible developer.
3. Stakeholder Trust and Transparency	
Investor Confidence: Transparent reporting on sustainability performance, governance practices, and financial metrics directly influences investor decisions. Regulatory Compliance: ADX-listed firms are required to disclose ESG performance aligned with the Global Reporting Initiative (GRI) framework. Community Relationships: Building trust with local communities, tenants, and employees is vital for avoiding conflicts and ensuring smooth project execution.	Transparency drives investor confidence, ensuring better access to capital markets and funding. Enhanced governance practices improve operational efficiency and resilience to regulatory or societal pressures.

Material issues identified for External Stakeholders

POSITIVE IMPACT	NEGATIVE IMPACT
1. Environmental Impact	
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 contributes to local ecosystems.	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.
2. Social Impact	
Real estate projects create jobs and improve infrastructure, boosting local economies. Addressing housing shortages by developing cost-effective housing benefits low- and middle-income families.	Large-scale developments may displace local communities or disrupt existing cultural and social systems.
3. Economic Impact	
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.	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.
4. Supply Chain Impact	
Working with local suppliers supports small businesses and reduces the carbon footprint of transportation. Implementing eco-friendly procurement policies promotes sustainable practices across the supply chain.	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.

OUR IMPACTS ON THE SUSTAINABLE DEVELOPMENT GOALS

We recognize our pivotal role in driving transformative change. Our commitment to sustainability is deeply rooted in supporting and advancing key frameworks such as the 'We the UAE 2031' Vision, the Paris Agreement, and the UN 2030 Agenda for Sustainable Development.

The UN Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals (SDGs), introduced by the United Nations in 2015, serve as a comprehensive blueprint for achieving a sustainable future. These goals address critical aspects of the global economy, environment, society, and governance. At RAK Properties, we recognize the profound relevance of the SDGs to the UAE's national sustainability agenda, including the 'We the UAE 2031' Vision.

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.

Figure 3: Sustainable Development Goals

'WE THE UAE 2031' VISION

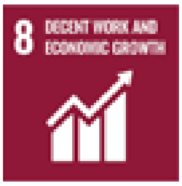
RAK Properties is uniquely positioned to contribute to four key national priorities projected by this program. Through innovative, ESG-aligned practices, we actively support the nation's ambitions, helping to attract investments, enhance community well-being, and drive environmental stewardship

ENERGY EFFICIENCY AND RENEWABLES STRATEGY 2040

Our operations and projects are strategically designed to support the achievement of sustainability initiatives with the Ras Al Khaimah Energy Efficiency and Renewables Strategy 2040, a transformative plan aimed at reducing energy consumption by 30% and increasing renewable energy adoption to 20% across Ras Al Khaimah.

Measuring Our Contribution to SDGs and National Visions

Utilizing the SDG Compass, our assessment identified 9 SDGs where RAK Properties can make a meaningful and positive impact through its operations, initiatives, and corporate vision.

SDG	SDG IMPLICATION	HOW WE CAN CONTRIBUTE
	Ensure access to affordable, reliable, sustainable, and modern energy for all	• Incorporating solar thermal, and Solar PV in new developments. • Designing energy-efficient buildings with smart technologies to monitor and reduce energy use. • Using sustainable construction materials that reduce energy consumption in buildings.
	Promote sustainable economic growth, productive employment, and decent work for all	• Employing local contractors and suppliers • Training workers in green building practices and sustainability. • Contributing to economic growth through investments in commercial properties, retail developments, and tourism infrastructure
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	• Designing communities with smart technologies • Developing urban spaces that promote economic, environmental, and social resilience.
	Ensure access to affordable, reliable, sustainable, and modern energy for all	• Designing walkable communities that reduce the need for cars. • Ensuring buildings are accessible to all, including people with disabilities. • Prioritizing green spaces, and parks to enhance the liveability and sustainability of cities.
	Ensure sustainable consumption and production patterns	• Building with recycled and locally sourced materials to minimize carbon footprint. • Installing energy-efficient systems, such as LED lighting and low-flow water fixtures. • Promoting circular economy practices.
	Take urgent action to combat climate change and its impacts	• VIncorporating solar thermal and solar PV in the development. • Promoting climate-resilient building materials and designs that minimize the impacts of extreme weather events. • Reducing energy demand through the design of energy-efficient homes and offices.
	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	• Conducting Environmental Impact Assessment before construction • Protecting natural habitats and creating parks that support biodiversity. • Sustainable land management practices that reduce habitat destruction.

SDG	SDG IMPLICATION	HOW WE CAN CONTRIBUTE
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels	• Ensuring that housing projects are accessible to low- and middle-income families. • Promoting transparency in property transactions and ensuring compliance with regulations.
17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	• Partnering with local governments to develop affordable housing projects. • Collaborating with environmental organizations to promote sustainable urbanization practices. • Integrate smart technology and digital solutions into urban developments.

GROWING OUR HUMAN CAPITAL

(GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, S1, S2, S3, S4, S5, S6, S9, S10, S11)

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. Our multifaceted approach to genuinely appreciate the employees includes providing annual increments, biannual performance reviews, year-end bonuses, support with accommodation, promoting mental health and well-being, and offering discount cards for leisure activities. Additionally, RAK Properties supports flexible work schedules, offering employees the opportunity to achieve a healthy work-life balance and contribute to a more agile and adaptive work environment.

The CEO's vision for a smooth and efficient workflow is reflected in the updated Human Resources (HR) Manual. Employees are invited to contribute to the enhancement plan by providing feedback on current policies and proposing improvements.

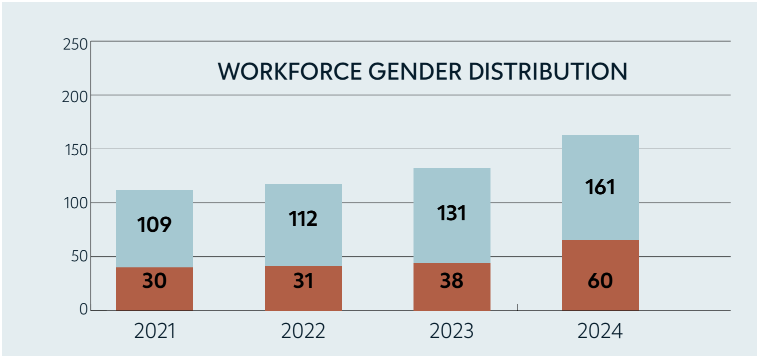
We also introduced impactful initiatives such as the Employee Welfare Loan Scheme, the Housing Loan Scheme, and the Child Education Allowance. The Employee Welfare Loan Scheme underscores our commitment to supporting our workforce during challenging times. This scheme is meticulously designed to provide crucial financial assistance, promoting overall well-being. Simultaneously, the Housing Loan Scheme outlines comprehensive guidelines for extending housing loans to employees constructing or purchasing accommodation within the UAE, facilitating convenient access to suitable housing. The inclusion of the Child Education Allowance initiative reflects our commitment to supporting our employees' families and their children's education, further reinforcing our dedication to the well-being of our valued team members.

The progressive increase in female hires in 2024 reached around 27.15% of the total workforce. This underscores RAK Properties' commitment to providing equal opportunity to both genders advancing workplace diversity and values.

YEAR	TOTAL
2O21	139
2022	143
2023	169
2024	221

161 male
72.85%

60 female
27.15%



TALENT MANAGEMENT & ENGAGEMENT

(GRI 401-1, GRI 404-3, ADX- S3)

Employee Engagement

RAK Properties is committed to actively engaging and nurturing its 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.

1. **EMPLOYEE PRODUCTIVITY**
2. **EMPLOYEE RETENTION**
3. **PROFITABILITY**
4. **EMPLOYEE ENGAGEMENT**
5. **CUSTOMER CENTRICITY**

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 employee survey findings for 2024 reveal a positive trend in employee engagement, with an overall satisfaction rate of 93%.

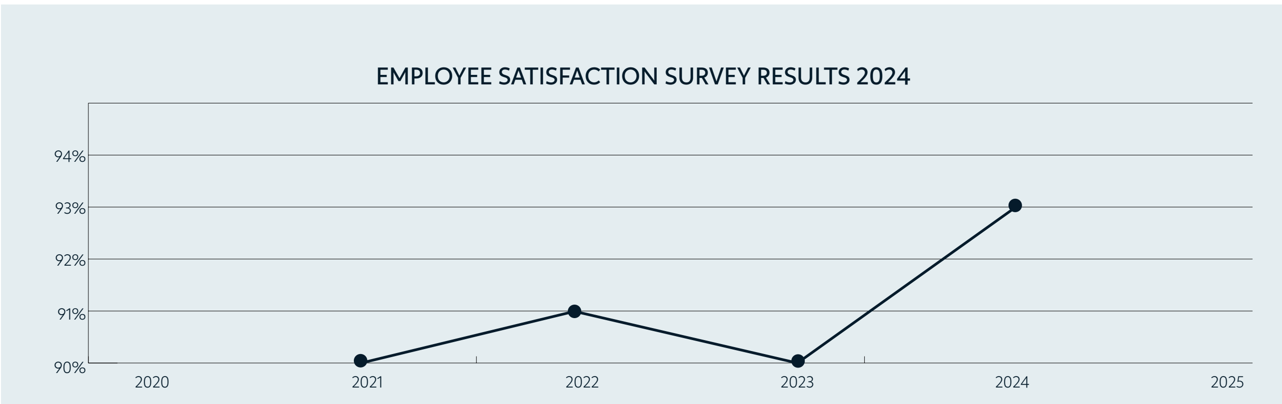


Figure 4: Employee satisfaction survey result

The employee satisfaction rate has been maintained above 90% over the past four years, demonstrating a sustained commitment to enduring dedication to creating a workplace culture that prioritizes employee well-being and satisfaction.

Employee Excellence Awards

RAK Properties 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 performances.

- 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.

Talent Management

RAK Properties is committed to being an equal-opportunity employer that actively champions diversity and inclusivity within its workforce. Emphasizing merit-based career advancement and recognition, our employees experience a workplace where their contributions are acknowledged and valued. 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.

The workforce data below reflects a positive trend in new hires across genders and age groups. 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 GENDER

	ENTRY-LEVEL		MID-LEVEL		SENIOR-TO-EXECUTIVE LEVEL	
YEAR	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2021	100	0	69.70	30.3	100	0
2022	100	0	70.41	29.59	81.82	18.18
2023	91.49	8.51	66.28	33.72	86.11	13.89
2024	76.79	23.21	65.18	34.82	84.91	15.09

EMPLOYEES BY JOB CATEGORY AND BY AGE GROUP

	ENTRY-LEVEL (%)			MID-LEVEL (%)			SENIOR-TO-EXECUTIVE LEVEL (%)		
YEAR	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
2021	20	73.33	6.67	13.13	78.79	8.08	**0**	**70**	**30**
2022	17.65	76.47	5.88	13.27	77.55	9.18	**0**	**54.55**	**45.45**
2023	21.28	72.34	6.38	13.95	79.07	6.98	**0**	**72.22**	**27.78**
2024	35.71	58.93	5.36	12.5	82.14	5.36	**0**	**73.58**	**26.42**

TOTAL NEW HIRES BY GENDER

YEAR	MALE	%	FEMALE	%	TOTAL	POSITIONS FILLED BY INTERNAL CANDIDATES, #
2021	28	75.7	9	24.3	**37**	**1**
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**

EMPLOYEES LEFT BY GENDER

YEAR	MALE	%	FEMALE	%	TOTAL
2021	29	78.4	8	21.6	**37**
2022	18	81.8	4	18.2	**22**
2023	17	81	4	19.0	**21**
2024	21	75	7	25.0	**28**

TOTAL EMPLOYEES THAT LEFT BY AGE GROUP

	BELOW 30 Y.O.		BETWEEN 30-50 Y.O.		OVER 50 Y.O.		TOTAL
YEAR	#	%	#	%	#	%	
2021	1	2.7	28	75.68	**8**	**21.62**	**37**
2022	2	9.09	16	72.73	**4**	**18.18**	**22**
2023	1	4.76	16	76.19	**4**	**19.05**	**21**
2024	5	17.86	18	64.29	**5**	**17.86**	**28**

	EMPLOYEE HIRING RATE		EMPLOYEE TURNOVER RATE	
YEAR	NEW HIRE RATE, %	AVERAGE HIRING COST/FTE, AED	TURNOVER RATE, %	VOLUNTARY TURNOVER, %
2021	26.6	3,096	26.6	73.1
2022	18.9	14,080	15.4	84.5
2023	27.8	13,919	12.4	86.7
2023	33.5	12,229	12.7	85.8

NUMBER OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY GENDER

YEAR	FEMALE, #	MALE, #	% OF TOTAL WORKFORCE
2021	30	109	100
2022	31	112	100
2023	38	131	100
2024	60	161	100

NUMBER OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW, BY JOB CATEGORY

YEAR	ENTRY-LEVEL	MID-LEVEL	SENIOR-TO-EXECUTIVE LEVEL	PERCENTAGE OF TOTAL WORKFORCE
2021	30	99	10	100
2022	34	98	11	100
2023	47	86	36	100
2024	24	144	53	100

	SHARE OF WOMEN IN MANAGEMENT POSITIONS IN REVENUE-GENERATING FUNCTIONS		SHARE OF WOMEN IN STEM-RELATED (SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS) POSITIONS	
YEAR	#	%	#	%
2024	6	17%	25	17%

	SHARE OF WOMEN IN ALL MANAGEMENT POSITIONS		SHARE OF WOMEN IN JUNIOR MANAGEMENT POSITIONS		SHARE OF WOMEN IN TOP MANAGEMENT POSITIONS	
YEAR	#	%	#	%	#	%
2024	8	23	0	0	0	0

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. The organization is committed to fair remuneration procedures, which is fundamental to this ethos.

Employee Support Programs

Afkari & Injazati Programs Enhancing Employee Retention:
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.

The instructions and proposal submission criteria for these programs ensure that ideas are realistic, acceptable, affordable, appropriate, and profitable. A rigorous quarterly review process by our committee members ensures the thorough evaluation of shortlisted proposals. Successful implementation of approved proposals is celebrated with recognition and awards from our top management, showcasing our deep appreciation for the innovative contributions made by our employees.

WORKFORCE EQUITY & INCLUSION

(GRI 202-2, GRI 405-1, GRI 413-1, ADX-S11)

Diversity & Inclusion

RAK Properties is committed to equal opportunity, actively fostering diversity and inclusivity within its workforce. As of 2024, our diverse workforce comprises individuals from 25 different nationalities, a consistent upward trend in recent years. The figure below indicates the trends of increase in nationalities in the workforce from the year 2021.

Diversified Nationalities in the Workforce

The top six nationalities employed at RAK Properties in 2024 are Emirati, Indian, Pakistani, Philippine, Jordanian, and Egyptian.

Table 3: Major Nationalities in the Workforce

NATIONALITY	% OF TOTAL EMPLOYEES	NUMBER OF EMPLOYEES
Emirati	21.27	47
Indian	43.89	97
Pakistani	7.69	17
Philippine	5.43	12
Jordanian	4.52	10
Egyptian	3.62	8

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.

Emiratization

At RAK Properties, we align closely with the UAE Ministry of Human Resources policies and objectives, particularly those aimed at enhancing employment opportunities for the nation's citizens. We are dedicated to fostering the professional growth and skills development of Emirati employees within the organization. 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 2024, RAK Properties continued to make significant strides in Emiratization. The percentage of UAE Nationals in our employee base demonstrates a consistent upward trend, reaching 21.27% by the end of the year.

Gender-wise, the distribution reflects a balanced effort, with an increase in female UAE Nationals, comprising 82.98% of the total, showcasing a positive move towards gender inclusivity. Examining the workforce across job categories, the data highlights a progressive integration of Emiratis across various levels.

Table 4: Emirati distribution in the workforce

NUMBER OF UAE NATIONALS BY GENDER

YEAR	MALE	%	FEMALE	%	TOTAL
2021	8	29.63	19	70.37	**27**
2022	7	26.92	19	73.08	**26**
2023	5	16.67	25	83.33	**30**
2024	8	17.02	39	82.98	**47**

NUMBER OF UAE NATIONALS BY JOB CATEGORY

	ENTRY-LEVEL		MID-LEVEL		SENIOR-TO-EXECUTIVE LEVEL	
YEAR	#	%	#	%	#	%
2021	0	0	23	85.19	**4**	**14.81**
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**

RAK Properties commitment to nationalization is underscored by a comprehensive strategy aimed at employing, training, and developing the skills of UAE nationals. Priority is given to citizens with the required vocational efficiency and hands-on experience in targeted specialties. A rehabilitation program is meticulously designed to qualify Emirati students, ensuring they acquire the necessary skills and experiences for the labor market.

Intelaq Program: This program is committed to accelerating the growth of recent 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 formalized 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 are allowed to transition into permanent roles. In recognition of their dedication, trainees receive competitive benefits, including a monthly salary ranging from AED 8,000 to AED 10,000, 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 Emiratization programs contribute to a sustained increase in the Emiratization rate at RAK Properties.

Employee Absenteeism

Monitoring employee absenteeism is a significant aspect of demonstrating our 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

Table 5: Employee absenteeism rate

ABSENTEE RATE OF EMPLOYEES

YEAR	% OF TOTAL DAYS SCHEDULED TO WORK
2021	2.15
2022	1.91
2023	1.37
2024	1.57

GENDER PAY INDICATORS

(ADX-S2)

A Gender Equal Pay Assessment is an essential step we have taken to affirm our commitment to equity, diversity, and inclusion. This ensures compliance with sustainable development goals and fosters a fair and inclusive workplace.

Table 6: Gender Pay Indicators

EMPLOYEE LEVEL	PERMANENT EMPLOYEES	
	AVERAGE WOMEN SALARY	AVERAGE MEN 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)	5,641	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 0.79 in 2024.

Employee Training and Skills Development

At RAK Properties, our approach to training and development is both comprehensive and individualized. 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.

TOTAL TRAINING HOURS BY GENDER

YEAR	FEMALE, #	MALE, #	TOTAL	AVERAGE TRAINING HOURS/ FTE	AVERAGE AMOUNT SPENT/ FTE FOR TRAINING
2021	98	492	590	4.2	-
2022	219	318	537	3.8	-
2023	115	509	624	3.7	1367.00
2024	540	1079	1619	7.3	947.95

In 2024, we achieved an average of 7.3 training hours per employee, a trend that emphasizes skills enhancement across all organizational levels.

TRAINING HOURS BY JOB CATEGORY

YEAR	LABOR	ENTRY-LEVEL	MID-LEVEL	SENIOR-TO-EXECUTIVE LEVEL
2021	298	229	59	4
2022	82	224	63	168
2023	0	507.5	10	106.5
2024	0	167	1007	445

RAK Properties conducts an annual Learning Needs Analysis (LNA) in collaboration with Line Managers, who identify employee skill gaps during performance evaluations. Using data from both the LNA and evaluations, the HR Department carefully assesses training needs, plans strategic training activities, and implements tailored programs. This ensures that employees receive relevant and focused training to enhance their skills and stay aligned with evolving job demands. Additionally, in 2024 RAK Properties partnered with 'Udemy' to offer free access to its extensive course library to all its employees.

HEALTH & SAFETY

(GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-5, 403-8, 403-9, 403-10, S7, S8)

Health and Safety (H&S) form the foundation of RAK Properties' commitment to sustainability and business excellence. 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. By fostering a culture that prioritizes safety and well-being, we enhance employee morale and productivity, ensure customer satisfaction, and strengthen relationships with all our stakeholders.

Safety remains a cornerstone of our operations across workplaces and construction projects. We continuously enhance our safety procedures and conduct regular inspections to address emerging risks and adapt to changing environmental conditions. 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, including the Mina Al Arab Community.

To secure ISO 45001 certification, RAK Properties focuses on the key areas:

1. **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

2. **Fulfilment of Legal & Government Regulations**

Ensuring compliance with Ras Al Khaimah Municipality guidelines on Health and Safety, commonly referred to as the Building Code of Ras Al Khaimah.

3. **Achieving H&S Objectives**

- Introduction of a company-wide comprehensive H&S policy
- Conducting risk assessments
- Focusing on employee involvement and training
- and auditing safety practices

Health & Safety Training at RAK Properties

Effective policies are complemented by ongoing staff training in H&S protocols. In 2024, we provided a total of 449 hours of training in areas such as emergency preparedness, firefighting, first-aid, evacuation drills, and operational procedures. This commitment not only ensures minimal accidents and injuries but also enhances worker efficiency and productivity across our construction projects.

Maintaining a stellar H&S track record in 2024, encompassing 1,160,290 hours worked including our facility management sub-contractors, we achieved zero fatalities, zero lost-time injuries, zero high-potential and near-miss incidents, and only one first-aid case. Moving forward, we will continually review and revise safety policies, procedures, and our H&S management system to ensure the well-being of all our employees and contractors. Additionally, we plan to update our work hazards database to provide necessary resources for maintaining health and well-being in the coming year.

To ensure well-being and promote worker health, we have 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.

These initiatives underscore our commitment to maintaining a safe and healthy work environment, ensuring clarity in our approach.

RAK Properties provides health insurance for all employees including mental health support, ensures safe working conditions, and provides the necessary equipment to prevent any physical injury or potential harm to employees.

SUSTAINABLE OPERATIONS

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, GRI 2-27, GRI 418, GRI 204, GRI 413, E1, E2, E3, E4, E5, E6, G6, G4, S12)

ENHANCING CUSTOMER EXPERIENCE

We understand that the cornerstone of any successful business lies in ensuring unparalleled customer satisfaction. Our guiding principle revolves around delivering tailor-made business solutions that cater to each client's unique needs. We offer diverse communication methods to enable our clients to effortlessly submit requests, make payments, and track their interactions with us.

In line with our dedication to customer satisfaction, clients can easily raise complaints through various channels, including calls, emails, WhatsApp, our eService Portal, Mobile Application, walk-ins, our corporate website, and social media platforms. To enhance the customer journey and overall user experience, we have pioneered a distinctive software solution to manage client ticketing from initiation to closure, ensuring a prompt response to customer inquiries based on the urgency and importance of each ticket.

In our pursuit of continuous improvement, we actively engage our customers through surveys to gauge their satisfaction. We generally conduct biannual surveys to receive valuable feedback from our customers. These surveys are invaluable tools for collecting feedback, identifying areas for enhancement, and benchmarking our performance against industry standards. Covering a spectrum of questions, from residence type and property preferences to evaluations of design, layout, and amenities, the detailed feedback enables us to make informed decisions and continually enhance our offerings.

Data Privacy

Building trust with our customers is paramount given the intricate nature of our business functions, and the acquisition and management of detailed client and project information is critical. Consequently, upholding the confidentiality and security of all customer data is a non-negotiable priority for RAK Properties.

NUMBER OF SUBSTANTIATED COMPLAINTS RECEIVED CONCERNING BREACHES OF CUSTOMER PRIVACY

YEAR	TOTAL NUMBER OF COMPLAINTS RECEIVED FROM OUTSIDE PARTIES AND SUBSTANTIATED BY THE ORGANIZATION	TOTAL NUMBER OF COMPLAINTS FROM REGULATORY BODIES	TOTAL NUMBER OF IDENTIFIED LEAKS, THEFTS, OR LOSSES OF CUSTOMER DATA
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0

Cutting-edge security measures have been seamlessly integrated to fortify the resilience of our digital data. RAK Properties has implemented formal procedures and safeguards across all departments, creating an impenetrable barrier against data breaches. Any breach of our information technology policy triggers a disciplinary review. Our digital systems, secured with password protection, grant employees restricted access based on their needs. Regular reviews by the IT department ensure continual fortification of our systems in terms of both security and efficiency. The Chief Support Officer from the Executive Management team oversees the company’s cybersecurity strategies.

RAK Properties engages in third-party digital security services, maintaining full transparency with stakeholders through open disclosure of contracts with external parties to mitigate legal violations.

The decision to implement an Information Security Management System (ISMS) based on ISO 27001 is a significant step toward enhancing data protection and securing sensitive information across its operations. The upcoming ISO 27001 audit planned in Q1 2025 will assess the organization's readiness and compliance with the standard, which focuses on the confidentiality, integrity, and availability of data.

Concurrently, we are actively addressing General Data Protection Regulation (GDPR) compliance by collaborating with an external consultant to standardize our Security and Data Privacy policies. This includes a GDPR-aligned Data Privacy Policy that is available on our website, showcasing our dedication to upholding the highest standards in data protection.

We conduct data privacy and security training programs for our employees. The table below provides a snapshot of our efforts and achievements:

PRIVACY AND DATA SECURITY TRAININGS

YEAR	TYPE OF TRAINING PROVIDED	NUMBER OF EMPLOYEES THAT COMPLETED THE TRAINING	NUMBER OF TOTAL EQUIVALENT TRAINING HOURS PER EMPLOYEE
2021	Security awareness Training	45	2
2022	Induction programmed for New Joiners	20	1
2023	Onsite IT security awareness training and automated Security awareness training using knowb4 tool	40	4
2024	IT security awareness training on-site and automated security awareness training using the KnowBe4 tool	60	4
	Information Asset classification training as part of ISO 27001 certification requirements	30	2

We maintain the right processes to prevent IT system interruptions and cyberattacks. A disaster recovery plan is implemented, and testing is done twice per year to ensure the system's reliability. In addition to that we conduct Vulnerability Assessment & Penetration Testing every three years by engaging a third-party specialist service provider.

Digitalization

The integration of digital technology has significantly streamlined internal processes and elevated our customer services. Our customers now enjoy convenient access through online platforms, mobile applications, and WhatsApp. The digital enhancement of our customer experience encompasses the establishment of user-friendly eService portals, mobile apps, self-payment kiosks, and digitalized documentation processes related to the customer onboarding process. Digitalizing 25 key services has transformed customer interactions, enabling them to create online accounts, access data, make online payments for rent, sales, and utilities, and request various services such as maintenance and No Objection Certificates (NOCs). When sharing data with third-party vendors or partners, the company follows the principle of data minimization and evaluates the third party's security practices.

RAK Properties has embraced digital transformation by implementing cutting-edge technology across various departments. This includes:

- Microsoft D365 ERP for streamlined enterprise resource planning
- Microsoft Dynamics 365 CRM to manage customer relationships effectively
- Microsoft Dynamics 365 Field Service to optimize service operations and maintenance

- DocuSign and UAE Pass for secure digital signatures, and digital identity
- Automated Sales Events and Reservations to simplify and accelerate the property booking process.
- Broker Portal & Self-Booking Portal to provide seamless access for brokers and customers.
- Digitalized 100+ Facility and Community Management forms to enhance operational efficiency
- Employee Self-Service System accessible via mobile and laptop

These initiatives have resulted in improved operational efficiency, streamlined processes, real-time data access, and an improved overall customer experience. To ensure the privacy and security of sensitive data throughout the digitalization process, RAK Properties emphasizes employee training and awareness, secure cloud adoption, and access controls with Two-Factor Authentication (2FA).

Data classification and access controls are implemented through role-based access control, user training, awareness programs, and the use of Multi-Factor Authentication.

We have already made significant strides in leveraging technology to enhance operations and customer experiences. To stay ahead in the rapidly evolving real estate industry, we explore the following opportunities that could drive innovation, efficiency, and growth.

- Streamline existing processes by leveraging digital tools and automation to increase efficiency and reduce operational costs.
- Enhance cybersecurity measures to protect sensitive data and ensure the integrity of digital assets.
- Implement digital solutions to improve customer interaction, satisfaction, and engagement.
- Develop capabilities for data analytics and business intelligence to derive actionable insights from data, aiding in informed decision-making.
- Transition to or optimize cloud-based solutions for increased scalability, flexibility, and cost-effectiveness.
- Embedding Artificial Intelligence (AI) to ease business processes

CLIMATE & ENVIRONMENTAL IMPACT

(GRI 103, GRI 302-1, GRI 302-3, GRI 304-1, 304-2, 304-3, GRI 305-1, GRI 305-2, 305-4, ADX E1, E2, E3, E4, E5, E7)

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.

Our environmental management system manuals outline roles, responsibilities matrix, targets and objectives, stakeholder awareness programs, training, etc. We conduct project-specific Environmental Impact Assessments (EIA) to evaluate the potential environmental effects of all newly proposed construction projects before implemented. Based on the EIA assessment conclusion the construction team prepares a project-specific Environmental Management Plan to safeguard the biodiversity. At RAK Properties, we maintain strict policies on protecting biodiversity and no deforestation.

We ensure that the contractor prepares and implements construction and demolition waste management plans in all our construction projects by including the necessary clauses in the construction specifications. This assures construction wastes such as concrete, metals, wood, commingled waste, hazardous waste, etc. are properly segregated and transferred to allocated areas by RAK municipalities for further processing and treatment.

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 Green House 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 Paris Agreement's 1.5-degree Celsius temperature target, and UAE's Nationally Determined Contribution.

To effectively decarbonize our properties, we started 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.

CONSTRUCTION | **USE STAGE** | **END OF LIFE**

Figure 5: Building Life Cycle

ENERGY CONSUMPTION

In terms of energy consumption, our organization closely monitors various sources to ensure responsible practices. We are deploying energy efficiency initiatives to reduce consumption, such as replacing old vehicles with hybrid models and introducing electric bikes. The total energy consumption of all our operating facilities and services reached 131,399.15 GJ in 2024. The following tables provide a detailed breakdown of the consumption patterns.

ENERGY CONSUMPTION	UNIT	2022	2023	2024
Diesel used by owned Power Generator/ Vehicles/ Machinery	GJ	152.15	561.34	458.27
Petrol used by owned Vehicles	GJ	258.6	279.09	972
Electricity	GJ	35,867.46	38,768.77	57,159.58
Chilled Water	GJ	80,051.82	90,313.17	72,809.30
Total Energy Used	**GJ**	**116,330.03**	**129,922.37**	**131,399.15**

ENERGY INTENSITY	2022	2023	2024
GJ/ FTE	813.5	773.35	594.57

GHG EMISSIONS

Measurement and management of Greenhouse gas (GHG) emissions is at the core of climate mitigation action. The consolidation approach we followed to establish the organization's GHG emission is Operational Control across the portfolio. The locally available emission factors are used for GHG emission calculation wherever available. The emission factors used for various energy applications are as follows. Electricity- 0.41 Kg CO2/kWh, Chilled Water- 0.432 KgCO2/RT, Diesel- 3.1 Kg CO2/Liter, and Petrol- 2.39 Kg CO2/Liter.

GHG EMISSIONS (MT CO2E)	ITEM	2022	2023	2024
SCOPE 1				
Owned Power Generator/ Vehicles/Machinery	Diesel	11.47	41.7	35.34
	Petrol	19.19	20.75	69.33
Refrigerant leakage	R22 & R410A	1,832.14	1,899.12	24.46
Total Scope 1		1,862.80	1,961.57	129.14
SCOPE 2				
Purchased Electricity	kWh	4,020.14	4,345.33	6,510.02
Purchased Chilled Water	RT	2,465.92	2,782.01	2,484.36
Total Scope 2	-	6,486.06	7,127.34	8,994.38
Total (Scopes 1 & 2)	**-**	**8,348.86**	**9,088.91**	**9,123.52**

EMISSION INTENSITY (MT CO^2E / FTE)	2022	2023	2024
Scope 1 Intensity	12.95	11.58	0.58
Scope 2 Intensity	45.36	42.17	40.70
Intensity/ FTE (Scope 1+2)	**58.31**	**53.75**	**41.28**

WATER CONSUMPTION

The major water uses in our company portfolio are domestic uses in residential, commercial, and retail buildings, landscaping, firefighting, and maintenance purposes. We diligently track and manage usage to promote responsible water stewardship. In 2024, our total water consumption reached 988,425.12 m3. We recycled a substantial amount of wastewater, with a total of 404,103 m3 in our community-owned sewage treatment plant. These figures underscore our dedication to efficient water management practices. In addition to that we purchase Treated Sewage Effluent (TSE) water from external sources to meet most of our irrigation water demand.

WATER CONSUMPTION (IN M^3)	2022	2023	2024
Total Water Consumption	792,084.19	859,921.48	988,425.12
Total Water Recycled in own STP	156,747	299,521	404,103
Total TSE water purchased			460,612

WASTE MANAGEMENT

In waste management, our organization emphasizes responsible segregation, disposal, and recycling practices aligned with RAK municipality regulations. In 2024, the total weight of non-hazardous waste generated is 1,876.9 MT. While the weight of hazardous waste was not quantified, our commitment to proper handling remains. We properly segregated and transferred 190 MT of non-hazardous waste for recycling in 2024.

WASTE GENERATED, MT	2022	2023	2024
Total Non-Hazardous Waste collected	1,458.5	1,358.5	1876.9

RECYCLED WASTE, MT	2022	2023	2024
Total Non-Hazardous Weight	90	144	190

Energy and Water Efficiency Program

At RAK Properties, we are committed to minimizing energy, and water consumption, reducing greenhouse gas emissions, and delivering sustainable value to stakeholders through innovative resources management solutions.

Key sustainability initiatives and programs that are currently in place:

Energy-Efficient Building Design:

- Energy-efficient architectural designs such as optimized building orientation, natural ventilation, and thermal insulation.
- Use of energy-efficient materials, including high-performance glazing and highly reflective roofing to reduce heat absorption.
- Integration of passive design strategies to reduce reliance on artificial cooling systems.
- Smart Energy Systems:
- Deployment of smart sub-meters and energy management systems to monitor and optimize energy usage in real time.

- Installation of automated lighting sensors to reduce energy waste
- LED Lighting Solutions:
- Replacement of traditional lighting systems with energy-efficient LED lights across all existing buildings and facilities.
- Use of motion-activated and daylight-responsive lighting systems to further reduce energy consumption.

Renewable Energy Integration:
- Solar thermal domestic hot water system in villas
- Solar PV installation in carpark shade structure
- Solar-powered streetlights and outdoor lighting systems in community spaces.

Retrofitting Existing Properties:
- Energy audits of older buildings to identify opportunities for improving energy performance.
- Retrofitting programs, such as upgrading HVAC systems, and replacing inefficient appliances.
- Benchmarking energy performance of the existing buildings against industry best practices.

Community Awareness Programs:
- Educating residents, tenants, and employees about energy conservation through signages, campaigns, and digital resources.
- Providing tips and tools to encourage responsible energy use.

Green Certifications:
- Ensuring new developments comply with RAK Municipalities Barjeel Green Building Regulations, and/or target green building certifications such as LEED

Sustainable Mobility:
- Provide Hybrid vehicles, and Electric-operated bikes for maintenance staff uses
- Developing pedestrian and bike-friendly infrastructure
- Providing electric vehicle (EV) charging stations in the community

Smart Irrigation Systems:
- Selection of native and drought-tolerant plant species for landscaping
- Implementation of smart irrigation controllers that use weather data to optimize water usage for landscaping.
- Use of drip irrigation systems to minimize water loss through evaporation and runoff.

Greywater Recycling:
- Maintain/upgrade the existing Sewage Treatment Plant to treat greywater and reuse for irrigation
- Outsource TSE water to meet most of the community irrigation demand to replace potable water use

- Leak Detection and Prevention:
- Install smart flow meters in the irrigation network to monitor usage and quickly detect leaks or abnormal water consumption.
- Implement preventive maintenance programs to ensure plumbing systems remain in optimal condition.
- Install smart water sub-meters for the exterior and major water uses.

Water Audits and Retrofitting:
- Conduct regular water audits to identify inefficiencies and areas for improvement
- Retrofitting older water fixtures with ultra-efficient and low-flow water fixtures

SUPPORTING OUR COMMUNITY

(GRI 413-1, S12)

At RAK Properties, 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 Environmental, Social, and Governance (ESG) principles.

In 2024, we proudly allocated AED 2.15 million towards various social contribution efforts, demonstrating our dedication to creating a positive and lasting impact.

ORGANIZATION	AMOUNT, IN AED
Red Crescent Society of the UAE	50,000
Shamal For Arts Folklore & Theatre Society	15,000
Al Ihsan Charity Association	50,000
Ajman Club for disabled	10,000
Ras Al Khaimah Charity Association	1,000,000
Global Citizen Forum GCF 2024	330,750
RAK Art Festival	100,000
Arabian Warrior	600,000
TOTAL SPENT FOR DONATION	2,155,750

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 launch a co-living and coworking development in the heart of Mina Al Arab. 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, 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 2024, the UAE's premier career fair dedicated to Emirati nationals, from 24th to 26th September. 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.

FOSTERING CHAMPION FOR LA28

RAK Properties Partnered with Arabian Warrior to Launch Olympic-Caliber Obstacle Course Racing in Ras Al Khaimah. This collaboration establishes RAK Properties as the new Title Partner for the Arabian Warrior Schools National Championship and the Official Partner of the Arabian Warrior Middle East event series. This is an obstacle course racing event series developed by athletes in the GCC with world-class service standards and a focus on regionally targeted sustainability initiatives.

EMIRATI WOMEN'S DAY CELEBRATION

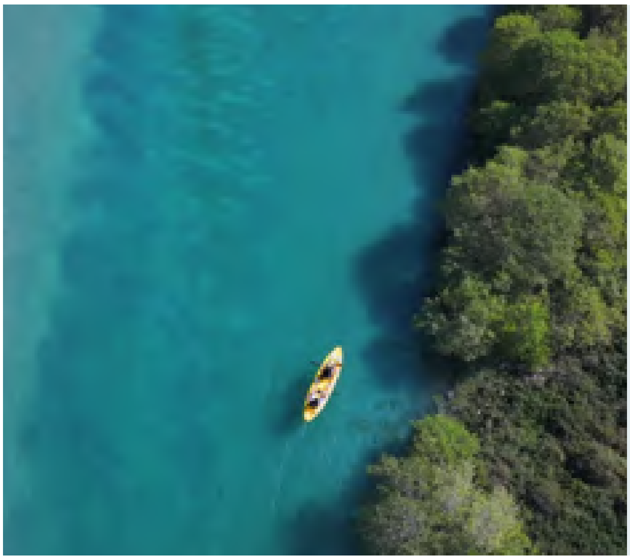
RAK Properties partnered with Anantara Mina Al Arab Ras Al Khaimah Resort to celebrate Emirati Women's Day with an inspiring event on August 24, 2024. The special event honoured the remarkable accomplishments and unwavering dedication of Emirati women across various sectors such as entrepreneurship, engineering, and aviation, providing a platform to recognize their invaluable contributions to the nation's progress.

BLOOD DONATION CAMP

RAK Properties teamed up with the Health Education and Communication Department in Ras Al Khaimah to successfully organize a blood donation at the Julphar Towers, Ras Al Khaimah in May 2024. Around 74 individuals participated in the camp, which is part of the company's Corporate Social Responsibility (CSR) initiatives.

TOUGH MUDDER 2024

RAK Properties hosted the season finale of Tough Mudder 2024 at Mina Al Arab, Ras Al Khaimah. The participants tackled the courses and celebrated the power of teamwork and resilience. Tough Mudder is a series of obstacle and mud runs that will push the participant's physical and mental limits without the pressure of competition. A community built on teamwork and overcoming obstacles, where stepping outside the participant's comfort zone is the reward.



EXPLORING THE MANGROVES

Kayak to the middle of the nearby mangroves and discover a whole new world of wildlife. Our protected reserve is home to flocks of flamingos and herons and makes for the ideal family outing

FLAMINGO BIRD SANCTUARY

RAK Properties built a flamingo bird sanctuary in the Mina Arab Mangrove area. This is a protected natural area dedicated to the conservation of flamingos and their habitats. These sanctuaries provide safe breeding grounds, feeding areas, and migration stopovers for flamingos, as well as protect the delicate ecosystems that support their survival.

DISCOVERY CENTRE

Mangroves are vital for both nature and humanity. Educating about their role is vital to ensure their preservation and the health of the planet. RAK Properties is currently designing and constructing a discovery center in Anantara Mina Al Arab to emphasize the importance of mangroves and protecting biodiversity.

RESPONSIBLE SUPPLY CHAIN
(GRI 2-8, GRI 204-1, ADX-G4)

Responsible Resource Procurement

RAK Properties is dedicated to embedding corporate social responsibility throughout its supply chain. In the pursuit of sustainability, prospective suppliers and contractors will undergo rigorous vetting to ensure alignment with our ESG values. Our scrutiny focuses on suppliers incorporating eco-friendly practices, sustainably sourcing materials, adherence to safety standards and fair labour, and human rights practices. Additionally, to uphold ethical standards and transparency, contractual agreements will exclusively be signed with companies possessing official licensing in the countries of their base operations.

RAK Properties actively supports local businesses, contributing significantly to the UAE's economic growth. In 2024, 97% of our procurement contracts, totalling over AED 55.9 million, were signed with UAE-based suppliers. Looking ahead, we will continually refine our procurement policies to ensure their alignment with evolving ESG principles.

Moreover, RAK Properties' Supplier Code of Conduct establishes ethical standards within our supply chain. The code of conduct is in place for vendor registration, reinforcing our commitment to responsible business practices.

We produce an annual vendor evaluation report, assessing our suppliers for compliance with ESG criteria through a rigorous evaluation process. Our supplier engagement plan encompasses evaluations conducted every six months. Further, these agreements undergo annual reviews, considering performance and business needs. The operations team conducts awareness workshops for on-site suppliers, and sub-contractors, aligning practices with our ESG criteria.

Suppliers are encouraged to share their feedback through the Vendor Portal, submitting proposals and their comments related to RFQ. Alternatively, they can communicate feedback or suggestions via email to our Procurement team at "purchase@rakproperties.ae" or by directly contacting the procurement team by telephone.

Our procurement procedures include thorough verification of responsible sourcing and ensuring adherence to RAK Municipality practices, fair labour practices, and human rights laws. Workplace conditions of our suppliers and service providers are regularly assessed for compliance with safety regulations, and our procurement contracts include formal clauses mandating compliance with responsible practices.

Table 7: Procurement summary

	2022	2023	2024
Total number of suppliers engaged	319	402	445
Total number of local suppliers engaged	317	380	433
Percentage of local suppliers hired	**99.37**	**94.53**	**97.30**
Total procurement spending (AED)	17,301,707	60,907,090	57,501,186
Procurement spending on local suppliers (AED)	17,240,716	53,407,090	55,968,293
Percentage of spending on local suppliers (%)	**99.65**	**87.69**	**97.33**
Percentage of suppliers assessed against sourcing code of conduct, %			**100**

Looking ahead, RAK Properties will remain steadfast in ensuring the implementation of sustainable and environmentally friendly practices in real estate development. Enforcing ESG standards across our operations, we are committed to building a future that is not only sustainable but also socially equitable.

RESPONSIBLE GOVERNANCE & PROSPERITY

(GRI 2-18, GRI 405, GRI-102, GRI-103, GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1, ADX-G1, G2, G3, G4, G5, G6, E8, E9, E10)

GOVERNANCE STRUCTURE

Since its inception, RAK Properties has upheld the principle that robust corporate governance is fundamental to upholding sustainability, achieving operational efficiency, fostering credibility, and ensuring long-term market success. Our adherence to corporate governance laws, internationally recognized ethical standards, and a clearly defined chain of command have shaped a culture rooted in responsibility, accountability, and structural discipline. These practices not only strengthen our internal processes but also reinforce stakeholder confidence, positioning us as a trusted and forward-thinking leader in the real estate sector.

The table below shows our company's Board of Directors in 2024.


Abdul Aziz Abdullah Al Zaabi
Chairman


Mohamed Musabbeh Al Nuaimi
Deputy Chairman


Sheikh Ahmed Omar Al Qassimi
Director


Abdallah Rashed Alabdouli
Director


Mohamed Ghobash Al Marri
Director


Yasser Abdulla Al Ahmad
Director


Mouza Mohamed Majed Alzaabi
Director

Figure 6: Board of Directors: RAK Properties

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.

Dedicate 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

Board Independence	Independence criteria comply with The Securities and Commodities Authority (SCA) UAE requirements.
Board Type	One-Tier System Executive directors- 0 Independent directors– 5 Other non-executive directors- 2 Total Board size – 7

Target share of independent directors	75%
Board Chairman	The board is headed by a non-executive and not independent chairperson.
Board Diversity Policy	RAK Properties maintains diversity factors such as gender, nationality, or cultural background in the board of director's nomination process.
Women Participation	The company board of directors includes one female member.
Average Board Meeting Attendance	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 function the board meeting.
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 elected by slate
Board Average Tenure	The average tenure of board members is restricted to 3 years

Our three-pronged committee structure is a cornerstone of our company 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	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.
NOMINATION AND REMUNERATION COMMITTEE	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.
AUDIT COMMITTEE	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.

Figure 7: Internal committee structure

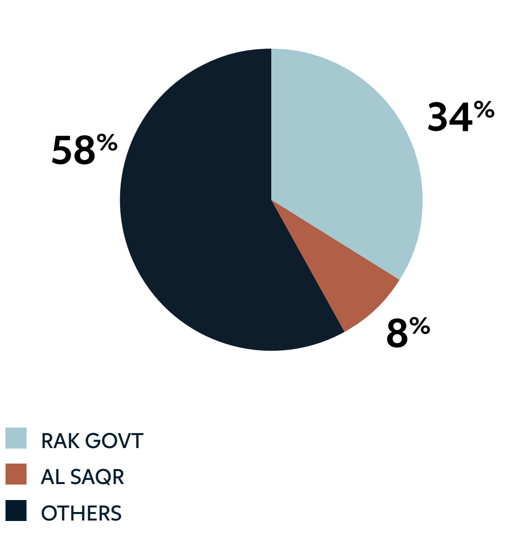
Our Ownership Structure

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%

SHAREHOLDER BY TYPE



SHAREHOLDER BY NATIONALITY

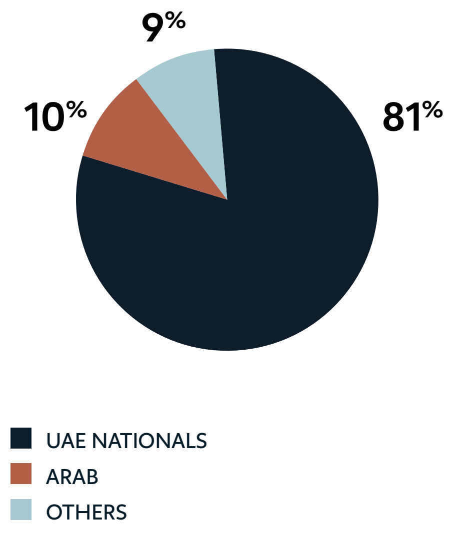


Figure 8: Company ownership structure

ETHICAL BUSINESS PRACTICES

(GRI 2-15, GRI 205-1, GRI 205-2, GRI 205-3, GRI 406-1, ADX-G5, G6, G7, S6)

ENTERPRISE RISK MANAGEMENT PROCESS

RAK Properties maintains a structured, comprehensive approach to planning, identifying, assessing, managing, and monitoring risks across the organization to ensure that risks are appropriately managed and aligned with the company's objectives and strategies. The head of Risk management and Control is responsible for setting and monitoring the programs and project control standards.

Risk reviews are conducted to ensure Risk registers are updated regularly. Top risks are escalated to executive management to promote more robust mitigation actions. Risk culture is promoted across the board to ensure the effectiveness of risk management practices throughout the organization. Oversight from the Auditing Committee of Ethics and Compliance, coupled with the Internal Audit team, ensures every operation, initiative, and project undergoes comprehensive scaling, gauging and assessment. Clear risk assessment, integral to our strategic development, is facilitated by our robust audit structure. We regularly conduct Risk reviews, Risk Exposure, and Risk management process audits. We incorporate risk criteria in the development of projects and services. We conduct focused training throughout the organization on risk management principles at all levels. We maintain a risk register that identifies emerging risks, with descriptions and specifications, their potential impact, and mitigating actions.

Notably, our commitment to integrity is reflected in the following data:

	2021	2022	2023	2024
Total number of operations assessed for risks related to corruption	0	0	0	0
Percentage of operations assessed for risks related to corruption	0%	0%	0%	0%
Number of confirmed incidents of corruption	0	0	0	0

Upholding Ethical Practices and Ensuring Compliance

Our commitment to a fundamentally sound work structure is manifested through our Ethics and Compliance policies which guide our responsible business practices. This structure nurtures a culture of accountability and is maintained by our compliance department. It ensures the implementation of ethical work practices, encourages thorough risk assessment, and propagates awareness of international standards and ethical business practices.

To proactively manage and mitigate compliance risks, our approach encompasses regular reviews, risk assessments, and the development of comprehensive policies and procedures. We conduct periodic compliance reviews to validate our posture, enabling necessary adjustments to align with evolving regulatory landscapes.

Implementing monitoring and auditing processes, we conduct routine assessments to uphold established policies. Our dedication to transparency is evident through confidential reporting mechanisms, fostering a culture where employees can report compliance concerns without fear of retaliation. Additionally, we prioritize cross-departmental collaboration, maintaining open communication channels to seamlessly integrate legal and compliance requirements into various processes, achieved through regular meetings and dynamic information exchange.

The Integral Role of The Internal Control Committee

In the realm of compliance with corporate laws, safeguarding company and customer assets is paramount. The Internal Control Committee, under the supervision of the Auditing Committee, plays a vital role in ensuring harmony among employees, arbitrating conflicts, and investigating potential risks and challenges. In the diverse landscape of RAK Properties, this integral group analyses shortcomings, engineers the company system, and gauges workforce effectiveness to identify potential risks. Collaborating with the Audit Committee, this management branch ensures all projects align with corporate laws and regulations.

Business Policies

Several internal and external business policies have been put in place at RAK Properties to establish effective governance. These policies provide a set of guidelines that help maintain order, promote ethical behaviour, and ensure compliance with legal requirements.

- HR Procedures Manual
- Purchase Manual
- Design Development & Analysis Manual
- FM Maintenance Manual
- FM Fitout Manual
- IT Department Procedures Manual
- Legal Policies & Procedures Manual
- Marketing Manual
- Projects Manual

RAK Properties also adheres to regulatory requirements and industry standards, promoting an ethical code of conduct and environmental sustainability.

Codes of Conduct

RAK Properties is committed to conducting its business with the highest standards of integrity, professionalism, and ethics. We maintain a code of conduct at a group level including all our subsidiaries. The company Code of Conduct provides the framework for all employees, management, and business partners to ensure that we uphold our values, comply with legal requirements, and act in the best interest of all stakeholders, including employees, customers, investors, suppliers, and the communities in which we operate. We maintain a strict code of conduct/ policies on the following:

- Corruption and bribery
- Discrimination and Harassment
- Confidentiality
- Conflicts of interest
- Antitrust practices
- Anti-criminal
- Money laundering and Terrorism
- Whistleblowing
- Environment, health and safety

The company codes of conduct have dedicated sections explaining the reporting and escalation process in case any incident is observed. Employees and stakeholders are encouraged to report incidents through confidential channels, such as a dedicated email, hotline, or grievance portal.

We maintain a zero-tolerance policy against any kind of violation of our company code of conduct policies, reinforcing a culture of fairness and respect. This is reflected in the zero incidents reported in the years from 2021 to 2024. Violations of the code of conduct are met with swift and proportionate disciplinary action, which may include warnings, mandatory training, suspension, or termination, depending on the severity of the case.

Human Rights

RAK Properties upholds 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.

We are committed to aligning our practices with legal frameworks and human rights standards to ensure a safe, equitable, and empowering work environment for all employees.

Our company HR manual outlines policies that incorporate human rights principles. 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 Mechanism, Training and Capacity Building, Monitoring and Auditing, Reporting and Transparency, Employee feedback surveys, Supplier Management, etc.

Integrated Management System

RAK Properties operates a comprehensive Integrated Management System (IMS) across all its operations based at headquarters in Julphar Towers and Mina Al Arab. The IMS aligns with international standards and best practices to ensure operational excellence, legal compliance, and customer satisfaction. By integrating multiple management systems, we achieve greater efficiency, consistency, and accountability across all organizational functions.

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.


bsi.
Certificate of Registration

ISO 9001


bsi.
Certificate of Registration

ISO 14001


bsi.
Certificate of Registration

ISO 45001

ECONOMIC PERFORMANCE

(GRI 201-1, GRI 201-3)

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, engaging businesses across the value chain, and offering 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

1 JOB CREATION

2 HOUSING SOLUTIONS

3 ATTRACTING GROWTH

4 LOCAL EMPOWERMENT

5 VALUE-DRIVEN COMMUNITIES

Measuring our Impact

By integrating GRI economic reporting into our sustainability initiatives, RAK Properties reinforces its reputation as a transparent, responsible, and community-focused real estate developer.

As of December 31, 2024, RAK Properties reports 8.003 million AED in the Provision for End-of-Service Benefits (EOSB) for expatriate staff, which has been paid from our current account's collection and cash balance. The estimate for EOSB liabilities is based on the UAE Labour Law, with a provision of 21 days' salary for service up to 5 years and 30 days for service beyond 5 years.

The National Staff Pension Scheme entails a 5% contribution from employees and a 12.5% contribution from employers. Our participation in retirement plans includes both EOSB and the Pension Plan.
The table below shows RAK Properties' economic value generated and distributed in 2024 in AED million. It covers the following elements:

- Revenue that represents the direct economic value generated
- Operating costs, employee wages & benefits, payments to providers of capital, payments to the government, and community investments, representing the company's economic value distributed.

Table 8: Financial Reporting, 2024

AED 1,406.318	AED 308.156	AED 27.24	AED 321.565
Revenues	Earning before Tax	Reported Tax	Payment to providers of capital- to shareholders in the form of dividends or to the bank in the form of interest & principal payment)

AED 249.232	AED 65.735	AED 2.15	AED NIL
Total Operating costs	Total Employee Wages and Benefits	Charitable/Social Contributions	Political Contributions

Values reported in the above table are in Million AED

APPENDICES

GRI & ADX CONTENT INDEX

The reference Section will be updated once the ESG draft report is approved.

GRI 1: FOUNDATION 2021					
Statement of Use	RAK Properties has reported the information cited in this GRI content index for the period 1st January – 31st December 2024 following the GRI Standards.				
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