

Date: 7 May 2025

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الإشارة : RAKP-LD-E-0007-070525-05

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Abu Dhabi Securities Exchange

السادة / قسم الإفصاح والإمتثال المحترمين
سوق أبوظبي للأوراق المالية

**Subject: Results of RAK Properties
Board of Directors Meeting NO (3/2025)**

**الموضوع : نتائج اجتماع مجلس إدارة شركة
رأس الخيمة العقارية رقم (2025/3)**

Dear sir,

تحية طيبة وبعد ،،،

With reference to the above mentioned subject, kindly be informed that RAK Properties Board of Directors held its meeting on Wednesday 07/05/2025 at 1:00 PM, at Anantara Hotels, and discussed the items set out on the agenda, where the Board has approved the Interim condensed consolidated financial statement for the three months' period ended on 31 March 2025.

بالإشارة إلى الموضوع أعلاه، يرجى العلم بأن مجلس إدارة شركة رأس الخيمة العقارية قد إجتمع يوم الأربعاء الموافق 2025/05/07 في تمام الساعة الواحدة ظهراً بمنتجع أنانتارا - مينااء العرب برأس الخيمة، حيث تم مناقشة البنود المدرجة على جدول الأعمال وتم إعتماد البيانات المالية الموحدة المرحلية لفترة الثلاثة أشهر المنتهية في 31 مارس 2025.

Best Regard,

وتفضلوا بقبول وافر الإحترام ،،،



ماجد عبدالله
أمين سر مجلس الإدارة
Maged Abdullah
Board Secretary

نسخة إلى السادة / هيئة الأوراق المالية والسلع المحترمين

Directors report for the three-month ended 31 March 2025

On behalf of the Board of Directors of RAK Properties PJSC, I am pleased to present the consolidated financial results of the company for the first quarter of 2025.

Q1 2025 KEY FINANCIAL HIGHLIGHTS:

- Revenue increased by 28% to AED 370.27 million vs AED 289.81 million for the same period last year.
- Profit before tax increased by 64% to AED 74.46 million vs AED 45.54 million for the same period last year.
- Total Assets increased by 2% to AED 8.15 billion as at 31st March 2025 vs AED 8.01 billion as at 31 December 2024.
- Total Equity stood at AED 5.59 billion as at 31 March 2025 vs AED 5.53 billion as at 31 December 2024

Income Statement

AED Million

	<u>Q1 2025</u>	<u>Q1 2024</u>
Revenue	370.27	289.81
Cost of Revenue	(223.68)	(177.13)
Gross Profit	146.59	112.68
Operating Profit	89.30	64.37
Profit before Tax	74.46	45.54
Net Profit for the period	67.91	41.45
Total comprehensive income	67.91	41.45

Financial Position

AED Million

	31 Mar 2025	31 Dec 2024
Non-Current Assets	6,520	6,459
Current Assets	1,632	1,553
Total Assets	8,152	8,012
Non-Current Liabilities	1,425	1,458
Current Liabilities	1,140	1,027
Capital and Reserves	5,587	5,527
Total Equity & Liabilities	8,152	8,012

DEVELOPMENT UPDATE

RAK Properties kicked off 2025 with the unveiling of the updated Mina masterplan — a bold reimagining of Ras Al Khaimah's premier coastal destination. Anchored by an AED 5 billion development pipeline, the masterplan sets the foundation for a dynamic, integrated lifestyle community that reflects the Emirate's rising profile as a hub for luxury living, tourism, and long-term investment.

Residential:

RAK Properties is driving strong momentum and making good progress across its active residential portfolio which includes Cape Hayat, Quattro Del Mar, Bay Views, Granada Extension A, Edge, Bay Residences 1 and 2, and Gateway 2.

All of these projects will, upon completion, contribute to the growing vibrancy of Mina, reinforcing its position as the leading waterfront destination for lifestyle, living, and investment in Ras Al Khaimah.

- **Cape Hayat:** Located on Hayat Island and spanning 22,854 sqm, Cape Hayat is a premium beachfront development comprising 678 luxury residential apartments. The project is now 47% complete, with superstructure works finalised and the one-bedroom mock-up unit fully completed.
- **Quattro Del Mar:** A landmark addition to the Mina masterplan, Quattro Del Mar features four interconnected towers with twelve residential floors offering a variety of layouts—from studios and one-bedroom units to expansive Sky Duplexes and Garden Townhouses. Piling works have been completed, and following the

issuance of the building permit, the AED 600 million main contract has been awarded, with the contractor now mobilised on site.

- **Bay Views:** This 344-unit development on Hayat Island brings urban living to Mina's coastal setting. Construction has reached 43%, with slab casting and masonry works completed. Plastering and MEP (mechanical, electrical and plumbing) first and second fixes are currently underway.
- **Granada Extension A:** Comprising 80 townhouses, Granada Extension A is progressing ahead of schedule, with overall completion at 44%. Structural works are finished, masonry works are 83% complete, and interior finishing has commenced.
- **Bay Residences 1:** Comprising 324 units across two towers, Bay Residences 1 is nearing completion. A separate contract has been signed for the delivery of the project's loft units.
- **Bay Residences 2:** Adjacent to the InterContinental Ras Al Khaimah Resort & Spa, this twin-tower development includes 324 units and has now entered the final phase of construction. Concrete works, finishing, and MEP installations are fully complete.
- **Edge:** A yacht-inspired residential tower on Raha Island, Edge features 237 premium apartments with waterfront views. Enabling works are nearing completion, with piling already finalised. The detailed design has been approved, and the main construction contract is expected to be awarded imminently.
- **Gateway 2:** Located at the entrance of Hayat Island, this eight-storey residential tower includes 146 apartments and is now fully completed. Civil Defence and unit registration approvals have been obtained, and the Building Completion Certificate has been issued.

Hospitality:

1. Intercontinental Ras Al Khaimah Mina Al Arab Resort and SPA

The prestigious 351-key hotel situated on Hayat Island, Mina, continues to demonstrate solid performance, achieving high occupancy rates and generating strong financial revenue.

2. Anantara Mina Al Arab Hotel and Resort, Ras Al Khaimah

The second 5-star luxury hospitality asset with 174 keys opened its door and commenced operation on 02 January 2024. Results to date are ahead of targets.

Planned Projects:

- 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.
- RAK launched SKAI, a waterfront development featuring 272 apartments and penthouses set across two striking towers, with residences ranging from 33 sqm to 265 sqm. The first phase of SKAI has successfully sold out.

As we celebrate 20 years since our establishment, we do so with a deep sense of purpose and a firm commitment to building communities that enhance Ras Al Khaimah's standing as a world-class destination for investment, tourism, and quality living. The Company's performance in the first quarter reflects this commitment — with strong delivery momentum, significant development progress, and continued investor confidence.

2025 is shaping up to be one of the most transformational years in our history. With over 800 handovers planned this year and more than 3,000 units currently under construction, we are scaling delivery while maintaining financial discipline and operational excellence.

During the quarter, we unveiled the updated Mina masterplan, unlocking a bold AED 5 billion development pipeline that reaffirms our long-term vision for Ras Al Khaimah's premier coastal lifestyle destination. We also activated key phases across high-performing projects, expanded our portfolio with innovative new launches such as Mirasol and SKAI, and deepened our hospitality partnerships — including the landmark signing with Four Seasons to bring their first resort and private residences to the Emirate.

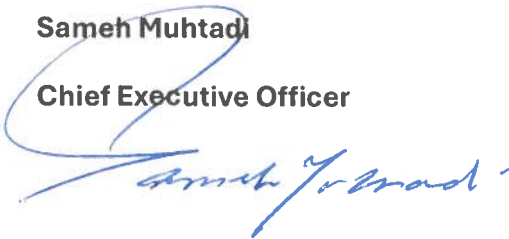
To further support our growth ambitions and deepen our capital markets engagement, we appointed Arqaam Capital as our financial advisor. This partnership reflects our proactive approach to enhancing financial strategy, investor alignment, and long-term value creation.

Our approach remains focused on delivery, differentiation, and disciplined growth. With a robust project pipeline, a solid financial base, and a clear strategic outlook, RAK Properties is well-positioned to continue creating long-term value for our shareholders, residents, and partners.

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

Sameh Muhtadi

Chief Executive Officer



RAK Properties P.J.S.C.
and its subsidiaries

Interim Condensed Consolidated Financial
Statements (Unaudited)
For the period ended 31 March 2025

RAK Properties P.J.S.C. and its subsidiaries

**Interim Condensed Consolidated Financial Statements (Unaudited)
For the period ended 31 March 2025**

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF RAK PROPERTIES P.J.S.C.**T +971 6 525 9691
F +971 6 525 9690www.grantthornton.ae**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of RAK Properties P.J.S.C. (the "Company") and its subsidiaries (the "Group") as at 31 March 2025 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended and explanatory notes. The Management of the Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

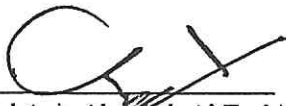
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

GRANT THORNTON UAE
Farouk Mohamed
Registration No: 86
Sharjah, United Arab Emirates**07 May 2025**

RAK Properties P.J.S.C. and its subsidiaries

Interim condensed consolidated statement of financial position
As at 31 March 2025 (Unaudited)

	Notes	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	3	1,812,484	1,822,861
Investment properties	4	1,568,773	1,577,216
Trading properties under development	5	2,393,538	2,403,580
Investments at fair value through other comprehensive income	6	18,176	18,176
Investment in a joint venture	7	78,863	77,045
Trade and other receivables	8	648,557	559,866
Total non-current assets		6,520,391	6,458,744
Current assets			
Trading properties under development	5	86,821	54,409
Inventories		5,043	2,410
Trading properties	9	33,408	38,705
Trade and other receivables	8	1,048,517	995,131
Bank balances and cash	10	457,502	462,590
Total current assets		1,631,291	1,553,245
TOTAL ASSETS		8,151,682	8,011,989
EQUITY AND LIABILITIES			
Equity			
Share capital	11	3,000,000	3,000,000
Share premium		114,120	114,120
Statutory reserve		1,028,092	1,028,092
Treasury shares	11	(22,615)	(22,615)
Retained earnings		743,755	684,829
Other reserves	12	723,551	722,571
Total equity		5,586,903	5,526,997
Non-current liabilities			
Employees' end-of-service benefits		8,548	8,003
Borrowings	13	698,694	742,175
Deferred government grants		343,826	347,538
Trade payable, accruals and other liabilities	14	373,597	359,912
Total non-current liabilities		1,424,665	1,457,628
Current liabilities			
Borrowings	13	493,505	519,884
Trade payable, accruals and other liabilities	14	646,609	507,480
Total current liabilities		1,140,114	1,027,364
Total liabilities		2,564,779	2,484,992
TOTAL EQUITY AND LIABILITIES		8,151,682	8,011,989


Abdul Aziz Abdullah Al Zaabi
Chairman


Sameh Muhtadi
Chief Executive Officer

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

RAK Properties P.J.S.C. and its subsidiaries

Interim condensed consolidated income statement

For the three-month period ended 31 March 2025 (Unaudited)

		Three-month period ended	
		31 March	31 March
		2025	2024
		AED '000	AED '000
	Notes	(Unaudited)	(Unaudited)
Revenue	15	370,271	289,810
Cost of revenue	15	(223,682)	(177,131)
GROSS PROFIT		146,589	112,679
Share of profit from a joint venture	7	1,818	175
Selling, general and administrative expenses	16	(60,990)	(49,851)
Other income		1,885	1,370
OPERATING PROFIT		89,302	64,373
Finance costs		(19,428)	(23,183)
Finance income		4,591	4,351
NET PROFIT FOR THE PERIOD BEFORE TAX		74,465	45,541
Income tax expense	17	(6,559)	(4,091)
NET PROFIT AFTER TAX FOR THE PERIOD		67,906	41,450
Earnings per share for the period – basic and diluted (AED)	19	0.023	0.020

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

RAK Properties P.J.S.C. and its subsidiaries

Interim condensed consolidated statement of comprehensive income
For the three-month period ended 31 March 2025 (Unaudited)

	Three-month period ended	
	31 March 2025 AED '000 (Unaudited)	31 March 2024 AED '000 (Unaudited)
NET PROFIT AFTER TAX FOR THE PERIOD	67,906	41,450
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	67,906	41,450

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

RAK Properties P.J.S.C. and its subsidiaries

Interim condensed consolidated statement of changes in equity
For the three-month period ended 31 March 2025 (Unaudited)

	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 2025 (Audited)	3,000,000	114,120	1,028,092	(22,615)	684,829	722,571	5,526,997
Net profit after tax for the period	-	-	-	-	67,906	-	67,906
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	67,906	-	67,906
Board of Directors' remuneration	-	-	-	-	(8,000)	-	(8,000)
Transfer to other reserves	-	-	-	-	(980)	980	-
Balance at 31 March 2025 (Unaudited)	3,000,000	114,120	1,028,092	(22,615)	743,755	723,551	5,586,903
	Share capital AED '000	Share Premium AED '000	Statutory reserve AED '000	Treasury Shares AED '000	Retained earnings AED '000	Other reserves AED '000	Total equity AED '000
Balance at 1 January 2024 (Audited)	2,000,000	-	1,000,000	-	589,778	714,577	4,304,355
Net profit after tax for the period	-	-	-	-	41,450	-	41,450
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	41,450	-	41,450
Issuance of stock dividend	80,000	-	-	-	(80,000)	-	-
Dividend	-	-	-	-	(60,000)	-	(60,000)
Board of Directors' remuneration	-	-	-	-	(8,000)	-	(8,000)
Treasury shares	-	-	-	(20,179)	-	-	(20,179)
Transfer to other reserves	-	-	-	-	(971)	971	-
Balance at 31 March 2024 (Unaudited)	2,080,000	-	1,000,000	(20,179)	482,257	715,548	4,257,626

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

RAK Properties P.J.S.C. and its subsidiaries

Interim condensed consolidated statement of cash flows
For the three-month period ended 31 March 2025 (Unaudited)

		Three-month period ended	
		31 March 2025 AED '000 (Unaudited)	31 March 2024 AED '000 (Unaudited)
Notes			
OPERATING ACTIVITIES			
		74,465	45,541

The accompanying notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements
For the three-month period ended 31 March 2025 (Unaudited)

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 interim condensed consolidated financial statements as at and for the three-month period ended 31 March 2025 comprises the Company and its subsidiaries (collectively referred to as the "Group").

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

The interim condensed consolidated financial statements were authorised for issue on 7 May 2025 by the Board of Directors.

2 Basis of preparation

2.1 Statement of compliance

The interim condensed consolidated financial statements of the Group for the three-month ended 31 March 2025 have been prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and should be read in conjunction with the consolidated financial statements for the year end 31 December 2024. The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements, except for the new standards and amendments adopted during the current period as explained in Note 2.3.

The interim condensed consolidated financial statements have been prepared in Arab Emirates Dirham (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment properties and investments, which are measured at fair value.

The preparation of interim condensed consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which for the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

2 Basis of preparation (continued)

2.1 Statement of compliance (continued)

The interim condensed consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company (its subsidiaries) as of 31 March 2025. Control is achieved where all the following criteria are met:

- (a) the Company has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) the Company has exposure, or rights, to variable returns from its involvement with the entity; and
- (c) the Company has the ability to use its power over the entity to affect the amount of the Company's returns.

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 interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiary

A subsidiary is fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Details of the Company's subsidiaries are as follows:

Subsidiary	Country of incorporation	Ownership %	
		31 March 2025	31 December 2024
(1) RAK Properties International Limited	UAE	100%	100%
(2) Intercontinental RAK Mina Al Arab Resorts & Spa L.L.C	UAE	100%	100%
(3) Anantara Mina Al Arab Ras Al Khaimah Resorts L.L.C	UAE	100%	100%
(4) Lagoon Marina Ship Management & Operation L.L.C	UAE	100%	100%
(5) RAK Properties Tanzania Limited	Tanzania	100%	100%
(6) Dolphin Marina Limited	Tanzania	100%	100%
(7) RAK Properties Gayreimenkul Pazarlama Anonim Sirketi	Turkey	100%	100%
(8) FM Force Management of Facilities Facilities LLC OPC *	UAE	100%	-
(9) MINA Management Supervision Services for Owners Associations LLC OPC *	UAE	100%	-

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

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

2 Basis of preparation (continued)

2.2 Significant accounting judgments, estimates and assumptions

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. 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.

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 interim condensed 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

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. 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.

Principal versus agent considerations – services to tenants

The Group arranges for certain services provided to tenants of investment property included in the contract the Group enters into as a lessor. The Group has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints, and it is primarily responsible for the quality or suitability of the services. In addition, the Group has discretion in establishing the price that it charges to the tenants for the specified services.

Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

Consideration of material 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 material 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.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

2 Basis of preparation (continued)

2.2 Significant accounting judgments, estimates and assumptions (continued)

Judgements (continued)

(i) Revenue from contracts with customers (continued)

Cost to complete the projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include cost of design and consultancy, construction, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

(ii) Leases - Property lease classification – the Group as lessor

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

(iii) Classification of properties

In the process of classifying properties, management has made various judgments. Judgment 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 judgment consistently in accordance with the definitions of investment property, property and equipment and trading properties. In making its judgment, 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.

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 interim condensed 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 selling and 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 material estimates and judgements related to future rental yields and capitalisation rates.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

2 Basis of preparation (continued)

2.2 Significant accounting judgments, estimates and assumptions (continued)

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 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 event or condition 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.

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 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.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

2 Basis of preparation (continued)

2.3 New or revised standards and interpretations

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed 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 2024, except for the adoption of the following new standards and interpretations effective as of 1 January 2025.

- Lack of Exchangeability (Amendments to IAS 21)

This amendment did not have a significant impact on these interim condensed 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 early adopted by the Group include:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and 9)
- Annual improvements to IFRS Accounting Standards - Volume 11
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- IFRS 18 'Presentation and Disclosures in Financial Statements

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. Management is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's interim condensed consolidated financial statements. These remaining above standards, amendments and interpretations are not expected to have a significant impact on the interim condensed consolidated financial statements in the period of initial application and therefore no disclosures have been made.

3 Property and equipment

Additions, disposal and depreciation

During the three-month period ended 31 March 2025, the Group has made additions amounting to AED 7,218 thousand (three-month period ended 31 March 2024: AED 47,973 thousand).

Depreciation of property and equipment for the three-month period ended 31 March 2025 amounted to AED 17,595 thousand (three-month period ended 31 March 2024: AED 16,158 thousand).

4 Investment properties

Investment properties include the below:

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Buildings and plots of land	1,536,046	1,536,046
Investment properties under development	32,727	41,170
	<u>1,568,773</u>	<u>1,577,216</u>

Investment property comprises land parcels and number of residential and commercial properties that are leased to third parties. All investment properties are located in the UAE.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

4 Investment properties (continued)

Fair value

The management does not consider the fair value of investment properties for the period ended 31 March 2025 to be significantly different from the fair value as at 31 December 2024. The fair valuation of investment properties was conducted by an independent external valuer as at 31 December 2024. Management intends to appoint independent external valuer to determine the fair value as at 31 December 2025, unless there are indicators which suggest a significant change in the fair value before the reporting period.

Certain items of investment properties are mortgaged against bank borrowing.

5 Trading properties under development

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Inside UAE	2,466,544	2,444,174
Outside UAE	13,815	13,815
	<u>2,480,359</u>	<u>2,457,989</u>
Less: Classified as current assets	(86,821)	(54,409)
Classified as non-current assets	<u>2,393,538</u>	<u>2,403,580</u>

6 Investments

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Investments at fair value through other comprehensive income		
Investments within UAE		
Unquoted equity investments	1,259	1,259
Investments outside UAE		
Unquoted real estate funds	3,320	3,320
Unquoted equity investments	13,597	13,597
Total investments	<u>18,176</u>	<u>18,176</u>

During the three- month period, no dividend income was received on these investments (2024: AED 296 thousand). The details of valuation techniques and assumptions applied for the measurement of fair value of financial instruments are mentioned in Note 21 of the interim condensed consolidated financial statements.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

7 Investment in a joint venture

Movement in the investment in a joint venture during the period/year is as follow:

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
At 1 January	77,045	68,069
Share of profit during the period/year	1,818	8,976
	<u>78,863</u>	<u>77,045</u>

During the year ended 31 December 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 shall be the 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 control and profit shall be on an equal 50:50 basis between the Group and Ellington.

8 Trade and other receivables

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Trade receivables	441,811	479,888
Contract assets	934,430	795,679
Trade receivables and contract assets, gross	1,376,241	1,275,567
Less: Provision for expected credit losses	(28,327)	(28,327)
Trade receivables and contract assets, net	1,347,914	1,247,240
Other receivables	63,523	64,832
	<u>1,411,437</u>	<u>1,312,072</u>
Capitalised cost to obtain contract	189,565	138,644
Advances to suppliers and contractors	76,030	92,712
VAT receivables	11,072	7,610
Prepayments	8,970	3,959
	<u>285,637</u>	<u>242,925</u>
	1,697,074	1,554,997
Less: Non-current portion of trade and other receivables	(648,557)	(559,866)
	<u>1,048,517</u>	<u>995,131</u>

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

9 Trading properties

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Inside UAE	19,645	24,942
Outside UAE	13,763	13,763
	<u>33,408</u>	<u>38,705</u>

10 Bank balances and cash

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Cash in hand	270	270
Bank balances:		
- Current accounts	46,591	52,594
- Call accounts	4,918	3,997
- Current accounts – unclaimed dividends	5,723	5,729
- Term deposits	400,000	400,000
Balance at the end of the period/year	<u>457,502</u>	<u>462,590</u>

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

The effective average interest rate on deposits is 4.3% to 5.1% per annum (2024: 4% to 5.30% per annum). Term deposits amounting to AED 400,000 thousand are under lien against bank overdraft (Note 13). Bank balances and cash are maintained in United Arab Emirates.

For the purpose of interim condensed consolidated statement of cash flows, cash and cash equivalents comprises of the following amounts:

	31 March 2025 AED '000 (Unaudited)	31 March 2024 AED '000 (Unaudited)
Bank balances and cash	457,502	459,479
Less: Current accounts – unclaimed dividends	(5,723)	(5,729)
Less: Bank overdraft	(321,591)	(504,110)
	<u>130,188</u>	<u>(50,360)</u>

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

11 Share capital and treasury shares

Share capital

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Authorised, issued and fully paid- up 3,000,000,0000 shares (2024: 3,000,000,0000 shares) of par value of AED 1 each	3,000,000	3,000,000

The shareholders in the Annual General Meeting held on 11 March 2025 have not approved any dividend for the year ended 31 December 2024 (For the year ended 31 December 2023, cash dividend of AED 0.03 per share amounting to AED 60,000 thousand and bonus shares of 4% amounting to AED 80,000 thousand).

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.

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 March 2025, 17,917 thousand treasury shares with a cost value of AED 22,615 thousand were held (2024: 17,917 thousand treasury shares with a cost value of AED 22,615 thousand).

12 Other reserves

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
General reserve	656,708	656,708
Development reserve	303,675	303,675
Fair value reserve	(243,227)	(243,227)
Other reserve	6,395	5,415
	723,551	722,571

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

13 Borrowings

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Term loans	844,429	894,908
Short term borrowing	26,179	26,179
Bank overdrafts	321,591	340,972
Total borrowings	1,192,199	1,262,059
Less: Current portion	(493,505)	(519,884)
Non-current portion	698,694	742,175

The Group has obtained overdraft facilities of AED 700,000 thousand (31 December 2024: AED 700,000 thousand) from commercial banks. Interest on bank overdrafts, which are secured by term deposits is 0.25% per annum over such term deposit rates. Further, for unsecured bank overdrafts, interest is computed at a fixed margin + 3 months EIBOR per annum.

The overdraft facilities of the Group are secured by:

- Lien over fixed deposit for AED 400,000 thousand (Note 10);
- To route funds 1.5 times of the net clean limit utilised under the overdraft.

The details of the long-term bank loans, including terms of repayment, and interest rate are set out in the consolidated financial statements of the Group for the year ended 31 December 2024.

The bank borrowing agreements ("Agreements") contain certain restrictive covenants including maintaining Debt to EBITDA ratio. The Group complied with the annual bank covenants as at 31 December 2024.

Term 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.
- 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.

14 Trade payable, accruals and other liabilities

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Trade payables	178,658	163,102
Project contract accruals	157,414	195,486
Other payables and accruals	278,055	204,849
Contract liabilities	245,182	149,008
Advance connection charges	121,375	121,978
Provision for income tax	28,321	21,762
Unclaimed dividends	5,723	5,729
Deferred tax liability	5,478	5,478
	1,020,206	867,392
Less: Current portion	(646,609)	(507,480)
Non-current portion	373,597	359,912

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2025 (Unaudited)

15 Revenue and cost of revenue

	Three-month period ended	
	31 March 2025 AED '000 (Unaudited)	31 March 2024 AED '000 (Unaudited)
Type of revenue with customers		
Sale of properties	297,534	227,888
Hotel operations	54,737	47,573
Property leasing and others	18,000	14,349
Total revenue	370,271	289,810
Cost of revenue		
Cost of sale of properties	198,250	154,605
Hotel operations	21,389	19,997
Property leasing and others	7,755	8,726
Amortisation of government grants	(3,712)	(6,197)
	223,682	177,131

The Group earned its entire revenue from contracts within the United Arab Emirates.

Below is the split of revenue recognised over a period of time and at a point in time:

	Three-month period ended	
	31 March 2025 AED '000 (Unaudited)	31 March 2024 AED '000 (Unaudited)
Recognised over time	331,645	260,034
Recognised at a point in time	29,858	22,071
Total revenue from contracts with customers	361,503	282,105
Leasing income – recognised over term of lease	8,768	7,705
Total revenue	370,271	289,810

16 Selling, general and administrative expenses

	Three-month period ended	
	31 March 2025 AED '000 (Unaudited)	31 March 2024 AED '000 (Unaudited)
Staff costs	17,770	13,862
Depreciation	17,595	16,158
Sales and marketing expenses	12,979	8,465
Other expenses	12,646	11,366
	60,990	49,851

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

17 Income tax expense

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.

- (a) The income tax expense recognised in the interim condensed consolidated income statement comprises the following:

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	31 March 2024 AED'000 (Unaudited)
Income tax		
Current income tax expense	6,559	4,091
Total income tax expense	6,559	4,091

- (b) Reconciliation of income tax expense:

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	31 March 2024 AED'000 (Unaudited)
Profit before tax	74,465	45,541
Tax at the rate of 9%	6,702	4,099
Tax effects of		
Share of profit from a joint venture	(164)	-
Expenses not deductible for tax purposes	30	1
Taxable income not exceeding threshold	(9)	(9)
Total income tax expense	6,559	4,091

18 Related party disclosures

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, "Related Party Disclosures".

The following are the significant related party transactions during the period are as below:

	Three-month period ended	
	31 March 2025 AED '000 (Unaudited)	31 March 2024 AED '000 (Unaudited)
<i>Compensation of key management personnel:</i>		
Salaries and benefits	4,832	5,215
Accrual of end of service benefits	132	111
Board of Directors' remuneration	8,000	8,000
	12,964	13,326

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

19 Basic and diluted earnings per share

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

	Three-month period ended	
	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Basic earnings per share		
Net profit after tax for the period (AED'000)	67,906	41,450
Issued ordinary shares at 1 January (in thousands)	3,000,000	2,000,000
Treasury shares held on behalf of the Company at 1 January (in thousands)	(17,917)	-
Issued ordinary shares outstanding at 1 January (in thousands)	2,982,083	2,000,000
Effects of bonus shares issued (in thousands)	-	80,000
Effects of treasury shares (in thousands)	-	(7,548)
Weighted average number of shares outstanding at 31 March (in thousands)	2,982,083	2,072,452
Basic and diluted earnings per share (AED)	0.023	0.020

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

20 Contingent liabilities and commitments

Commitments relating to the property development are as follows:

	31 March 2025 AED '000 (Unaudited)	31 December 2024 AED '000 (Audited)
Approved and contracted	1,188,692	1,322,938

The above commitments represent the value of contracts entered into by the Group including contracts entered for construction of properties, net of invoices received, and accruals made at that date.

21 Fair values of financial instruments

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 condensed consolidated financial information approximate their fair values.

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

The fair values of financial and non-financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2024.

Fair value measurements recognised in the interim condensed consolidated statement of financial position.

RAK Properties P.J.S.C. and its subsidiaries

Notes to the interim condensed consolidated financial statements (continued)
For the three-month period ended 31 March 2025 (Unaudited)

21 Fair values of financial instruments (continued)

Fair value of financial instruments carried at amortised cost

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 March 2025 (Unaudited)				
Fair value through OCI – unquoted equities and funds	-	-	18,176	18,176
Investment properties	-	-	1,568,773	1,568,773
	-	-	1,586,949	1,586,949
31 December 2024 (Audited)				
Fair value through OCI – unquoted equities and funds	-	-	18,176	18,176
Investment properties	-	-	1,577,216	1,577,216
	-	-	1,595,392	1,595,392

During the current and previous years, 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.

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Notes to the interim condensed consolidated financial statements (continued)

For the three-month period ended 31 March 2025 (Unaudited)

22 Segment reporting

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, property leasing and others. Information regarding the operations of each separate segment is included below:

	Property sales AED '000	Hotel operations AED '000	Property leasing and others AED '000	Total AED '000
Three-month period ended 31 March 2025 (Unaudited)				
Revenue	298,257	54,737	17,277	370,271
Segment gross profit	103,719	33,348	9,522	146,589
As at 31 March 2025 (Unaudited)				
Total assets	4,114,253	1,404,443	2,632,986	8,151,682
Total liabilities	714,722	576,969	1,273,088	2,564,779
Capital expenditure	-	5,998	19,232	25,230

	Property Sales AED '000	Hotel Operations AED '000	Property leasing and others AED '000	Total AED '000
Three-month period ended 31 March 2024 (Unaudited)				
Revenue	227,888	47,573	14,349	289,810
Segment gross profit	79,480	27,576	5,623	112,679
As at 31 December 2024 (Audited)				
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