Initiation Report

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Mohamad Haidar, CFA
mohamad.haidar@arqaamcapital.com
+961 3 813 486

Hussein Fares, CFA
Hussein.fares@arqaamcapital.com

RAK Properties – Initiation of Coverage

Leading transformation in Ras Al Khaimah's housing and tourism landscapes. Initiate with a Buy and AED 2.4 TP.

- **RAK Properties is the master developer and primary landlord of Mina, Ras Al Khaimah's flagship coastal community. The company focuses on BTS residential developments and owns and operates a portfolio of hospitality assets and community amenities.**
- **Ras Al Khaimah is the UAE's 4th largest emirate with a USD ~12bn GDP, 345k+ population, and 1.28m annual visitors, set to double by 2027e. With 45k new homes needed by 2030e, RAK Properties is well positioned to capture 20%+ of RAK's future housing demand, supported by its dominant land bank (>10m sqft residual NSA) and strong government backing.**
- **We Initiate on RAK Properties with a Buy rating and a TP of AED 2.4/share, offering a significant upside of 85%. Our EV is predominantly driven by the development business (56% of EV), followed by the Hospitality portfolio (32%) and the leasing segment (12%).**

Strategically positioned to lead Ras Al Khaimah's coastal transformation: RAK Properties is the anchor landlord and master developer of Mina Al Arab (rebranded to "Mina"), Ras Al Khaimah's flagship mixed-use waterfront destination. The company focuses on BTS residential communities and hospitality operations, including the InterContinental and Anantara hotels, both located on Mina. Its active residential portfolio spans 12 projects built over ~36m sqft of utilized land, equivalent to a residual NSA of 10m sqft, comprising 8m sqft in Mina and 2m sqft on Al Marjan Island near Wynn Al Marjan, capable of producing another 10k residential units over the next 7 years.

Ras Al Khaimah needs c.45k new residential units by 2030e: growth in RAK remains anchored by rapid population growth fueled by tourism growth and supported by enhanced community infrastructure, in preparation for the landmark opening of Wynn Al Marjan Resort in 2027. Tourism growth will be further accelerated by the upgradation of RAK's transportation network including the Etihad Rail and RAK Airport expansion. RAK Properties enjoys 20%-30% market share in RAK, having delivered 3.2k residential units across RAK, with another 3.2k units currently under development, the company plans to launch and develop ~10k additional residential units across its remaining land in Mina and Al Marjan Beach District over the next 7 years. RAK Properties is the only integrated community developer in Ras AL Khaimah, granting the company a strategic edge in capturing a significant share of future growth thanks to its sizable land bank, prime quality services, and hospitality offerings.

RAK Properties can deliver a revenue CAGR of 22% and an EPS CAGR of 25% in FY 25-28e, ensuring P&L visibility: RAKPROP's revenues grew at a 49% CAGR over the last 5 years, reaching AED 1.4bn in FY 24A, primarily driven by its development segment, which now contributes 82% of total revenue. In FY 24A, the company sold AED 1.4bn worth of property, capturing an estimated 20% market share in Ras Al Khaimah, with its development backlog now sitting at AED 2.5bn (following ~AED 1.5bn sales in H1 2025), with property sales set to more than double in FY 25e. Looking ahead, the company unveiled an AED 5bn GDV pipeline for 2025e, with five projects already launched, and is targeting annual launches of ~2k units. We forecast development revenues to grow at an 24% CAGR over the next 4 years, reaching 2.7bn in FY 28e, supported by sustained demand in RAK and the company's ability to monetize its sizable land bank.

RAK Properties is one of the main hotel operators in Ras Al Khaimah, with two hotels operating and three hotels 'in planning': the company currently operates two hospitality assets, InterContinental Hotel (351 rooms) on Hayat Island and Anantara Hotel (174 rooms) in the Lagoons district of Mina. Over the next five years, RAKPROP targets to add three more hotels, expanding its footprint in Ras Al Khaimah's growing hospitality sector. Two of these are already under construction, including Nikki Beach Resort (155 rooms) on Hayat Island, set for completion in 2027e with a total CapEx of AED 370m, and Four Seasons (150 keys) on Raha Island, scheduled for delivery in 2028e at an estimated cost of AED 550m. We expect hospitality revenues to grow at a 16% CAGR through FY 30e, organically through higher occupancy rates and ADRs and inorganically via the addition of three new hotels in the near term, increasing the total key count to ~980, in line with the company's strategy to expand its recurring income portfolio 4x by FY 30e.

Strong balance sheet and 40/60 payment scheme supports FCF growth: we expect FCF to grow at 8% CAGR during FY25-30e, at an average FCF margin of 20%+, predominantly driven by the development business (67%), followed by the hospitality segment (25%), and c.8% from the leasing segment. We expect the growth in FCF to lift FCF yield from ~6% in FY 25e to >20% by FY 30e. RAKPROP operates a self-funded development model, largely reflected in the strong balance sheet with an LTV of 16% vs. a peer median of 30%, allowing RAKPROP to navigate the current high-interest rate environment and comfortably fund future expansions and inorganic growth. RAKPROP targets to deploy AED 1.5bn-2bn on development CapEx over the next 4 years, which will be mostly funded by debt and internal cash flows.

We initiate on RAK Properties with a Buy rating and a TP of SAR 2.4/share, offering a significant upside of 85%. We value RAKPROP using a SotP-DCF approach, dividing the business into developments (existing and future), hospitality, and recurring income segments. We arrive at a total EV of AED 8.1bn and equity value of AED 7.3bn, implying a TP of SAR 2.4/share. Our bare-bones NAV is implied at AED 2.9bn, equivalent to 76% of mktcap, suggesting huge upside in residual land which is implied at AED 89/sqft in mktcap compared to a fair market price of >AED 250/sqft. RAKPROP trades at 0.7x P/B (cheapest in sector, at 36% discount to peers), while offering a RoE of ~10% and EPS CAGR (25-28e) of 25%.

BUY AED 2.4

Real Estate / UAE

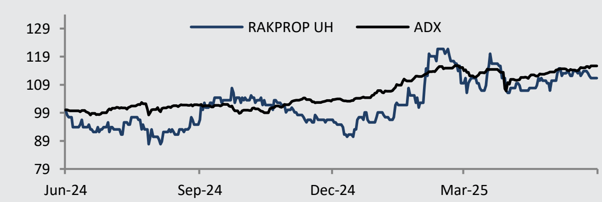
Bloomberg code	RAKPROP UH
Market index	ADX
Target Price	2.4
Upside (%)	84.5

Market data 6/18/2025

Last closing price	1.28
52 Week range	1.0-1.4
Market cap (AED m)	3,660
Market cap (USD m)	997
Average Daily Traded Value (AED m)	10.0
Average Daily Traded Value (USD m)	2.6
Free float (%)	58%

Year-end (local m)	2024	2025e	2026e	2027e
Revenues	1,406.3	1,597.6	1,818.6	2,446.5
EBITDA	375.9	495.0	554.2	731.6
EPS	0.1	0.1	0.1	0.2
P/E (current price)	11.4	11.8	9.8	7.2
Net debt	799.5	449.6	243.1	(60.1)
BVPS	2.2	2.0	2.1	2.3
P/B (current price)	0.6	0.7	0.6	0.6
EV/EBITDA (current price)	12.3	8.7	7.4	5.2
Div. yield (%)	1.6	-	-	-
FCF margin (%)	11.9	26.0	13.9	14.8
Net debt/EBITDA (x)	2.1	0.9	0.4	(0.1)
Net debt/Capital (%)	11.8	6.3	3.1	(0.7)
Interest cover (x)	5.0	6.4	10.2	10.9
RoAA (%)	3.9	4.0	4.6	5.7
RoAE (%)	5.7	5.7	6.5	8.2
RoIC (%)	4.5	4.9	5.5	6.8

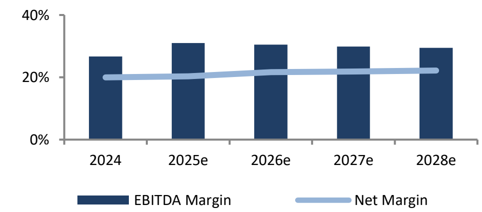
Price Performance



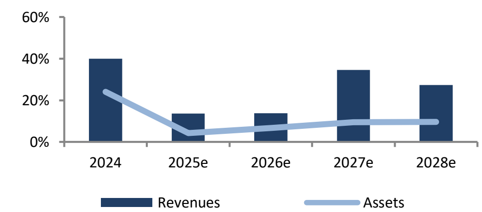
Abacus

Arqaam Capital Fundamental Data

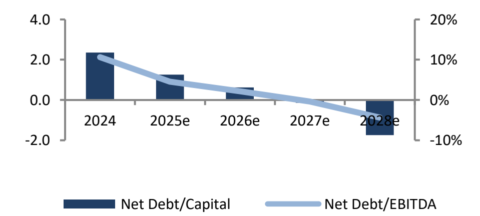
Profitability



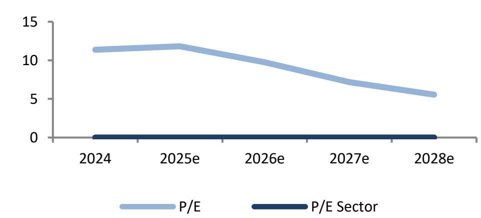
Growth



Gearing



Valuation



RAK Properties

Year-end	2023	2024	2025e	2026e	2027e	2028e
Financial summary						
Reported EPS	0.10	0.11	0.11	0.13	0.18	0.23
Diluted EPS	0.10	0.11	0.11	0.13	0.18	0.23
DPS	0.02	0.02	-	-	-	-
BVPS	2.15	2.21	1.95	2.08	2.26	2.49
Weighted average shares	2,000.00	2,500.00	3,000.00	3,000.00	3,000.00	3,000.00
Average market cap	2,560.00	3,200.00	3,840.00	3,840.00	3,840.00	3,840.00

Year-end	2023	2024	2025e	2026e	2027e	2028e
Valuation metrics						
P/E (x) (current price)	12.7	11.4	11.8	9.8	7.2	5.6
P/E (x) (target price)	23.5	21.1	22.0	18.1	13.3	10.3
P/BV (x) (target price)	1.1	1.1	1.2	1.1	1.1	1.0
EV/EBITDA (x)	30.0	21.1	16.0	14.3	10.8	8.6
EV/FCF (x)	35.8	47.5	19.1	31.3	21.9	9.8
EV/Invested capital (x)	1.6	1.3	1.2	1.1	1.0	0.9
Dividend yield (%)	0.9	1.6	-	-	-	-

Year-end	2023	2024	2025e	2026e	2027e	2028e
Growth (%)						
Revenues	146.2	39.9	13.6	13.8	34.5	27.4
EBITDA	174.5	42.3	31.7	12.0	32.0	25.6
EBIT	282.5	32.5	35.9	13.4	35.0	27.5
Net income	555.5	39.2	15.5	21.2	36.1	29.1

Year-end	2023	2024	2025e	2026e	2027e	2028e
Margins (%)						
EBITDA	26.3	26.7	31.0	30.5	29.9	29.5
EBIT	23.3	22.1	26.4	26.3	26.4	26.4
Net	20.1	20.0	20.3	21.6	21.9	22.2

Year-end	2023	2024	2025e	2026e	2027e	2028e
Returns (%)						
RoAA	3.2	3.9	4.0	4.6	5.7	6.8
RoAE	4.8	5.7	5.7	6.5	8.2	9.7
RoIC	4.0	4.5	4.9	5.5	6.8	8.0
FCF margin	22.0	11.9	26.0	13.9	14.8	25.9

Year-end	2023	2024	2025e	2026e	2027e	2028e
Gearing (%)						
Net debt/Capital	14.0	11.8	6.3	3.1	(0.7)	(8.7)
Net debt/Equity	18.0	14.5	7.7	3.9	(0.9)	(10.7)
Interest cover (x)	4.5	5.0	6.4	10.2	10.9	12.6
Net debt/EBITDA (x)	2.9	2.1	0.9	0.4	(0.1)	(0.9)

Abacus *Arqaam Capital Fundamental Data*

Investment thesis

RAK Properties is a leading real estate developer in the Ras Al Khaimah, known for delivering high quality residential, commercial, and hospitality projects. As the primary landlord and master developer of Mina in Ras Al Khaimah, the company focuses on mixed use, mid to high end communities and stands out as the emirate's only integrated community developer. RAK Properties currently operates two flagship hotels (InterContinental and Anantara), and plans to add three more in the medium term, two of which are already under construction. To date, the company has delivered 3.2k residential units and is developing another 3.2k, including 1k units scheduled for handover in 2025e. Over the next several years, the company aims to launch and develop approximately 10k additional units across its land bank in Mina and the newly acquired 2m sqft in Al Marjan Beach District.

Shareholders and Board of Directors

Shareholders	
Government of Ras Al Khaimah	34.2%
United Al Saqer Group L.L.C.	7.4%
Public	58.4%

Source: ADX

Board of Directors

Name	Position
Mr. Abdulaziz Abdullah Al Zaabi	Chairman
Sheikh Ahmed Omar Al Qassimi	Director
Mr. Mohamed Ghobash Al Marri	Director
Mr. Yasser Abdulla Al Ahmad	Director
Mr. Abdallah Al Abdooli	Director

RAK Properties

Year-end	2023	2024	2025e	2026e	2027e	2028e
Income statement (AED m)						
Sales revenue	1,004.9	1,406.3	1,597.6	1,818.6	2,446.5	3,116.8
Gross profit	**365.2**	**542.9**	**653.3**	**749.0**	**1,003.5**	**1,261.8**
SG&A	(108.7)	(169.5)	(231.2)	(270.4)	(357.2)	(438.1)
EBITDA	**264.3**	**375.9**	**495.0**	**554.2**	**731.6**	**918.9**
Depreciation & Amortisation	29.8	65.3	72.9	75.5	85.4	95.2
EBIT	**234.5**	**310.6**	**422.1**	**478.6**	**646.3**	**823.7**
Net interest income(expense)	(52.5)	(61.9)	(66.0)	(47.1)	(59.1)	(65.5)
Associates/affiliates	-	-	-	-	-	-
Exceptionals/extraordinaries	-	-	-	-	-	-
Other pre-tax income/(expense)	-	-	-	-	-	-
Profit before tax	**201.8**	**308.2**	**356.1**	**431.5**	**587.1**	**758.2**
Income tax expense	-	(27.2)	(31.5)	(38.1)	(51.9)	(67.0)
Minorities	-	-	-	-	-	-
Other post-tax income/(expense)	-	-	-	-	-	-
Net profit	**201.8**	**281.0**	**324.7**	**393.4**	**535.2**	**691.2**
Arqaam adjustments (including dilution)	-	-	-	-	-	-
Arqaam Net profit	**201.8**	**281.0**	**324.7**	**393.4**	**535.2**	**691.2**

Year-end	2023	2024	2025e	2026e	2027e	2028e
Balance sheet (AED m)						
Cash and equivalents	457.7	462.6	874.1	1,234.0	1,690.6	2,522.9
Receivables	549.7	995.1	955.4	963.0	1,128.0	1,223.5
Tangible fixed assets	1,896.3	1,822.9	1,888.2	2,134.4	2,380.8	2,499.1
Investment properties	1,979.1	3,058.7	2,959.7	2,898.9	2,869.5	2,757.6
Other assets including goodwill	1,574.5	1,670.3	1,670.3	1,670.3	1,670.3	1,670.3
Total assets	**6,458.9**	**8,012.0**	**8,350.2**	**8,903.1**	**9,741.6**	**10,675.9**
Payables	154.8	359.9	367.7	387.2	482.9	620.8
Interest bearing debt	1,233.1	1,262.1	1,323.7	1,477.1	1,630.4	1,722.2
Other liabilities	766.6	863.0	807.1	793.7	847.9	861.4
Total liabilities	**2,154.6**	**2,485.0**	**2,498.5**	**2,658.0**	**2,961.3**	**3,204.4**
Shareholders equity	4,304.4	5,527.0	5,851.7	6,245.1	6,780.3	7,471.5
Minorities	-	-	-	-	-	-
Total liabilities & shareholders equity	**6,458.9**	**8,012.0**	**8,350.2**	**8,903.1**	**9,741.6**	**10,675.9**

Year-end	2023	2024	2025e	2026e	2027e	2028e
Cash flow (AED m)						
Cashflow from operations	**436.9**	**241.3**	**554.1**	**575.4**	**694.1**	**1,019.6**
Net capex	(215.3)	(74.5)	(138.3)	(321.8)	(331.8)	(213.5)
Free cash flow	**221.6**	**166.8**	**415.9**	**253.6**	**362.3**	**806.1**
Equity raised/(bought back)	-	-	-	-	-	-
Dividends paid	(33.3)	(60.0)	-	-	-	-
Net inc/(dec) in borrowings	63.0	143.7	61.6	153.4	153.4	91.8
Other investing/financing cash flows	-	-	-	-	-	-
Net cash flow	**475.7**	**421.3**	**842.0**	**788.1**	**887.5**	**1,272.7**
Change in working capital	(159.7)	(166.2)	90.6	59.3	14.3	167.7

Mohamad Haidar, CFA
mohamad.haidar@arqaamcapital.com
+961 3 813 483

Hussein Fares, CFA
Hussein.fares@arqaamcapital.com

Contents

RAK Properties – a pure play on housing and tourism growth in Ras Al Khaimah

- **RAK Properties is the master developer of Mina, Ras Al Khaimah's premier 44m sqft waterfront destination, with a focus on high-end build-to-sell residential communities and hospitality assets. It is also the only community developer in the emirate, giving it a unique competitive edge in capturing demand for gated prime integrated communities.**
- **The company controls a 10m sqft residual land bank, enough to deliver ~10k units over the next 7-8 years, supporting the recent launch of an AED 5bn GDV pipeline in 2025e. It sits on a development backlog of AED 2.5bn (supported by AED 1.5bn property sales in H1 2025) which could double over the next two years.**
- **The Government of Ras Al Khaimah raised its stake in the company from 5% to ~34% through a land-for-equity swap deal, granting RAK Properties ~2m sqft of prime beach-district land on Al Marjan Island (near Wynn Al Marjan). This transaction expands the company's strategic footprint and underscores a strong alignment with the government as RAK accelerates its transformation into a regional tourism and gaming hub.**

RAK Properties is the anchor landlord and master developer of Mina Al Arab, Ras Al Khaimah's flagship mixed-use waterfront destination spanning approximately 44m sqft along the emirate's coastline. The development is segmented into three main districts: Raha Island, Hayat Island, and The Lagoons, offering a blend of luxury waterfront residences, five-star hospitality assets, and leisure attractions. The island is home to landmark properties such as the InterContinental and Anantara Mina Al Arab resorts, as well as marinas, beach clubs, wellness centers, and dining and retail destinations. With over 2.5 kilometers of natural beaches and protected mangroves, Mina is seen as Ras Al Khaimah's premier coastal lifestyle community, aligning with the emirate's vision for sustainable tourism and high-end real estate development. Upon inception, the government of Ras Al Khaimah granted RAKPROP certain plots of land with an aggregate area of 67m sqft (2.8x current residual land), on the condition that the plots undergo development. Almost 36m sqft of Mina is currently developed or under development (mostly Hayat Island), with the remaining 8m sqft of land planned to be developed over the next 7 years.

RAK Properties specializes in BTS residential developments and hospitality projects: the company currently operates 12 active residential projects and holds a sizable portfolio of residual land bank spanning 10m sqft, earmarked for future development and sale. In 2024, the company conducted a land-for-equity swap deal with the Government of Ras Al Khaimah, acquiring ~2m sqft of prime land (with a fair value of AED 1.03bn) in exchange for 920m new shares (AED 920m), increasing its capital base by 44%. RAK Properties sold AED 1.4bn worth of property in FY 2024 and AED 1.5bn in H1 2025 alone, maintaining the largest market share in the emirate (35% in 2023 and 20% in 2024). In 2025, the company launched a new AED 5bn GDV masterplan within Mina Al Arab (AED 754m launched YtD), adding visibility to its AED 2.5bn development backlog.

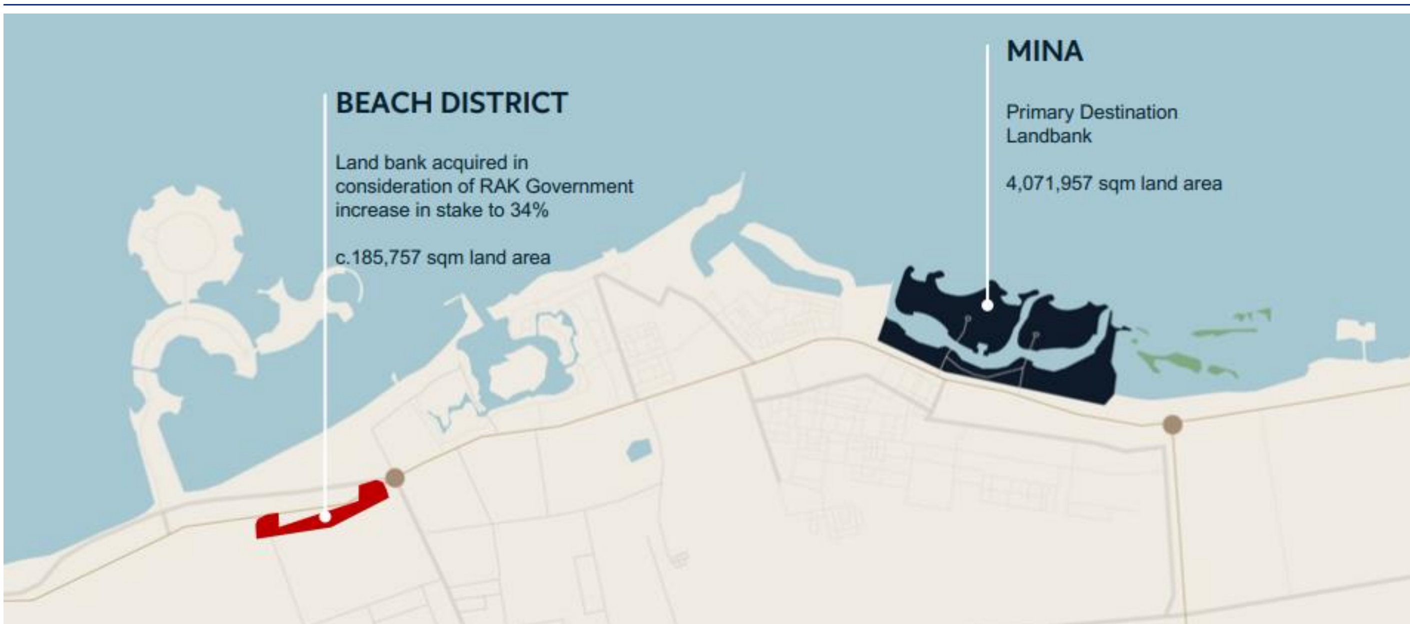
RAK Properties is one of the main hospitality operators in Ras Al Khaimah, managing two flagship hotels, InterContinental and Anantara, with a combined total of 525 rooms (13% of 5-star room supply in RAK). InterContinental, a 350-room hotel and resort located on Hayat Island in Mina, opened in March 2022 and currently operates at a 62% occupancy rate with average ADRs of AED 840. Anantara, a 5-star resort with 174 rooms, opened in January 2024 with a premium twist, running on average ADRs of AED 1,399 and an occupancy rate of 72%. Hotels across Ras Al Khaimah operated at an average occupancy rate of 71% and an ADR of AED 593 in 2024. We expect hospitality revenues for RAKPROP to grow at a 16% CAGR through FY 30e, supported by organic growth via catch-up in occupancy and ADR rates towards market levels, and inorganic growth via the addition of three new hotels in the near term, increasing the total key count to ~980, in line with the company's strategy to enhance its recurring income portfolio.

Exhibit 1: RAK Properties operates in three key segments, with property sales contributing the lion-share to top line at 82% in FY 24A.

	Revenues (FY 24A)	% of revenues	Gross profit (FY 24A)	GPm	Assets	% of Assets
Property sales	1,146	82%	415*	36.1%	3,958	49%
Hospitality Segment	200	14%	114	57.3%	1,434	18%
Property leasing and others	61	4%	13.756	24.6%	2,620	33%
Total/average	**1,406**	**100%**	**543**	**38.6%**	**8,012**	**100%**

*Source: Company Data, Arqaam Capital Research | *Includes +AED 22m related to government grants*

Exhibit 2: RAK Properties land bank in Ras Al Khaimah



Source: Company Data, Arqaam Capital Research

Exhibit 3: RAK Properties' masterplan for Mina Al Arab

Source: Company Data, Arqaam Capital Research

RAKPROP sits on a residual land bank spanning over 10m sqft, where it can build another 10k residential units over the next 7-8 years. The company initially owned 44m sqft in Mina Al Arab, of which 36m sqft has been developed or under development, with the remaining ~8m sqft sitting in the residual land portfolio and ready to be launched over the next 7-8 years, topped up by a new ~2m sqft premium land addition from the Government of RAK in exchange for 920m shares. As a general strategy, the company targets to maintain a residual land portfolio equivalent to at least 5 years of future sales and is positioned to launch 7-8 projects every year (or 2-3k units per year), that could generate property sales of AED 4-5bn annually. To date, the company has delivered 3,500 units in RAK and AUH, with 3,200 units currently under development, including ~1,000 units slated for delivery in 2025e.

Exhibit 4: Details of RAK Properties asset portfolio

	Location	Type	No. of units	Status	Completion rate	Completion date
Residential:						
EDGE	Raha Island	Apartments	237	Under development	NIL	Q2 27
NB Collections	Hayat Island	Villas	11	Under development	NIL	Q4 26
Quattro Del Mar	Hayat Island	Apartments	888	Under development	NIL	Q4 26
Porto Playa	Hayat Island	Apartments	141	Under development	5%	Q4 26
Cape Hayat	Hayat Island	Apartments	678	Under development	36%	Q1 26
Bayviews	Hayat Island	Apartments	344	Under development	43%	Q3 25
Bay Residences Phase 2	Hayat Island	Apartments	324	Under development	60%	Q1 25
Bay Residences Phase 1	Hayat Island	Apartments	324	Under development	88%	Q1 25
Gateway Residence II	Hayat Island	Apartments	146	Under development	100%	Q4 24
Nasim Lofts	Hayat Island	Apartments	13	Under development	n/a	Q4 24
Marbella Villas II	Hayat Island	Villas	89	Under development	100%	Q4 24
Julphar Residence	Al Reem Island	Apartments	266	Complete	100%	Q4 23
Gateway Residence I	Raha Island	Apartments	144	Complete	100%	2020
Marbella Villas	Hayat Island	Villas	207	Complete	100%	2020
Bermuda Villas	Raha Island	Villas	157	Complete	100%	2017
Flamingo Villas	Lagoons	Villas	192	Complete	100%	2017
Julphar Towers	Ras Al Khaimah	Apartments	349	Complete	100%	2012
RAK Tower	Al Reem Island	Apartments	212	Complete	100%	2011
Lagoon Views	Mina Al Arab	Apartments	808	Complete	100%	2011
Malibu Villas	Lagoons	Villas	213	Complete	100%	2011
Granada Villas	Lagoons	Villas	93	Complete	100%	2010
Commercial:						
Julphar Offices	Ras Al Khaimah	Offices	468	Complete	100%	2012
Retail:						
Lagoon Marina	Mina Al Arab	Yacht Dock / Retail		Complete	100%	2011
Angel Bay	Hayat Island	Retail/dining				
Lagoon Walk	Mina Al Arab	Retail / Gardens		Complete	100%	2011
Julphar Avenue	Ras Al Khaimah	Retail / Shopping focused		Complete	100%	2012
Hotels:						
Four Seasons Hotel	Raha Island	Hotel	150	Under development	n/a	2029
Nikki Beach Resort & Spa	Hayat Island	Hotel	155	Under development	n/a	2027
Anantara Hotel	Lagoons	Hotel	174	Complete	100%	2024
Intercontinental Hotel & Resort	Hayat Island	Hotel	351	Complete	100%	2022

Source: Company Data, Arqaam Capital Research

Exhibit 5: RAKPROP's residual land bank

	Size (m sqft)	Total developed units	Development value (AED m)	Estimated units to be developed	No. of Hotel rooms
Mina Al Arab – utilized (Developed and under development)	36	2,184	~8,500	3,732	525
Mina Al Arab – residual	8	-	-	5,000	-
Marjan land	2			5,000	-
Total	**46**	**2,184**	**8,500**	**13,732**	**525**

Source: Company Data, Arqaam Capital Research

Exhibit 6: RAKPROP's development pipeline update (FY 24A)

Project	Location	Launch Year	Project Value (AEDm)	Units Launched	Units Sold	Net Sales (AEDm)	Revenue Backlog (AEDm)	% Sold	% Complete
Gateaway 2	Mina Al Arab	2023	165	146	146	164	1	100%	99%
Bayviews	Mina Al Arab	2023	421	344	344	421	240	100%	43%
Bay Residence Phase 1	Mina Al Arab	2023	366	324	323	364	18	100%	95%
Bay Residence Phase 2	Mina Al Arab	2023	395	324	324	395	62	100%	84%
Naseem Lofts	Mina Al Arab	2023	84	13	3	16	16	n/a	n/a
Marbella Extension	Mina Al Arab	2023	225	89	85	225	0	95%	99%
Cape Hayat	Mina Al Arab	2023	245	678	650	965	617	96%	36%
Granada Extension	Mina Al Arab	2024	210	80	69	184	82	86%	55%
Quattro Del Mar	Mina Al Arab	2024	1,559	888	507	687	606	57%	12%
The Edge	Mina Al Arab	2024	268	237	188	205	205	80%	NIL
NB Collections	Mina Al Arab	2024	230	11	1	24	24	9%	NIL
NB Playa*	Mina Al Arab	2023	353	141	139	361	344	98%	5%
Total			**6,944**	**3,262**	**2,777**	**3,995**	**2,199**	**84%**	**59%**

*Source: Company Data, Arqaam Capital Research | * Joint venture with a 50% stake*

The emirate of RAK Al Khaimah – a rising premier entertainment hub in the GCC

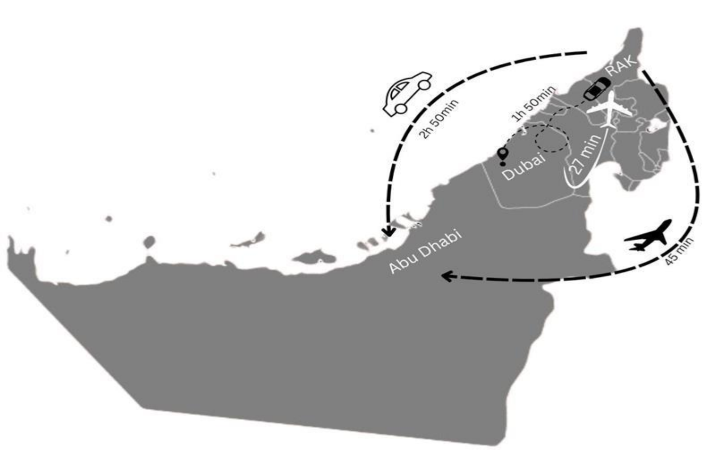
- **The Government of Ras Al Khaimah targets to add c.45k new homes by 2030, supported by strong housing demand from international investors and Emiratis.**
- **RAK's real estate market appeal ignited after Wynn Resorts decided to open up a USD ~5bn, 1,542-room, gaming-licensed resort on Al Marjan Island.**
- **Record-breaking tourism and landmark projects such as JW Marriott Al Marjan Island highlight RAK's ascent. With strong foreign investments, RAK is set to become a premier business and tourism destination in MENA.**
- **Ras Al Khaimah's hotel supply is poised to nearly double to ~15.7k keys by 2027e as operators race to capture part of the surging demand, with tourist arrivals set to more than double to 3.5m by 2030e.**

Ras Al Khaimah: A diversified growth hub and emerging investment destination. Located at the northernmost point of the UAE, RAK has a population of 450k and a GDP of USD 11.5bn, supported by 45k registered businesses. While manufacturing remains the backbone of the economy at 30% of GDP, tourism is rapidly accelerating, with visitor numbers up c.5% y/y in 2024 to a record 1.28m (44% non-UAE nationals) and expected to reach 3.5m by 2030e. Free zones and industrial areas continue to attract foreign capital, with USD 776m of FDI inflows in 2023, further reinforcing RAK's position as both a manufacturing stronghold and a rising tourism and lifestyle destination. Backed by a pro-business stance, an A+ Fitch rating, a debt-to-GDP ratio below 3%, and no fiscal deficits, RAK offers investors a balanced mix of industrial strength and fast-growing service sectors.

RAK's location offers direct trade routes to the GCC, India, and Africa, with well-developed transport links, including proximity to the DXB International Airport. The center of Ras Al Khaimah can be reached within a 27min flight from DXB, 2 hours from Riyadh, and 7 hours from London, while also reachable via a 75mins drive from Dubai Downtown. The tourism market in RAK is likely to boom with the opening of Wynn Resort on Al Marjan Island in 2027e, further enhancing the emirate's attractiveness as a prime entertainment destination.

Tourist arrivals hit 1.3m in 2023 and 1.4m in 2024, representing 12% y/y growth in tourism revenues, including a 40% increase in MICE visitors. RAK now boasts 8,211 hotel keys, with a pipeline of 7,500 more by 2030e. The visitor base is split evenly between domestic (50%) and international guests, with Russia, Kazakhstan, the UK, and China ranking among the top source markets. RAK Airport processed 661k passengers in 2024, with a target of 2m by 2030. The emirate's appeal stems from its unique mix of mountains, sea, and desert, all within 68km of white-sand coastline, and iconic adventure offerings like the world's longest zipline on Jebel Jais. RAK is currently served by seven direct international flight routes, connecting it to key source markets including Poland, Russia, the Czech Republic, Romania, Saudi Arabia, Uzbekistan, and India.

Exhibit 7: Proximity of main UAE destinations to RAK via different travel means

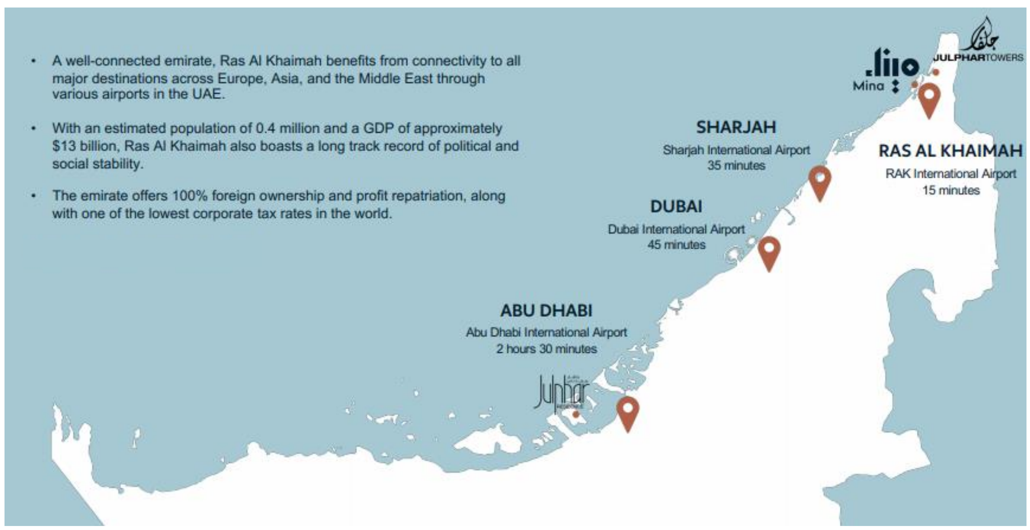


Source: Company Data, Arqaam Capital Research

Exhibit 8: Satellite map of Ras Al Khaimah

Source: Company Data, Arqaam Capital Research

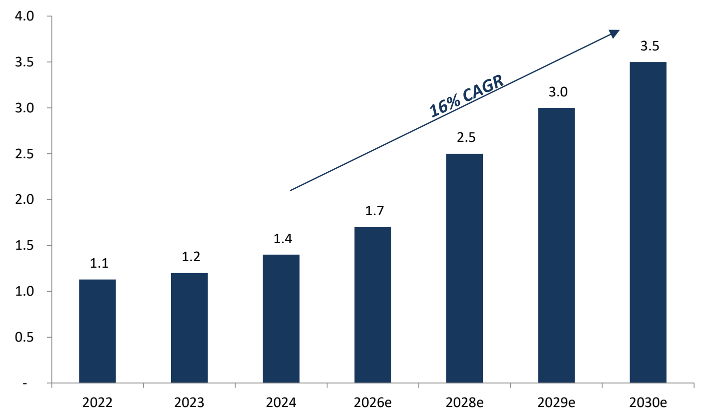
Exhibit 9: RAK is the 4th largest Emirate in terms of land mass



Source: RAK Government Media Office, Company Data, Arqaam Capital Research

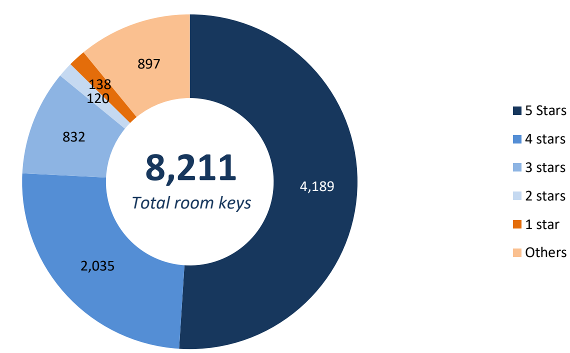
Ras Al Khaimah aims to introduce c.45k new residential units by 2030e: housing demand in Ras Al Khaimah is predominantly investor-driven, with UAE nationals being the largest buyers (28%), positioning for second/vacation homes. Regional and global developers have recently accelerated their presence in the emirate with the launching of flagship developments such as the Wynn resort (1,542 rooms), JW Marriot on Al Marjan island (300 rooms and 524 residences) Aldar (Niki beach residence – 357 units), Emaar (Address Residence – 249 rooms and 234 apartments), and ADNH (300 rooms by FY28e). RAK Properties is one of the largest landlords in Ras Al Khaimah (owner of 44m sqft land bank – 8m sqft remains residual), with a market share of c.20% in RAK in 2024 (35% in 2023), is very well positioned to benefit from the upcoming growth via its existing masterplan in Mina al Arab, which are supported by new land acquisitions.

Exhibit 10: Tourist arrivals to grow at a 16% CAGR through 2030e



Source: RAKTDA, Arqaam Capital Research

Exhibit 11: RAK currently has 8,211 keys, with another 7,500 keys in the pipeline

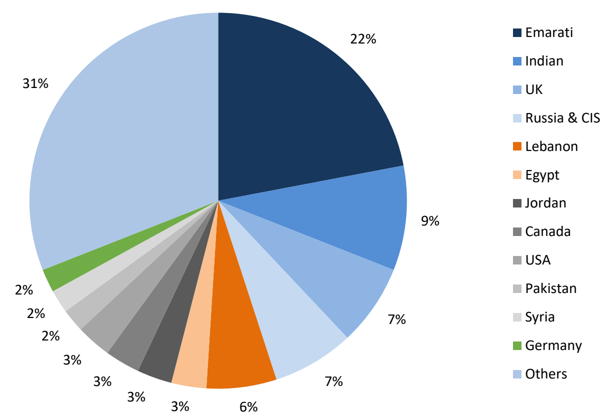


Source: RAKTDA, Arqaam Capital Research

A key catalyst is the USD ~5bn Wynn Al Marjan integrated resort, the first of its kind in the region, which will include 1,542 hotel rooms, 24 restaurants, a marina, luxury retail, and a gaming facility. The project is jointly owned (60% by Marjan and RAK Hospitality, and 40% by Wynn), with the land contributed as equity and capex split between the partners. Wynn is expected to draw 15k daily visitors and serve as the anchor for a broader tourism-led masterplan. Strict regulatory requirements, including a minimum investment threshold of USD 1.5bn and mandatory new-build structures, position Wynn as four years ahead of any regional competitors, with extremely high barriers to entry.

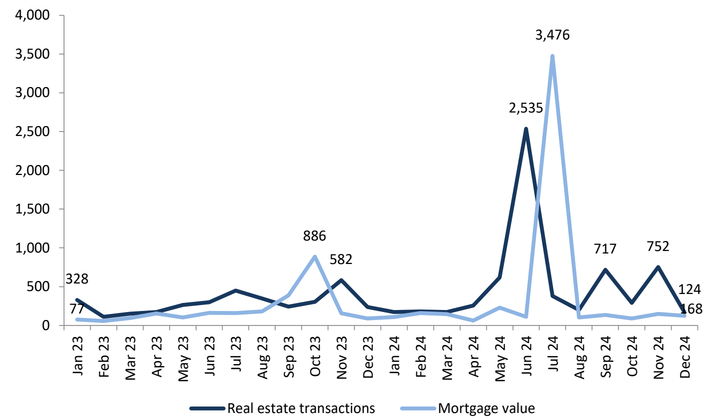
Today, Ras Al Khaimah has 8,211 operational hotel keys, with ~7.5k keys currently in the pipeline. Some of the launches include high-profile developments such as Four Seasons (RAK Properties), Nikki Beach (Rak Properties), Nikki Beach on Al Marjan Island by Aldar, and other launches by ADNH, Emaar, and others. However, based on projected tourist inflows of 3.5 million visitors annually by the end of the decade, the emirate is still likely to face a supply-demand gap. Preliminary estimates indicate the need for at least 4,000 additional keys beyond the current pipeline to adequately accommodate peak season traffic and sustained growth across leisure, MICE, and extended-stay segments. This underlines the scale of opportunity in Ras Al Khaimah's hospitality sector and reinforces the urgency behind timely project execution and continued private-sector participation.

Exhibit 12: Real estate buyers by nationality in RAK



Source: Company data, Arqaam Capital Research

Exhibit 13: Real estate transactions in RAK (AEDm)



Source: Ras al Khaimah Statistical Center, Arqaam Capital Research

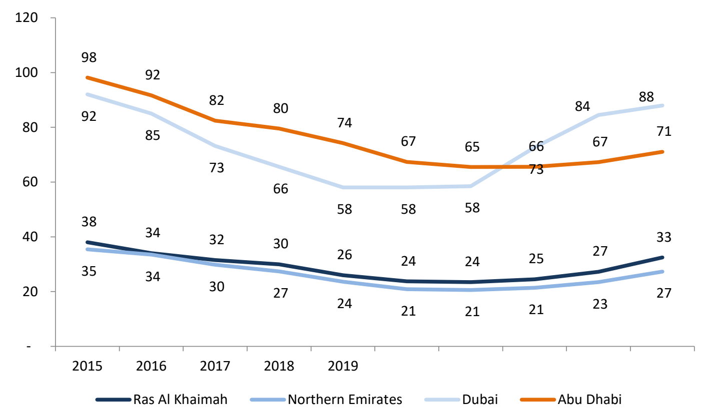
Real estate sales in Ras Al Khaimah surged to over AED 15bn in 2024, a 118% jump from AED 6.9bn in 2023, underscoring the emirate's growing appeal among investors and homebuyers. The year saw 2,985 sales transactions valued at more than AED 6bn, along with 1,224 mortgage transactions exceeding AED 4bn and 845 assignment transactions surpassing AED 3bn. This surge highlights Ras Al Khaimah's rising status as a key real estate destination, offering a blend of luxury, affordability, and long-term investment potential. UAE nationals remain the largest buyer nationality in Ras Al Khaimah, primarily seeking second or vacation homes (particularly villas), followed by typical buyers in the UAE from India (9%), Russia (7%) and UK (7%), while buyers from other MENA countries and Lebanon (apartment focused) rank among the top 10 buyers in Ras Al Khaimah.

Exhibit 14: Sales value of land, villas, and apartments in RAK

AEDm	Q1 24A	Q2 24A	Q3 24A	Q4 24A
Free Residential Land	61	123	83	60
Built Residential Land	67	57	87	84
Commercial Residential Land	58	159	396	588
Commercial Land	7	6	5	5
Agricultural Land	37	30	11	19
Freehold Villas	99	108	164	132
Freehold Apartments	155	179	148	186
Popular houses	3	3	2	6
Tourist lands	-	2,650	-	-
Industrial lands	4	4	1	0
Investment lands	24	86	395	91
Commercial Unit	12	4	3	3
Built Infrastructure			-	35
Total	**527**	**3,409**	**1,295**	**1,209**

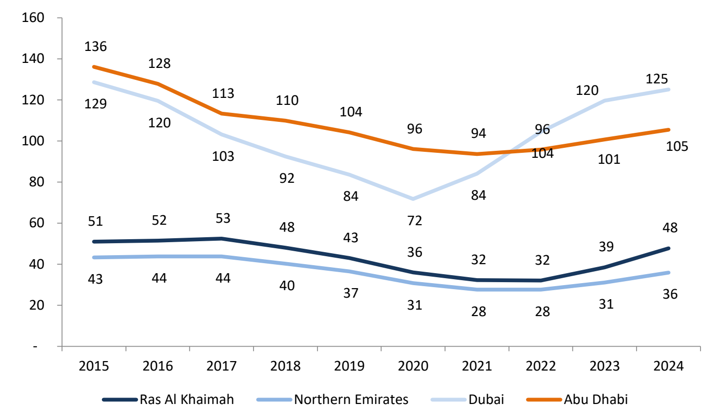
Source: Company Data, Arqaam Capital Research

Exhibit 15: Residential rental rates (AED '000 p.a – 1 Bedroom)



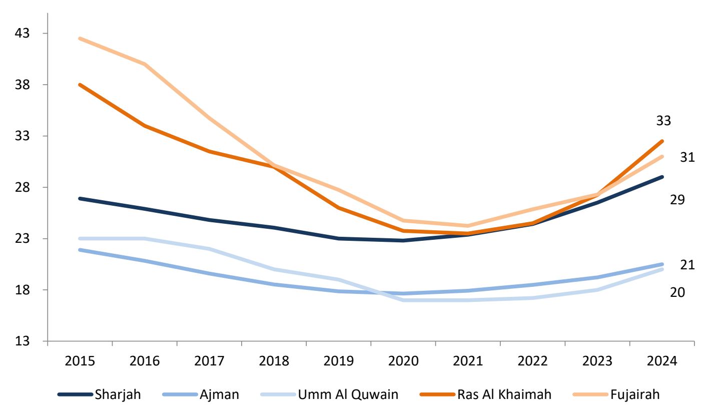
Source: Asteco, Arqaam Capital Research

Exhibit 16: Residential rental rates (AED '000 p.a – 2 Bedroom)



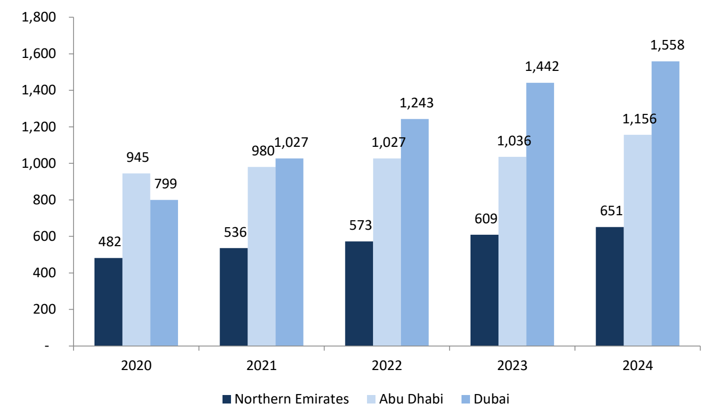
Source: Asteco, Arqaam Capital Research

Exhibit 17: Average rents for 1BR apartment in RAK reached AED 33k p.a., which is the highest amongst the Northern Emirates



Source: Asteco, Arqaam Capital Research

Exhibit 18: Apartment prices in the Northern Emirates are almost 50% discounted to prices in Abu Dhabi and 70% discounted to prices in DXB (AED/sqft)

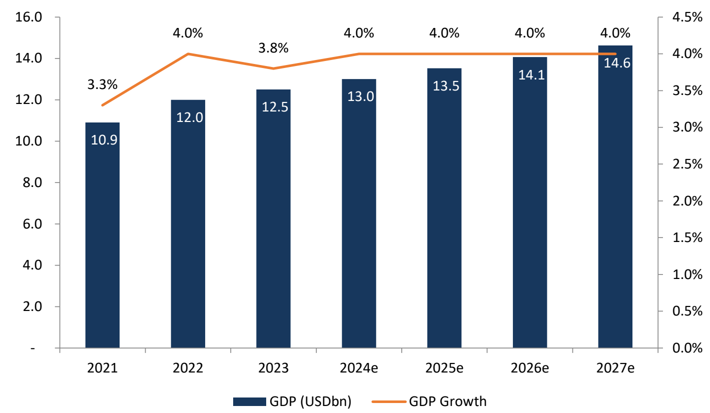


Source: Asteco, Arqaam Capital Research

Ras Al Khaimah's residential pipeline includes 14.2k units that are set for delivery between 2026e and 2029e, with branded residences comprising 5.6k units (40% of the total supply). We expect an additional 30k units to be launched in the medium-term to help meet the government's target of 45k new units by 2030e. Growth is concentrated in key clusters like Al Hamra, Mina, and Marjan Island, supported by a rising population concentration and increasing investor demand. Property prices in RAK have already surged by 30% following the announcement of Wynn Resort's entry to the Emirate. With its strategic location, premium developments, and investor-friendly government policies, Ras Al Khaimah is well-positioned to sustain its growth momentum in the coming years.

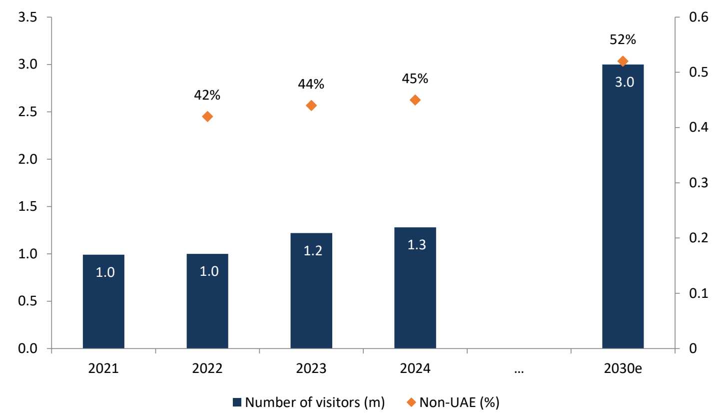
Substantial tourism growth in Ras Al Khaimah: Ras Al Khaimah Tourism Development Authority (RAKTDA) reported a landmark year in 2024, with a record 1.28m overnight arrivals, marking an 8.4% increase from 2022 and a significant rise in international visitors. The strong tourism influx led to an increase in hotel occupancy levels to 78% in 2024. This growth is attributed to strategic investments in tourism infrastructure, enhanced air connectivity (including daily flights with Gulf Air starting October 3, 2022, and new routes by Air Arabia, IndiGo, and Corendon Airlines), and high-profile events (Arab Aviation Summits, Pacific Asia Travel Association Annual Summit, Global Citizen Forum, the World Tourism Forum Lucerne Start-Up Innovation Summit, RAK Art Festival, WMF Minifootball World Cup, and the Exotic Wedding Planning Conference). Ras Al Khaimah's robust tourism strategy was further reinforced by a 15% y/y increase in MICE visitors and a 12% y/y rise in tourism revenues in 2024. The emirate also launched a borderless travel initiative with Oman, promoting cross-destination tourism.

Exhibit 19: RAK's GDP to grow at a 4% CAGR24-27e, reaching USD 15bn by 2027e



Source: S&P Ratings, Arqaam Capital Research

Exhibit 20: Visitor numbers to RAK are projected to more than double by 2030e, reaching 3 million annually.



Source: RAK Tourism Development Authority, Arqaam Capital Research

RAK Properties – we pencil in an EPS CAGR of 25% through FY 28e

- **RAK Properties' 10m sqft residual land bank, comprising 8m sqft in Mina Al Arab and ~2m sqft in Al Marjan Island, has the capacity to launch 10k residential units over the next 7-8 years, supporting medium-term P&L visibility via a sustained development activity.**
- **The company is targeting an AED 5bn GDV pipeline for 2025, with two flagship projects: Mirasol and SKAI (combined GDV of AED 754m exc. land), already launched YtD, reinforcing execution momentum and adding visibility to its AED 2.5bn revenue backlog. We expect property sales to reach AED 2.8bn in FY 25e and AED 4.0bn in FY 26e, up from AED 1.4bn in FY 24A. To date, RAKPROP has already sold AED 1.5bn in property sales.**
- **We forecast a 25% EPS CAGR over FY25–28e, driven by a 22% topline CAGR and ~3ppt margin expansion, supported by a rising mix of branded residential products and higher-margin luxury hospitality assets.**

RAK Properties derives the bulk of its revenues from the development segment, which accounted for ~82% of total revenues in FY24A, with a GPm of 34.2%. Hospitality revenues contributed 14% in FY 24A, up from only 7% in FY 23A following the opening of the Anantara Hotel in Feb'24. Hospitality assets currently operate at a 58% GPm, which we expect to expand to 60% in the medium term as Anantara stabilizes and reaches optimal occupancy. The remaining 4% of revenues are driven by facility management and leasing income, operating at a GPm of 24.6%. We expect the share of development revenues to remain at ~80-85% in the medium term as the company continues to monetize its land bank, while the hospitality contribution is set to grow to 15%-20% with the opening of three additional hotels over the medium term.

Exhibit 21: RAKPROP's revenue share remains largely driven by development revenues

% of Revenues	RAKPROP	EMAAR UH	ALDAR UH	MODON UH	Deyaar	UPP	Arada
Developments	82%	74%	72%	45%	81%	14%	96%
Hospitality revenues	14%	6%	5%	14%	7%	86%	0%
Retail and commercial leasing	2%	21%	10%	12%	0%	0%	1%
Other	2%	0%	14%	29%	11%	0%	3%

Source: Company Data, Arqaam Capital Research

RAKPROP's revenue grew at a 49% CAGR between FY19–24A to AED 1.4bn, primarily driven by its development segment: in FY 24A, the company sold AED 1.4bn worth of property, capturing an estimated 20% market share in Ras Al Khaimah, underscoring its position as the leading developer in the emirate. Backed by a strong sales performance and robust execution, RAK Properties currently holds a revenue backlog of AED 1.9bn, set to be recognized over the next three years. Looking ahead, the company unveiled an AED 5bn GDV pipeline for 2025e, with two projects already launched, and is targeting sustained annual launches of ~2k units. We forecast development revenues to grow at a 24% CAGR over FY25–28e, reaching 2.7bn by FY 28e, supported by sustained demand in RAK and the company's ability to monetize its sizable land bank.

The company sold AED 1.5bn worth of projects in H1 2025, raising its revenue backlog to AED 2.5bn, primarily driven by residential sales across Hayat Island, the most active development cluster within the Mina Al Arab masterplan. As of 2024, the largest contributors to backlog include Cape Hayat (GDV: AED 1,582m), a 678-unit mid-to-upscale apartment community located on the northern shore of Hayat Island; Quattro Del Mar (AED 993m), a newly launched four-tower complex offering 888 units in the central spine of Hayat; Porto Playa (AED 975m), a 141-unit beachfront development in partnership with Ellington Properties on the eastern tip of the island; and Bayviews (AED 661m), a 344-unit urban-facing apartment block on the western edge of Hayat Island, and others. All projects are concentrated within Mina Al Arab, particularly Hayat Island, except for Julphar Residence in Al Reem Island, Abu Dhabi—which is fully sold and delivered.

Exhibit 22: RAKPROP's development pipeline update (FY 24A)

Project	Location	Launch Year	Project Value (AEDm)	Units Launched	Units Sold	Net Sales (AEDm)	Revenue Backlog (AEDm)	% Sold	% Complete
Gateaway 2	Mina Al Arab	2023	165	146	146	164	1	100%	99%
Bayviews	Mina Al Arab	2023	421	344	344	421	240	100%	43%
Bay Residence Phase 1	Mina Al Arab	2023	366	324	323	364	18	100%	95%
Bay Residence Phase 2	Mina Al Arab	2023	395	324	324	395	62	100%	84%
Naseem Lofts	Mina Al Arab	2023	84	13	3	16	16	n/a	n/a
Marbella Extension	Mina Al Arab	2023	225	89	85	225	0	95%	99%
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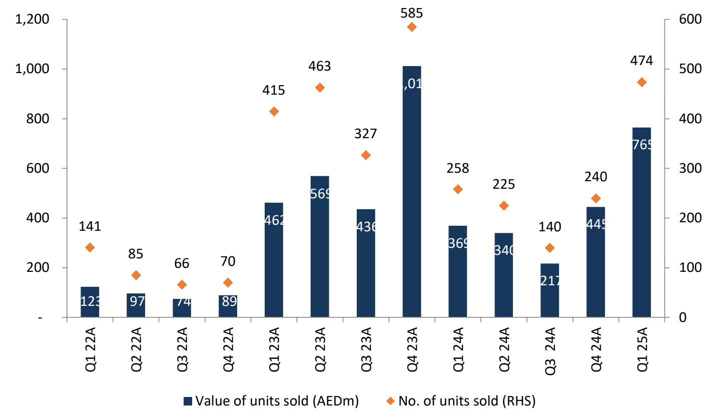
NB Playa*	Mina Al Arab	2023	353	141	139	361	344	98%	5%
Total			**6,944**	**3,262**	**2,777**	**3,995**	**2,199**	**84%**	**59%**

*Source: Company Data, Arqaam Capital Research | * Joint venture with a 50% stake*

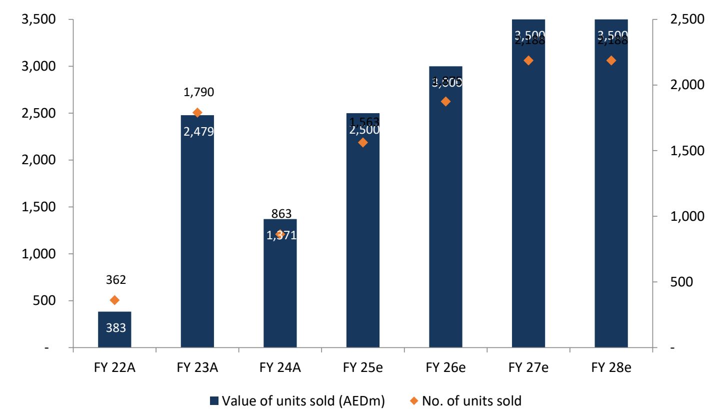
We expect property sales to reach AED 2.8bn in FY 25e and AED 4bn in FY 26e, supported by new project launches as the company continues to monetize its sizable land bank amid a growing housing demand in RAK, supporting backlog expansion for RAKPROP. This growth is underpinned by strong real estate demand in Ras Al Khaimah and the company's increasing focus on branded residences, which command premium selling prices (20-30% premium to mainstream products). Unit prices for RAK Properties rose 12% y/y in Q4 2024 to AED 1.9m, which we think could further grow to AED 2.5–3.0m by 2027–28e, driven by a higher tilt of luxury and branded residences, along with the opening of Wynn Al Marjan, which is expected to further stimulate real estate demand in the Emirate. The company completed and handed over several projects including Marbella Extension, Gateway 2, and Bay Residences, while construction across the recently launched developments (including Bayviews (30% complete), Cape Hayat (34%), and the Granada Extension (30%)) is progressing steadily. Quattro Del Mar, however, remains in the early stages of development, with only 5% of construction completed.

Exhibit 23: Quarterly property sales



Source: Company Data, Arqaam Capital Research

Exhibit 24: Annual property sales



Source: Company Data, Arqaam Capital Research

RAK Properties can develop ~10k residential units on its residual land bank, translating to a potential sales value of AED 28bn, at an average unit price of AED 2.8m. This is driven by a sales mix of 30% branded and 70% non-branded offerings. We believe RAKPROP's strong relationship with the government positions it well to secure additional prime land in Ras Al Khaimah, including land plots on Marjan Island (inland) and potential land plots on the mountains of RAK.

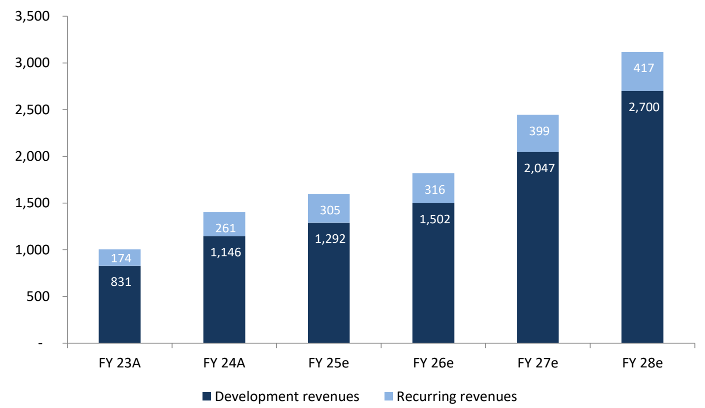
Exhibit 25: Projects under planning imply an average unit value of AED 1.9m (+86% vs. completed units), driven by a higher mix of branded residences (FY 24A)

Project status	Completed	Under Construction	In-Planning
GDV (AEDm)	3,330	3,006	1,323
No. of units	3,265	2,797	698
Avg. unit value (AEDm)	1.02	1.07	1.90

Source: Company Data, Arqaam Capital Research

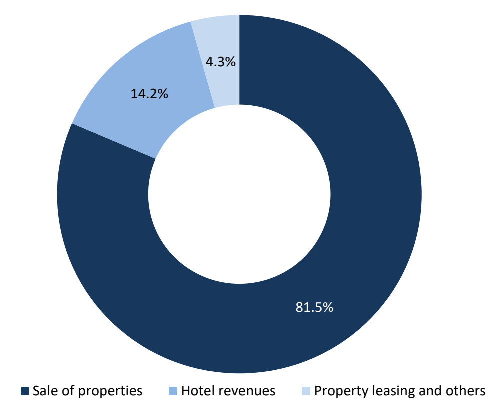
Hospitality revenues nearly tripled for RAKPROP since FY 22A, underpinned by the opening of the Anantara Hotel (174 keys) in February 2024, alongside rising ADRs and improving occupancy rates. Looking ahead, we expect hospitality revenues to grow at a 16% CAGR over FY25–30e, driven by the addition of two flagship hotels, Nikki Beach Resort (155 keys) and Four Seasons (150 keys), with a third hotel (in planning) expected to bring the portfolio to five hotels. Upon stabilization, we project hospitality revenues to reach AED 530m by FY 30e, contributing ~15% of total topline and further strengthening RAK Properties' position in the high-end hospitality segment.

Exhibit 26: Topline to grow by 22% CAGR 25-28e, largely driven by development revenues



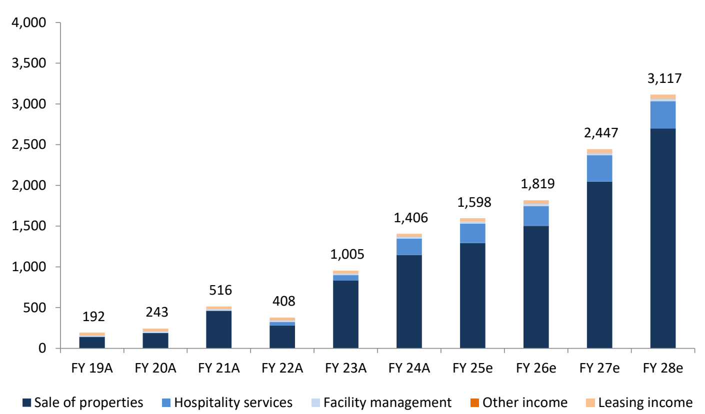
Source: Company Data, Arqaam Capital Research

Exhibit 27: Development revenues contribute 82% of FY 24A revenues



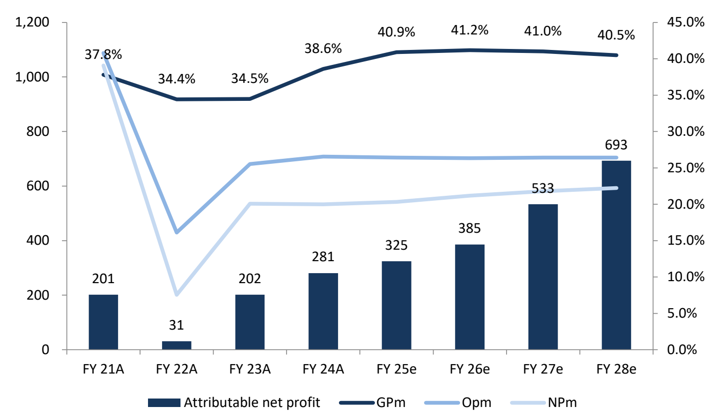
Source: Company Data, Arqaam Capital Research

Exhibit 28: RAKPROP's revenues set to double before FY 28e



Source: Company Data, Arqaam Capital Research

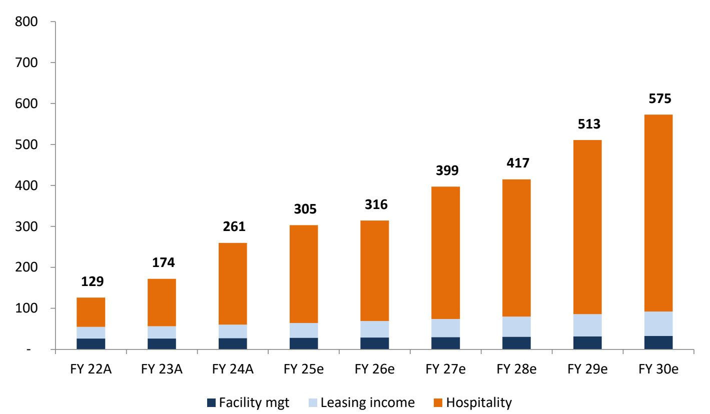
Exhibit 29: Margins can expand by another 200bps in the NT, supporting net profit growth of 25% by FY 28e



Source: Company Data, Arqaam Capital Research

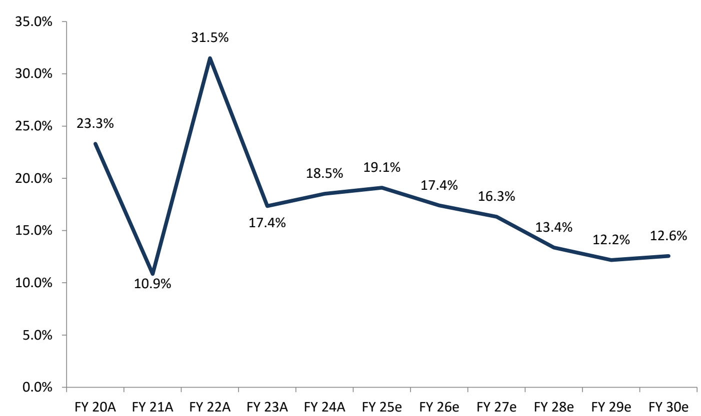
Hospitality revenues are set to more than double over the next five years, driven by new hotel openings, higher ADRs, and rising occupancy rates. RAK Properties is currently targeting the development of three additional hospitality assets in Mina, adding ~461 keys upon completion. This follows the launch of Anantara Mina Al Arab, a 174-room luxury resort that has already driven a 72% y/y increase in hospitality revenues to AED 200m. We expect this to rise to AED 250m by FY26e as Anantara reaches optimal occupancy, more than doubling hospitality proceeds versus FY23A. Anantara's upscale positioning supports stronger margins, with ADRs of AED 1,399 (average stay of 6 nights), 60% higher than that of InterContinental (AED 840 – average stay of 8.2 nights). Looking ahead, Nikki Beach Resort (155 keys) and Four Seasons Hotel (150 keys) are expected to contribute AED 125m–135m each, while a third 156-key hotel is expected to add AED 60m–70m upon stabilization. Broader tourism growth in Ras Al Khaimah, supported by landmark openings such as Wynn Resort, Nikki Beach, and Address Hotels, is also set to enhance tourism growth in the Emirate.

Exhibit 30: Recurring income to grow at 16% CAGR through FY 30e …



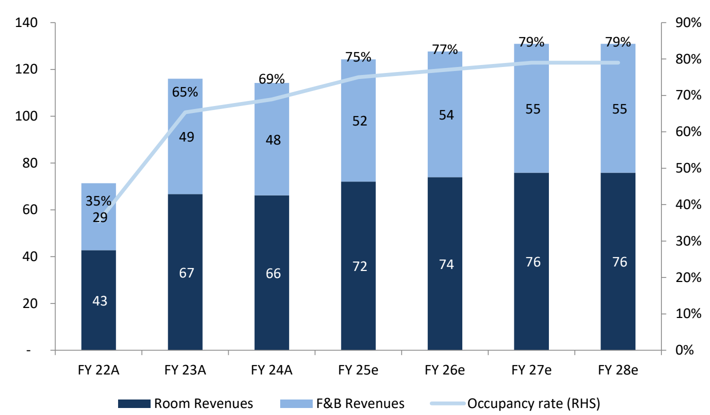
Source: Company Data, Arqaam Capital Research

Exhibit 31: … generating c.18% of total revenues on average



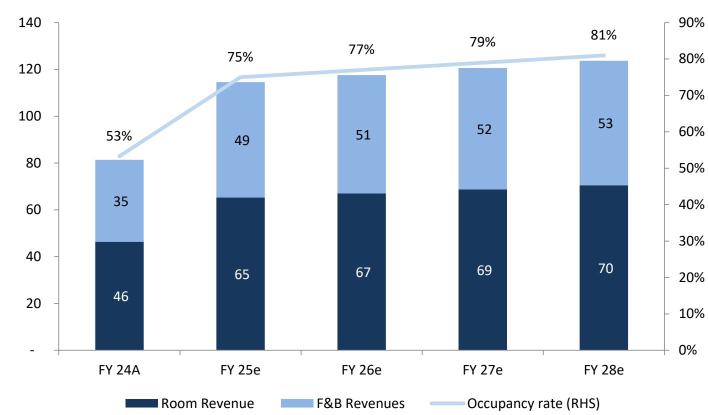
Source: Company Data, Arqaam Capital Research

Exhibit 32: InterContinental revenue projections (AEDm)



Source: Company Data, Arqaam Capital Research

Exhibit 33: Anantara revenue projections (AEDm)



Source: Company Data, Arqaam Capital Research

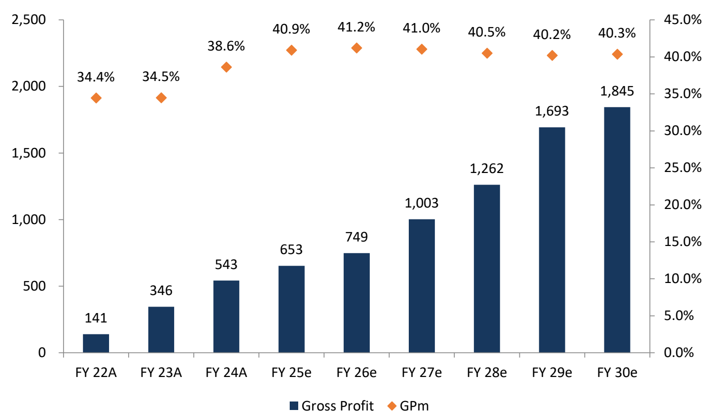
Exhibit 34: Higher mix of branded residences to support margin expansion in the development segment

	Avg. price (AED/sqft)	Gross margin	Future launches
Non-Branded Residences	2,300 -2,600	35%	7,000 unit
Branded Residences	4500 - 5,000	45%	3,000 unit

Source: Company Data, Arqaam Capital Research

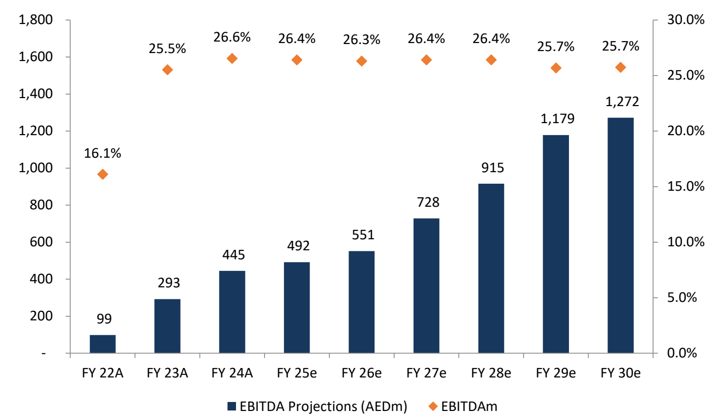
To date, RAK Properties has launched two branded residential developments: the Anantara branded residences, comprising 84 apartments and 19 villas, and the Four Seasons branded apartments and villas. The company plans to scale up its branded residential offering over the medium term, with c.30% of upcoming launches likely to be branded. The larger focus on branded residences should lift RAKPROP's development margins from ~35% to 38% as branded products enjoy premium gross margins of 45-50%.

Exhibit 35: Gross profit projections (AEDm)



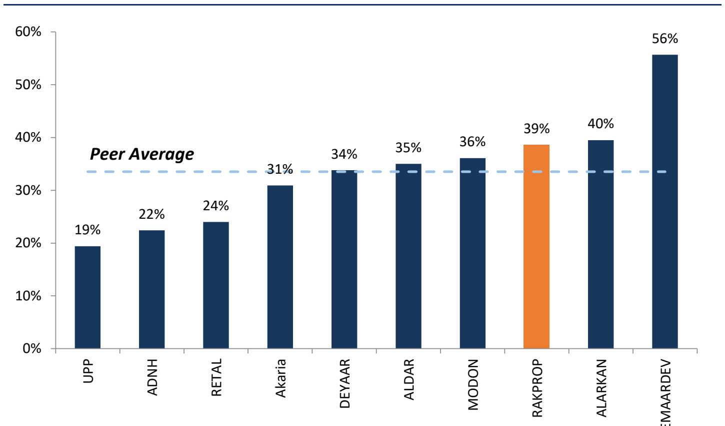
Source: Company Data, Arqaam Capital Research

Exhibit 36: EBITDA projections (AEDm)



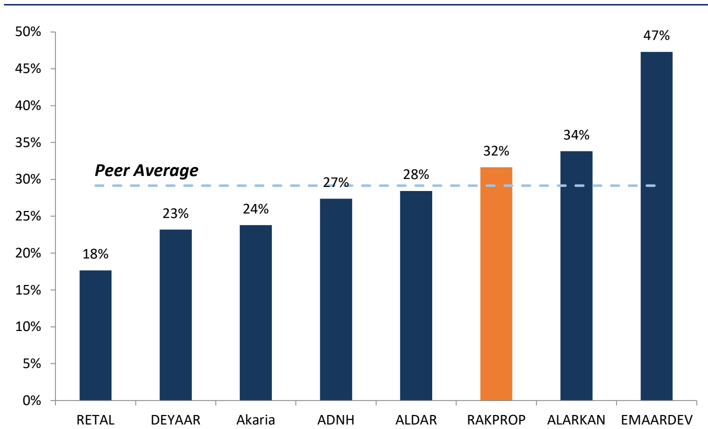
Source: Company Data, Arqaam Capital Research

Exhibit 37: RAKPROP's GPm of 39% is one of the highest in the UAE …



Source: Company Data, Arqaam Capital Research

Exhibit 38: … supporting an EBITDAm of 32%



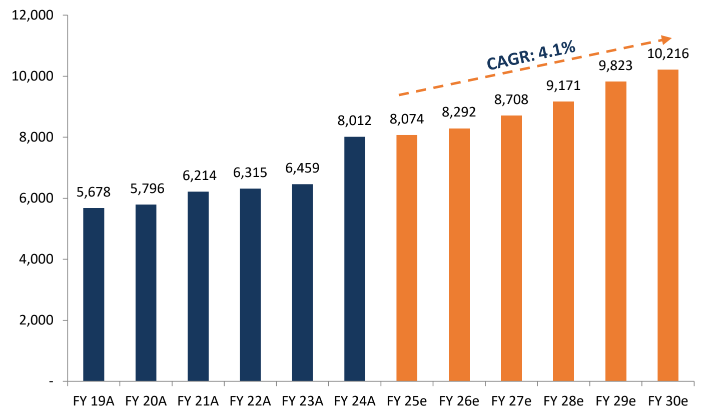
Source: Company Data, Arqaam Capital Research

Strong balance sheet and government backing to drive RAKPROP's expansionary strategy: RAKPROP's assets in FY 24A were primarily driven by trading properties under development, which accounted for 30% of total assets and largely reflect the value of the company's land bank and projects under development. Property, plant, and equipment represented 23%, comprising land, buildings, and hospitality assets in the UAE, while investment properties made up 20% of assets, measured at fair value and including capital work in progress, undeveloped plots, and rental assets. RAK Properties expanded its asset base by 24% y/y in FY 24A to AED 8.0bn, supported by an AED 920m equity issuance to the government of Ras Al Khaimah in exchange for ~2m sqft of land in Al Marjan Island. This transaction brings the company's total residual land bank to ~10m sqft and reinforces its strategic alignment with the government of Ras Al Khaimah.

The company operates a self-funded business model, where proceeds from property sales fully cover development CapEx requirements, enabling scalable growth without significant balance sheet leverage. With a healthy gross LTV of 16% and a net LTV of 10%, RAK Properties retains the flexibility to tap into additional borrowings if needed, either to expand its land bank or to accelerate its hospitality investments, without overburdening its financial position. RAK Properties holds four secured term loans totaling over AED 1.3bn for hotel development, with each facility carrying interest based on either EIBOR or SOFR plus a fixed margin (compared to a FV of hospitality assets of AED 1.9bn). All loans are repayable in stepped installments over periods ranging from 30 to 40 quarters. Two facilities (AED 358m and AED 275m) were fully drawn, while the other two (AED 324m and AED 350m) had limited drawdown availability of AED 1.1m and AED 192.5m, respectively. All loans are secured by legal mortgages, project pledges, insurance and guarantee assignments, and revenue streams from related properties. The company remains compliant with all debt covenants, including its Debt/EBITDA ratio.

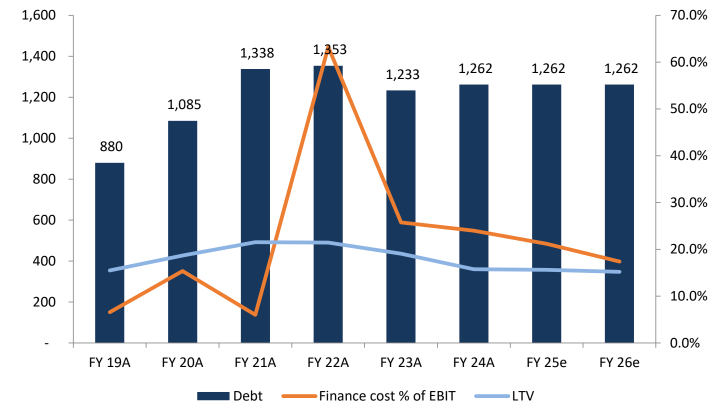
RAKPROP's 40/60 payment plan ensures balance between buyer convenience and internal funding efficiency: Under this structure, 40% of the unit value is collected during the construction period, including a 10% down payment at the time of booking, while the remaining 60% is paid upon handover. This buyer-friendly plan enhances affordability and marketability, while still enabling the company to fully cover hard construction costs (excluding land), without the need for any external financing. Since RAK Properties already owns its land bank outright, the proceeds from the 40% collected during construction are sufficient to fund development CapEx, reinforcing its self-funded model. As a result, the company has no immediate need for project-level debt, supporting healthy free cash flow generation, which we forecast to grow at an >20% CAGR over FY25–30e, reaching AED ~1bn. Backed by a conservative LTV of just 15.8%—well below the peer median of 30%—RAK Properties retains ample financial flexibility to pursue growth initiatives across land acquisition and hospitality, without compromising balance sheet strength.

Exhibit 39: Asset base expanded by 24% y/y to AED 8.0bn, following AED 920m equity raise to the Government of RAK in exchange for a ~2m sqft land



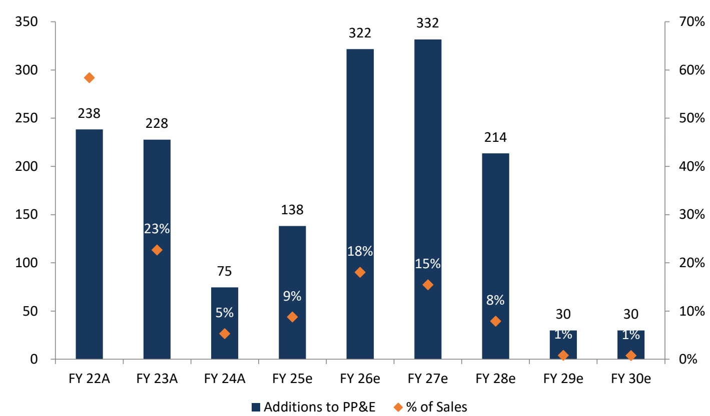
Source: Company Data, Arqaam Capital Research

Exhibit 40: RAKPROP's unlevered B/S set to fund the growth CapEx, predominantly towards new hotels in Mina



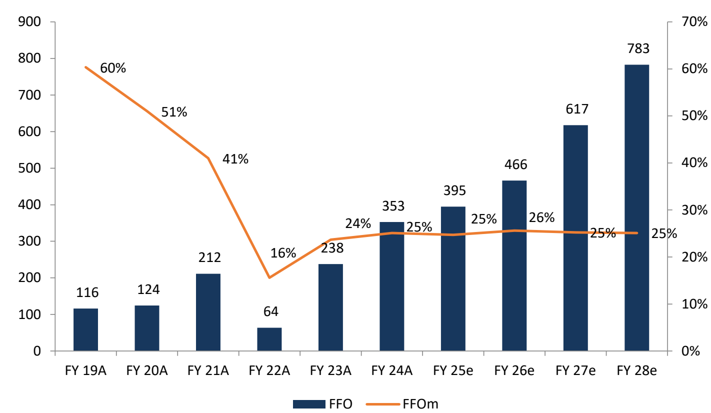
Source: Company Data, Arqaam Capital Research

Exhibit 41: RAKPROP to deploy >AED 1bn on expansion CapEx in the near-term, as it aims to add c.461 rooms from 3 new hotels



Source: Company Data, Arqaam Capital Research

Exhibit 42: FFO set to grow at a CAGR of 22% until FY 28e, on robust execution and margin expansion



Source: Company Data, Arqaam Capital Research

Mina Masterplan – Ras Al Khaimah's only integrated community

Mina is RAK Properties' flagship seafront masterplan and the largest fully integrated community in Ras Al Khaimah, spanning 44m sqft along the northern coastline. The island is structured across three distinct zones: Hayat Island, Raha Island, and the Lagoons. Hayat Island features mid to high-rise waterfront residential towers and villas, anchored by luxury resorts such as the InterContinental and the upcoming Nikki Beach. Raha Island, which remains largely undeveloped, is set to become the primary growth engine, with the potential to accommodate 5k new units in the medium term. The Lagoons area, which was the first to be developed, offers low-mid rise communities like Granada, Malibu, and Flamingo Villas, and is now being enhanced with new retail and leisure infrastructure. Approximately 1/3rd of Mina has been developed and sold, with a further 5,000 units expected to be launched on the remaining 8m sqft residual land. As the only master community developer in Ras Al Khaimah, RAK Properties is uniquely positioned to drive the emirate's urban evolution through Mina's integrated residential, hospitality, and community offering.

The Lagoons represent the earliest phase of the Mina Al Arab masterplan and consist of several completed and fully sold villa communities, including Granada I villas & Townhouses (93 units), Granada II villas (80 units), Lagoon walk (20 towers – 800 units), Malibu Villas & Townhouses (213 units), Flamingo Villas & Townhouses (192 units), a Retail Plaza, and the Anantara Resort (174 keys). Delivered between 2010 and 2017, this district provided the first wave of residential supply in Mina and continues to serve as a stable and mature community offering family-oriented housing. While there is minimal remaining land for future development, RAK Properties is enhancing the area through the construction of a dedicated retail strip that will improve footfall, drive leasing revenues, and support community engagement. The Lagoons currently entails multiple operational retail and leisure components, including the Lagoon Walk and Lagoon Marina. These assets generate recurring income through F&B and retail leases and support the broader Mina ecosystem by reinforcing day-to-day livability.

Exhibit 43: Summary of the current developments on the Lagoons strip

Project	Type	Number of units
Granada I	Villas/Townhouses	93 Units
Malibu Villas	Villas/Townhouses	213 Units
Flamingo Villas	Villas/Townhouses	192 Units
Anantara Resort	Hotel	174 Keys
Lagoon Walk	20 Towers	808 Units
Granada II	Villas	80 Units
Total		**1,386 residential units**

Source: Company Data, Arqaam Capital Research

Hayat Island has been the focal point of RAK Properties' development activity, accounting for most launches in 2023 and 2024. Upon its full development, the island is expected to accommodate approximately 3,500 to 4,000 residential units. It is home to the company's first operational resort, the 351-key InterContinental, and currently hosts 5 active residential projects totaling 3,366 apartments and 30 villas. These include Cape Hayat, Quattro Del Mar, Porto Playa (a joint venture with Ellington), Bayviews, Bay Residences Phases 1 and 2, NB Playa, NB

Collection (luxury beachfront villas), and the Marbella Extension. Most projects have already achieved over 50% sales rates and are advancing steadily toward completion, with several nearing handover. With all plots on the island now allocated and minimal undeveloped land remaining, Hayat Island stands as a mature, integrated coastal development that combines premium residential offerings, hospitality, and lifestyle infrastructure in a fully self-contained urban resort environment.

Exhibit 44: Hayat Island developments

Development	Area	Residential units	Number of units sold	Sold value (AEDm)	Sales recognized (AEDm)	Remaining backlog	Construction completion rate
Gateway 2	Hayat Island	164	146	164	163	1	100%
Bay Residences	Hayat Island	665	650	774	694	80	100%
Bayviews	Hayat Island	344	344	421	181	240	30%
Cape Hayat	Hayat Island	678	650	965	348	617	34%
Marbella Extension	Hayat Island	89	85	225	225	-	100%
Quattro Del Mar	Hayat Island	888	507	387	81	606	5%
NB collection	Hayat Island	11	1	24	-	24	n/a
Porto Playa*	Hayat Island	141	139	631	17	344	n/a
Total		**2,963**	**2,631**	**3,602**	**1,694**	**1,912**	**43%**

*Source: Company Data, Arqaam Capital Research | *50% JV with Ellington Properties*

Raha Island is the least developed segment of Mina and is set to become RAK Properties' primary engine of growth over the next decade. The island is strategically positioned to deliver nearly 5,000 new units, offering a mix of branded residences, mid-rise apartments, and luxury lifestyle projects. Initial activity has included the delivery of Gateway I Residences (144 units) and Bermuda Villas & Townhouses (157 units), Edge (237 units), followed by the recent launches of Mirasol (339 units) and SKAI (272 units). Raha will be anchored by the Four Seasons Hotel and Residences, which is a 155 key luxury resort that was recently launched. The company plans to scale up development activity in 2025 and beyond, with launches of 2,000–2,500 units targeted over the medium term. For 2025, the company has launched an AED 5bn masterplan, most of which will be on Raha Island, of which they have already launched Mirasol and SKAI (AED ~754m).

Between 2022 and 2023, RAK Properties activated its Hayat Island masterplan, launching eight landmark residential projects that are now at various stages of development. With the island fully allocated and no residual land remaining, Hayat has become a key showcase of the company's ability to scale high-quality coastal communities. Notable developments include Cape Hayat (678 units), Quattro Del Mar (888 units), NB Collection (11 ultra-luxury villas), NB Playa (141 units), Bayviews (648 units), and Bay Residences (344 units). With Hayat Island approaching full buildout, RAK Properties is now shifting focus to high-end residential projects across Raha Island, the Lagoons, and Al Marjan Island, targeting the delivery of approximately 10k units over the next 7-8 years, supported by its sizable 10m sqft residual land bank. We forecast cumulative property sales of AED 28bn over the next 8 years (FY 25-32e), implying an average selling price of AED 2.8m per unit, supported by a product mix comprising 30% branded and 70% non-branded residences.

Mirasol: launched as part of the AED 5bn GDV Mina Masterplan, introduces resort-inspired living on Raha Island. Comprising two striking towers connected by a central podium, the project offers 339 units, including studios, apartments, and duplexes, scheduled for handover in H1 2028e. Designed to enhance the luxury living experience, Mirasol features an oasis-style swimming pool with sunken beds, an open-air cinema, a yoga studio, a children's play area, and a lounge bar. Additionally, a signature restaurant by renowned Spanish chef Vicente Torres will anchor the development. Following strong demand, Phase 1 of Mirasol sold out, underscoring RAK Properties' ability to deliver premium communities.

SKAI: Following the success of Mirasol, RAK Properties has launched SKAI, a high-end waterfront development in the Harbour District of Mina. SKAI consists of two striking towers, one with 19 residential floors and the other featuring five exclusive penthouses, all connected by an integrated podium that houses Club SKAI, a premium wellness and lifestyle hub. The project introduces 272 units, ranging from 33 sqm studios to 265 sqm penthouses, catering to a diverse investor base. Designed for an active and wellness-focused lifestyle, Club SKAI includes a state-of-the-art gym, a fully equipped clubhouse, a spacious pool deck, padel courts, and premium wellness facilities. Strategically located in the heart of Raha Island, SKAI sits near the upcoming Four Seasons Residences and Resort, reinforcing Mina's status as a premier luxury destination. Sales for SKAI started in march and are currently 67% sold, with prices starting from AED 762k and a limited-time 30/70 payment plan to attract buyers.

Exhibit 45: Mirasol: RAK Properties' first 2025 launch, with phase 1 fully sold out

Source: Company Data, Arqaam Capital Research

Exhibit 46: SKAI – A waterfront destination in Mina's Harbor district

Source: Company Data, Arqaam Capital Research

Valuation: we initiate with a Buy rating and a TP of AED 2.4

- **We value RAKPROP using a SotP DCF valuation approach, capturing the company's diversified business model across development, hospitality, and recurring income. Our EV is primarily driven by the development segment (56%), followed by hospitality (32%) and leasing & facility management (12%). We apply a WACC of 9.4% and a TGR of 3%.**
- **RAK Properties trades at the cheapest P/B multiple in the UAE of 0.7x (36% discount to peers), and at 9.4x EV/EBITDA 25e, which could further compress to 6.4x in FY 27e as growth materialises in Ras Al Khaimah.**
- **We initiate on RAK Properties with a Buy rating and a TP of AED 2.4/share, offering a significant upside of 85%. The company is embarking on a growth-oriented strategy over the next five years, supported by a land bank, strong sales (~AED 28bn over 8 years), and solid FCF margins of 20%+, to be fully retained and invested on growth in 2025e (including branded residences and new hotels).**
- **Our bare-bones valuation—based on the NPV of existing backlog, EV of the hospitality portfolio, and EV of the leasing segment, yields an equity value of AED 2.9bn, equivalent to 76% of market cap for RAKPROP. This means the market is assigning AED 933m to the company's 10m sqft residual land bank and future sales, implying a land value of AED 89/sqft, significantly below the marked-to-market price of >AED 250/sqft.**

DCF Model approach: we value RAK Properties using a SotP valuation approach, applying a WACC of 9.4% and a Terminal Growth Rate (TGR) of 3.0%. This method best captures the company's diversified business model across development, hospitality, and recurring income streams. We arrive at an Enterprise Value of AED 4.4bn (56% of total) for the development segment, AED 2.5bn (32%) for hospitality, and AED 964m (12%) for leasing & facility management, implying a total EV of AED 7.9bn, equivalent to an equity value of AED 7.1bn and a TP of AED 2.4/share, implying 85% upside.

Property Development segment: we arrive at an enterprise value of AED 4.4bn for the development business using the Discounted Cash Flow (DCF) approach, of which 35% is driven by the existing backlog and 65% by future sales. The EV of existing sales is primarily driven by projects under development on Hayat Island, including Cape Hayat, Quattro Del Mar, Bayviews, and other projects. Meanwhile, the EV of future sales is underpinned by upcoming launches across Raha Island, Lagoons, Al Marjan Island, including aggregate property sales of AED 28bn over the next 8 years, without assuming any land replenishment in the terminal year. On average, we pencil property sales of AED 3.5bn per year across FY 25-33e (AED 2.8bn in FY 25e and AED 4bn in FY 26e+), assuming a gross development margin of 35% in FY 25e and 37% in FY 28e, supported by contribution from premium branded residences.

Exhibit 47: Valuation summary of RAKPROP's development business

AEDm	FY22A	FY23A	FY 24A	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 31e	FY 32e
Value of existing sales:											
Historical sales	511	2,800	1,389								
Collections	51	331	521	1,006	1,958	833					
CapEx Margin	65%	64%	63%	63%	63%	63%					
CapEx	(83)	(531)	(748)	(744)	(660)	(219)					
OpEx Margin	*18%*	*18%*	*18%*	*18%*	*18%*	*18%*					
OpEx	(23)	(149)	(149)	(149)	(126)	0					
FCF			(376)	113	1,172	615					
Discount Factor			*-*	*0.91*	*0.84*	*0.76*					
PV of FCF			-	103	979	469					
EV of Existing Sales	**1,551**										
Value of new sales:											
AEDm	**FY 25e**	**FY 26e**	**FY 27e**	**FY 28e**	**FY 29e**	**FY 30e**	**FY 31e**	**FY 32e**	**FY 33e**	**FY 34e**	**FY 35e**
Annual new sales	2,800	4,000	4,000	4,000	4,000	4,000	4,000	1,200			
Downpayment	280	400	400	400	400	400	400	120	-	-	-
Collections	280	820	2,120	3,300	3,600	3,600	3,600	3,320	2,780	1,480	300
Total collections	**560**	**1,220**	**2,520**	**3,700**	**4,000**	**4,000**	**4,000**	**3,440**	**2,780**	**1,480**	**300**
CapEx Margin	*65%*	*64%*	*63%*	*63%*	*63%*	*63%*	*63%*	*63%*	*63%*	*63%*	*63%*
CapEx	(455)	(1,095)	(1,725)	(2,355)	(2,530)	(2,520)	(2,520)	(2,079)	(1,449)	(819)	(189)
OpExm	*18%*	*18%*	*18%*	*18%*	*18%*	*18%*	*18%*	*18%*	*18%*	*18%*	*18%*
OpEx	(126)	(306)	(486)	(666)	(720)	(720)	(720)	(594)	(414)	(234)	(54)
FCF	**(21)**	**(181)**	**309**	**679**	**750**	**760**	**760**	**767**	**917**	**427**	**57**
PV of FCF	**(19)**	**(151)**	**236**	**474**	**478**	**443**	**405**	**373**	**408**	**174**	**21**
EV of Future sales	**2,842**										
EV - Development Business	**4,393**										

Source: Company Data, Arqaam Capital Research

Exhibit 48: Valuation summary of RAKPROP's hospitality business

Hospitality Business	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e
NOPAT	87	91	122	133	171	195
Depreciation	70	73	82	92	96	94
CapEx	(138)	(322)	(332)	(214)	(30)	(30)
FCF	**19**	**(158)**	**(127)**	**11**	**237**	**259**
Discount Factor	0.91	0.84	0.76	0.70	0.64	0.58
PV of FCF	**17**	**(132)**	**(97)**	**8**	**151**	**151**
Terminal value	4,163					
PV of TV	2,427					
EV - Hospitality	**2,525**					

Source: Company Data, Arqaam Capital Research

We value RAK Properties' hospitality portfolio at AED 2.5bn, including two existing hotels (InterCon and Anantara) and two additional hotels that are yet to be developed (Nikki Beach Resort and Four Seasons Hotel), which will add a combined 305 keys for an estimated capital outlay of approximately AED 1bn. This valuation implies an EV per room of AED 3.0m, almost in line with the replacement cost of prime hotels (USD 0.8-1m per key) in the UAE. RAK Properties enjoys higher revenues per hotel key than peers in the UAE, implied at AED 0.45m versus AED 0.38m for peers, supported by premium ADRs and RAKPROP's luxury offerings. As a result, the company delivers a hospitality EBITDA margin of 67%, well above the peer average of 45%.

Exhibit 49: RAKPROPs hospitality KPI's versus relevant UAE peers

	# of rooms	EV/room (AED m)	Rev/room (AED m)	EBITDA/room (AED m)	ADR (AED)	Occupancy rate	RevPAR (AED)
RAK Properties	830*	3.0	0.45	0.30	984	75%	738
ADNH	3,352	1.9	0.41	0.19	959	77%	736
Emaar Hospitality**	3,989	N/A	0.57	0.29	877	82%	719
Aldar Hospitality	3,849	N/A	0.28	0.10	683	71%	485
NCTH	2,850	1.7	0.05	0.05	n/a	n/a	n/a
Average		**1.9**	**0.38**	**0.19**	**876**	**76%**	**669**

*Source: Company Data, Arqaam Capital Research | *Includes Four Seasons and Nikki Beach, both of which have been recently launched but not yet developed ** including owned rooms only (adjusted for ownership stake)*

Exhibit 50: Construction cost benchmarks for hospitality assets

	Low (USD/key)	High (USD/key)
UAE:		
5* Resort (avg 220m2 GFA/key)	851,226	1,081,880
5* Hotel (avg 200m2 GFA/key)	643,052	762,943
4* Hotel (120m2 GFA/key)	274,659	392,371
3* Hotel (avg 90m2 GFA/Key)	168,937	234,332
KSA:		
5* Resort (avg 220m2 GFA/key)	856,533	1,173,333
5* Hotel (avg 200m2 GFA/key)	640,000	853,333
4* Hotel (120m2 GFA/key)	278,400	424,000

Source: JLL, Arqaam Capital Research

Exhibit 51: Valuation summary

Valuation Summary:	AEDm
EV - Development Business	4,393
EV - Hospitality	2,525
EV - Leasing and facility management	964
Total Enterprise Value	**7,882**
Debt	(1,262)
Cash	463
Equity Value	**7,083**
NOSH	3,000
TP	**2.4**
CMP	1.28
Upside/(Downside)	84.5%

Source: Company Data, Arqaam Capital Research

Exhibit 52: WACC and TGR sensitivity on TP

		WACC				
		9.0%	9.2%	9.4%	9.6%	9.8%
TGR	5.0%	2.9	2.8	2.7	2.6	2.6
	4.0%	2.7	2.6	2.5	2.5	2.4
	3.0%	2.5	2.4	2.4	2.3	2.3
	2.0%	2.4	2.3	2.3	2.2	2.2
	1.0%	2.3	2.2	2.2	2.2	2.1

Source: Bloomberg, Arqaam Capital Research

Exhibit 53: CapEx and OpEx margin sensitivity on TP

		OpEx margin				
		15.0%	16.0%	18.0%	19.0%	20.0%
CapEx % of Dev. Cost	61%	2.9	2.8	2.7	2.6	2.5
	63%	2.7	2.7	2.5	2.5	2.4
	65%	2.6	2.5	2.4	2.3	2.2
	67%	2.4	2.4	2.2	2.2	2.1
	69%	2.3	2.2	2.1	2.0	2.0

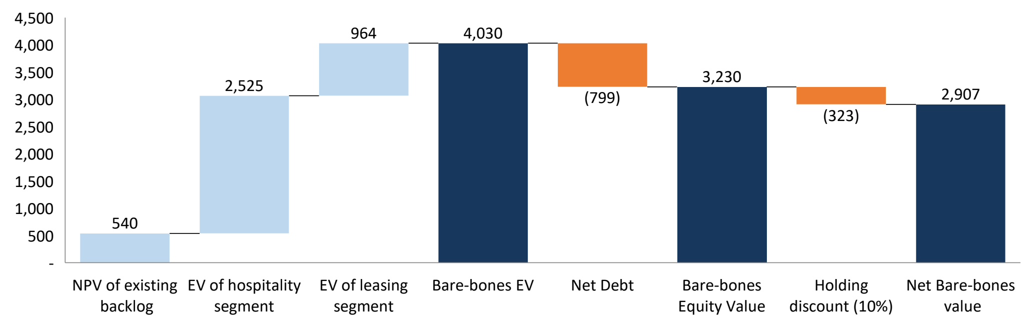
Source: Bloomberg, Arqaam Capital Research

Exhibit 54: Bare-bones NAV approach: around 76% of market cap are covered by existing backlog, hotel assets, and the leasing segment—implying a deep discount for residual land value

Bare-bones valuation summary:	AEDm
NPV of existing backlog	540
EV of hospitality segment	2,525
EV of leasing segment	964
Bare-bones Enterprise value	4,030
Net Debt	(799)
Bare-bones Equity Value	3,230
Holding discount	10%
Net Bare-bones value	**2,907**
Market Cap	**3,840**
Net Bare-bones value % of market cap	76%
Market implied value for residual land and future sales	933
Size of residual land (m sqft)	10
Implied market value for residual land (AED/sqft)	89
MtM land price (AED/sqft)	250
Discount	**(64%)**

Source: Company Data, Arqaam Capital Research

Exhibit 55: We arrive at a Net Bare-bones valuation of AED 2.9bn, equivalent to 76% of the current market cap



Source: Company Data, Arqaam Capital Research

We arrive at a net bare-bones valuation of AED 2.9bn for RAKPROP's existing operations, suggesting that the market is assigning a value of AED 933m to RAKPROP's residual land bank, implying a value of AED 89/sqft, at a 64% discount to the prevailing average land price in Ras Al Khaimah of >AED 250/sqft. Our bare-bones valuation assumes a no-growth scenario, where the company does not develop its residual land bank, thus limiting the development segment's value to the NPV of its existing backlog. As for the hospitality segment, we assume that RAKPROP will only add 2 new hotels (currently under development) compared to three new hotels in RAKPROP's 5-year business plan. For the leasing segment, we only factor in organic growth and assume no additional expansions going forward.

Exhibit 56: Peer universe

	Market Cap (LCm)	EV (LCm)	6m adtv (LCm)	EV/EBITDA (fwd)	P/E (fwd)	P/B	GPm (TTM)	EBITDAm (TTM)	RoE (TTM)	LTV	EV/ Backlog
RAKPROP	3,840	3,041	9.3	9.4x	11.8x	0.7x	40.9%	31.7%	5.8%	15.8%	1.6x
Local peers:											
EMAAR	118,881	100,584	113.3	5.7x	8.1x	1.4x	57.4%	48.7%	7.4%	13.0%	0.9x
ALDAR	68,405	76,715	78.7	9.0x	11.1x	1.9x	35.0%	28.4%	15.8%	0.0%	1.9x
MODON	4,070	2,714	13.9	7.8x	7.8x	0.8x	33.8%	23.2%	9.3%	30.0%	0.8x
DEYAAR	47,733	43,782	90.0	27.1x	33.9x	1.0x	36.0%	148.2%	29.7%	18.0%	2.0x
ADNH	7,106	7,491	8.9	7.9x	13.3x	0.6x	22.4%	27.4%	14.0%	9.9%	n/a
UPP	2,432	2,909	11.2	n/a	8.8x	0.8x	19.4%	1.5%	9.2%	36.8%	n/a
Average Local Peers				**7.9x**	**10.0x**	**0.9x**	**34.0%**	**46.2%**	**14.2%**	**18.0%**	**1.2x**
Regional Peers:											
RETAL	7,910	10,401	16.8	15.1x	19.3x	7.2x	24.0%	17.6%	33.8%	41.0%	0.6x
ALARKAN	21,017	29,391	43.7	19.0x	30.3x	1.0x	39.5%	33.8%	3.0%	40.0%	9.0x
Akaria	9,544	10,888	16.9	17.2x	45.1x	2.0x	30.9%	23.8%	3.9%	43.0%	n/a
Average Regional Peers				**17.1x**	**31.6x**	**3.4x**	**31.5%**	**25.1%**	**13.6%**	**41.3%**	**4.8x**
Average Peer Universe				**12.1x**	**13.3x**	**1.0x**	**33.8%**	**27.4%**	**9.3%**	**30.0%**	**0.9x**

Source: Company Data, Arqaam Capital Research

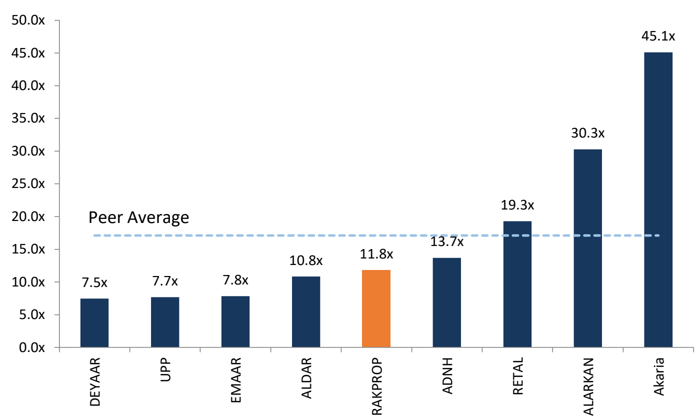
Exhibit 57: RAKPROP UH – Market cap (AED m)

Source: Company Data, Arqaam Capital Research

Exhibit 58: Historical P/E – RAKPROP trades at 44% discount to it 5-year historical P/E average

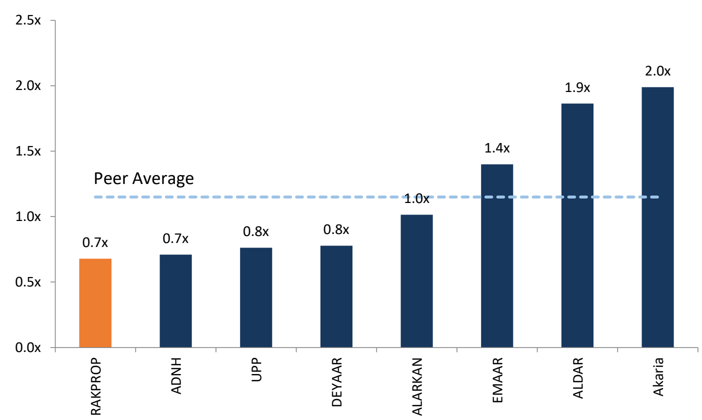
Source: Company Data, Arqaam Capital Research

Exhibit 59: Fwd P/E vs. peers



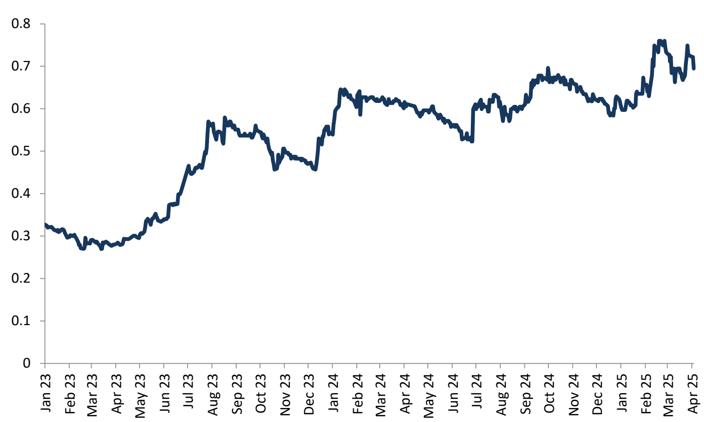
Source: Bloomberg, Arqaam Capital Research

Exhibit 60: P/B vs. peers



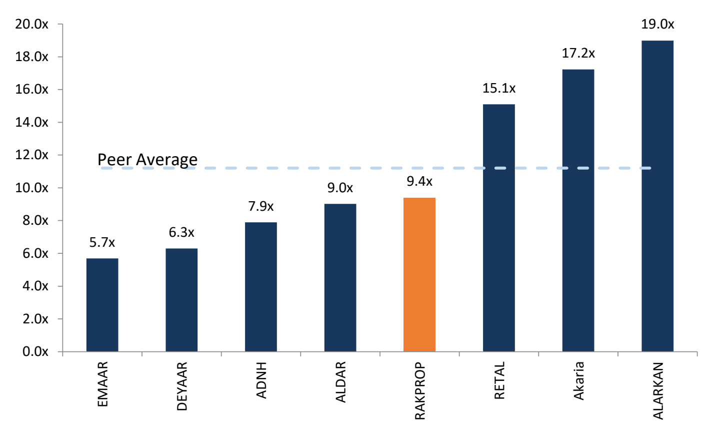
Source: Bloomberg, Arqaam Capital Research

Exhibit 61: Historical P/B



Source: Company Data, Arqaam Capital Research

Exhibit 62: Fwd EV/EBITDA vs. peers



Source: Company Data, Arqaam Capital Research

Overview of projects under development

Exhibit 63: Details of RAK Properties asset portfolio

	Location	Type	No. of units	Status	Completion rate	Completion date
Residential:						
EDGE	Raha Island	Apartments	237	Under development	NIL	Q2 27
NB Collections	Hayat Island	Villas	11	Under development	NIL	Q4 26
Quattro Del Mar	Hayat Island	Apartments	888	Under development	NIL	Q4 26
Porto Playa	Hayat Island	Apartments	141	Under development	5%	Q4 26
Cape Hayat	Hayat Island	Apartments	678	Under development	36%	Q1 26
Bayviews	Hayat Island	Apartments	344	Under development	43%	Q3 25
Bay Residences Phase 2	Hayat Island	Apartments	324	Under development	60%	Q1 25
Bay Residences Phase 1	Hayat Island	Apartments	324	Under development	88%	Q1 25
Gateway Residence II	Hayat Island	Apartments	146	Under development	100%	Q4 24
Nasim Lofts	Hayat Island	Apartments	13	Under development	n/a	Q4 24
Marbella Villas II	Hayat Island	Villas	89	Under development	100%	Q4 24
Julphar Residence	Al Reem Island	Apartments	266	Complete	100%	Q4 23
Gateway Residence I	Raha Island	Apartments	144	Complete	100%	2020
Marbella Villas	Hayat Island	Villas	207	Complete	100%	2020
Bermuda Villas	Raha Island	Villas	157	Complete	100%	2017
Flamingo Villas	Lagoons	Villas	192	Complete	100%	2017
Julphar Towers	Ras Al Khaimah	Apartments	349	Complete	100%	2012
RAK Tower	Al Reem Island	Apartments	212	Complete	100%	2011
Lagoon Views	Mina Al Arab	Apartments	808	Complete	100%	2011
Malibu Villas	Lagoons	Villas	213	Complete	100%	2011
Granada Villas	Lagoons	Villas	93	Complete	100%	2010
Commercial:						
Julphar Offices	Ras Al Khaimah	Offices	468	Complete	100%	2012
Retail:						
Lagoon Marina	Mina Al Arab	Yacht Dock / Retail		Complete	100%	2011
Angel Bay	Hayat Island	Retail/dining				
Lagoon Walk	Mina Al Arab	Retail / Gardens		Complete	100%	2011
Julphar Avenue	Ras Al Khaimah	Retail / Shopping focused		Complete	100%	2012
Hotels:						
Four Seasons Hotel	Raha Island	Hotel	150	Under development	n/a	2029
Nikki Beach Resort & Spa	Hayat Island	Hotel	155	Under development	n/a	2027
Anantara Hotel	Lagoons	Hotel	174	Complete	100%	2024
Intercontinental Hotel & Resort	Hayat Island	Hotel	351	Complete	100%	2022

Source: Company Data, Arqaam Capital Research

SKAI: a waterfront residential development situated on Raha Island within Mina's Harbour District. The project features two striking towers housing 272 apartments and penthouses ranging from 33 sqm to 265 sqm. As part of RAK Properties' AED 5bn development pipeline, SKAI is the second major project launched in 2025. Sales are set to commence on March 11, with starting prices from AED 762k.

Mirasol is the first residential project launched by RAK Properties in 2025, forming part of the AED 5bn GDV development pipeline. Located on Raha Island, Mirasol is designed as a resort-inspired residential community featuring 339 units, including studios, apartments, and duplexes. Construction is set to begin in 2025, with handover expected in Q1 2028. The first phase of Mirasol has already sold out, reflecting strong demand.

Four Seasons Resort & Private Residences: RAK Properties has partnered with Four Seasons to develop a luxury mixed-use waterfront project within the 400-hectare Mina master plan. The development will feature 280 units, including 150 rooms, suites, and signature villas alongside 130 private residences. Residential sales are scheduled to begin in late 2025, with construction set to commence in early 2026. This project is positioned to redefine ultra-luxury living in Ras Al Khaimah.

A.R.M Holding and HIVE Partnership: RAK Properties has teamed up with A.R.M Holding and HIVE to develop a mixed-use project in Mina Al Arab, offering a blend of creative living and collaborative workspaces. The development comprises 233 units, including a 117-unit HIVE co-living building and a 116-unit residential tower available for purchase. The project will also feature 300 sqm of retail space and 2k sqm of coworking areas, catering to the growing demand for flexible living and working environments.

Anantara Branded Residences: Expanding its collaboration with Minor Hotels, RAK Properties is introducing Anantara Branded Residences in Mina Al Arab. The project will consist of 94 luxury apartments and 20 exclusive overwater villas, bringing a new level of waterfront luxury to Ras Al Khaimah.

Porto Playa: RAK Properties has partnered with Ellington Properties to develop Porto Playa, a waterfront residential project on Hayat Island. Positioned along the solar pathway, the development integrates AI-powered design to optimize sea views. The project comprises 282 units, all of which have been sold, with completion expected in Q4 2026.

NB Collection is an exclusive enclave of high-end beachfront villas on Hayat Island in Mina Al Arab. This ultra-luxury community consists of just 11 villas, offering direct beach access and premium amenities, catering to high-net-worth buyers seeking privacy and exclusivity.

Quattro Del Mar: launched in 2024, Quattro Del Mar is a four-tower interconnected residential development on Hayat Island. The project features 888 waterfront units and saw rapid sell-out of released inventory. Currently, 5% of construction is complete, with full delivery expected in Q4 2026.

Exhibit 64: NB Collection

Source: Company Data, Arqaam Capital Research

Exhibit 65: Quattro Del Mar

Source: Company Data, Arqaam Capital Research

Edge is a yacht-inspired waterfront residential tower located on Raha Island in Mina Al Arab. Spanning over 7.6k sqm, the project features 237 upscale residences. Construction is progressing, with completion targeted for Q2 2027.

Cape Hayat: a high-end residential development on Hayat Island, Mina Al Arab, featuring a curated selection of studios, one- and two-bedroom apartments, and four-bedroom penthouses. The project comprises 678 units, with 96% already sold as of January 2025. Construction is progressing rapidly, with 34% completed and final delivery expected in Q1 2026.

Granada II is an extension of the Granada Townhouses project, featuring 80 residential units in the Lagoons district of Mina Al Arab. Of these, 69 homes have already been sold. The development is expected to be completed by Q1 2026.

Bayviews: an urban island residential complex within Mina Al Arab, situated on Hayat Island. The project consists of 344 units, all of which have been sold. With 30.1% of construction complete, the development is on track for handover in Q3 2025.

Exhibit 66: Granada II

Source: Company Data, Arqaam Capital Research

Exhibit 67: Bayviews

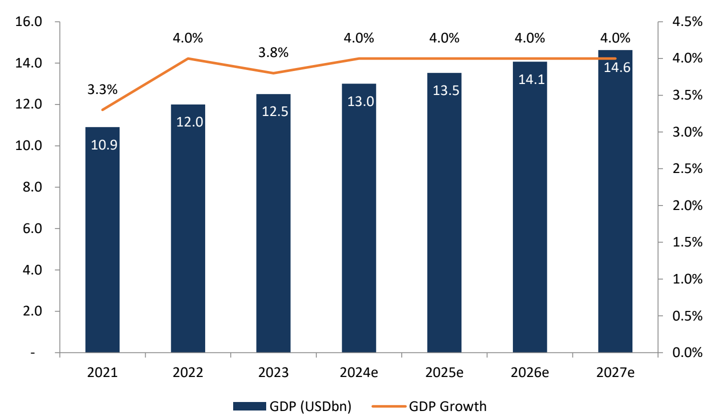
Source: Company Data, Arqaam Capital Research

Appendix: Overview of the Real Estate Market in Ras Al Khaimah

- **Ras Al Khaimah is the fourth-largest emirate by land area in the UAE, with a GDP of USD ~12bn, a population of over 345k, and more than 1.28 million annual visitors as of 2024—positioning it as a rising mid-sized economic hub with outsized tourism growth potential.**
- **Backed by RAK Vision 2030 and aligned with the UAE's Urban Master Plan 2040, RAK is actively investing in infrastructure, sustainability, and tourism to elevate its global profile while preserving its natural coastline and heritage.**
- **Supported by efficient connectivity to Dubai and the Northern Emirates, and home to over 38,000 businesses across diverse sectors, RAK is strengthening its position as a competitive hub for commerce and lifestyle within the UAE.**

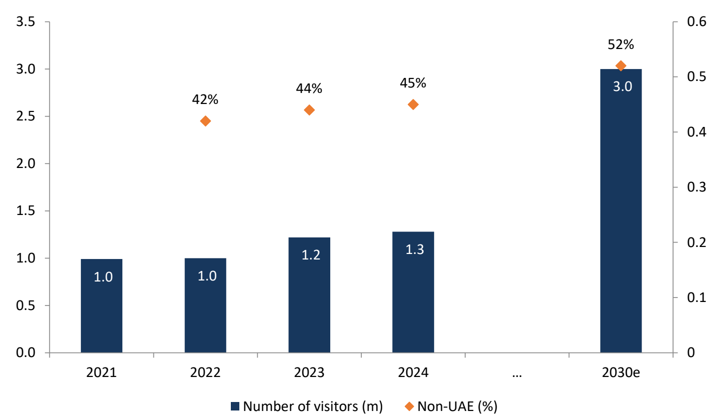
Ras Al Khaimah, the northernmost of the seven emirates, is fast emerging as one of the UAE's most dynamic and diversified economic hubs. It is the fourth-largest emirate by land area, with a population of over 345k, and a GDP of USD ~12bn. RAK's economy is led by manufacturing, which accounts for 30% of GDP, while tourism—at 5% and growing rapidly—is a key strategic pillar. In 2024, the emirate recorded 1.28 million visitors, supported by a strong hospitality pipeline and a long-term goal to reach 3 million annual visitors by 2030. The emirate's unique mix of natural assets—64 km of coastline, the UAE's highest peak (Jebel Jais), and rich cultural heritage—positions it as a rising destination for both leisure and investment. Masterplans like Al Marjan Island and Mina Al Arab are unlocking high-end waterfront living, featuring branded resorts, residential villas, and retail destinations designed to rival regional benchmarks.

Exhibit 68: RAK's GDP to grow at a 4% CAGR24-27e, reaching USD 15bn by 2027e



Source: S&P Ratings, Arqaam Capital Research

Exhibit 69: Visitor numbers to RAK are projected to more than double by 2030e, reaching 3 million annually.



Source: RAK Tourism Development Authority, Arqaam Capital Research

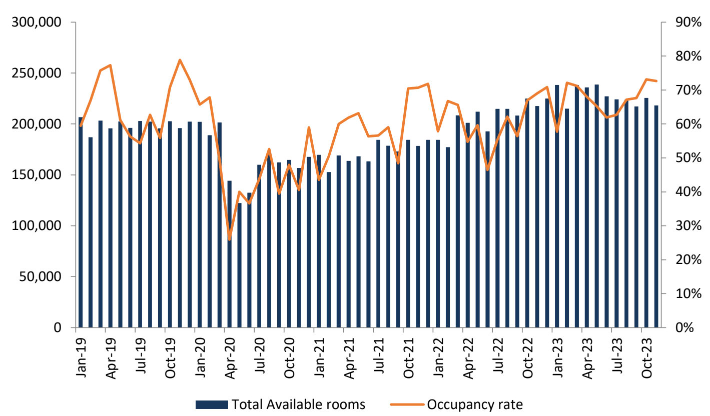
Boosted by large-scale projects and infrastructure upgrades, Ras Al Khaimah is fast emerging as one of the UAE's most dynamic real estate markets: Rising interest from Dubai and Abu Dhabi buyers, coupled with strong government support, is accelerating the launch of new developments across the emirate. Ras Al Khaimah continues to invest on upgrading its infrastructure to accommodate the population/tourists growth over the coming years, including the expansion of RAK International Airport, the rollout of the Etihad Rail network, and the upcoming USD ~5.0bn Wynn Al Marjan Island integrated resort—expected to attract over 5.5m visitors by 2030e and double the hotel capacity in RAK to 15k keys. To meet the growing end-user demand and the 60% target growth in population, the emirate plans to introduce 45k-50k new residential units by 2030e. Backed by AED 25bn in real estate investments across residential, hospitality, and mixed-use projects, RAK is positioning itself as a highly attractive investment destination, offering affordability, post-handover payment plans, and growing capital appreciation—particularly in lifestyle-led communities such as Mina Al Arab and Hayat Island.

Backed by solid fundamentals and a stable operating environment, Ras Al Khaimah is steadily positioning itself as a competitive destination for business and investment within the UAE. The emirate benefits from consistent 'A' category ratings by international credit agencies, underpinned by a strong regulatory framework and a pro-business government. It is home to over 38k businesses from 100 countries, spanning more than 50 sectors—making it one of the most economically diverse emirates. Its strategic location—within a four-hour flight of one-third of the world's population—supports its role as a growing hub for regional and international trade. RAK also offers competitive land pricing, a lower cost of living, and convenient connectivity to Dubai and other major cities, enhancing its appeal to both residents and developers. Aligned with UAE Vision 2040 and its own RAK Vision 2030, the emirate continues to advance a development strategy focused on diversification, infrastructure, and long-term sustainability.

Ras Al Khaimah is rapidly positioning itself as a high-growth tourism and real estate investment destination, underpinned by the upcoming Wynn Al Marjan resort, which is set to open in FY27e as the first gaming resort in the MENA region. The USD ~5.0bn project, developed in partnership with Al Marjan and RAK Hospitality Holding, will feature 1,542 rooms and suites, including 22 marina-facing villas, and is expected to drive a structural shift in Ras Al Khaimah's tourism demand. As a result, Al Marjan Island is emerging as one of the most attractive property markets in the region, with land prices projected to reach AED 10k per sqft by FY30e, up from the current range of AED 1.5k-3k per sqft, supported by strategic government initiatives and infrastructure upgrades. Investor appetite is on the rise, with 64% of global HNWIs now viewing Ras Al Khaimah as a compelling investment destination. In FY24A, HNWIs expressed interest in acquiring homes averaging USD 2.9m each, driving total residential real estate investments to USD 389m. The broader real estate market has experienced strong momentum, with total transaction values increasing from AED 3.8bn in FY20A to AED 15bn in FY24A. Apartment prices have risen 18.5% y/y in H1 24A, while rental costs have grown 7-11% over the same period. To meet rising demand, RAK is set to add 14k units between FY26e and FY29e (vs. Government target of 45k units), while downtown office and retail space prices have increased by 4% and 7%, respectively, in H1 24A.

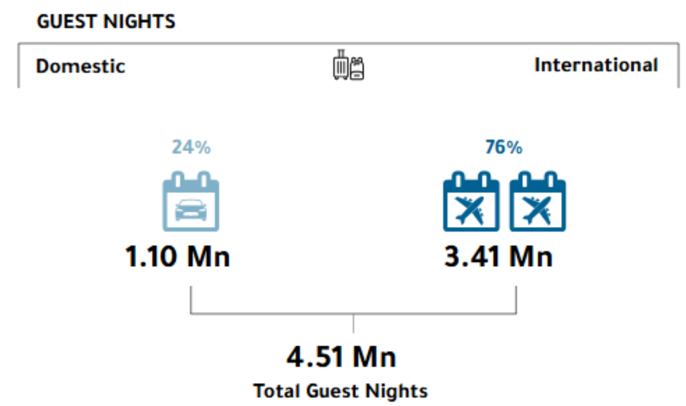
The hospitality sector is expected to see a major uplift, with RAK targeting 3.5m overnight visitors by FY30e, more than doubling the 1.28m visitors recorded in FY24A. In Q3 24A, the emirate welcomed 320k hotel guests, with occupancy rates reaching 61%, while average daily occupancy grew 12% y/y. Major hotel developments are set to reinforce this trend, with over 3k rooms expected to come online in FY27e—exceeding the combined additions for 2025 and 2026. Key openings include Le Meridien, JW Marriott, Hilton, and Unexpected Hotel Al Marjan in 2026 (adding 1.4k rooms), followed by W Hotel in FY27e (300 rooms) and Nobu Hotel in FY28e (165 rooms). The demand surge is translating into attractive rental yields, which are expected to reach 7-8% by the end of FY24e, largely driven by the Wynn Al Marjan effect. The average net income per investor on Al Marjan Island stands at AED 212k annually, with hotel room rates averaging AED 1k-1.5k per night and an average daily occupancy of 75%. This translates to an annual rental income of approximately AED 255k, yielding a net ROI of 15% after accounting for management fees and service charges, reinforcing RAK's positioning as one of the most lucrative real estate markets in the UAE.

Exhibit 70: Hotel supply declined 3% y/y in 2023 to 218k keys



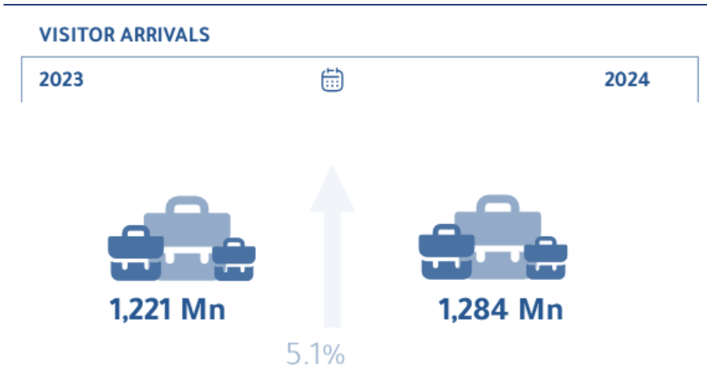
Source: Company Data, Arqaam Capital Research

Exhibit 71: International visitors made up 76% of total guest nights in 2024



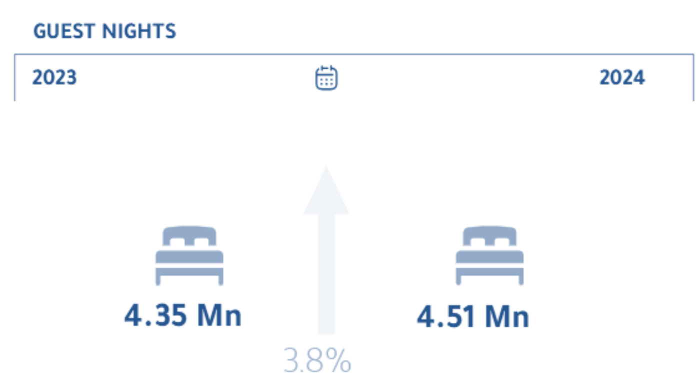
Source: RAKTDA, Arqaam Capital Research

Exhibit 72: Arrivals in RAK grew 5% y/y to 1.28m visitors …



Source: RAKTDA, Arqaam Capital Research

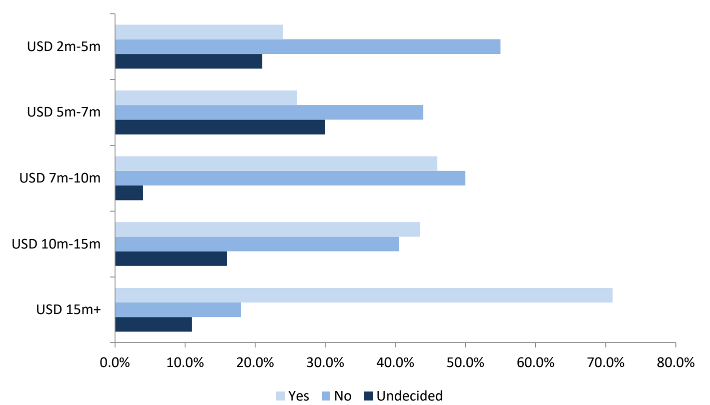
Exhibit 73: … with number of guest nights rising by 3.8% to 4.5m



Source: RAKTDA, Arqaam Capital Research

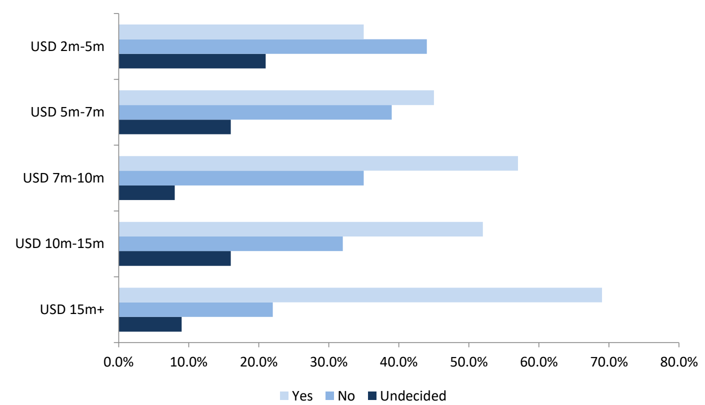
RAK, the new hotspot for high-net-worth investments: RAK is rapidly gaining favor among global HNWIs, with 46% of them acknowledging the emirate's economic transformation and burgeoning tourism infrastructure as key factors. This positive sentiment rises to 75% among those with a net worth exceeding USD 20m. Approximately 30% of global HNWIs are prepared to invest USD 500k in RAK real estate, while 37% of those worth over USD 15m are eyeing investments between USD 2m and USD 4.9m, and 21% are willing to commit over USD 5m. East Asian HNWIs are particularly interested, with 28% ready to allocate USD 2m to USD 4.9m for RAK properties. Conversely, expats in the Gulf exhibit the lowest investment propensity at USD 700k, whereas global HNWIs' budgets vary from USD 1.2m for those under USD 5m net worth to USD 3.9m for those exceeding USD 20m.

Exhibit 74: Most of HNWI's think that RAK's attractiveness as a real estate investment has grown due to increased tourism and upgraded infrastructure …



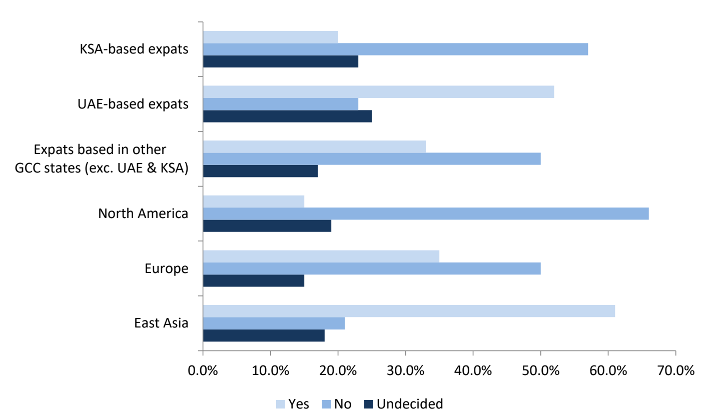
Source: Knight Frank Arqaam Capital Research

Exhibit 75: … and a similar number of HNWI's believe that the attractiveness has increased due to the planned Wynn resort in Al Marjan Island



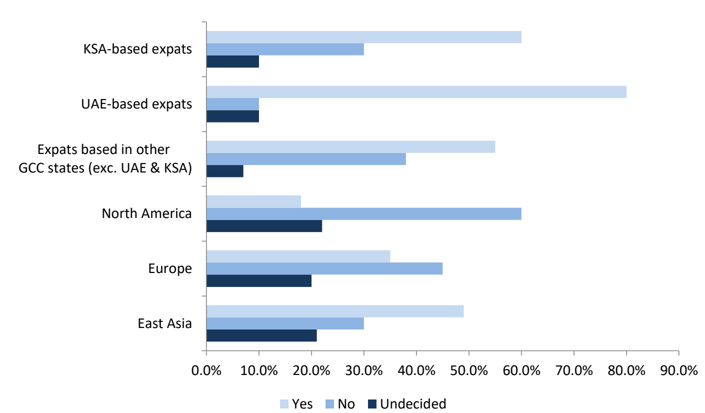
Source: Knight Frank, Arqaam Capital Research

Exhibit 76: Has RAK's attractiveness as a real estate investment market grown due to its increased tourism infrastructure? (by HNWI location)



Source: Knight Frank, Arqaam Capital Research

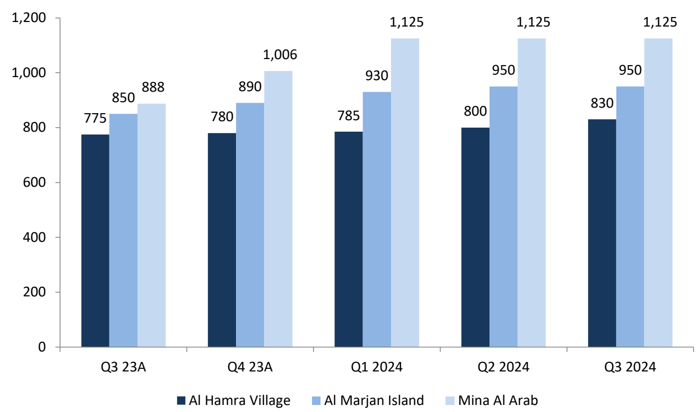
Exhibit 77: Has RAK's attractiveness as a real estate investment market grown due the planned Wynn resort? (by HNWI location)



Source: Knight Frank, Arqaam Capital Research

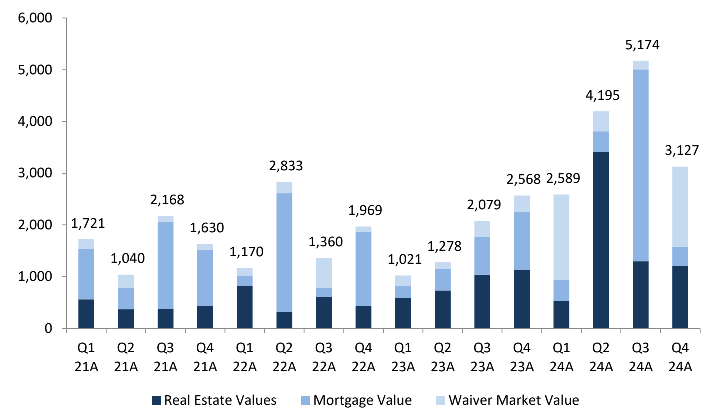
Strategic real estate developments drive Ras Al Khaimah's growth and investment appeal: In 2023, Ras Al Khaimah saw a wave of significant real estate developments that are set to enhance its status as a prime investment destination. Key projects include Emaar's Address Residences on Al Marjan Island, with 249 rooms and 234 apartments, and Aldar Properties' first phase of Nikki Beach Residences, a 357-unit beachfront development. RAK Properties, in partnership with Nikki Beach Global, is developing a 155-key Nikki Beach Resort and Spa in Mina Al Arab, alongside the 269-unit Porto Playa with Ellington Properties on Hayat Island. Marriott International and WOW Resorts introduced the JW Marriott Al Marjan Island Resort and Residences, featuring 300 hotel rooms and 524 residences, while RAK Properties and IHG Hotels and Resorts launched a 156-key Staybridge Suites in Mina Al Arab. Additionally, Octa and Durar launched the MoonStone branded residences by Missoni at Al Marjan Island, comprising 225 units. These strategic developments, coupled with RAK's thriving tourism sector, robust economic foundation, and significant foreign investments in free zones and industrial areas, underscore the emirate's growing appeal as a major tourism and business hub, attracting increased regional and international interest.

Exhibit 78: Historical Apartment prices (AED/sqft)



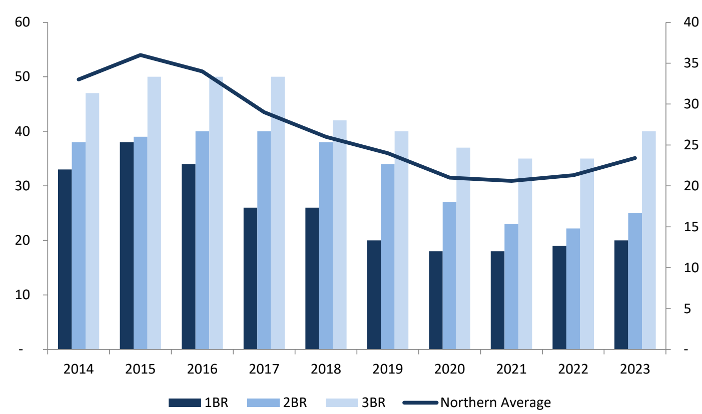
Source: Company Data, Arqaam Capital Research

Exhibit 79: Real estate transactions in RAK grew 17% y/y in 2024, reaching AED 15.1bn



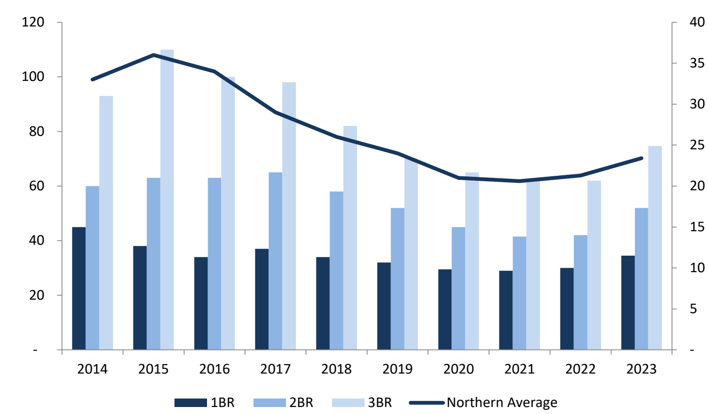
Source: , Arqaam Capital Research

Exhibit 80: RAK typical apartment rental rates (AED '000 p.a)



Source: Asteco, Arqaam Capital Research

Exhibit 81: RAK high-end apartment rental rates (AED '000 p.a)



Source: Asteco, Arqaam Capital Research

Exhibit 82: RAK has the 3rd highest ADRs in the UAE, but occupancy rates remain below other emirates

	Emirate	2024	2023	% change
Average Room Rate (AED)	RAK	592	520	14.0%
	Dubai	690	689	0.2%
	Abu Dhabi	610	535	14.2%
	Ajman	444	432	2.6%
	Fujairah	382	368	3.9%
Revenue Per Room (AED):	RAK	422	383	10.2%
	Dubai	539	532	1.3%
	Abu Dhabi	482	388	24.3%
	Ajman	369	356	3.7%
	Fujairah	283	253	11.9%
Occupancy rates:	RAK	71.2%	73.6%	-3.3%
	Dubai	78.1%	77.2%	1.1%
	Abu Dhabi	79.0%	72.5%	8.9%
	Ajman	83.2%	82.3%	1.1%
	Fujairah	74.0%	68.7%	7.7%

Source: RAKDTA, Arqaam Capital Research

Wynn Al Marjan Island – the gateway to UAE's gaming industry

Wynn Al Marjan Island, a USD ~5.0bn integrated resort currently under construction in Ras Al Khaimah, UAE, is set to become the region's first integrated resort upon its anticipated opening in early 2027. The development will feature 1,542 rooms, suites, and private villas, along with a 225,000 sqft gaming area, making it the largest casino in the Middle East. Additionally, the resort will include high-end retail, luxury dining, spa facilities, and entertainment venues, further reinforcing the UAE's status as a premium global tourism destination.

The UAE's gaming market is projected to generate up to USD 5bn in annual Gross Gaming Revenue (GGR), positioning it alongside global gaming hubs such as Singapore (USD 6.7bn in 2023) and Las Vegas (USD 8.8bn in 2023). We estimate Wynn Al Marjan Island alone to contribute USD 1bn–1.6bn in annual GGR, driven by the UAE's strong luxury spending, high-end tourism demand, and affluent expatriate base. Growth prospects are further reinforced by the establishment of the General Commercial Gaming Regulatory Authority in 2023, providing regulatory clarity and paving the way for future licensing approvals.

Construction is progressing as planned, with the hotel tower reaching the 35th floor and over 4.6m sqft of concrete and steel in place. The project remains on schedule for its March 2027 opening. In Q2 24A, Wynn invested USD 357 million into its UAE joint venture, securing a 40% stake in 155 acres on Island Three, which includes the resort's land. The joint venture, which includes Wynn Resorts, Marjan, and RAK Hospitality Holding, now controls over 70 acres for future expansion. Debt financing has been secured, with a USD 2.5bn construction facility granted by a global syndicate of lenders

Exhibit 83: Wynn Al Marjan resort to feature 1,542 rooms upon completion…

Source: Wynn Resorts, Arqaam Capital Research

Exhibit 84: … with current construction progress surpassing the 55% structural completion mark

Source: Wynn Resorts, Arqaam Capital Research

Case in point: the impact of the opening of integrated casino resorts on local economies, tourism, and employment:

- In Cyprus, the opening of City of Dreams Mediterranean in 2023 attracted over 3 million visitors and hosted 120+ MICE events, contributing to a 36.2% increase in tourism arrivals between H1 22A and H1 23A. The project generated an estimated 6,500 jobs and solidified Limassol's position as a premier entertainment hub.
- The Philippines launched its first integrated casino resorts—City of Dreams Manila and Solaire—in 2014 within the 120-hectare Entertainment City. Solaire's parent company, Bloomberry Resorts, reported a 56% surge in gaming revenues in the year following launch, while national gaming revenues grew by over 9% in H1 14A alone.
- In Singapore, Resorts World Sentosa—launched in FY10A by Genting Group—became a cornerstone of the country's tourism economy, employing over 10,000 people and contributing approximately 2% to Singapore's GDP.

These examples reflect the wide-ranging benefits of regulated gaming resorts—from job creation and tourism inflows to diversified economic contributions. As Ras Al Khaimah prepares for the 2027 launch of Wynn Al Marjan Island, the UAE's first integrated gaming resort, these precedents highlight the scale of potential economic uplift and the strategic importance of RAK Properties' landbank and hospitality positioning near this landmark development.

Appendix: Site Visit to Mina

A stop at the sale centres of RAK Properties

The visit began at RAK Properties' newly inaugurated sales center, where we were introduced to the architectural vision and masterplan of Mina Al Arab, recently rebranded simply to 'Mina'. The masterplan spans over 44m sqft (half of which is under construction or completed), divided across the Lagoons, Hayat Island, Raha Island, and integrates residential, hospitality, retail, marina. We were shown detailed models and visualizations of both completed and launched projects including Mirasol, Edge, and Quattro Del Mar, which together reflect a balanced mix of mid-market and high-end offerings. With over 3,500 units already delivered, 3,200 under construction, and 10,000 more planned on existing residual land in the future

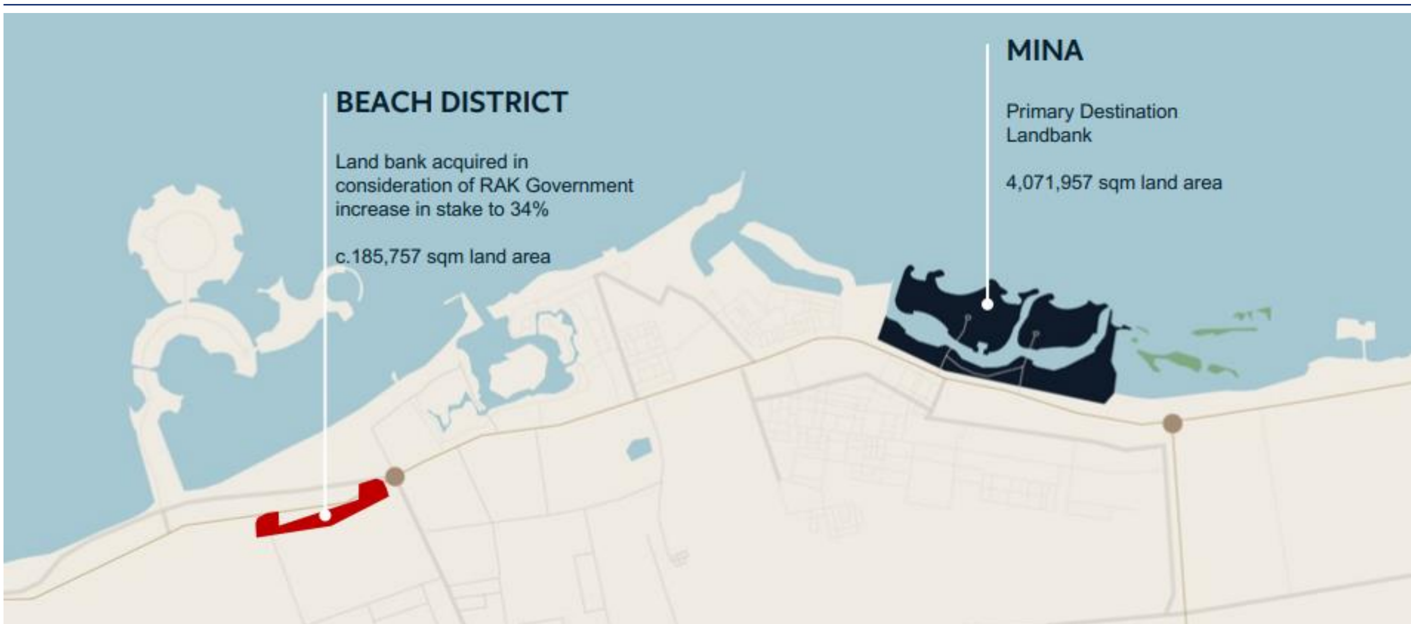
Exhibit 85: Mina – RAK Properties sales center

Source: Company Data, Arqaam Capital Research

Exhibit 86: Mina and the Lagoons strip – Ras Al Khaimah

Source: Company Data, Arqaam Capital Research

Exhibit 87: RAK Properties' newly acquired 2m sqft land in Al Marjan Beach District



Source: Company Data, Arqaam Capital Research

Exhibit 88: Mirasol – RAKPROP sales center

Source: Arqaam Capital Research

Exhibit 89: EDGE – RAKPROP sales center

Source: Arqaam Capital Research

Exhibit 90: Quattro Del Mar - RAKPROP sales center

Source: Arqaam Capital Research

Meeting with senior management of RAK Properties:

The senior management of RAK Properties, including CEO Mr. Sameh Muhtadi and CFO Mr. Rahul Jogani welcomed us and gave a detailed presentation outlining RAK Properties' strategic priorities. They detailed the company's five-year business plan, emphasizing a dual-track focus on residential development and scaling recurring income streams, particularly through hospitality and retail leasing. Planned investments of AED 1.5–2.0bn on growing the hospitality portfolio, including the recently announced Four Seasons and Nikki Beach Resort. The company targets to grow its recurring income portfolio 3-4x over the coming five years to ~AED 750m, contributing 15%–20% of total revenue. Management also highlighted upcoming joint ventures and a future launch with a leading Italian luxury brand, both of which are designed to lift margins, with branded offerings typically generating 10%–15% higher gross margins compared to unbranded developments. RAK Properties' newly acquired Marjan Beach District land, spanning 186,757 sqm, is master planned for a mixed-use development of around 5,000 residential units alongside an affordable hotel and retail components. The site will benefit from a government-planned pedestrian and vehicular bridge directly linking it to the Wynn Al Marjan integrated resort.

- RAK Properties is the master developer and sole owner of Mina Al Arab, recently rebranded as Mina, a 44m sqft seafront masterplan that integrates residential, hospitality, retail, and leisure components. Nearly two-thirds of the development is already completed or under active construction. The company plans to launch around 10,000 additional residential units within Mina and the newly acquired beachfront parcel in the Marjan Beach District.
- RAK Properties has evolved from a local residential developer into Ras Al Khaimah's flagship real estate platform, with 3.5k units delivered and 3k under construction. The company targets to launch 4k new units over the next 3–4 years (and 15k units in total on its existing residual land bank), with its portfolio pipeline now spanning branded residences, hospitality assets, retail, and community infrastructure.
- Key destinations on Mina include Hayat Island (now fully launched and under construction), Raha Island (still in early development stages with only 6 launches on the Island), and Marjan Beach District (latest land acquisition from the government of RAK) featuring ~6mn sqft of GFA projects.
- Development strategy has started to tilt towards high-margin branded products (40–50% GPm) and income generating community assets, with selective hospitality and retail developments now part of the core portfolio. The company targets to grow its recurring income to ~AED 750m (15%-20% of total revenues) by the end of the decade, after adding 3 new hotels and tapping into new markets, such as offices, retail, and school leasing.
- RAK is undergoing a major transformation, with population expected to grow from 450k today to 650k by 2030e. Government authorities (RAKTDA, Marjan, DOK) are aligned on a unified urban expansion plan that includes schools, healthcare, transportation, and leisure infrastructure.
- There are currently 8,211 hotel keys in Ras Al Khaimah which will grow to 15-20k keys by 2030e to meet the strong anticipated demand.
- The Emirate will be connected to Abu Dhabi and Dubai via the national railway network. A 60-minute marine ferry link from Mina Al Arab to Dubai Marina is also under study, enhancing visitor and resident mobility.

- Wynn Al Marjan will act as a major catalyst, employing 7,000 people, 40–50% of whom are expected to be high-income earners. This will structurally elevate demand for mid-to-upscale residences, F&B, and supporting infrastructure.
- Schooling capacity in Ras Al Khaimah is being addressed: three premium to super-premium schools are in the pipeline (AED 40k+ annual fees), including one in Al Hamra opening in 2026 and another in Mina Al Arab expected by 2027. A US curriculum school and other healthcare investments are also being evaluated.
- **Branded residential launches include:**
  - *Anantara Villas: 19 villas*
  - *Anantara Residences: 84 apartments*
  - *Two to three additional branded projects expected to be launched over the next year*
  - *Prices of non-branded projects range from AED 2,300–2,600/sqft; EDGE units are positioned as entry-level at AED 1,600/sqft. Al Marjan unbranded units are priced at AED 2,800/sqft, with branded products at AED 3,300/sqft.*
- Payment plans are typically structured on a 50/50 scheme, with 10% DP, 40% during construction, and 50% at handover. Buyers can resell units after 30% construction completion. The construction cycle averages ~2.5 years from the launch date.
- Quattro Del Mar is 75% sold at AED 2,300/sqft. SKAI is 67% sold. The Lagoons are fully delivered. Granada is expected to be handed over in Q1 2026.

Tour Around Mina

Drive through The Lagoons:

The tour proceeded to The Lagoons, the first completed land part within Mina, which has evolved into a vibrant community anchored by neighborhoods like Granada, Malibu, and Flamingo Villas. While the residential portion is mostly built out, with roughly 2,000 units delivered and over half occupied by end users, RAK Properties is now enhancing the area's appeal by developing a new retail strip aimed at supporting local businesses, boosting foot traffic, and improving overall livability. This initiative aligns with the company's strategy to reinforce recurring income streams through diversified community infrastructure and service offerings.

Drive through Hayat Island:

At Hayat Island, we observed a highly active development landscape, with little remaining idle land and a wide range of residential and hospitality projects under way. Major developments include Quattro Del Mar, Bay Views, Bay Residences, Marbella Villas, and Gateway II, alongside prominent hospitality products such as the Intercontinental Hotel and the under-construction Nikki Beach Resort & Spa. The branded residential segment, exemplified by Anantara Villas (19 units) and apartments (85 units), is gaining strong traction, with 25% of units already sold. Management noted that high demand in prior launches has encouraged them to accelerate construction timelines and hold back prime beachfront plots for premium branded partnerships, allowing the company to respond quickly to new market demand as it arises.

Exhibit 91: Marbella Villas - Hayat Island

Source: Arqaam Capital Research

Exhibit 92: Marbella Villas - Hayat Island

Source: Arqaam Capital Research

Exhibit 93: Bay Views - Hayat Island

Source: Arqaam Capital Research

Exhibit 94: Cape Hayat - Hayat Island

Source: Arqaam Capital Research

Exhibit 95: Gateway II - Hayat Island

Source: Arqaam Capital Research

Exhibit 96: Marbella - Hayat Island

Source: Arqaam Capital Research

Drive through Raha Island:

At Raha Island, the future engine of RAK Properties' residential expansions, we observed an early-stage landscape rich with opportunities. Only 5 projects have been launched thus far, including SKAI, Mirasol, Edge, Gateway 1, and Bermuda Villas, yet the island is designed to accommodate up to ~5,000 additional units over the next seven years. Management outlined a detailed rollout strategy designed to pace new launches carefully, allowing them to respond quickly to market demand while maintaining product diversity. The focus here is on mid-rise residential buildings, capped at a maximum height of 22 floors (G+22), with a strong emphasis on beach-facing luxury products that will appeal to both investors and end users seeking high-quality living environments in Ras Al Khaimah's booming coastal corridor.

Stop at the Intercontinental Hotel & Resort:

The visit to the Intercontinental Ras Al Khaimah Resort offered a firsthand glimpse into a property that balances scale with a strong sense of serenity. Nestled amidst lush greenery, manicured gardens, and beachfront stretches, the resort gives guests an immediate impression of calm sophistication. We met with the General Manager, who shared insights on the resort's impressive performance metrics, with occupancy averaging 87% - 90%, hosting more than 1,000 guests every day. ADRs increased 15% last year, fueled by sustained demand from key international markets such as Russia, Germany, and the UK, where visitors often stay for 14 to 18 days, far exceeding the regional average. The Intercontinental has positioned itself not just as a leisure escape but as a wedding/leisure destination, hosting elaborate Indian weddings that often involve full-resort buyouts over three days. The wide range of available activities range from jet skiing to kayaking, offering multiple activities for guests, making it a well-rounded leisure destination that appeals across multiple visitor segments.

Exhibit 97: InterContinental Hotel & Resort

Source: Arqaam Capital Research

Exhibit 98: InterContinental Hotel & Resort

Source: Arqaam Capital Research

Exhibit 99: InterContinental Hotel & Resort

Source: Arqaam Capital Research

Stop at Anantara Hotel & Resort:

Our visit to the Anantara Hotel provided a striking contrast, as we explored one of Mina's most luxurious and visually distinctive resorts. With its Maldives-style overwater villas, soft sandy beaches, and lush landscaped surroundings, the Anantara delivers an ultra-premium experience that feels both exclusive and immersive. The architecture and design are crafted to evoke a sense of refined escape, where guests can enjoy a curated luxury experience centered on privacy, indulgence, and natural beauty. Remarkably, the hotel reached profitability within just six months of opening, with YtD occupancy holding around 80%, peaking on weekends and major holidays, even though slightly softer during the summer. International guests typically book stays of around six days, while local visitors average two days, underscoring its strong dual appeal.

Exhibit 100: Anantara Hotel & Resort

Source: Arqaam Capital Research

Exhibit 101: Anantara Hotel & Resort

Source: Arqaam Capital Research

Exhibit 102: Anantara Hotel & Resort villas surrounded by greenery, beaches, and pools

Source: Arqaam Capital Research

Exhibit 103: Rooms in Anantara provide a view of the beach and the green surroundings.

Source: Arqaam Capital Research

Feedback from Ras Al Khaimah Tourism and Development Authority

RAKTDA's CEO, Raki Phillips, provided a compelling overview of Ras Al Khaimah's strategic evolution from an industrial-driven economy to one anchored in tourism and enhanced livability. While manufacturing still accounts for 30% of the emirate's economy, RAK's GDP currently stands at USD 11.5bn, supported by 45k registered businesses. Tourism is now the fastest-growing sector, contributing 5% of GDP today, with a target of growing it to 1/3 of GDP by 2030e. The emirate spans 1,684 sq km and is home to 450k residents, a figure set to grow to 650k by the end of the decade. With its pro-business stance, A+ Fitch rating, debt-to-GDP ratio below 3%, and a track record of no fiscal deficits, RAK continues to attract both investors and tourists alike.

Tourist arrivals hit 1.3m in 2023 and 1.4m in 2024, representing 12% y/y growth in tourism revenues, including a 40% increase in MICE visitors. RAK now boasts 8,211 hotel keys, with a pipeline of 7,500 more by 2030e. The visitor base is split evenly between domestic (50%) and international guests, with Russia, Kazakhstan, the UK, and China ranking among the top source markets. RAK Airport processed 661k passengers in 2024, with a target of 2m by 2030e. The emirate's appeal stems from its unique mix of mountains, sea, and desert—all within 68km of white-sand coastline—and iconic adventure offerings like the world's longest zipline on Jebel Jais.

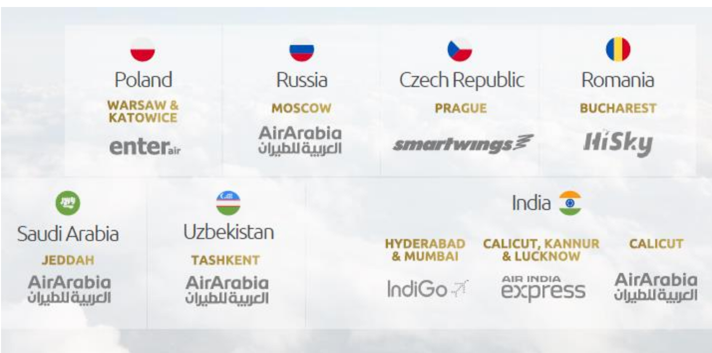
Exhibit 104: 2024 Destination highlights

Source: RAKTDA, Arqaam Capital Research

A key catalyst is the USD ~5bn Wynn Al Marjan integrated resort, the first of its kind in the region, which will include 1,542 hotel rooms, 24 restaurants, a marina, luxury retail, and a gaming facility. The project is jointly owned (60% by Marjan and RAK Hospitality, and 40% by Wynn), with the land contributed as equity and capex split between the partners. Wynn is expected to draw 15k daily visitors and serve as the anchor for a broader tourism-led masterplan. Strict regulatory requirements, including a minimum investment threshold of USD 1.5bn and mandatory new-build structures, position Wynn as four years ahead of any regional competitors, with extremely high barriers to entry.

Today, Ras Al Khaimah has 8,211 operational hotel keys, with ~7.5k keys currently in the pipeline. Some of the launches include high-profile developments such as Four Seasons (RAK Properties), Nikki Beach (Rak Properties), Nikki Beach on Al Marjan Island by Aldar, and other launches by ADNH, Emaar, and others. However, based on projected tourist inflows of 3.5 million visitors annually by the end of the decade, the emirate is still likely to face a supply-demand gap. Preliminary estimates indicate the need for at least 4,000 additional keys beyond the current pipeline to adequately accommodate peak season traffic and sustained growth across leisure, MICE, and extended-stay segments. This underlines the scale of opportunity in Ras Al Khaimah's hospitality sector and reinforces the urgency behind timely project execution and continued private-sector participation.

Exhibit 105: Airline connectivity in RAK



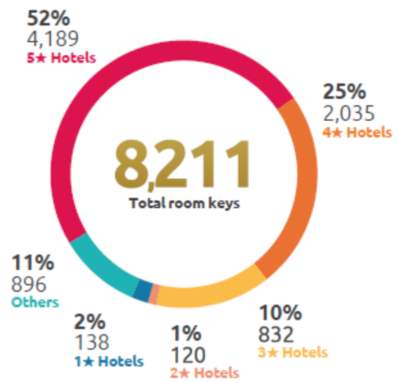
Source: RAKTDA, Arqaam Capital Research

Exhibit 106: RAKTDA targets to grow tourism in RAK to 3.5m+ by 2030e

Source: RAKTDA, Arqaam Capital Research

Complementing Wynn, the government has launched RAK Central, a new business district with Grade A office space, as well as airport expansion plans and a tourism masterplan led by Gensler. Infrastructure investments include a new three-lane highway, nonstop roundabout access roads, and long-term plans for Etihad Rail passenger integration and a marine link to Dubai. The tourism strategy is supported by balanced land use, sustainability targets (30% green space across new districts), and partnerships with global operators across Asia, Europe, and North America. As the emirate continues its transformation, RAK is emerging as the UAE's leading lifestyle and tourism destination, offering long-term growth opportunities for investors, residents, and visitors.

Exhibit 107: Current hotel inventory in RAK

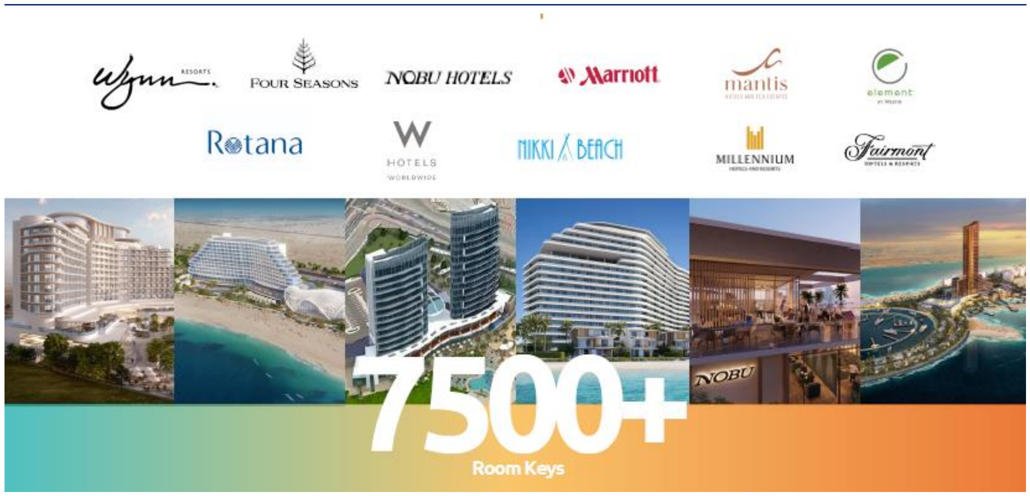


Source: RAKTDA, Arqaam Capital Research

Exhibit 108: Tourism in RAK is driven by several diverse countries

Source: RAKTDA, Arqaam Capital Research

Exhibit 109: Current hospitality pipeline



Source: RAKTDA, Arqaam Capital Research

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