

**Management Discussion and Analysis (MD&A) report of the Board of
Directors
of the listed public shareholding company**

Date	13.08.2024
Name of the Listed Company	Aram Group Company
The period of the financial statements covered by the report	Financial Review Q2, 2024
Overview of the main results during the financial period	- Realized operation revenue of AED 2.5 million (Revenue from both continuing + discontinued operations) for Q2, 2024 period and cumulative revenue of AED 4.9 million (Revenue from both continuing + discontinued operations). - Net profit (PBT) for the current quarter AED 248,784 and cumulative profit (PBT) for the six months is AED 674,506. - Total Assets AED 152.1 million - Total Equity AED 122.6 million - Capital AED 78,901,086/-
Securities issued during the financial period	Nil
Summary of the most important non-financial events and developments during the financial period	The company did not experience any significant non-financial events and continued to uphold its commitment to high standards. We have proactively pursued corporate governance and compliance measures, strictly following the guidelines set by the Securities and Commodities Authority (SCA).
Summary of operational performance during the financial period	- The company achieved a historic high cumulative occupancy rate of 97.69%, representing an 5.78% increase from the occupancy reported in 2Q 2023 and a notable 1.15% increase from the occupancy reported at the end of Q1 2024. - During the 2Q 2024, the Market value per share slightly reduce to AED 2.89 from AED 2.97 reported in Q1 2024 reflecting a 2% decrease. - Despite the Selling of Al Majaz property in June 2023 and Industrial Area 13 property in December 2023, the company exceeded the budgeted rent income for 2Q 2024 by 12%, achieving 104% of the overall income target for the six months period ended. - During the three-month period, the company experienced a 4.4% increase in rental income. This trend is primarily attributed to high occupancy percentage and favourable movement in leasing rates.

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Summary of profit and loss during the financial period	In the current quarter, the company reported an operational profit (PBT) of AED 248,784 a reduction compared to the profit of AED 478,069 in Q1 2024. The cumulative profit (PBT) for the six months period amounted to AED 674,506, is a significant improvement compared to loss of AED 517,667 reported in first half of the year 2023.
Summary of financial position as of the end of the financial period	At the end of Q2 2024, the total assets were reported at AED 152.1 million, indicating an 3.3% reduction from the assets portfolio of AED 157.3 million reported in Q1 2024. In tandem with the decline in assets, total liabilities decreased by 8.23%, declining from AED 32.2 million in Q1 2024 to AED 29.5 million at the close of Q2 2024. This downturn is primarily attributed to the drop of Kuwaiti share investments and AED 2.9 Mn Bank loan instalment done within the 2Q of 2024. In summary, the total equity witnessed degrees of AED 2.5 million, reaching AED 122.5 million compared to the AED 125 million reported in Q1 2024.
Summary of cash flows during the financial period	By the end of first six months of 2024, the company generated AED 2.25 million in net operational cash flow compared to AED 1.77 million reported in same period of 2023. Nevertheless, there was a net cash outflow of AED 3.02 million from financing activities, primarily attributed to the settlement of Bank loan installment.
Main performance indicators	Market value of the share by end of 2Q 2024 remains at AED 2.89 compared to AED 2.97 reported at the end of 1Q 2024 whereas, Price-to-book value of shares remained around 1.8 consecutively in the 2Q as well compared to 1.98 reported in Q4 2023.
Expectations for the sector and the company's role in these expectations	Thanks to advantageous market conditions and strategic initiatives aimed at improving internal efficiency, the firm has reached a significant milestone with a historic high occupancy rate of 97.69%. The company is poised to maintain its positive influence on the Real Estate sector by continually enhancing current facilities and pursuing

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	strategic developments. This dedication reflects its commitment to driving growth and progress within the sector
Expectations regarding the economy and its impact on the company and the sector	A positive relationship exists between the real estate sector and macroeconomic recovery, where each supports the other's advancement. However, small to medium-sized players like us face difficulties due to the consistently high interest (EIBOR) rates. It is expected that these rates will gradually decrease in the upcoming period.
Future plans for growth and changes in operations in future periods	The company is focused on diversifying its business into more lucrative segments while strategically withdrawing from investments with lower returns. This approach seeks to optimize the portfolio and boost long-term growth prospects.
The size and impact of current and projected capital expenditures on the company	The company is working on formulating new strategies and planning for capital expansions in the upcoming phases.
The developments of the implementation of projects, plans, transactions, and deals that were discussed by the company's board of directors in the report for the previous fiscal year	In line with our planned strategy, the company has successfully divested from unprofitable ventures. Our continuous focus remains on optimizing and strengthening our profitable ventures. However, some expansion projects had to be postponed due to the fulfilment of its obligation towards the Securities and Commodities Authority, which was fulfilled last year.
Other Matters Discussed	The company aims to sell the two remaining properties out of the four identified for sale last financial year, with the intention of settling the long-term bank loan

The name of the chairman of the company or the authorized signatory	Khamis Mohamed Buharoon Al Shamsi
Signature and date	13.08.2024
Company's Seal	