



مجموعة أرام  
ARAM GROUP P.J.S.C.

Discussion report and analysis of the board of directors of the listed public shareholding company

Date	22.3.22
Name of the Listed Company	Aram Group Company
The period of the financial statements covered by the report	Annual Financials 2021
Overview of the main results during the financial period	Realized operation revenue AED 9.7 million Net Loss 28.45million (Due to evaluation of Real Estate assets) Total Assets 167.5 million Total Equity 102.03million Capital 78,901,086
Securities issued during the financial period	Nil
Summary of the most important non-financial events and developments during the financial period	-New management has joined the company -New operational model has been adopted with new investment strategies that are more diversified, strategic and higher returning. -Enhancing governance and compliance with SCA requirements
Summary of operational performance during the financial period	1-Rental Income decreased by 7.7% compared to 2020 corresponding period 2-New Consultants (TAGI)has been appointed to advise on new investment strategy -Assess existing policies and procedures -Identify operational risks and gaps and come up with recommendations to bridge the gaps
Summary of profit and loss during the financial period	During the year, Real Estate sector was adversely affected by the market conditions and there was decrease in the value of investment properties. Net loss for 2021 was AED 28,452,592, compared to AED 11,127,937 net loss in 2020. This is mainly due to loss on revaluation of investment properties at fair value.  Giving the fact that the top line revenue is considered consistent and stable, the company recognized the need to enhance its investment strategy towards more innovative investments granting higher yields with calculated risk to ensure sustainable shareholders' wealth appreciation.
Summary of financial position as at the end of the financial period	-Operating Income for 2021 stood at AED 8.7Million with a slight reduction of (2.7%) compared to 2020.



	- Additional loss on revaluation of investment properties at fair value contributed to reduction of assts book value in 2021 by 15.4% compared to 2020
Summary of cash flows during the financial period	Net cash flow from operating activities AED (34,101,452) Net cash flow from Investing activities AED (90,067) Net cash flow used in financing activities AED 32,238,508
Main performance indicators	Book value AED 1.29
Expectations for the sector and the company's role in these expectations	Decrease in rental prices along with stabilization in demand during the year 2022. Company will work to maintain the performance based on the economic and market conditions.
Expectations regarding the economy and its impact on the company and the sector	UAE economy has proved its resilience in recent years. Economy is expected to improve steadily and the company new investment strategies will capture the coming economic improvement.
Future plans for growth and changes in operations in future periods	New management has joined the company -New operational model has been adopted with new investment strategies that are more diversified, strategic and higher returning. -Enhancing governance and compliance with SCA requirements
The size and impact of current and projected capital expenditures on the company	In light of the positive market Industry expectation, the company intends to increase its capital expenditure in order to diversify the investment portfolio and sustain variety of revenue sources.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	-New investment Plans and strategies are discussed

The name of the chairman of the company or the authorized signatory	Mr. ZIYAD MAHMOUD KHAIRULLAH AL HAJI
Signature and date	22.3.22
Company's Seal	

