Integrated Annual Report 2024

ARAM GROUP

ARAM GROUP COMPANY PJSC

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Board of Directors Report
2024

ARAM GROUP COMPANY PJSC

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Directors' report

The Directors have pleasure in presenting their report and the audited consolidated financial statements for the year ended 31 December 2024.

Principal activities of the Group

The Group's principal activities are investing in financial instruments, investing and leasing of properties, and investing, establishing and managing agricultural, industrial, and commercial projects, general trading and contracting, purchase and sale of shares and bonds.

Financial review

The table below summarizes the results of the year 2024 and 2023.

	2024	2023
	AED	AED
Rental income	**10,193,038**	11,237,129
Gain on fair value of investment properties	**16,600,000**	7,118,117
Net profit	**16,696,855**	4,393,652
Net profit ratio	**163.81%**	39.10%

Role of the Directors

The Directors are the Group's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Group for delivering sustainable shareholder value through their guidance and supervision of the Group's business. The Directors set the strategies and policies of the Group. They monitor performance of the Group's business, guide and supervise its management.

On 20 February 2024, Mr. Ahmed Ali Mohamed Abdelaziz Alsarkal retired as the Chairman of the Group. Further, on the said date, Mr. Khamis Mohamed Khamis Buharoon Alshamsi was appointed as the Chairman of the Group and Ms. Najoud Abdulla Mohammad Burahima was appointed as a director.

On 13 November 2024, Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh was elected as the Vice Chairman of the Group.

Going concern

The attached consolidated financial statements have been prepared on a going concern basis. While preparing the consolidated financial statements, the management has made an assessment of the Group's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Group's ability to continue as a going concern.

Events after year end

Subsequent to the year end, on 13 February 2025, the Board of Directors have resolved to classified non-current assets held for sale as investment properties owing to a change in the management's intention to dispose these investment properties (Note 27).

In the opinion of the Directors, other than above, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Group.

Auditor

M/s. Crowe Mak, Sharjah, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Directors' report (continued)

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the consolidated financial statements for each financial year which present fairly in all material respects, the consolidated financial position of the Group and its financial performance for the year then ended.

The audited consolidated financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the consolidated financial position of the Group and enables them to ensure that the consolidated financial statements comply with the requirements of the applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order for the consolidated financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Group's financial conditions and results of its operations.

The consolidated financial statements set out on pages 8 to 51, which have been prepared on the going concern basis were approved by the Directors on the date of these consolidated financial statements and signed on behalf of the Group by:

Mr. Khamis Mohamed Khamis Buharoon Alshamsi
Chairman

Mr. Ali Mohd Zaid Ali Musmar
Chief Executive Officer

13 February 2025

Independent Auditor's Report
2024

ARAM GROUP COMPANY PJSC

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Ref:AM/B2354/FEB'2025

Independent auditor's report

To
The Shareholders
ARAM Group Company P.J.S.C. and its subsidiary
Sharjah, United Arab Emirates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ARAM Group Company P.J.S.C. (the "Entity") and its subsidiary (together the "Group"), Sharjah, United Arab Emirates, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investment properties

We identified the valuation of investment properties as a key audit matter due to the significance of the Group's investment properties in the context of the Group's consolidated financial statements as a whole and due to significant judgement involved in determining the inputs used in the valuation exercise.

As at 31 December 2024, the Group's investment properties aggregated AED 153,350,000 (2023: AED 103,650,000) which represented 90% (2023: 67%) of the Group's total assets and a gain on revaluation of investment properties aggregating AED 16,600,000 (2023: AED 2,495,176) was recognised in the consolidated statement of profit or loss for the year then ended.

The Group's investment properties are stated at fair value based on valuation carried out by an independent qualified valuer (the "Valuer"). The valuation was dependent on certain key estimates which required significant judgement, including yield rates, contractual lease rents and forecasted operating expenses, which are influenced by prevailing market forces and specific characteristics such as property location and income returns of each property in the portfolio. Details of the valuation methodologies and key inputs used in the valuation are disclosed in Note 7 to the consolidated financial statements.

Independent auditor's report(continued)

Tothe Shareholders of ARAM Group Company P.J.S.C. and its subsidiary
Report on the Audit of Consolidated Financial Statements(continued)

How our audit addressed the key audit matters:

We have performed the following procedures in relation to the valuation of investment properties:

-We assessed the competence, capabilities and objectivity of the independent valuer;

-We reviewed the terms of engagement between valuer and the Group to determine whether the scope of the work is adequate and there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work;
-We assessed the completeness and consistency of information provided by the Group to the valuer; and evaluated the reasonableness of the key inputs used in the valuation on a sample basis;
-We assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and estimates used in the valuation on a sample basis;
-We agreed the total valuation in reports of third party valuers to the amount reported in the consolidated statement of financial position;
-We reperformed the arithmetical accuracy of the determination of net fair value gain;
-We reviewed a sample of investment properties valued by external valuers and assessed whether the valuation of the properties was performed in accordance with the requirements of IFRS 13 Fair Value Measurement; and
-We assessed the presentation and disclosures made in relation to this matter to determine if they were in accordance with the requirements of IFRSs. **Other Information** The Directors are responsible for the other information. The other information comprises the Directors' report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements** Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent auditor's report(continued)

To the Shareholders of ARAM Group Company P.J.S.C. and its subsidiary
Report on the Audit of Consolidated Financial Statements(continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

•Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

•Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

•Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

•Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

•Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

•Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Independent auditor's report(continued)

Tothe Shareholders of ARAM Group Company P.J.S.C. and its subsidiary
Report on the Audit of Consolidated Financial Statements(continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. 32 of 2021, we report that:

(a) We have obtained all the information we considered necessary for the purpose of our audit.

(b) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021.

(c) The Group maintained proper books of account.

(d) The financial information included in the Directors' report is consistent with the books of account of the Group.

(e) Investments in shares and stocks are disclosed in Notes 8 and 9 to the consolidated financial statements and include purchases and investments made by the Group during the financial year ended 31 December 2024.

(f) Note 10to the consolidated financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted.

(g) Based on the information that has been made available to us, nothing has come to our attention which causes us

to believe that the Group has contravened, during the financial year ended 31 December 2024 any of the requirements of UAE Federal Law No. 32 of 2021, and the Articles of Association, which would materially affect its activities or its financial position as at 31 December 2024.

Crowe Mak

Dr. Khalid Maniar
Registered Auditor Number:24
Sharjah, United Arab Emirates
13 February 2025

كرو ماك
P.O.Box: 6954
SHARJAH
U.A.E.
CROWE MAK

Consolidated Financial Statements
2024

ARAM GROUP COMPANY PJSC

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Consolidated statement of financial position as at 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	**71,318**	115,773
Right-of-use assets	6	**61,603**	445,067
Investment properties	7	**153,350,000**	103,650,000
Investments carried at fair value through other comprehensive income (FVTOCI)	8	**14,466,656**	14,599,128
Total non-current assets		**167,949,577**	118,809,968
Current assets			
Investments carried at fair value through profit or loss (FVTPL)	9	**160,246**	635,946
Due from a related party	10	**300,000**	50,000
Non-current assets held for sale	11	**-**	33,100,000
Trade and other receivables	12	**840,914**	1,190,216
Cash and cash equivalents	13	**697,289**	959,461
Total current assets		**1,998,449**	35,935,623
Total assets		**169,948,026**	154,745,591
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**78,901,086**	78,901,086
Statutory reserve	15	**34,869,340**	33,190,039
Voluntary reserve	16	**15,188,398**	13,509,097
Fair value reserve		**(3,274,068)**	(3,290,770)
Foreign currency translation reserve		**(732,393)**	(691,710)
Retained earnings		**14,657,502**	1,388,193
Total equity		**139,609,865**	123,005,935
LIABILITIES			
Non-current liabilities			
Employees' end-of-service benefits	17	**898,120**	859,179
Lease liabilities	18	**-**	70,686
Bank borrowings	19	**19,870,419**	23,493,078
Deferred tax liabilities	26	**1,314,892**	-
Total non-current liabilities		**22,083,431**	24,422,943
Current liabilities			
Dividend payable		**562**	562
Due to a related party	10	**534,012**	-
Lease liabilities	18	**70,489**	336,847
Bank borrowings	19	**3,684,211**	3,684,211
Trade and other payables	20	**3,853,410**	2,952,551
Current tax liabilities	26	**112,046**	-
Current liabilities on discontinued operations		**-**	342,542
Total current liabilities		**8,254,730**	7,316,713
Total liabilities		**30,338,161**	31,739,656
Total equity and liabilities		**169,948,026**	154,745,591

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Consolidated statement of financial position as at 31 December 2024 (continued)

These consolidated financial statements were approved and authorised for issue on 13 February 2025.

The consolidated financial statements set out on pages 8 to 51, which have been prepared on the going concern basis were approved by the Directors on the date of these consolidated financial statements and signed on behalf of the Group by:

Mr. Khamis Mohamed Khamis Buharoon Alshamsi	**Mr. Ali Mohd Zaid Ali Musmar**
Chairman	Chief Executive Officer

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

ARAM Group Company P.J.S.C. and its subsidiary
Sharjah - United Arab Emirates
Consolidated statement of profit or loss and other comprehensive incomefor the year ended31 December 2024

	Notes	2024 AED	2023 AED
Rental income	21	**10,193,038**	11,237,129
Other income	22	**412,371**	280,237
Repairs and maintenance expenses	23	**(653,615)**	(1,276,000)
General and administrative expenses		**(7,048,057)**	(7,365,189)
Loss on disposal of investments at FVTOCI and FVTPL		**(52,452)**	-
Dividend income		**191,131**	190,732
Loss on disposal of investment properties	7	**-**	(3,693,615)
Increase in fair value of investment properties	7	**16,600,000**	7,118,117
Increase in fair value of financial assets at FVTPL	9	**593,767**	272,392
Finance cost	24	**(2,112,390)**	(2,370,151)
Profit before corporate tax		**18,123,793**	4,393,652
Corporate tax expense	26	**(1,426,938)**	-
Net profit for the year		**16,696,855**	4,393,652
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Decrease in fair value of financial assets at FVTOCI	8	**(52,242)**	(208,350)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(40,683)**	(45,396)
Other comprehensive loss for the year		**(92,925)**	(253,746)
Total comprehensive income for the year		**16,603,930**	4,139,906
Basic and diluted earnings per share	25	**0.2116**	0.0557

The accompanying notes and policies form an integral part of these consolidated financial statements.
The report of the auditor is set out onpages 4 to 7.

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Consolidated statement of changes in equity for the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Fair value reserve AED	Foreign currency translation reserve AED	Retained earnings AED	Total AED
As at 1 January 2023	78,901,086	32,736,885	13,055,943	(3,082,420)	(646,314)	(2,099,151)	118,866,029
Profit for the year	-	-	-	-	-	4,393,652	4,393,652
Other comprehensive income for the year	-	-	-	(208,350)	(45,396)	-	(253,746)
Total comprehensive income for the year	-	-	-	(208,350)	(45,396)	4,393,652	4,139,906
Transfer from retained earnings (Notes 15 and 16)	-	453,154	453,154	-	-	(906,308)	-
As at 31 December 2023	**78,901,086**	**33,190,039**	**13,509,097**	**(3,290,770)**	**(691,710)**	**1,388,193**	**123,005,935**
Profit for the year	-	-	-	-	-	16,696,855	16,696,855
Other comprehensive income for the year	-	-	-	(52,242)	(40,683)	-	(92,925)
Total comprehensive income for the year	-	-	-	(52,242)	(40,683)	16,696,855	16,603,930
Transfer from retained earnings (Notes 15 and 16)	-	1,679,301	1,679,301	-	-	(3,358,602)	-
Transfer of fair value reserve on disposal of investments carried at FVTOCI	-	-	-	68,944	-	(68,944)	-
As at 31 December 2024	**78,901,086**	**34,869,340**	**15,188,398**	**(3,274,068)**	**(732,393)**	**14,657,502**	**139,609,865**

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Consolidated statement of cash flows for the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit for the year before tax		**18,123,793**	4,393,652
Adjustments for:			
Depreciation of property, plant and equipment	5	**45,157**	52,743
Depreciation of right-of-use asset	6	**174,880**	274,133
Increase in fair value of investment properties	7	**(16,600,000)**	(2,495,176)
Loss on disposal of investment property	7	**-**	3,693,615
Change in fair value of financial assets at FVTPL	9	**(593,767)**	(272,392)
Change in fair value of non-current assets held for sale	11	**-**	(4,622,941)
Employees' end-of-service benefits	17	**68,848**	137,755
Allowance for expected credit losses of trade receivables	23	**164,329**	361,988
Loss on retirement of lease liability	23	**8,169**	-
Finance cost	24	**2,112,390**	2,370,151
Loss on disposal of investments at FVTOCI and FVTPL		**52,452**	-
Dividend income		**(191,131)**	(190,732)
Operating cash flows before changes in operating assets and liabilities		**3,365,120**	3,702,796
Increase in due from a related party	10	**(250,000)**	(50,000)
Increase in due to a related party	10	**534,012**	-
Decrease/(increase) in trade and other receivables	12	**184,973**	(36,498)
Increase/(decrease) in trade and other payables	20	**900,859**	(112,959)
Decrease in current liabilities on discontinued operations		**(342,542)**	-
Cash generated from operating activities		**4,392,422**	3,503,339
Employees' end-of-service benefits paid	17	**(30,906)**	(45,632)
Net cash generated from operating activities		**4,361,516**	3,457,707
Cash flows from investing activities			
Purchase of property, plant and equipment	5	**(698)**	(6,684)
Purchase of investment properties	7	**-**	(222,400)
Proceeds from sale of investment properties	7	**-**	28,500,000
Dividend income		**191,131**	190,732
Proceeds from sale of investments at FVTPL	9	**1,056,475**	-
Net cash generated from investing activities		**1,246,908**	28,461,648
Cash flows from financing activities			
Payment of lease liabilities	18	**(143,562)**	(339,704)
Repayments of bank borrowings	19	**(3,622,659)**	(3,622,658)
Finance cost paid	24	**(2,043,876)**	(2,295,291)
Dividends paid		**-**	(26,320,069)
Net cash used in financing activities		**(5,810,097)**	(32,577,722)
Net decrease in cash and cash equivalents		**(201,673)**	(658,367)
Cash and cash equivalents at the beginning of the year		**959,461**	1,706,979
Effects of exchange rate changes on the balance of cash held		**(60,499)**	(89,151)
Cash and cash equivalents at the end of the year	13	**697,289**	959,461

The accompanying notes and policies form an integral part of these consolidated financial statements.

The report of the auditor is set out on pages 4 to 7.

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

1 General information

ARAM Group Company P.J.S.C., Sharjah, United Arab Emirates (the "Entity") is a public joint stock company incorporated on 26 January 1977, under Emiri Decree Number 133/76 issued on 16 November 1976. The trading register was issued by Economic Development Department, Government of Sharjah. The shares of the Entity are traded in the Abu Dhabi Securities Market.

The address of the registered office of the Entity is Al Khan Street, P.O. Box: 5440, Sharjah, United Arab Emirates.

The principal activities of the Group consist of investing in financial instruments, investing and leasing of properties, and investing, establishing and managing agricultural, industrial, and commercial projects, general trading and contracting, purchase and sale of shares and bonds.

The management is vested with the Directors.

The Entity controls the following subsidiary as at 31 December 2024:

Sr. no	*Entities*	*License no.*	*Country of incorporation*	*Activities*
1	Tarfan General Trading and Contracting (Ebrahim Ahmed Al-Mannaei and Partners) W.L.L (the "Subsidiary")	2003/328	State of Kuwait	General trading and contracting, purchase and sale of shares and bonds.

The Subsidiary is a limited liability company incorporated in Kuwait. One individual owns 1% of the Subsidiary's share capital for and on behalf of the Entity; therefore, 100% beneficial ownership interest is with the Entity and hence there is no non-controlling interest.

These consolidated financial statements incorporate the consolidated operating results of the trading license no. 1233 of the Entity and license no. 2003/328 of the Subsidiary, herein together referred to as the "Group".

2 Application of new and revised Standards

2.1 New and amended Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2024
IFRS Sustainability Disclosure Standards	1 January 2024

Management has adopted the new and amended IFRS standards in the current period and believes that these standards do not have material impact on these consolidated financial statements unless mentioned above.

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

2 Application of new and revised Standards (continued)

2.2 New and revised Standards in issue but not yet effective

The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised Standards	***Effective for annual periods beginning on or after***
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Amendments to IAS 21 Lack of exchangeability	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that these standards will not have any significant impact on these consolidated financial statements.

3 Material accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3.2 Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis except for investment properties, investments at fair value through profit or loss and investments at fair value through other comprehensive income that are measured at fair values.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Current/Non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting year, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Group classifies all other liabilities as non-current.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024

3 Material accounting policies (continued)

3.2 Basis of preparation (continued)

fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.3 Basis of consolidation

The consolidated financial statements of the Group comprise the financial information of the Entity and its Subsidiary. Control is achieved when the Parent:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group. Total comprehensive income of subsidiaries is attributed to the owners of the Group.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Functional currency

These consolidated financial statements are presented in Emirati Dirham, which is the Group's functional currency.

The Subsidiary's functional currency is the Kuwaiti Dinar (KWD). In the Group's consolidated financial statements, all assets, liabilities and transactions of the subsidiary are translated into AED upon consolidation.

As at the reporting date, the assets and liabilities of the subsidiary are translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period.

ARAM Group Company P.J.S.C. and its subsidiary

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3 Material accounting policies (continued)

3.5 Revenue recognition

The Group earns revenue mainly from rental income and dividend income.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognise revenue as and when the Group satisfies a performance obligation.

Performance obligation

Rental income
Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the contract.

Dividend income
Dividend income is recognised in the consolidated statement of profit or loss at a point of time on the date that the Group's right to receive payment is established.

3.6 Leases

The Group leases offices. Rental contracts are typically made for fixed period of 6 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset,the Group assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- it has the right to direct the use of the asset.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group's incremental borrowing rate can be used.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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3 Material accounting policies (continued)

3.6 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the year.

The lease liability is presented as a separate line in the consolidated statement of financial position.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated using straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the Property, plant and equipment policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

3.7 Foreign currencies

As at the reporting date, the assets and liabilities of the subsidiary are translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period. Exchange differences on the Group's net investment in the subsidiary are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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3 Material accounting policies (continued)

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.9 Employee benefits

End of service benefits

Provision is made for the full amount of end of service benefits due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

3.10 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income when incurred.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

	Useful lives
Furniture, fixtures and office equipment	4 years
Motor vehicles	5 years
Other facilities	5 years

3.11 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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3 Material accounting policies (continued)

3.12 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

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3 Material accounting policies (continued)

3.15 Financial assets (continued)

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above);
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments that are measured at FVTOCI and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for investments that are measured at FVTOCI and trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of

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3 Material accounting policies (continued)

3.15 Financial assets (continued)

conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables) were measured at amortised cost using the effective interest method, less any impairment.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity was recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that was no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income was allocated between the part that continues to be recognised and the part that was no longer recognised on the basis of the relative fair values of those parts.

3.16 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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3 Material accounting policies (continued)

3.16 Financial liabilities and equity instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an Entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.17 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024

3 Material accounting policies (continued)

3.17 Non-current assets held for sale and discontinued operations (continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

3.18 Taxation

Corporate tax expense comprises current and deferred tax. Current tax expense (or benefit) is the tax payable (or receivable) on the current year's taxable income calculated using tax rates (and laws) enacted or substantively enacted by the end of the reporting period in each jurisdiction, adjusted for changes in deferred tax assets and liabilities. Current tax expense is recognised in the consolidated statement of profit or loss except when the tax relates to items directly recognised in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity respectively. Tax provisions are recognised for uncertain tax positions when it is probable that there will be a future outflow of funds to a tax authority, measured at the best estimate of the amount expected to become payable.

Deferred tax is recognised using the liability method on temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax liabilities are recognised for all taxable temporary differences, except for goodwill and temporary differences arising from the initial recognition of assets and liabilities in transactions that do not affect taxable or accounting profit. Deferred tax assets are only recognised for temporary differences to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax relating to items recognised in other comprehensive income or equity are recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

No deferred tax liability has been recognized on the revaluation surplus with respect to their investment property existing as of the transition date.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 3 to these consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

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4 Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements in applying accounting policies

Judgements in determining the timing of satisfaction of performance obligations

In making their judgement, the Directors consider the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether the Group has satisfied the performance obligation by rendering the services to the customers. The management is satisfied that the recognition of revenue in the current year is appropriate.

Revenue recognition for leases

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of note 3.15). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Classification of properties

Based on the management's intention at the time of acquisition of a property, it was decided to classify the property as either held for sale or held for development or held for rental or capital appreciation. The management changes the classification when the intention changes.

4.2 Key sources of estimation uncertainty

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.79%.

Subsequent to the initial application, the management has reviewed the incremental borrowing rates and has found the incremental borrowing rates used by the Group to be appropriate, and hence, no adjustments are required on this account.

Management has applied judgements and estimates to determine the IBR at the commencement of lease.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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4 Critical accounting judgements and key sources of estimation uncertainty

4.2 Key sources of estimation uncertainty (continued)

Useful lives of property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. Land is valued using market comparable approach. Market comparable approach references to transactions involving properties of a similar nature, location and condition. Other investment properties are valued using the direct capitalisation method which is used to convert the estimate of a single year's income expectancy into an indication of value. The key assumptions used to determine the fair value of the properties are disclosed in Note 7.

Valuation of financial instruments

Management uses various valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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5 Property, plant and equipment

	Furniture, fixtures and office equipment	Motor vehicles	Other facilities	Total
	AED	AED	AED	AED
Cost				
As at 1 January 2023	1,228,736	204,460	374,612	1,807,808
Additions	6,684	-	-	6,684
Effect of foreign exchange rate differences	(208)	-	-	(208)
As at 31 December 2023	1,235,212	204,460	374,612	1,814,284
Additions	698	-	-	698
Effect of foreign exchange rate differences	(331)	-	-	(331)
As at 31 December 2024	**1,235,577**	**204,460**	**374,612**	**1,814,649**
Accumulated depreciation				
As at 1 January 2023	1,142,280	204,460	299,990	1,646,730
Depreciation expense	36,676	-	16,067	52,743
Effect of foreign exchange rate differences	(962)	-	-	(962)
As at 31 December 2023	1,177,994	204,460	316,057	1,698,511
Depreciation expense	29,089	-	16,068	45,157
Effect of foreign exchange rate differences	(337)	-	-	(337)
As at 31 December 2024	**1,206,746**	**204,460**	**332,125**	**1,743,331**
Carrying amount				
As at 31 December 2023	57,218	-	58,555	115,773
As at 31 December 2024	**28,831**	**-**	**42,487**	**71,318**

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5 Property, plant and equipment (continued)

The depreciation charge has been allocated in the consolidated statement of profit or loss and other comprehensive income as follows:

	2024	2023
	AED	AED
General and administrative expenses (Note 23)	**45,157**	52,743

6 Leases (the Group as Lessee)

Right-of-use assets

Movement of the recognised right-of-use assets during the year:

	Property	**Total**
	AED	**AED**
Cost		
As at 1 January 2023	745,737	745,737
Additions during the year	410,408	410,408
Effect of foreign exchange rate differences	(4,409)	(4,409)
As at 31 December 2023	1,151,736	1,151,736
Retirements during the year	(410,408)	(410,408)
Effect of foreign exchange rate differences	(2,066)	(2,066)
As at 31 December 2024	**739,262**	**739,262**
Accumulated depreciation		
As at 1 January 2023	436,318	436,318
Charge for the year	274,133	274,133
Effect of foreign exchange rate differences	(3,782)	(3,782)
As at 31 December 2023	706,669	706,669
Charge for the year	174,880	174,880
Related to retirements during year	(201,831)	(201,831)
Effect of foreign exchange rate differences	(2,059)	(2,059)
As at 31 December 2024	**677,659**	**677,659**
Carrying amount		
As at 31 December 2024	**61,603**	**61,603**
As at 31 December 2023	445,067	445,067

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6 Leases (the Group as Lessee) (continued)

Amounts recognised in profit or loss

	2024	2023
	AED	AED
Depreciation expense on right-of-use assets (Note 23)	**174,880**	274,133
Interest expense on lease liabilities (Note 24)	**6,962**	13,308

7 Investment properties

	Land	Buildings	Total
	AED	AED	AED
Fair value			
As at 1 January 2023	16,690,000	144,913,098	161,603,098
Additions	-	222,400	222,400
Disposals	-	(32,193,615)	(32,193,615)
Increase in fair value	360,000	2,135,176	2,495,176
Transferred to non-current assets held for sale (Note 11)	-	(28,477,059)	(28,477,059)
As at 31 December 2023	17,050,000	86,600,000	103,650,000
Increase in fair value	2,100,000	14,500,000	16,600,000
Transfer from non - current asset held for sale (Note 27)	-	33,100,000	33,100,000
As at 31 December 2024	**19,150,000**	**134,200,000**	**153,350,000**

The Group's investment properties consist of residential towers and buildings, offices, warehouses and undeveloped parcels of land.

Investment properties located at Al Qasimia, Al Khan and Al Muweilah, Sharjah with carrying value of AED 78.4 million as at 31 December 2024 (2023: investment properties located at Al Khan and Al Muweilah, Sharjah with carrying value of AED 43.1 million and non-current asset held for sale located at Al Qasimia with carrying value of AED 24.5 million) have a first degree mortgage in favour of Sharjah Islamic Bank for the bank facilities (Note 19).

The Group has no restrictions on the realisability of its investment properties and there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements, other than those against securities for the term loan (Note 19).

During the year ended 31 December 2023, the Group sold investment properties located at Al Majaz 2, Sharjah and at Industrial Area 13, Sharjah with carrying value of AED 32,193,615 and has incurred a loss of AED 3,693,615 on the disposal of investment properties.

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7 Investment properties (continued)

Investment properties are stated at fair value based on a valuation carried out by independent valuers as at 31 December 2024 and 31 December 2023. The significant inputs and assumptions are provided by management.

Land is valued using market comparable approach. Market comparable approach references to transactions involving properties of a similar nature, location and condition.

The most significant inputs with relation to the valuation of buildings and warehouses, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rate (market yields) decline. The overall valuation is sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The fair values of the buildings and warehouses are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When the actual rent differs materially from the estimated rent, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the properties.

The Directors of the Group have reviewed the assumption and methodology used by the independent valuer and in their opinion the assumption and the methodology are reasonable as at the reporting date considering the current economic and real estate outlook of the UAE.

Fair value hierarchy disclosures for investment properties are disclosed in Note 29.

The property rental income earned by the Group from its investment property, which is leased under operating leases on an annual basis and the repairs and maintenance expenses incurred are as follows:

	2024	2023
	AED	AED
Rental income (Note 21)	**10,193,038**	9,035,886
Repair and maintenance expenses (Note 22)	**(653,615)**	(1,276,000)

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8 Investments carried at fair value through other comprehensive income (FVTOCI)

	2024	2023
	AED	AED
Quoted investments	**11,942,692**	11,769,583
Unquoted investments	**2,523,964**	2,829,545
	14,466,656	14,599,128

	2024	2023
	AED	AED
The movements of investments carried at FVTOCI are as follows:		
Balance at the beginning of the year	**14,599,128**	14,832,769
Decrease in fair value during the year	**(52,242)**	(208,350)
Disposal during the year	**(39,883)**	-
Foreign exchange loss during the year - net	**(40,347)**	(25,291)
	14,466,656	14,599,128
The geographical distribution of investments carried at FVTOCI is as follows:		
In Kuwait	**14,466,656**	14,599,128

The above quoted investments are valued at the closing rate on 31 December 2024.

Fair value hierarchy disclosures for investments carried at fair value through other comprehensive income (FVTOCI) are disclosed in Note 29.

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9 Investments carried at fair value through profit or loss (FVTPL)

	2024	2023
	AED	AED
Quoted investments	**-**	496,916
Unquoted investments	**160,246**	139,030
	160,246	635,946

	2024	2023
	AED	AED
The movements of investments carried at FVTPL are as follows:		
Balance at the beginning of the year	**635,946**	363,794
Increase in fair value during the year	**593,767**	272,392
Disposals during the year	**(1,069,044)**	-
Foreign exchange loss during the year - net	**(423)**	(240)
	160,246	635,946
The geographical distribution of investments carried at FVTPL is as follows:		
In United Arab Emirates	**-**	496,916
In Kuwait	**160,246**	139,030
	160,246	635,946

Fair value hierarchy disclosures for investments carried at fair value through profit or loss (FVTPL) are disclosed in Note 29.

10 Related party balances and transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

a) At the end of the reporting year, amounts due from related parties were as follows:

	2024	2023
	AED	AED
Due from key management personnel		
Receivable from Chief Executive Officer	**300,000**	50,000

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10 Related party balances and transactions (continued)

b) At the end of the reporting year, amounts due to related parties were as follows:

	2024	2023
	AED	AED
Due to key management personnel		
Remuneration and sitting fees payable to directors	**534,012**	-

c) Transactions

During the year, the Group entered into the following transactions with the related parties:

	2024	2023
	AED	AED
Advance to Chief Executive Officer	**300,000**	50,000
Sale of investment property to board member (Note 7)	**-**	20,000,000
	300,000	20,050,000

d) Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

	2024	2023
	AED	AED
Salaries and other short-term benefits	**1,362,770**	1,879,496
End of service benefits	**41,551**	44,000
Directors' remuneration	**900,000**	400,000
Directors' sitting fee	**28,012**	42,000
	2,332,333	2,365,496

11 Non-current assets held for sale

	2024	2023
	AED	AED
Balance at the beginning of the year	**33,100,000**	-
Transfer from investment properties	**-**	28,477,059
Changes in fair value	**-**	4,622,941
Transfer to investment properties (Note 27)	**(33,100,000)**	-
Balance at the end of the year	**-**	33,100,000

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12 Trade and other receivables

	2024	2023
	AED	AED
Trade receivables	**1,464,692**	1,774,082
Loss allowance	**(1,151,823)**	(1,192,992)
	312,869	581,090
Prepayments	**418,260**	445,316
Deposits	**82,526**	136,315
VAT receivables	**15,236**	11,093
Other advances and receivables	**12,023**	16,402
	840,914	1,190,216

Geographical details of trade receivables

	2024	2023
	AED	AED
Primary Geographical Markets		
Within U.A.E.	**1,464,692**	1,774,082

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Trade receivables – Ageing analysis

31 December 2024	**0-90 days**	**91-120 days**	**More than 120 days**	**Total**
	AED	**AED**	**AED**	**AED**
Estimated net carrying amount	**179,602**	**65,488**	**67,779**	**312,869**
				312,869

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12 Trade and other receivables (continued)

Trade receivables – Ageing analysis

31 December 2023	0-90 days	91-120 days	More than 120 days	Total
	AED	AED	AED	AED
Estimated net carrying amount	444,594	55,861	80,635	581,090
				581,090

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9:

	Total
	AED
Balance as at 1 January 2023	**953,615**
Allowance for expected credit losses (Note 23)	**361,988**
Amounts written off	**(122,611)**
Balance as at 31 December 2023	**1,192,992**
Allowance for expected credit losses (Note 23)	**164,329**
Amounts written off	**(205,498)**
Balance as at 31 December 2024	**1,151,823**

13 Cash and cash equivalents

	2024	2023
	AED	AED
Cash on hand	**39,875**	34,434
Bank balances	**657,414**	925,027
	697,289	959,461

The carrying amount of cash and cash equivalents are denominated in the following currencies:

	2024	2023
	AED	AED
Primary Geographical Markets		
Emirati Dirham	**655,104**	854,585
Kuwaiti Dinar	**42,185**	104,876
	697,289	959,461

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13 Cash and cash equivalents (continued)

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of United Arab Emirates and Kuwait. None of the balances with banks at the end of the reporting year are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

14 Share capital

	2024	2023
	AED	AED
Authorised, issued and paid up share capital:		
78,901,086 shares of AED 1 each	**78,901,086**	78,901,086

The authorised, issued and fully paid share capital of the Entity consists of 78,901,086 fully paid ordinary shares with a par value of AED 1 each.

15 Statutory reserve

	2024	2023
	AED	AED
Balance at the beginning of the year	**33,190,039**	32,736,885
Transfer from retained earnings	**1,679,301**	453,154
Balance at the end of the year	**34,869,340**	33,190,039

According to the Articles of Association of the Entity and the UAE Federal Law No. 32 of 2021, 10% of annual net profits to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.

16 Voluntary reserve

	2024	2023
	AED	AED
Balance at the beginning of the year	**13,509,097**	13,055,943
Transfer from retained earnings	**1,679,301**	453,154
Balance at the end of the year	**15,188,398**	13,509,097

As required by the Group's Articles of Association, 10% of the Group's net profit for the year is required to be transferred to the voluntary reserve until such reserve equals one half of the Group's share capital. The reserve is available for distribution at the discretion of the shareholders' general assembly.

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17 Employees' end-of-service benefits

	2024	2023
	AED	AED
Balance at the beginning of the year	**859,179**	760,401
Charge for the year	**68,848**	137,755
Payments during the year	**(30,906)**	(45,632)
Effect of foreign exchange differences	**999**	6,655
Balance at the end of the year	**898,120**	859,179

Amounts required to cover end of service benefits at the consolidated statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting year.

18 Lease liabilities

Lease liabilities recognized and maturity analysis:

	2024	2023
	AED	AED
Amount due for settlement within 12 months		
Not later than 1 year (shown under current liabilities)	**70,489**	336,847
Amount due for settlement after 12 months		
Later than 1 year and not later than 5 years	**-**	70,686
	70,489	407,533

The movement in lease liabilities is as follows:

	2024	2023
	AED	AED
As at the beginning of the year	**407,533**	337,783
Amortization of interest expense during the year (Note 24)	**6,962**	13,308
Additions during the year	**-**	410,408
Retirement of lease liabilities during the year	**(200,408)**	-
Repayment of lease liabilities during the year	**(143,562)**	(339,704)
Effect of foreign exchange differences	**(36)**	(14,262)
As at the end of the year	**70,489**	407,533

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19 Bank borrowings

	2024	2023
	AED	AED
Term loan	**23,554,630**	27,177,289

	2024	2023
	AED	AED
Term loans movement during the year		
Balance at the beginning of the year	**27,177,289**	30,799,947
Add: Amortisation of loan arrangement fee during the year	**61,552**	61,552
Add: Amortisation of interest expense during the year	**2,043,876**	2,295,291
Less: Repayment during the year	**(5,728,087)**	(5,979,501)
Balance at the end of the year	**23,554,630**	27,177,289

Presented in the consolidated statement of financial position as:

	2024	2023
	AED	AED
Bank borrowings - non-current	**19,870,419**	23,493,078
Bank borrowings - current	**3,684,211**	3,684,211
	23,554,630	27,177,289

In 2021, the Group entered into a "One-off Ijarah facility" arrangement with Sharjah Islamic Bank. The facility is repayable in equal semi-annual installments over a period of ten years plus profit rate of 6 months EIBOR + 2.5% p.a., with a floor of 4% p.a.

The facility is secured against the following securities and guarantees:
a. First degree registered mortgage over certain properties in favour of Sharjah Islamic Bank (Note 7).
b. Assignment of fire insurance policy over Ijarah properties in favour of Sharjah Islamic Bank.
c. Cheque covering the total facility amount.
d. Notarised power of attorney in favour of Sharjah Islamic Bank or its appointed agent to manage certain properties and collect its rentals.
e. Assignment of rental cover from investment properties located at plot no. 213 in Al Soor, Sharjah, plot no. 216 in Al Majaz, Sharjah and plot no. 689/A/1 in Industrial Area 13, Sharjah. Out of said investment properties, the investment properties located at Al Majaz, Sharjah and Industrial Area 13, Sharjah have been sold.

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20 Trade and other payables

	2024 AED	2023 AED
Trade payables	**195,143**	211,381
Accrued expenses	**1,463,493**	819,833
Contract liabilities - rent received in advance	**1,138,401**	1,198,701
Tenants' security deposits	**1,056,373**	722,636
	3,853,410	2,952,551

21 Rental income

	2024 AED	2023 AED
Disaggregation of revenue – over time		
Rental income	**10,193,038**	11,237,129

	2024 AED	2023 AED
Primary Geographical Markets		
Within U.A.E.	**10,193,038**	11,237,129

22 Repairs and maintenance expenses

	2024 AED	2023 AED
Waste water discharge	**268,775**	693,467
Building repairs	**242,045**	443,106
Others	**142,795**	139,427
	653,615	1,276,000

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23 General and administrative expenses

	2024 AED	2023 AED
Employee costs	**2,744,442**	2,451,801
Compensation of key management personnel (Note 10d)	**2,332,333**	2,365,496
Legal, license and professional	**653,112**	764,759
Utilities	**268,939**	369,089
Depreciation of right-of-use assets (Note 6)	**174,880**	274,133
Allowance for expected credit losses of trade receivables (Note 12)	**164,329**	361,988
Civil defense expenses	**141,272**	112,771
Rent expense	**130,590**	43,000
General assembly expenses	**80,307**	203,106
Communication	**66,354**	89,338
Insurance	**50,289**	56,405
Depreciation of property, plant and equipment (Note 5)	**45,157**	52,743
Loss on retirement of lease liabilities	**8,169**	-
Other general and administrative expenses	**187,884**	220,560
	7,048,057	7,365,189

24 Finance cost

	2024 AED	2023 AED
Interest on bank borrowing	**2,043,876**	2,295,291
Amortization of loan arrangement fee	**61,552**	61,552
Interest expense on lease liabilities (Note 18)	**6,962**	13,308
	2,112,390	2,370,151

25 Basic and diluted earnings per share

	2024 AED	2023 AED
Basic and diluted earnings per share		
Net profit for the year	**16,696,855**	4,393,652
Weighted average number of shares	**78,901,086**	78,901,086
Basic and diluted earnings per share	**0.2116**	0.0557

As stated in Note 27, owing to a change in the management's intention to dispose the investment properties (Note 7), discontinued operations are no longer required to be considered for determining basic and diluted earnings per share.

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26 Corporate taxes relating to continuing operations

Corporate tax expense recognised in profit or loss

	2024	2023
	AED	AED
Current tax		
In respect of the current year	112,046	-
	112,046	-
Deferred tax		
In respect of the current year	1,493,358	-
Adjustments to deferred tax attributable to changes in tax rates and laws	(178,466)	-
	1,314,892	-
	1,426,938	-

The corporate tax expense for the year can be reconciled to the accounting profit as follows:

	2024	2023
	AED	AED
Profit before tax	18,123,793	4,393,652
Corporate tax expense calculated at 9% (2023: -%)	1,631,141	-
Effect on deferred tax balances due to the change in corporate tax rates	(178,466)	-
Tax effect on basic tax exemption limit	(33,750)	-
Effect of different tax rates on subsidiary operating in other jurisdictions	8,655	-
Others	(642)	-
Corporate tax expense recognised in profit or loss	1,426,938	-

The tax rate used for 2024 and 2023 reconciliations above is the corporate tax rate of 9% (2023: -%) payable by corporate entities in on taxable profits under tax law in that jurisdiction.

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

26 Corporate taxes relating to continuing operations (continued)

Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2024	2023
	AED	AED
Deferred tax liabilities	1,314,892	-
	1,314,892	-

Above deferred tax liabilities relate to the following:

	2024	2023
	AED	AED
Fair value gain on investment properties	1,494,000	-
Others	(179,108)	-
	1,314,892	-

27 Discontinued operations

During the year ended 31 December 2023, the management had decided to dispose the investment properties located at Al Qasimia, Sharjah and Al Soor, Sharjah to settle the term loan liabilities. Accordingly, as at 31 December 2023, the investment properties and related assets amounting to AED 33,100,000 (Note 11) and liabilities amounting to AED 342,542 were classified as a disposal group and related income amounting to net AED 6,710,180 were classified as discontinued operations.

Subsequent to the year-end, the management's intention to dispose these investment properties (Note 7) was changed vide board resolution dated 13 February 2025. Consequently, these have been reclassified as investment properties as at 31 December 2024.

28 Financial instruments and risk management

Material accounting policies

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

28 Financial instruments and risk management (continued)

Categories of financial instruments

31 December 2024

			Financial assets	Financial liabilities	
	FVTPL	FVTOCI	Amortised cost	Amortised cost	Total
	AED	AED	AED	AED	AED
Investments at fair value through other comprehensive income (FVTOCI) (Note 8)	-	14,466,656	-	-	14,466,656
Investments at fair value through profit or loss (FVTPL) (Note 9)	160,246	-	-	-	160,246
Due from a related party (Note 10)	-	-	300,000	-	300,000
Trade and other receivables (Note 12)	-	-	407,418	-	407,418
Cash and cash equivalents (Note 13)	-	-	697,289	-	697,289
Due to a related party (Note 10)	-	-	-	534,012	534,012
Lease liabilities (Note 18)	-	-	-	71,496	71,496
Bank borrowings (Note 19)	-	-	-	23,554,630	23,554,630
Dividend payable	-	-	-	562	562
Trade and other payables (Note 20)	-	-	-	2,715,009	2,715,009
	160,246	**14,466,656**	**1,404,707**	**26,875,709**	**42,907,318**

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

28 Financial instruments and risk management (continued)

31 December 2023

			Financial assets	Financial liabilities	
	FVTPL	FVTOCI	Amortised cost	Amortised cost	Total
	AED	AED	AED	AED	AED
Investments at fair value through other comprehensive income (FVTOCI) (Note 8)	-	14,599,128	-	-	14,599,128
Investments at fair value through profit or loss (FVTPL) (Note 9)	635,946	-	-	-	635,946
Due from a related party (Note 10)	-	-	50,000	-	50,000
Trade and other receivables (Note 12)	-	-	733,807	-	733,807
Cash and cash equivalents (Note 13)	-	-	959,461	-	959,461
Lease liabilities (Note 18)	-	-	-	425,088	425,088
Bank borrowings (Note 19)	-	-	-	27,177,289	27,177,289
Dividend payable	-	-	-	562	562
Trade and other payables (Note 20)	-	-	-	1,753,850	1,753,850
	635,946	**14,599,128**	**1,743,268**	**29,356,789**	**46,335,131**

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

28 Financial instruments and risk management (continued)

Fair value measurements

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Financial risk management objectives

The Group's financial risk management policies set out the Group's overall business strategies and risk management philosophy. The Group's overall financial risk management program seeks to minimise potential adverse effects to the financial performance of the Group. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Interest risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis
If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Group's profit for the year then ended would (decrease)/increase by AED 117,773 (2023: (decrease)/increase by AED 135,886).

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting date are as follows:

	2024	2023
	AED	AED
Assets		
Kuwaiti Dinar	**14,735,680**	15,048,496

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

28 Financial instruments and risk management (continued)

The carrying amounts of the Group's foreign currency denominated monetary liabilities at the end of the reporting date are as follows:

	2024	2023
	AED	AED
Liabilities		
Kuwaiti Dinar	**162,063**	300,659

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% decrease in the AED against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit and other equity where the AED strengthens 10% against the relevant currency. For a 10% strengthening of the AED against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be positive.

	2024	2023
	AED	AED
Profit and loss at the end of the year		
Kuwaiti Dinar	**1,457,362**	1,474,784

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Securities and Commodities Authority (the Authority) issued its letter dated April 30, 2023 reference number E.M.SH/KH/258/2023, stating that the Authority has been appointed to manage the uncollected profits of locally listed public joint stock companies prior to March 2015 and requires public joint stock companies to stop the company's procedures for distributing uncollected profits prior to March 2015 from receipt of the letter and to transfer the full value of uncollected profits prior to March 2015 to the Authority's account no later than May 21, 2023. As on 31 December 2024, the remaining dues of the uncollected profits amounted to AED 562.

The table below summarises the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure

ARAM Group Company P.J.S.C. and its subsidiary

Sharjah - United Arab Emirates
Notes to the Consolidated Financial Statements for the year ended 31 December 2024

28 Financial instruments and risk management (continued)

adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

Interest bearing

Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
		As at 31 December 2024		
Financial liabilities				
Lease liabilities	35,748	35,748	-	**71,496**
Bank borrowings	-	3,684,211	19,870,419	**23,554,630**
	35,748	**3,719,959**	**19,870,419**	**23,626,126**

Non-interest bearing

Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
		As at 31 December 2024		
Financial assets				
Investments at fair value through other comprehensive income (FVTOCI)	-	-	14,466,656	**14,466,656**
Investments at fair value through profit or loss (FVTPL)	-	160,246	-	**160,246**
Due from a related party	-	300,000	-	**300,000**
Trade and other receivables	-	407,418	-	**407,418**
Cash and cash equivalents	697,289	-	-	**697,289**
	697,289	**867,664**	**14,466,656**	**16,031,609**
Financial liabilities				
Dividend payable	-	562	-	**562**
Due to a related party	-	534,012	-	**534,012**
Trade and other payables	-	2,715,009	-	**2,715,009**
	-	**3,249,583**	-	**3,249,583**

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024

28 Financial instruments and risk management (continued)

	Interest bearing			
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at 31 December 2023			
Financial liabilities				
Lease liabilities	35,848	317,544	71,696	**425,088**
Bank borrowings	-	3,684,211	23,493,078	**27,177,289**
	35,848	**4,001,755**	**23,564,774**	**27,602,377**

	Non-interest bearing			
Particulars	On demand or less than 3 months	Within 1 year	More than 1 year	Total
	As at 31 December 2023			
Financial assets				
Investments at fair value through other comprehensive income (FVTOCI)	-	-	14,599,128	**14,599,128**
Investments at fair value through profit or loss (FVTPL)	-	635,946	-	**635,946**
Due from a related party	-	50,000	-	**50,000**
Trade and other receivables	-	733,807	-	**733,807**
Cash and cash equivalents	959,461	-	-	**959,461**
	959,461	**1,419,753**	**14,599,128**	**16,978,342**
Financial liabilities				
Dividend payable	-	562	-	**562**
Trade and other payables	-	1,753,850	-	**1,753,850**
	-	**1,754,412**	-	**1,754,412**

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance and complying with statutory requirements.

The capital structure of the Group include of share capital of AED 78,901,086 (2023: AED 78,901,086), statutory reserve of AED 34,869,340 (2023: AED 33,190,039), voluntary reserve of AED 15,188,398 (2023: AED 13,509,097), debit balance in fair value reserve of AED 3,274,068 (2023: debit balance of AED 3,290,770), debit balance in foreign currency translation reserve of AED 732,393 (2023: debit balance of AED 691,710) and retained earnings of AED 14,657,502 (2023: AED 1,388,193) as disclosed in the consolidated financial statements. The Group's capital resources amount to AED 139,609,865 (2023: AED 123,005,935).

ARAM Group Company P.J.S.C. and its subsidiary

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024

29 Fair value hierarchy

At year end, the Group held the following financial and non-financial assets measured at fair value:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
As at 31 December 2024				
Financial assets:				
Investments carried at FVTPL				
Quoted shares	-	-	-	-
Unquoted shares	-	-	160,246	160,246
Investments carried at FVTOCI				
Quoted shares	11,942,692	-	-	11,942,692
Unquoted shares	-	-	2,523,964	2,523,964
Non-financial assets:				
Investment properties	-	-	153,350,000	153,350,000
	11,942,692	-	156,034,210	167,976,902

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
As at 31 December 2023				
Financial assets:				
Investments carried at FVTPL				
Quoted shares	496,916	-	-	496,916
Unquoted shares	-	-	139,030	139,030
Investments carried at FVTOCI				
Quoted shares	11,769,583	-	-	11,769,583
Unquoted shares	-	-	2,829,545	2,829,545
Non-financial assets:				
Investment properties	-	-	103,650,000	103,650,000
Non-current assets held for sale	-	-	33,100,000	33,100,000
	12,266,499	-	139,718,575	151,985,074

During the year, there were no transfers between the various levels of fair value measurements.

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024

30 Segment reporting

The Group's activities comprise two main business segments: 1) real estate 2) investments. The details of segment revenue, result, assets and liabilities have been provided below:

	31 December 2024			31 December 2023		
	Real estate	Investments	Total	Real estate	Investments	Total
	AED	AED	AED	AED	AED	AED
Segment revenue	10,193,038	-	10,193,038	11,237,129	-	11,237,129
Segment other income	17,012,371	784,898	17,797,269	7,398,354	463,124	7,861,478
Segment expenses	(9,814,062)	(52,452)	(9,866,514)	(14,704,955)	-	(14,704,955)
Segment Profit	17,391,347	732,446	18,123,793	3,930,528	463,124	4,393,652

	31 December 2024			31 December 2023		
	Real estate	Investments	Total	Real estate	Investments	Total
	AED	AED	AED	AED	AED	AED
Segment Assets	155,321,124	14,626,902	169,948,026	139,510,517	15,235,074	154,745,591
	155,321,124	14,626,902	169,948,026	139,510,517	15,235,074	154,745,591

	31 December 2024			31 December 2023		
	Real estate	Investments	Total	Real estate	Investments	Total
	AED	AED	AED	AED	AED	AED
Segment Liabilities	30,338,161	-	30,338,161	31,739,656	-	31,739,656
	30,338,161	-	30,338,161	31,739,656	-	31,739,656

ARAM Group Company P.J.S.C. and its subsidiary

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31 Uncertainty related to key estimates

Fair value of investments

The fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The effect on equity (fair value reserve) as a result of a change in the fair value of equity instruments quoted on the different stock exchange markets and held at FVTOCI at 31 December 2024, due to reasonably possible changes in the prices of these quoted shares held by the Group, with all other variables held constant, is as follows:

	Market Index	
	Change in market prices	**Effect on equity (fair value reserve)**
	%	**AED**
31 December 2024		
Kuwait	+5%	597,135
	-5%	(597,135)
		-
31 December 2023		
Kuwait	+5%	588,479
	-5%	(588,479)

32 Seasonality of results

The Group's income consists of rental and investment income. Rental income is not significantly affected by any seasonal impact as it depends on annual lease contracts which are recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line method and in accordance with different terms of these lease contracts. In addition, there is limited fluctuation on the rent rates where the Group's investment properties are located.

Investment income depends on market conditions, investment activities of the Group and declaration of profit by investee companies, which are of a seasonal nature. Accordingly, results of investment income for the year ended 31 December 2024 are not comparable to those relating to the comparative period and are not indicative of the results that might be expected for the year ended 31 December 2024.

33 Contingent liabilities and capital commitments

The Group is subject to litigations in the normal course of business, mainly on claims relating to recoveries of cheques from tenants. Although the ultimate outcome of these claims cannot be presently determined, the total amount of claims is not material to the Group's consolidated financial statements.

Except for the above and ongoing business obligations which are under normal course of business, there have been no other known contingent liabilities and capital commitments on the Group's consolidated financial statements as of reporting date.

34 Events after the reporting period

Subsequent to the year end, on 13 February 2025, the Board of Directors have resolved to classified non-current assets held for sale as investment properties owing to a change in the management's intention to dispose these investment properties (Note 27).

Other than above, there are no significant events after the reporting period, which affect the consolidated financial statements or disclosures.

ARAM Group Company P.J.S.C. and its subsidiary

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Notes to the Consolidated Financial Statements for the year ended 31 December 2024

35 Reclassification

During the year, management has had to reclassify balances within the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, to provide a better understanding of the operations.

However, it does not have any impact on the profit or loss and other comprehensive income or equity of the Group.

Corporate Governance Report
2024

ARAM GROUP COMPANY PJSC

Introduction

In its internal policy, the company has followed the highest professional levels over the past years to optimally implement governance rules, The Board of Directors considers that the existence of a strong governance system as one of the cornerstones of the Company's sustainable and long-term growth. The Board is committed to enhance the value of the Company for its shareholders, taking into account the interests of all stakeholders, employees, suppliers, customers, business partners, as well as the communities in which the Company operates.

Our most important objectives are to reach with the company's management to the best practices in an effective and dynamic manner to serve all the shareholders by organizing the management's main responsibilities and tasks, developing its decision-making strategy, and clearly defining its objectives to achieve them as soon as possible in order to encourage long-term investment and achieve financial stability and business integrity, which ultimately leads to achieving sustainable growth. To achieve this goal, the company's Board of Directors approved the (Corporate Governance System) in accordance with all legal and regulatory requirements related to the rules of professional conduct and corporate governance, in particular, the directives issued regarding the implementation of the Authority's Chairman of the Board of Directors' Decision No. (3/Chairman) of 2020 regarding the adoption of the Governance Guide for Public Joint Stock Companies.

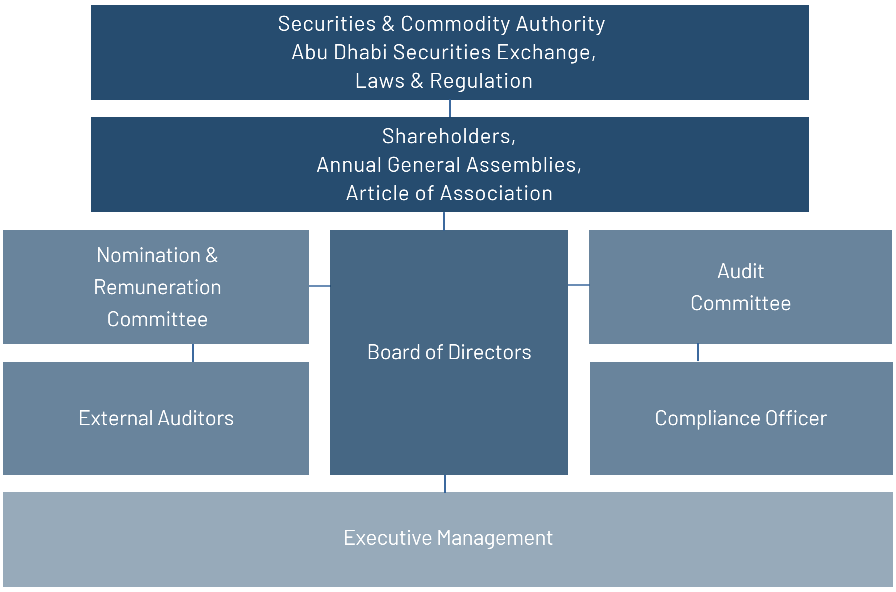
The Company's governance framework takes into consideration the application of the principles and standards set by both: the Securities and Commodities Authority and Abu Dhabi Securities Exchange, as well as Federal Decree-Law No. (32) of 2021 on Commercial Companies, as amended, in order to develop the Company's policy, requirements and aspirations.

This report gives an overview of ARAM Group corporate governance systems and procedures as of December 31st , 2023, and has been posted on the Abu Dhabi Exchange (ADX) website and the Group's website. This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 in regard to the Corporate Discipline and Governance Standards of Public Joint Stock Companies, and the format of this report is as prescribed by SCA.

1.0 Governance Application in ARAM Group Company

Shareholders represent the highest levels of governance, and the Company's Articles of Association define the framework through which ARAM Group Company shall operate to develop its policy, requirements and aspirations. The Board of Directors is accountable to the shareholders for ensuring that the Company's objectives are in line with their expectations, ensuring he effectiveness of the businesses of the Company's management, with the emphasis that the Company's objectives are consistent with the statutory requirements and the professional codes of conduct defined by both Securities and Commodities Authority and Abu Dhabi Securities Exchange.

In the context of constant monitoring to measure the effectiveness of the application of the governance system, the Board of Directors periodically reviews the governance framework and amends its elements (where necessary) to ensure its consistency with the regulatory controls and changing business environment.
The following diagram illustrates the governance framework and the key elements resulting from the application of the Company's governance system:



As indicated above, the application of the governance system involves different levels, including Board of Directors, Executive Management, Board of Directors Committees, and the compliance officer.
The Board of Directors performs periodic reviews regarding the application of standards and systems of governance in the Company, taking into consideration the legal and regulatory requirements and controls of these systems, and the application of the highest international standards in this field.

2.0 A statement of the ownership and transactions of board members, their spouses, and their children in the company's securities during the year 2024

According to the company's policy of establishing governance principles in the trading's of the company's Board Members (along with all employees and insiders of the Company) and based on their belief in the importance and necessity of compliance with the rules and regulations controlling their transactions and trading's in the shares and securities of the Company. they are also prohibited to use any undisclosed internal information for personal interest or to remove a harm that may affect them as a result of any undisclosed material information according to the Article 12 of the instructions of listing securities in Abu Dhabi Securities Exchange (ADX), which states:

"The Chairman and members of the Board of Directors of a company whose securities are listed on the market, its general manager, or any employee familiar with the basic data of the company may not trade, personally or through others, by dealing in the securities of the mother company, subsidiary, allied or sister company of that company during the following periods:

1- 10 business days before announcing material information that would affect the stock price up or down, unless the information results from urgent and sudden events.

2- 15 days before the end of the annual and quarterly financial period and until the financial statements for that quarter are disclosed.

Based on the foregoing, and in the light of the disclosures made by the Board of Directors, the following table shows the shares and securities owned by the Directors and their first-degree relatives (their spouses and children) in the Company's share capital as of December 31, 2024, and the Trading's in the Company's Shares carried out by them during the year 2024:

Name	Position / relationship	Shares Owned as of December 31, 2024 (Share)	Shares Owned by first-degree relatives in the capital of the company (Share)	Total sales transactions (Share)	Total Purchases transactions (Share)
Khamis Mohamed Khamis Buharoon Alshamsi	Chairman	NA	-	NA	NA
Mansoor Abduljabbar Ahmed Alsayegh	Vice Chairman	NA	-	NA	NA
Najoud Abdulla Mohammad Burahima	Board Member	NA	-	NA	NA
Alyazia Naser Yousef Naser Alzaabi	Board Member	NA	-	NA	NA
Ziyad Mahmoud Khairallah Alhaji Alharmouzi	Board Member	6,319,890	-	NA	3,871,099

3.0 ARAM Group Boards of Directors

The role of the Board of Directors is to supervise the Company's business affairs. The Board of Directors is responsible for monitoring the effectiveness of the governance framework, controlling and supervising the management and controls applied in the Company. The Board has delegated some of its authorities to its Committees (Audit Committee, Nomination and Remunerations Committee) which operate
according to the Charters and Regulations approved by it and submits its reports and recommendations to the Board of Directors out of responsibility and transparency.
The Board has also delegated the tasks of the day-to-day management of the Company to the Group Chief Executive Officer to ensure balance and suitability between the level of control and the risks management and work requirements within the Company with regard to its developments and changes in its activities and operations.

3.1 Formation of ARAM Group Board of Directors

The Board of Directors currently includes four Members, according to the following table:

Name	Position	Category (executive, non-executive, independent)	Experiences	Qualifications	Date of appointment as BOD member	Membership of the Directors in other Public Joint Stock Companies	Positions in any other important supervisory, governmental or business entities
Khamis Mohamed Khamis Buharoon Alshamsi	Chairman	Independent	Overall Banking, Finance and Real Estate experience of 35 years	Bachelor's Degree of Accounting, Business Administration, and other banking courses	Since Oct 7, 2021 to date	Chairman of Abu Dhabi National Takaful Company, Board Member at Agthia PJSC	Independ Managing Director in Royal Capital
Mansoor Abduljabbar Ahmed Alsayegh	Vice Chairman / Chairman of Audit Committee	Independent	Overall experience in business, marketing and the financial sector of 15 years	Bachelor's degree in business communication and marketing strategy from Curry College, USA	Since Dec 14th, 2023 to date	N/A	Chief Executive Officer at Al Sayegh Group
Najoud Abdulla Mohammad Burahima	Board Member / Chairman of Nomination & Remuneration Committee	Independent	Overall Experience in Real Estate Sector	Master's Degree in Business Administration	Since Feb 20th , 2024 to date	N/A	Project Advisor and Tourism Expert at the Ministry of Economy
Alyazia Naser Yousef Naser Alzaabi	Board Member	Independent	Overall Experience in Banking Sector	Graduated from Emirates Private School Academy, Abu Dhabi	Since Dec 14th, 2023 to date	N/A	N/A

In this regard, it should be noted that the membership of the Board of Directors consisted mostly of the independent members since the establishment of the Company according to the decision of the Chairman of the Authority No. (3/Chairman) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies.
The Board has adopted a policy on the independency of Members, under which the independence of each Member is assessed annually, which falls within scope of the responsibilities of the Nominations and Remunerations Committee. Accordingly, the conflict of interests and the emergence of relationships that may arise on independent members, which in turn may lead to a breach of independence, shall be reported and the relevant procedures shall be taken into account if the Board finds any defect or a decline in the capacity of their independence.

3.2 Profile of Board Members

Khamis Mohamed Khamis Buharoon Alshamsi

Chairman
Independent

Mr. Khamis Buharoon has joined the Board of Directors of Aram Group Company since October 2021, with more than 35 years' experience in a multitude of advisory roles in the UAE. He is also Chairman of Abu Dhabi National Takaful Company PJSC, and Board Member in Agthia Group PJSC.
Mr. Buharoon Al Shamsi spent 14 years at Abu Dhabi Islamic Bank, from 2007 to March 2021. During this time, he held many roles including managing director, member of the board of directors, vice-chairman of the board of directors, and acting CEO for two years. As well as served the Chairman of Board of Directors for Burooj Real estate and He most recently served as the Vice Chairman of Abu Dhabi Islamic Bank.
Buharoon contributed in establishing several investment companies such as Arqaam Capital Investment in DIFC, UBL and served as a board member in Tharawat Investment House in the Kingdom of Bahrain, Naeem Holdings in Egypt and Unifund Capital Financial Investment in the UAE from 2009 to 2017 and the Chairman of Etihad Capital in the UAE.
Khamis Buharoon holds a bachelor's degree in business and accounting.

Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh

Vice Chairman
Independent

Mansoor Al Sayegh is the Group Chief Executive Officer of the Al Sayegh Group (ASG) since 2010 to date, which is a group of companies owned by the Sayegh family and established in 1980. He is in charge of overseeing and supervising all of the group's companies due to his position.
In 2008, Mansoor began his professional journey at Mubadala Investment Company. Subsequently, he progressed to Corporate Banking, where he acquired significant expertise in the financial sector.
Mr. Mansoor is a well-respected counsel in the Abu Dhabi business community due to his vast network in both the public and private commercial sectors of the UAE in addition to his experience and in-depth knowledge of the market. He is a member of the Youth Business Council of the Abu Dhabi Chamber of Commerce and Industry and a member of several general government committees.
He holds a bachelor's degree in business communication and marketing strategy from Curry College in the United States of America 2009

Najoud Abdulla Mohammad Burahima

Board Member
Independent

Najoud Abdullah Burahima is one of the most prominent Emirati women entrepreneurs, with her insightful vision and exceptional leadership, she was able to distinguish herself in the field of business in the United Arab Emirates.

Ms. Najoud Abdullah Burahima is illustrious by her innovative and persevering spirit, as she constantly pursues exploring new opportunities and achieves success in a lightning-fast business setting. In addition, Najoud has been able to achieve remarkable success in other roles such as project advisor and tourism expert at the Ministry of Economy, and Director of the Minister's Office in the Sheikh Zayed Housing Programme from 2011 to 2017.

Ms. Najoud has extensive experience in managing and establishing businesses and holds a master's degree in business administration in 2016.

Alyazia Naser Yousef Naser Alzaabi

Board Member
Independent

Al Yazia Al Zaabi is a young Emirati leader who has an overall experience in Banking field, As she worked with RAK Bank since 2023 till date.

Alyazia is an inspiring model for Emirati women with her ambition to reinforce the position of women in community development and promote youth participation locally and internationally and develop their expertise in various fields. Thus, she is the first female member to hold the position of board member at Aram Group Company PJSC

Al-Yazia studied at the Emirates Private Schools Academy, Abu Dhabi - United Arab Emirates.

She participated in many training courses, workshops and national initiatives to activate and empower young Emirati talents.

3.3 Women Representation in the Board of Directors during 2024

In its current formation, the Board of Directors includes two female members (Board members), which is equivalent to 50% of the composition of the Board of Directors represented in the joining of Ms. Alyazia Alzaabi to the Company's Board of Directors, through the process and procedures for re-election and formation of the Company's Board of Directors in accordance with the decision issued by the Company's shareholders at the General Assembly held on December 14th , 2023. Additionally, Mrs. Najoud Burahima joined the Board of Directors on February 20, 2024, to fill the vacant position following the resignation of the previous Board member, Mr. Ahmed Al Sarkal.

3.4 Remunerations and Allowances which were received by the Board of Directors members

Article (38) of the Articles of Association of ARAM Group Company provides that:
"The remuneration of the Board Chairman and members shall be a percentage of the net profit, provided that it shall not exceed 10% of the net profits of the fiscal year. The Company may also pay expenses, fees, additional bonus or a monthly salary to the extent decided by the Board of Directors to the Board member who serves in any committee, makes special efforts or performs additional work to serve the Company in excess of his/her regular duties as a Board member. Attendance allowance may not be paid to the chairman or the Board members for attending Board meetings."
Article (60) of the Articles of Association defines the distribution method of net profits. The net annual profits of the Company are distributed after deduction of all general expenses and other costs as follows:

- Ten percent (10%) shall be deducted and allocated to the legal reserve. This deduction shall be stopped when the total reserve amounts to 50% of the Company's paid-up capital. If the reserve decreased, the deduction shall be resumed.
- The General Assembly shall consider the recommendations of the Board of Directors in relation to the percentage proposed for the distribution of the net profits among the shareholders, after deducting the reserves and depreciations. However, if the distribution of the profits was not permitted in any year, they cannot be claimed from the profits of the following years.
- A percentage shall be allocated as a remuneration of the members of the Board of Directors, provided that it shall not exceed (10%) of the net profits of the ending fiscal year after deducting all the depreciations and reserves. The Board shall propose the said remuneration, and the same shall be presented to the General Assembly for consideration. Fines that may have been imposed on the Company by the Authority or the Competent Authority due to violations committed by the Board of Directors of the Companies Law or the Articles of Association during the ended fiscal year shall be deducted from the remuneration. The General Assembly may decide not to deduct such fines or some of them if it deems that they were not the result of a default, or an error made by the Board of Directors.
- The remaining net profits shall be distributed, carried forward, upon the recommendation of the Board of Directors, to the following year or allocated to establish a voluntary reserve for specific purpose, and it may not be used for any other purpose except with a resolution of the Company's General Assembly.

Total Remunerations of the Members of the Board of Directors for the year 2023

Based on the decision issued by the General Assembly of the Company at its meeting held on April 22, 2024, the total remuneration received by the members of the Company's previous Board of Directors for the fiscal year ending on December 31, 2023 amounted to AED 400,000.00 (Four Hundred Thousand Dirhams).

Total proposed remunerations of the Directors for 2024

It has been proposed to distribute remuneration to the Board of Directors members for the year 2024 in the amount of AED 500,000.00 (Five Hundred Thousand Dirhams), which will be presented at the annual general assembly meeting for approval.

Details of the allowances for attending sessions of the Committees emanating from the Board, which were received by the Board Members for the year 2024

No allowances or remunerations were paid to the board members for attending the committee meetings emanating from the board during the year 2024.

Details of additional allowances, salaries or fees received by a Board Member, during the year 2024, other than the allowances for attending the Committees

No allowances, salaries, or additional fees were disbursed during the year 2024.

3.5 Board Meetings during 2024 and Attendance of Board Members

Statement of the number of meetings held by the Board of Directors during the fiscal year. The Board of Directors had convened five meetings during 2024 as follows:

No.	Meeting Date	No. of Attendance	No. of attendees by proxy	No. of Absent Members	Names of Absent Members
1	20th Feb, 2024	4 (Via Video-call)	-	-	-
2	14th March, 2024	4 (Via Video-call)	-	-	Ziyad Mahmoud Khairallah Alhaji Alharmouzi
3	14th May, 2024	4 (Via Video-call)	-	-	Ziyad Mahmoud Khairallah Alhaji Alharmouzi
4	13th Aug, 2024	4 (Via Video-call)	-	-	Ziyad Mahmoud Khairallah Alhaji Alharmouzi
5	13th Nov, 2024	4 (Via Video-call)	-	-	-

Below are details of Board Meetings attendance during the year 2024 as follows:

Board of Directors	No. of Absences	First Meeting 20 Feb,2024	Second Meeting 14th Mar, 2024	Third Meeting 14th May, 2024	Fourth Meeting 13th Aug, 202	Fifth Meeting 13th Nov, 2024
Mr. Khamis Mohamed Khamis Buharoon Alshamsi	-	✓	✓	✓	✓	✓
Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh	-	✓	✓	✓	✓	✓
Mr. Ziyad Mahmoud Khairallah Alhaji Alharmouzi	3	✓	-	-	-	-
Mrs. Najoud Abdulla Mohammad Burahima	-	-	✓	✓	✓	✓
Ms. Alyazia Naser Yousef Naser Alzaabi	-	✓	✓	✓	✓	✓

3.6 Summary of Board Resolutions Passed During 2024

- **Board Resolutions passed by circulation during 2024**

Article (29) of the Articles of Association of ARAM Group regarding Board Resolutions passed by circulation provides that:
"Without prejudice to the minimum number of Board meetings required under Article 28 above, the Board of Directors may issue some of its resolutions by circulation in urgent instances. These decisions shall be valid and effective as if they were made at a meeting summoned and duly convened, taking into consideration that:
- The number of instances for issuing a Board resolution by circulation shall not exceed four (4) times per year.
- The majority of the directors approve that the instance requiring the issuance of a resolution by circulation is considered urgent.
- The directors are provided with the resolution by circulation in writing for their approval, and attached with all documents required for review.
- The majority of the directors must approve in writing the resolutions by circulation, and such resolutions by circulation shall be presented during the next board meeting to be included in the minutes of the said meeting.

During the fiscal year 2024, no resolutions were passed by the Board of Directors through circulation.

- **Resolutions Passed at the Board of Directors Meetings**

No	Meeting Date	Resolutions Passed
1	20 Feb, 2024	-Appointing Mr. Khamis Mohamed Khamis Buharoon Alshamsi as a Board of Directors Chairman in state of resigned Chairman. -Appointing Mrs. Najoud Abdulla Burahima in the vacant position, provided that such appointment shall be submitted to the General Assembly to confirm or appoint another member, the new Board Member shall complete the term of her predecessor. -Reforming the Audit Committee and the Nomination and Remuneration Committee.
2	14 March, 2024	-Approved the Audited financial statements for the fiscal year ended 31/12/2023. -Approved the Agenda for General Assembly, and determined the date of the meeting to be on April 15th, 2024 at 11:00 am in company office.
3	14 May, 2024	-Approved the Audited financial statements for Q1, 2024.
4	13 Aug, 2024	-Approved the Audited financial statements for Q2, 2024.
5	13th Nov, 2024	-Approved the Audited financial statements for Q3, 2024 ended 30.09.2024. -Electing Mr. Mansoor Abduljabbar Ahmed Alsayegh as a Board of Directors Vice Chairman.

4.0 Committees of the Board of Directors of Aram Group Company

4.1 Audit Committee

- **Ratification of Audit Committee Chairman**

Mr. Mansoor Abduljabbar Al Sayegh, The Chairman of the Audit Committee acknowledges responsibility for discharging the Audit Committee's mandate across the Company, reviewing its work mechanism, and ensuring its effectiveness.

The Audit Committee assists the Board of Directors in discharging its responsibilities with respect to Internal Control Systems, accounting policies, financial reporting, compliance, and internal and external audits. The Audit Committee ensures that the main objectives of the Company are achieved effectively and efficiently, within a tight framework of internal controls, risk management and governance.

- **Formation of the audit committee**

The Committee is formed upon a decision by the Board of Directors, which determines its name and duties. The Committee is formed immediately after determining the Board of Directors positions who were elected by the General Assembly.

The Audit Committee consists of three independent members appointed on February 20, 2024, as per the following table:

Audit Committee Members	Position	Category
Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh	Chair of the Committee	Independent
Mrs. Najoud Abdulla Mohammad Burahima	Member	Independent
Ms. Alyazia Naser Yousef Naser Alzaabi	Member	Independent

The Audit Committee is responsible for monitoring the company's financial statements, recommending changes to the company's control systems and financial system, monitoring accounting practices, and recommending the nomination of an external auditor.

The Audit Committee has powers to study any activity within its own revision terms. It is authorized to reach the external and internal auditor, obtain information relevant to audit work, and seek the assistance of any internal or external specialized party to provide professional consultancy on any matter related to the company's accounts. It also has powers to request any information it needs from any employee or Board member; therefore, the Board members and employees are directed to cooperate with any demand from the Committee.

- **Audit Committee Meetings During the Year 2024**

The following table shows the number of meetings held by the committee consisting of the Board of Directors members to discuss matters related to the financial statements and monitor the status of Aram Group Company's compliance with applicable laws and regulations and any other matters:

Audit Committee Members	No. of absences	First Meeting 26 Feb, 2024	Second Meeting 10 May, 2024	Third Meeting 12 Aug, 2024	Fourth Meeting 08 Nov, 2024
		External Auditor (Crowe Mak)	External Auditor (Crowe Mak)	External Auditor (Crowe Mak)	External Auditor (Crowe Mak)
Mr. Mansoor Abduljabbar Ahmed Alsayegh	-	✓	✓	✓	✓
Mrs. Najoud Abdulla Mohammad Burahima	-	✓	✓	✓	✓
Ms. Alyazia Naser Yousef Naser Alzaabi	-	✓	✓	✓	✓

- **Audit Committee Report:**

The Audit Committee Report of Aram Group Company outlines the responsibilities assigned to the Audit Committee and the procedures followed as follows:

- Significant matters considered by the committee in relation to the financial statements and the procedures implemented to address these matters:

The Audit Committee has thoroughly reviewed all significant matters with management and external auditors, including the auditors' opinions on the quarterly and annual financial statements, and has submitted its recommendations to the Board of Directors for approval. Furthermore, the Committee has overseen the accuracy and reliability of the company's financial data, scrutinized key provisions within the financial reports, and addressed significant accounting and reporting issues. The Committee has emphasized the importance of strict adherence to financial reporting standards, regulatory requirements, listing and disclosure obligations, and other legal frameworks governing the preparation of financial reports.

- The approach adopted for the appointment of the external auditor, along with the assessment of the auditor's independence and the effectiveness of the external audit process.

The Audit Committee adopts a systematic approach in the selection of the external auditor and in evaluating the independence and effectiveness of the external audit process. This is achieved through the formulation and implementation of a comprehensive external auditor engagement policy. The Committee submits detailed reports and recommendations to the Board of Directors, highlighting critical issues that require attention and offering guidance on the appropriate actions to be taken.

In addition, the Audit Committee has defined the terms of engagement for the external auditor, including the issuance of the engagement letter at the commencement of each audit and the scope of the audit. The Committee also conducts an annual evaluation of the auditor's independence and objectivity in accordance with professional and regulatory standards.

The Committee convenes regularly to assess the auditor's performance, the adequacy of the accounting policies applied in the financial statements, and to ensure that senior management takes prompt corrective actions to address the auditor's findings and recommendations in a timely manner.

- The Committee's recommendation concerning the appointment, reappointment, or dismissal of the external auditor.

The Audit Committee unanimously recommended the re-appointment of the external auditor, Messrs. Crowe Mac, for the fiscal year 2024, during its meeting held on February 26, 2024, for Board approval. The re-appointment was subsequently unanimously approved in the Board of Directors' meeting held on March 14, 2024.

- The independence of the external auditor when performing services beyond the scope of the company's audit engagement.

In order to maintain the independence of the external auditor when providing services beyond the scope of the company's audit engagement, in compliance with business requirements, the Audit Committee diligently monitors and assesses the auditor's independence and objectivity. This is achieved through discussions concerning the nature, scope, and effectiveness of the audit engagement, ensuring alignment with established auditing standards. In 2024, the external auditor did not provide any services other than the audit of the company's financial statements.

- The procedures implemented to address any deficiencies in the event of failures in internal control systems.

The Audit Committee is responsible for overseeing and monitoring the implementation of the risk management framework and internal control systems in accordance with its policies and business strategies. It continuously evaluates the efficiency and effectiveness of these policies and strategies through audits of records, information databases, network security systems, and control mechanisms for both operational and strategic units. In 2024, no deficiencies were identified within the internal control and risk management systems.

- Internal Control and Risk Management Reports

The Audit Committee is committed to ensuring the regular review of the company's internal control systems, engaging in discussions with executive management regarding the internal control framework. The Committee oversees the corrective actions taken by management in response to identified findings and recommendations, ensuring that executive management appropriately and promptly addresses any weaknesses in the control systems, non-compliance with policies, laws, regulations, and other issues highlighted by internal control personnel.

- The corrective action plan in the event of material deficiencies in the areas of risk management and internal control systems.

The Committee has implemented policies, procedures, and controls to ensure the timely reporting of any potential deficiencies in the company's reports. This includes conducting audits of company records and information systems, reviewing the outcomes of key audits concerning internal control matters, assessing the effectiveness of internal control and compliance functions, particularly in relation to planning, monitoring, and reporting, and evaluating the performance of the internal control and compliance officer, providing appropriate advice and guidance in a timely manner.

In the event that any deficiencies in internal control performance are identified, the Committee oversees the investigation process to ensure its independence and integrity. The Committee also reviews the actions taken by management to address the reported violations, ensuring that corrective actions are implemented and subsequently presented to the Board for further action in accordance with applicable laws and regulations.

As previously stated, no material deficiencies were identified in the internal control performance at Aram Group Company during 2024, which demonstrates the effectiveness and efficiency of the policies and procedures implemented by the Audit Committee in collaboration with executive management and internal control personnel.

4.2 Nomination and Remuneration Committee

- **Ratification of Nomination and Remuneration Committee Chairman**

Mrs. Najoud Abdulla Mohammad Burahima, The Chairman of the Nomination and Remuneration Committee acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate across the Company, reviewing its work mechanism, and ensuring its effectiveness.

The Nominations and Remunerations Committee reports to the Board on culture, performance and compensation policies that reflect best practices, and makes recommendations on the succession plans of the Board, taking into account the challenges and opportunities facing the Company and the skills and experiences needed in the future.

- **Formation of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of three independent members appointed on February 20, 2024, as per the following table:

Nomination and Remuneration Committee Members	Position	Category
Mrs. Najoud Abdulla Mohammad Burahima	Chair of the Committee	Independent
Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh	Member	Independent
Ms. Alyazia Naser Yousef Naser Alzaabi	Member	Independent

The role of the committee is to determine the individual and total remuneration for members of the Board of Directors in accordance with the framework approved in the Corporate Law and the Governance Resolution, develop a remuneration policy for executive management related to the company's performance, and determine the payroll caps including salaries, bonuses, and incentive programs.
The committee is also responsible for preparing and reviewing human resources policies and relevant systems, supervising procedures, and reviewing the nomination of members of the Board of Directors. The Committee is granted powers by the Board of Directors to study any activity within its revision terms and it is authorized unconditionally to get any professional consultancy on any matter related to the company.
The committee has the authority to request any information it needs from any employee or member of the Board of Directors; therefore, the Board members and employees are directed to cooperate with any request submitted by the Committee.

- **Nomination and Remuneration Committee Meetings During the Year 2024**

The following table shows the number of meetings held by the committee consisting of members of the previous Board of Directors during the year 2024.

Nomination and Remuneration Committee Members	No. of absences	First Meeting 06 Feb 2024
Mr. Ziyad Mahmoud Khairallah Alhaji Alharmouzi	-	✓
Mr. Khamis Mohamed Khamis Buharoon Alshamsi	-	✓
Ms. Alyazia Naser Yousef Naser Alzaabi	-	✓

Nomination and Remuneration Committee Members	No. of absences	First Meeting 18 Sep 2024
Mrs. Najoud Abdulla Mohammad Burahima	-	✓
Mr. Mansoor Abduljabbar Abdulmohsen Ahmed Alsayegh	-	✓
Ms. Alyazia Naser Yousef Naser Alzaabi	-	✓

4.3 Insider Trading Supervision Committee

- **Insider Trading Supervision functions**

In implementation of the decision of the Chairman of the Authority No. (03/) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies, the Management of the Company assigned the Insiders' affairs and their trading in the Company's shares and securities to the Compliance and Corporate Governance officer, since the committee was not formed due to the lack of a quorum of members. . In addition, the Management of the Company identified the duties and competencies of such Department represented in the following:
The company's management referred the insiders' affairs and their trading in the company's shares and the securities issued by it to the compliance officer, since the committee was not formed due to the lack of a quorum of members. Accordingly, the company's management determined the tasks and powers assigned to the compliance officer, which are as follows:

- Management, follow-up and supervision of the insiders' transactions and ownerships, and maintaining their record.
- Development of a special and integrated record that includes the insiders' names and details, including persons who may be considered as temporary insiders and those who have access to the Company's internal information prior to publication.
- Quarterly review of the records and lists of the insiders for continuous update, and consultation with the Executive Management on any updates required to such records and lists according to the requirements of the business of the Company.
- Ensuring continuous update of the list of insiders on the Abu Dhabi Securities Exchange website and making any updates to such list as soon as it occurs.
- Submission of periodic reports and statements to Securities and Commodities Authority and Abu Dhabi Securities Exchange.
- Any other competencies or tasks delegated to the Committee from time to time by the Board of Directors of the Company.

It is worth mentioning that the Company is fully committed not to exploit undisclosed or unpublished information related to the business of the Company and if it has an effect on the Company's shares price in the financial market. Additionally, trading by insiders in the Company's shares is prohibited during the trading prohibition periods imposed by Securities and Commodities Authority and Abu Dhabi Securities Exchange to ensure continuous compliance with the applicable laws and regulations.

4.4 Other committees approved by the Board of Directors

No other committees approved by the Board of Directors of Aram Group Company were formed during the fiscal year 2024.

4.5 The responsibilities and authorities carried out by the Executive Management based on a mandate from the Board of Directors

The Aram Group's Board of Directors has adopted a policy that enables and empowers the governance process, including that members of the executive management pay special attention to the duties entrusted to them. The Board has delegated certain levels of powers to each of the following:

Name of the authorized person	Power of authorization	Duration of authorization
Ali Musmar – CEO	Administrative, operational, and financial authorities for ARAM Group Company.	3 years
Ali Musmar – CEO	Full authority to reach the highest occupancy rate for the company's buildings by repricing at competitive prices.	As needed

The Chief Executive Officer has the authority to act within the framework of the operational plan and the budget of operating income and expenses discussed and approved by the Board, according to the authorities granted thereto under the Delegations of Authority. The Chief Executive Officer may delegate some of his duties to the Executive Management Team, according to the current policies of the Board, Delegations of Authority and legal requirements which determine the powers of such delegation. The validity of responsibilities and duties vested in the Chief Executive Officer is three (3) renewable years.

4.6 Business Transactions with related Parties

There are no transactions with related parties within the scope of the governance during the year 2024.

5.0 Board of Directors Evaluation

Evaluation of the Board of Directors of Aram Group Company, its Committees, and Executive Management.

5.1 Annual Evaluation of the Performance of the Company's Board of Directors, its Members, and Committees.

The annual evaluation of the performance of the company's Board of Directors, its members, and committees is one of the key tools that contribute to enhancing corporate performance and promoting robust governance practices. The purpose of this evaluation is to assess the Board's effectiveness in making strategic decisions and executing policies designed to achieve the company's objectives. Additionally, the individual performance of Board members is evaluated, focusing on their competencies, contributions, and adherence to ethical and professional standards. The performance of Board committees, such as the Audit Committee and the Nomination and Remuneration Committee, is also assessed to ensure effective coordination in their tasks and compliance with the highest standards of transparency. Since the company is listed on the Abu Dhabi Securities Exchange (ADX), it upholds the highest governance standards to ensure the provision of a transparent and objective report on the evaluation outcomes, thereby fostering shareholder confidence and demonstrating the company's commitment to sustainable growth.

Accordingly, in 2024, the Nomination and Remuneration Committee undertook the responsibility of evaluating the performance of the Board of Directors and its committees, following a set of systematic procedures aimed at ensuring the highest standards of governance and transparency. These procedures include:

- A comprehensive evaluation of the individual performance of Board members, based on specific criteria including professional competence, effectiveness in participation, and the ability to make effective strategic decisions.
- An assessment of the performance of the various Board committees, reviewing their ability to achieve their assigned objectives and evaluating the effectiveness of their operational mechanisms in supporting the company's strategic goals.
- A range of tools, including surveys and assessments conducted with relevant members, are utilized to obtain an objective evaluation that reflects both collective and individual performance.
- Finally, the evaluation results are meticulously analyzed, and comprehensive recommendations are provided to enhance sustainable performance and ensure alignment with global governance best practices, in accordance with the standards of the Abu Dhabi Securities Exchange (ADX) and industry-leading practices.

5.2 The evaluation of the Board of Directors, its members, and committees is conducted by an independent professional entity.

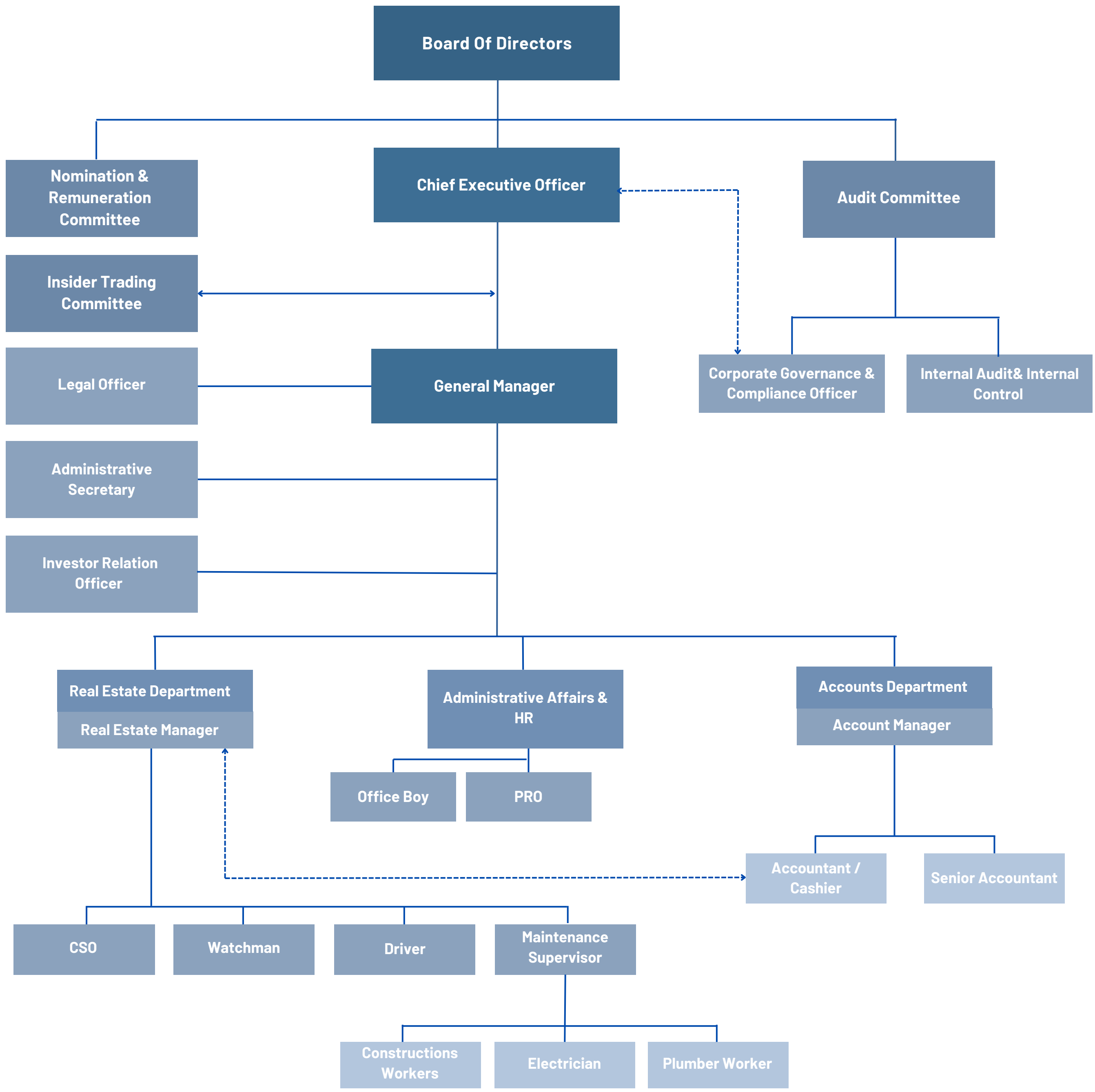
The Board of Directors is dedicated to maintaining the highest standards of governance and transparency. To reinforce this commitment, every three years, the Board engages an independent professional firm, with no affiliations or interests with the company, its Board members, or executive management, to conduct a thorough evaluation of the Board's performance, individual members, and its committees. The evaluation process encompasses an assessment of the Board's effectiveness in making strategic decisions, the accountability of members in fulfilling their duties, as well as the performance of key committees such as the Audit Committee and the Nomination and Remuneration Committee, and the efficiency of their operational frameworks.

The company applies precise and objective evaluation standards based on best practices in governance to ensure accurate and actionable results that improve organizational performance and enhance shareholders and stakeholders' confidence. In 2024, the company conducted an internal evaluation to support continuous performance improvement and strengthen governance standards. The Board of Directors is committed to following the necessary procedures, in compliance with applicable regulations, to engage an independent professional firm for future evaluations.

6.0 Organizational Structure and Executive Management of Aram Group Company

6.1 Organizational Structure of Aram Group Company

Since its inception, ARAM Group Company has been developing and implementing an efficient and effective organizational structure at all department and division levels in order to ensure a high-level of coordination and management interaction, and to ensure a high-level of disclosure, transparency and interaction with markets, which is reviewed continuously by the Executive Management. The following diagram represents the Company's Organizational Structure:



6.2 Executive Management Team

The Executive Management Team (which includes the Group Chief Executive Officer and Executive Officers of its departments and divisions) work according to their authorities specified by the Board of Directors, and within the approved strategic plan. They are responsible for managing the day-to-day operations of the Company and key business issues, in line with the strategic plan framework of the Company. The Chief Executive Officer periodically meets with the Executive Management Team directly.
The following table shows the Members of the Executive Management Team, their appointment dates, salaries and Remunerations they received during 2024:

Position	Date of Appointment	Total Salaries and Allowances paid in 2024 (AED)	Total Bonuses paid for 2024 (AED)	Any other Cash/in-kind bonuses for 2024 or due in the future
Chief Executive Officer	10/10/2021	1,200,000	-	-
General Manager	03/02/1979	432,000	-	-
Chief Accountant	01/08/2022	166,500	-	-
Real Estate Manager	04/11/2006	201,600	-	-
Corporate Governance Senior Officer	01/10/2024	48,000	-	-

7.0 External Auditor

7.1 An overview of the company's auditor for shareholders

Based on the nominations of the Audit Committee, the Board of Directors nominates the auditor to the General Assembly to approve his appointment after verifying his independence, competence and reputation for a period of one year. Accordingly, the auditor will assume his duties from the end of the Assembly Meeting until the end of the Assembly Meeting of the following year. His fees are determined by a decision of the General Assembly, and he is prohibited from carrying out other accounting work related to accounting records. He is also prohibited from designing or implementing any information systems if they have a substantial influence on the financial data or control systems related thereto or to provide any services or internal audit works by subcontract.
Furthermore, he is forbidden to provide any valuation or appraisal work for the company during the audit process or participate therein, as well as to provide any administrative services or work related to financial or real estate brokerage.
Accordingly, it was contracted with Crowe Mak, a member of the International Crowe Mak Company, which has experience for more than 40 years in the United Arab Emirates and one of the largest audit and consulting companies worldwide with firm presence at the international and local levels, providing independent and objective opinions in line with the methodologies and processes arising at the global level in the application of accounting standards.

7.2 Fees and costs of the services provided by the External Auditor:

The following table shows the services provided by the External Auditor during 2024 and the fees charged for these services:

Name of Audit Firm	Crowe Mak
Name of Partner Auditor	Dr. Khalid Maniar
Number of years spent as an external auditor of the Company	2 Year
Number of years spent by the Partner Auditor in auditing the Company's Accounts	2 Year
Total audit fees for the financial statements for the year ended on December 31, 2024 (AED)	Aram Group Company AED 87,500+VAT Tarfan General Trading KWD 1,000+VAT
Details and nature of other services provided by the external auditor during the year 2024	N/A
Fees and costs for special services other than the audited financial statements of year 2024	N/A
Statement of other services provided by an external auditor other than the company's auditor during 2024	N/A

7.3 Reservations that the company auditor included in the interim and annual financial statements for the year 2024

The Company's auditor did not submit any reservations regarding the interim and/or annual financial statements of the Company during 2024.

8.0 Internal Control System

8.1 Board of Directors' Responsibility for the Internal Control System

The Board of Directors is responsible for supervision of the Company's Internal Control System and reviewing its adequacy, effectiveness, and efficiency. In addition, the Board formed the Audit Committee and appointed the Compliance and Corporate Governance Officer to contribute to the performance of governance responsibilities that fall under its responsibility. In addition, the Board of Directors authorized and delegated the Audit Committee and the Compliance Officer the responsibility of conducting audit and internal review operations independently and regularly and submitting recommendations to the Board of Directors in a manner that ensures the effectiveness, improvement and development of the company's internal control and governance processes.

8.2 Internal Control In-charge's Profile

No director has been appointed for the Internal Control Department, and internal control tasks have been entrusted to the Audit Committee and the Compliance Officer. The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed, and processes are operated efficiently.

8.3 Compliance Officer

As explained in clause (4.3) of this Report, The Compliance Officer has been appointed by virtue of a decision issued by the Board of Directors who is responsible for ensuring compliance by the Company and its employees with the issued laws, regulations and decisions, as well as other internal policies and measures. This step was under the decision of the Chairman of the Authority No. (03/ RM) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies.

Name of the Compliance Officer	Qualifications	Date of Appointment
Farah Nabel Alsuliman Aldaher	Bachelors' in business administration	01 October 2024

8.4 Company's Dealing with Material Issues or Problems Disclosed in the Annual Accounts and Reports

The Board of Directors has established standards and principles of internal control in the Company, which aim to provide objective, independent and reliable advice, as well as an ideal work environment that meets the requirements of the Board of Directors and contributes to enhancing the role of the Board of Directors, the Audit Committee and the Compliance officer, in order to contribute to the proper performance of their duties, functions and responsibilities in accordance with the decision of the Chairman of the Authority No. (03/RM) of 2020 on the adoption of the Corporate Governance Manual of Public Joint Stock Companies to achieve the objectives of the Company and keep up with its aspirations.

During the year 2024, no significant operational internal control failures were identified, and the company did not face any material issues. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the company.

9.0 Violations committed by the Company during 2024

During 2024, The Company did not commit any material violations imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

10.0 Statement of the cash and in-kind contributions made by Aram Group Company during the year 2024 towards the development of the local community and the preservation of the environment.

ARAM Group Company aims to leverage our people and community efforts towards solving real social and environmental challenges, deliver positive impacts for all, and shape communities that thrive now and into the future.

Through its social responsibility, ARAM aims at creating sustainable value for shareholders, employees, suppliers, customers, business partners and the communities in which it operates. It supports local communities through a blend of volunteering, charitable donations, sponsorships, education projects, and healthcare initiatives, among others.

ARAM has hired an external consultant to assist the Board in the development of a Sustainability Report for 2024. Details about the sustainability initiatives are provided in ARAM's Environmental, Social and Governance report.

11.0 General Information

11.1 Company's Share Performance during 2024

Trading in the Company's shares witnessed strong activity during the year 2023. The following table provides an overview of the Company's share price at the end of each month of the year ended on December 31, 2024:

Date (Month)	Opening (AED)	Highest Price (AED)	Lowest Price (AED)	Closing (AED)	Quantity (Share)	Value (AED)	No. of Transactions	Change	
								%	AED
Jan 2024	3.100	3.890	3.000	3.650	51,609	881,541.920	97	17.742	0.550
Feb 2024	3.650	3.660	3.020	3.050	70,039	42,478,201.630	49	(16.438)	(0.600)
Mar 2024	3.140	3.140	2.700	2.970	27,433	12,244,848.440	23	(2.623)	(0.080)
Apr 2024	2.690	2.990	2.690	2.860	286,213	15,190,319.890	25	(3.704)	(0.110)
May 2024	2.600	3.170	2.400	2.940	5,527	204,474.010	28	2.797	0.080
Jun 2024	3.000	3.000	2.660	2.890	430,052	117,218.000	15	(1.701)	(0.050)
Jul 2024	2.610	2.800	2.290	2.500	573,139	135,332.120	66	(13.495)	(0.390)
Aug 2024	2.340	2.480	1.920	2.250	42,299	100,114.670	70	(10.000)	(0.250)
Sep 2024	2.180	2.850	1.860	2.630	25,095,086	10,095,978.900	121	16.889	0.380
Oct 2024	2.630	2.690	2.040	2.300	1,197,359	408,960.320	98	(12.548)	(0.330)
Nov 2024	2.360	2.500	1.890	1.890	4,960,465	254,050.160	82	(17.826)	(0.410)
Dec 2024	1.980	2.100	1.720	1.940	13,339	252,895.350	87	2.646	0.050

Source : Abu Dhabi Securities Exchange

11.2 Comparative Performance of ARAM Group Company's share with the General Market Index and Sector Index during 2024

The following table shows the comparative performance of the Company's share with the general market index and the real estate sector index during the year ended on December 31, 2024:

Month	General Market Index %	Sector Index %	Company Share Price%
Jan 2024	(0.73)	(2.57)	17.742
Feb 2024	(2.67)	5.92	(16.438)
Mar 2024	(0.29)	0.47	(2.623)
Apr 2024	(1.74)	(1.84)	(3.704)
May 2024	(2.26)	(0.14)	2.797
June 2024	2.24	11.06	(1.701)
July 2024	3.07	16.00	(13.495)
Aug 2024	(0.58)	(0.61)	(10.000)
Sep 2024	1.51	3.43	16.889
Oct 2024	(1.04)	1.35	(12.548)
Nov 2024	(1.00)	(1.88)	(17.826)
Dec 2024	1.99	2.15	2.646
Source : Abu Dhabi Securities Exchange			

11.3 Statement of Distribution of Shareholders' Ownership as on December 31, 2024 (Individuals – Companies – Governments), categorized as follows: (Local – GCC – Arabic – Foreign)

The following table shows the distribution of shareholder's ownership in ARAM Group Company (Individuals – Companies – Governments) categorized as follows: (Local – GCC – Arabic – Foreign) as on December 31, 2024:

S/N	Shareholder's classification	Percentage of shares owned %			
		Individuals	Companies	Governments	Total
1	Local	13%	18%	0%	31%
2	GCC	36%	14%	1%	51%
3	Arabs	1%	0%	0%	1%
4	Foreigners	17%	0%	0%	17%
Total		67%	32%	1%	100%

11.4 Shareholders whose Ownership Percentage exceeds 5% of the Company's Capital as on December 31, 2024

The following table shows the shareholders whose ownership percentage exceeds 5% of the Company's capital as on December 31, 2024:

Shareholder	No. of Owned Shares	Ownership Percentage %
Ziyad Mahmoud Khairallah Alhaji Alharmouzi	6,319,890	8.01%
Fouad Abdel Hadi Mohammed Mashal	5,466,820	6.93%
Salem Abdullah Salem AlHosni	3,191,238	4.04%
AlSalem Limited Company	2,300,000	2.92%
As the shareholder Salem Abdullah Salem AlHosni owns a controlling percentage in AlSalem Limited Company, the combined ownership percentage is more than 5%.		

11.5 Statement of Distribution of Shareholders according to their Ownership Percentage as on December 31, 2024

The following table shows the distribution of shareholders according to their ownership percentage as on December 31, 2024:

S/N	Shares Ownership (Share)	No. of Shareholders	No. of Owned Shares	Owned Shares Percentage of the Capital
1	Less than 50,000	1,065	34,741	0.04%
2	From 50,000 to less than 500,000	7,208	35,137,510	44.53%
3	From 500,000 to less than 5,000,000	23	31,942,125	40.48%
4	More than 5,000,000	2	11,786,710	14.94%
Total		8,298	78,901,086	100%

11.6 Controls of Investors Relationships with the Listed Companies

According to the decision of the Chairman of the Securities and Commodities Authority No. (7/) of 2016 on standards of institutional discipline and governance of Public Joint Stock Companies, along with the amended laws, and the circular issued by the Authority on the controls of investor relationships with listed companies, and on the basis of ARAM's keenness on the optimal application of the applicable rules and regulations in this regard, the Company, has appointed officials specialized in investor relationships management, who have the required qualifications and experiences in the fields of business, accounting and public relations, and full knowledge of the Company's activities, and are familiar with the relevant legal and legislative requirements of the relevant authorities With the aim of implementing all the primary and secondary requirements of the company's Investors and raising the consistency and quality in responding to external inquiries of investors and shareholders, in addition to strengthening the Company's investment relations and market linkages, as well as enhancing the knowledge and awareness of the stakeholders and their understanding of the data related to the company's performance through the application and enforcement of the best ways to communicate with the Company.

Therefore, the Company has developed and updated its Investor Relations Department website in accordance with the Securities and Commodities Authority's applicable requirements and controls of investor relations management, in an efficient and effective manner. The shareholders, investors, stakeholders and the public can visit this website through the following links:

https://aramgroup.ae/overview/

The following table shows the details and contact information of the Investor Relations Officer:

Investor Relation Officer	Ms. Sharihan Abou Mosleh
Contact Information	
Telephone	+971 6 5565570/ +971 50 7009304
Fax	+971 6 5565572
P.O.Box	5440 Sharjah
Email	sharihan.z@aramgroup.ae
Address	Al Khan- Al Sharjah, United Arab Emirates

11.7 Special Decisions taken in the General Assembly Meetings of Shareholders during 2024, and Actions taken in respect thereof.

In accordance with the applicable laws and regulations, the special decision is the decision issued by a majority vote of shareholders who own at least three quarters of the shares represented in the General Assembly meeting of the joint stock Company.

- **ARAM Group Company Annual General Assembly Meeting held on 22nd April 2024:**

No special decisions were taken during the Annual General Assembly Meeting held on 22nd April 2023

11.8 The rapporteur of the company's Board of Directors meetings and the date of his appointment

ARAM Group, its Board of Directors and Executive Management believe in the role played by the Company rapporteur of the Board of Directors' meetings in organizing the work of the Board of Directors and its Committees. Further, his role includes ongoing coordination of matters and issues relating to the meetings of the Board and its Committees, from scheduling meetings', organizing the agenda, organization and coordination between the Members before and during the meetings, preparing their minutes, arranging for the signature and adoption thereof. Furthermore, the Company Rapporteur's role in coordination of communication among the different Departments of the Company in relation to resolutions issued by the Board and its Committees, is to ensure the optimal implementation of such resolutions according to the applicable laws, regulations and resolutions.

Rapporteur of Board of Directors meetings	Date of Appointment
Mr. Abdulrahman Abdulla Al Mahmood	13 May 1998

11.9 Material Events that the company encountered during 2024

- **Resignation of the Chairman of the Board of Directors on January 30, 2024.**

The Chairman of the Board of Directors, Mr. Ahmed Ali Abdulaziz Al Sarkal, submitted his resignation for personal reasons on January 30, 2024. Consequently, a Board meeting was held on February 20, 2024, to elect Mr. Khamis Mohamed Khamis Buharoon Alshamsi as the new Chairman of the Board of Directors and to appoint Mrs. Najoud Abdulla Mohammad Burahima as a Board member for the vacant position. Additionally, the Audit Committee and the Nomination and Remuneration Committee were restructured.

- **Resignation of a Board member on August 13, 2024.**

The Board member, Mr. Ziyad Mahmoud Khairallah Alhaji Alharmouzi, submitted his resignation for personal reasons on August 13, 2024. In compliance with the directives of the Securities and Commodities Authority, the position will remain vacant until the next General Assembly meeting. Nominations will be open to elect a member for the vacant position at the first General Assembly meeting, and the new member will complete the term of their predecessor, in accordance with Article 145 of Federal Decree-Law No. (32) of 2021 concerning commercial companies.

11.10 Statement of transactions conducted by the Company during 2024 which is equivalent to 5% or more from the Company's capital.

ARAM Group Company didn't conclude any deals amounting to 5% or more from the Company's capital during 2024.

11.11 Emiratization Percentage in the Company for the years 2022, 2023 and 2024

The Emiratization rate in Aram Group Company is zero during the years 2022, and 2023.

In 2024, in alignment with the strategic vision of our leadership to promote the employment of national talent and in compliance with Cabinet Decision No. (33/5 W) of 2023, which broadens the scope of Emiratization targets to include entities with 20 to 49 employees, Aram Group successfully achieved a Emiratization rate of 3.7%. The details are outlined as follows:

Number of employees	Emirati employees	Non- Emirati employees	Total
Total	1	26	27
Percentage (Ratio)	3.7%	96.3%	100%

11.12 Projects and Innovative initiatives performed by the Company during 2024

The company did not undertake any innovative projects or initiatives during 2024.

Mr. Khamis Buharoon Alshamsi
Chairman

Mr. Mansoor Abduljabbar Alsayegh
Chairman of Audit Committee

Mrs. Najoud Abdulla Burahima
Chairman of Nomination & Remuneration Committee

ESG Report 2024

ARAM GROUP COMPANY PJSC

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Leadership Message

Message from the Chairman

Dear Stakeholders,

At Aram Group, we believe that businesses have a responsibility beyond financial success—they must also drive positive change in society and the environment. As we continue our journey, we remain committed to integrating sustainability into every aspect of our operations, ensuring that our growth is responsible, inclusive, and future-focused.

The past year has been a testament to our resilience and dedication to sustainable progress. We have reduced our fuel consumption by 68.57%, implemented energy-efficient solutions, and deepened our engagement with local suppliers. These initiatives are just the begin- ning—we are setting ambitious goals to further reduce our carbon footprint by 30% by 2030 and to achieve a 50% transition to renewable energy.

Our commitment to people is equally strong. We invest in our employees' well-being, maintain a safe and inclusive workplace, and support local economic growth by ensuring that 100% of our senior management positions are filled by local talent.

Governance remains a cornerstone of our strategy. Through transparent reporting, strong ethics, and compliance with UAE and international ESG standards, we continue to enhance stakeholder trust.

The journey ahead is ambitious, but with innovation, collaboration, and purpose-driven leadership, we are confident in our ability to create lasting value for our stakeholders, our communities, and the planet.

Mr. Khamis Mohamed Khamis Buharoon Alshamsi,
Chairman
Aram Group

Leadership Message

Message from CEO

Dear Stakeholders,

At Aram Group, our journey has always been about progress—progress in business, in sustainability, and in the way we contribute to the communities we serve. As we navigate an evolving global landscape, we remain steadfast in our mission to integrate environmental, social, and governance (ESG) principles into the very core of our operations.

Sustainability is no longer a choice—it is an imperative. Our efforts in energy efficiency, carbon footprint reduction, and responsible resource management have already yielded measurable impact, and we continue to push the boundaries of what is possible. We are proud to have achieved significant reductions in fuel consumption and emissions while reinforcing our position as an industry leader in ethical and sustainable business practices.

Equally important is our commitment to our people and communities. We believe in fostering an inclusive work environment that champions diversity, safety, and professional growth. Our approach to local hiring, supplier engagement, and community development is driven by a deep sense of responsibility and the belief that true success is shared success.

As we look ahead, our focus remains on innovation, operational excellence, and sustainability. We will continue to challenge ourselves, collaborate with stakeholders, and set new benchmarks for responsible business practices. The path forward is ambitious, but together, we are shaping a future that is resilient, inclusive, and sustainable.

Thank you for your trust and partnership.

Mr. Ali Musmar
CEO
Aram Group,

Leadership Message

Message from our Compliance & Corporate Governance Officer

Dear Partners, Colleagues, and Stakeholders,

The world is at a critical juncture where sustainability is no longer a mere ambition but an absolute necessity. At Aram Group, we recognize our responsibility to drive meaningful change by embedding ESG considerations into every aspect of our business strategy.

Over the past year, we have made significant strides in reducing our environmental footprint, advancing social responsibility, and strengthening governance. Our carbon reduction initiatives, water conservation efforts, and ethical supply chain practices are more than just compliance measures—they reflect our commitment to making a tangible difference.

Transparency and accountability remain at the heart of our sustainability journey. Our rigorous reporting standards ensure that we are continuously evaluating our impact, identifying areas for improvement, and setting ambitious targets for the future.

Sustainability is not a destination but an ongoing pursuit of excellence. We are committed to working closely with our partners, employees, and communities to accelerate progress toward a more sustainable, equitable, and prosperous world.

We invite you to join us on this journey as we redefine the role of business in shaping a better future.

Farah Al Daher,
Compliance & Corporate Governance Officer
Aram Group

About the Report

ESG standards and the frameworks the company has adopted

At **Aram Group**, our commitment to sustainability is embedded in our business strategy and guided by globally recognized **ESG frameworks**. These frameworks provide a structured approach to evaluating our environmental, social, and governance impact, ensuring we meet both **international best practices and UAE-specific regulatory requirements**.

1. Global Reporting Initiative (GRI) Standards

Aram Group follows the **GRI Standards**, the world's most widely used framework for sustainability reporting. This enables us to disclose our **economic, environmental, and social performance** transparently. Our report is structured around GRI's principles, ensuring consistency in measuring key ESG factors and aligning with stakeholder expectations.

2. UAE ESG Regulations and National Vision 2050

As an entity operating in the UAE, Aram Group aligns its sustainability initiatives with the country's strategic goals, including:

- UAE Net Zero by 2050 – supporting national decarbonization efforts.
- Dubai Integrated Energy Strategy 2030 – optimizing energy consumption and improving energy efficiency.
- UAE Circular Economy Policy – reducing waste and promoting sustainable resource use.
- Abu Dhabi Sustainable Finance Guidelines – ensuring responsible investment & financial sustainability.

3. Greenhouse Gas (GHG) Protocol

To monitor and reduce our carbon footprint, we apply the **GHG Protocol**, the global standard for measuring and managing greenhouse gas emissions. We track our **Scope 1 and Scope 2 emissions** and are working toward assessing **Scope 3** to strengthen our climate impact reduction strategy.

Commitment to Continuous Improvement

We recognize that sustainability is a continuous journey. Aram Group is committed to regularly **evaluating and updating our ESG strategies**, ensuring compliance with evolving regulations and **enhancing our impact across environmental, social, and governance dimensions**.

ESG Highlights

Aram Group has achieved significant milestones in sustainability over the past year, reinforcing our commitment to responsible growth. Some of our key ESG achievements include:

Environmental Impact

- 68.57% reduction in fuel consumption, eliminating diesel usage across operations.
- 30.42% reduction in water consumption, optimizing efficiency through advanced tracking.
- Commitment to a 30% reduction in carbon emissions by 2030.
- 95% waste diversion efforts, with initiatives to enhance recycling and reduce inorganic waste.

Social Impact

- 100% of senior management hires from the local community, fostering economic growth.
- 87.65% of procurement spending directed to local suppliers, strengthening regional businesses.
- Zero workplace fatalities and a strong commitment to employee health, safety, and training programs.
- Continuous focus on gender diversity, equal opportunity policies, and workforce engagement.

Governance & Ethics

- Full compliance with GRI, UAE ESG regulations, ISO 14001, ISO 45001, and ISO 50001.
- Zero confirmed incidents of corruption, with robust ethics and anti-corruption policies.
- Strengthened tax transparency and responsible financial governance practices.

Looking forward, we are accelerating investments in renewable energy, expanding ESG data tracking, and enhancing stakeholder engagement to further elevate our impact.

About the Company

Our Purpose

At Aram Group, we are driven by a purpose beyond profitability—creating sustainable solutions that enhance communities, protect the environment, and drive economic progress.

Our company is built on three fundamental pillars:

- **Sustainable Development:** Aligning our operations with UAE's Vision 2050 and global sustainability standards to drive green innovation & responsible resource management.
- **Social Responsibility:** Investing in local talent, ethical supply chains, and community development initiatives, ensuring that our growth positively impacts society.
- **Operational Excellence & Governance:** Maintaining the highest standards of corporate integrity, transparency, and regulatory compliance, ensuring long-term business resilience and stakeholder trust.

Our vision is to lead the industry in ESG best practices, leveraging technology, partnerships, and a purpose-driven strategy to deliver sustainable value for generations to come.

Our ESG Approach

Key Stakeholder Issues

- **Employees** – Ensuring workplace safety, career development, and well-being.
- **Customers** – Delivering sustainable, high-quality solutions that meet ethical standards.
- **Investors** – Providing transparent disclosures and strong financial governance.
- **Regulators** – Complying with UAE environmental and social governance laws.
- **Communities** – Supporting local economic development and responsible business practices.

Environment

Environment

In our journey towards sustainability, Aram Group Company has made notable strides in enhancing our environmental impact, marked by significant achievements in energy efficiency, water conservation, emissions reduction, and waste management. Our commitment to ESG principles is underpinned by rigorous adherence to recognized standards such as GRI, ISO, and the Greenhouse Gas Protocol, ensuring our efforts are both impactful and transparent to our stakeholders.

On the energy front, we have seen a transformative shift in our consumption patterns, achieving a notable 68.57% reduction in total fuel usage from 2023 to 2024. This reduction reflects our robust energy management strategies, which include the implementation of energy-effi- cient lighting and HVAC systems, alongside a complete phase-out of diesel fuel within our facil- ity boundaries. While these achievements are commendable, our journey does not end here. We recognize the need for ongoing improvements, particularly in reducing our reliance on natural gas and exploring renewable energy alternatives to align even more closely with indus- try standards.

Our water conservation efforts have also yielded significant results, with a 30.42% decrease in water consumption. By leveraging direct measurements and cross-verification with historical data, we ensure accurate and reliable tracking of our water usage. This success not only reduces operational costs but also supports local communities by preserving vital ecosystems. However, we must remain vigilant to potential challenges such as local water scarcity that could impact both our operations and broader community relations.

Our ongoing commitment to reducing carbon emissions by 30% by 2030 is unwavering, and we continue to invest in renewable energy sources and employee training on sustainable practices to drive further improvements.

In crafting our environmental narrative, we remain committed to transparency and accountability, acknowledging both our achievements and the areas requiring further attention. We aim to continue evolving our ESG initiatives to not only meet but exceed industry standards, fostering sustainable growth for both our company and the communities in which we operate.

Energy Commitment

Aram Group Company adheres to global benchmarks like GRI Standards, ISO 50001, and the Greenhouse Gas Protocol. We use advanced tools to monitor and manage energy consumption, ensuring accurate and transparent accounting.

We achieved a 68.57% reduction in total fuel consumption from 2023 to 2024, eliminating diesel fuel usage and reducing expenditures significantly. Our goal is to reduce energy requirements by 10% through innovative design improvements and energy-efficient technologies.

While our energy practices contribute to economic growth and job creation, we remain vigilant about potential environmental and health impacts. By 2030, we aim to reduce our carbon footprint by 30% and transition to 50% renewable energy.

Concrete actions include implementing energy efficiency measures, investing in renewables, and conducting environmental assessments. We prioritize community partnerships and employee training on sustainable practices.

Annual audits reveal decreased emissions and increased uptake of renewable sources, fostering trust and collaboration with stakeholders through sustainability reports, meetings, and website updates.

Electricity Consumption (Kwh)

2022	2023	2024
423691.00 Kwh	166070.00 Kwh	124005.00 Kwh

Carbon Emissions Commitment

Aram Group Company is dedicated to reducing our carbon footprint and contributing to a sustainable future. We have implemented strategic actions to manage our Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, achieving a 10% reduction in overall emissions. This milestone reflects our commitment to effective and sustainable practices.

Our efforts extend to managing significant air emissions, such as nitrogen oxides (NOx), sulfur oxides (SOx), and other pollutants, minimizing their impact on air quality around our operations.

We are proud of our progress but remain focused on the journey ahead. Teamwork, transparency, and excellence drive our emissions management practices. We aim to exceed international standards for emissions reduction through collaboration with industry partners, adoption of new technologies, and a relentless focus on sustainability.

Petrol Fuel consumed within Facility boundary, ie. Transportation vehicles owned by ARAM

2022	2023	2024
7650 glns	5540 glns	6400 glns

Waste Management Commitment

Aram Group Company is focused on evolving its environmental strategy, with waste management as a critical area. In 2024, organic waste comprised 5% of our total waste, highlighting the early stage of organic waste management within our operations. Inorganic waste accounted for 95%, indicating the need for intensified recycling efforts and sustainable practices.

Our initial steps towards organic waste management pave the way for more robust procedures aimed at increasing the share of organic waste relative to inorganic waste. We are committed to advancing our waste management framework to reduce overall waste production and meet industry benchmarks effectively.

Water Consumption Commitment

Aram Group Company is committed to sustainability and responsible resource management, with water consumption as a pivotal part of our environmental governance. Guided by GRI Standards and ISO 14046, we pursue water efficiency by accurately assessing and managing the impacts of our water usage across economic, environmental, and social dimensions.

We achieved a 30.42% reduction in water consumption from 301,786 ltrs in 2023 to 210,000 ltrs in 2024. This success underscores our effective water management strategies and aligns with our commitment to reducing operational costs and supporting local economies. Our methodical approach includes sector-specific factors, regional water scarcity, and precise assessments using direct measurements and calibrated water meters.

Our water management strategies exemplify sustainable practice, continuously refined through analysis against industry benchmarks. We are dedicated to transparency and accountability, ensuring sustainable resource use for the future. This commitment reflects our broader environmental stewardship and the shared value we aim to create for all stakeholders

Total Water Consumption (Litres)

2022	2023	2024
325012.00 Litres	301786.00 Litres	315020.0 Litres

Social

Social

Aram Group Company ESG Report

Aram Group Company is proud to share its strides in the social segment of our ESG journey, underscoring our commitment to sustainable & ethical practices across suppliers, employees, community, and customers.

Supplier Engagement Commitment

Our supplier engagement strategy prioritizes regional suppliers, with a commendable 87.65% of our procurement spending in 2024 directed towards local entities, amounting to 1,744,536 AED. This decision reinforces our support for local economic growth and minimizes environ- mental impacts through reduced transportation needs. Our vendor due diligence and compli- ance standards ensure fair labour conditions and ethical sourcing, aligning with our transpar- ency and sustainability policies.

Employee Commitment

Within our workforce, the implementation of robust Occupational Health and Safety Management Systems ensures a safe environment, evidenced by zero fatalities and no recordable injury incidents. Offering a suite of development programs, we are committed to nurturing our employees' growth. The demographic composition of our workforce, predominantly male with a representation of 24 males to 5 females, mirrors areas for improved gender diversity, especially considering the turnover trends. Our governance body reflects a balanced gender representation, with a need to extend this balance to our broader workforce.

Social

Customer Health and Safety Commitment

In the past year, we ensured zero incidents of non-compliance with health and safety regulations, reinforcing our adherence to standards and safeguarding clients. Our proactive approach includes mechanisms for consumer complaints via email, mobile app, or direct contact, facilitating voluntary recalls and safety updates. In urgent cases, we executed forced recalls, prioritizing tenant safety through temporary relocations and property repairs.

We evaluated 78.26% of our product and service categories for health and safety impacts, assessing 18 out of 23. Our goal is to achieve 100% assessment, aiming for a 15% reduction in safety incidents and full compliance.

Customer Privacy Commitment

Our vigilant cybersecurity measures resulted in zero substantiated complaints or breaches. Supported by regular audits and staff training, our comprehensive policy enhances data protection and strengthens stakeholder trust. We aim for zero data breaches and a 20% increase in customer satisfaction, maintaining transparency through reports, newsletters, and public awareness campaigns.

Positive Outcomes

The absence of complaints and non-compliance incidents positions us favourably compared to industry benchmarks, reflecting effective customer engagement and regulatory compliance. We recognize the need for full evaluation of our products and services to uphold the highest safety and privacy standards.

Ongoing Efforts

In a landscape of evolving customer expectations and regulatory requirements, our efforts focus on maintaining a strong foundation in safety and privacy. This journey is supported by a culture of accountability and commitment to excellence, ensuring we meet and exceed indus- try standards.

Social

Community Engagement Commitment

Community engagement is integral to our strategy, especially in urban and suburban settings focused on affordable housing and commercial development. By embedding ourselves within the communities we serve, we have driven economic growth, improved infrastructure, and enhanced access to affordable housing. However, our industry also presents challenges such as temporary disruptions, displacement risks, and potential increases in the cost of living.

As of 2024, 100% of our senior management hires are sourced from the local community, reflecting our dedication to local employment and community development. This initiative fosters leadership roles within the community & provides a platform for local talent to flourish.

Our partnerships with local authorities & NGOs facilitate comprehensive mitigation strategies, including relocation assistance & community outreach initiatives. Our Community Engagement Policy and Social Impact Strategy ensure early-stage dialogue with local communities and the execution of Social Impact Assessments, integrating sustainability into our projects.

To address potential negative impacts, we engage in preventive actions such as inclusive community consultations and environmental mitigation measures. When adverse impacts cannot be avoided, we implement rehabilitation, resettlement, and community compensation programs, transforming challenges into opportunities for growth. Ongoing monitoring helps refine these processes and maximize effectiveness.

Quantitative metrics highlight our success in leadership sourcing, while qualitative engagement fosters community ownership and trust. Stakeholders express high satisfaction with our transparent and inclusive communication through website updates, community meetings, newsletters, and social media.

Our dedication to community engagement remains unwavering. We are committed to learning and adapting, ensuring our contributions enrich the social fabric of the communities we serve.

Social

Employee Commitment

Our comprehensive occupational health and safety management system safeguards the well-being of all individuals across our operational sites, ensuring compliance with industry standards and minimizing workplace risks. The absence of fatalities and recordable incidents of injury or ill health attests to the effectiveness of our safety protocols.

Equal Opportunity and Diversity

Equal opportunity is central to our ethos, supported by a non-discrimination policy and grievance mechanisms for all workforce segments. Our governance structure includes balanced representation in leadership roles, though wider workforce gender composition needs improvement, with 24 males and 5 females.

Training and Development

Training and development are pivotal in nurturing a skilled workforce, with robust programs spanning technical skills, leadership training, and soft skills development. While detailed data on training hours is unavailable, our commitment to continuous development is unwavering.

Employment and Labour Rights

We ensure labour rights are scrupulously observed, fostering fair wages and job satisfaction. In the past year, we onboarded three new hires, a mix of genders and age groups, but faced a turnover of five employees, warranting immediate attention.

Performance Management

We actively engage in performance management, with 17 employees benefiting from regular career development reviews. Opportunities for advancing gender diversity, equitable salary distribution, and comprehensive parental leave policies are areas for improvement.

Ongoing Efforts

Our aspiration is to craft an environment where safety, diversity, and continuous growth coalesce in harmony, ensuring our journey in social sustainability is impactful and enduring.

Social

Supplier Engagement Commitment

In our commitment to sustainability and ethical procurement, Aram Group Company prioritizes practices that support local economies and promote fair trade. In 2024, we allocated 87.65% of our procurement spend to local suppliers, investing 1,744,536 AED out of a total budget of 1,990,280 AED. This milestone highlights our dedication to bolstering local economic growth and minimizing environmental impact through reduced transportation requirements.

Our procurement practices ensure economic contributions while safeguarding environmental and human rights. We engage in sustainable sourcing and waste minimization efforts, mitigating risks such as environmental degradation and unethical labour practices. Through vendor due diligence and compliance standards, we ensure responsible supplier engagement, emphasizing ethical sourcing, transparency, and sustainability.

Crucial to our strategy is the enforcement of fair labour practices and anti-corruption measures. Our ethical engagements with suppliers are fortified through preventive actions, includ- ing supplier screening, sustainable sourcing mandates, and vendor compliance checks. Sup- porting local businesses aids in regional job creation and fosters stronger community relation- ships.

To gauge the effectiveness of these initiatives, we rely on comprehensive supplier performance assessments, audit reports, and specific sustainability KPIs. This approach maintains high compliance rates and achieves cost efficiency while meeting ambitious sustainability benchmarks. Despite successes, we recognize the need for improvement in enhancing supplier diversity and nurturing innovation within sustainability practices.

Through stakeholder communication channels such as supplier meetings, sustainability reports, and training sessions, we enhance transparency and accountability within our supply chain. These interactions provide valuable insights to refine strategies, strengthen policies, and foster improved collaboration with stakeholders.

Overall, our procurement practices demonstrate our ambition to lead in sustainable and ethical supplier management, maintaining a competitive edge while fostering inclusive growth. Vigilance and continual assessment are crucial in light of evolving industry standards and unforeseen challenges.

Aram Group's Clean-up Drive along with Emirates Environmental Group

Aram Group actively participated in the Clean UAE campaign, a nationwide environmental initiative led by the Emirates Environmental Group (EEG), reinforcing its commitment to sustainability and community engagement.

This strategic collaboration aligns with Aram Group's Environmental, Social, and Governance (ESG) framework, contributing to national sustainability goals by promoting waste management, conservation efforts, and corporate social responsibility.

Employees across various divisions volunteered in cleanup activities, demonstrating a hands-on approach to environmental stewardship.

Governance

Governance

Aram Group’s Governance Report

At Aram Group Company, our dedication to robust governance practices is evident in our meticulously structured governance framework, designed to drive sustainable success. Our governance structure is methodically composed, where the highest governance body is nominated through a transparent and inclusive selection process. The role of this governing body extends beyond traditional oversight, directly engaging in the rigorous management of our ESG impacts. Their collective expertise is continually evaluated, ensuring the board's decision-making processes are well-informed and adaptive to evolving sustainability challenges.

Tax Policy Commitment

Our tax policy exemplifies our commitment to transparency and community contribution. With a structured strategy that aligns tax practices with broader business and sustainability goals, our approach to tax is not merely about compliance; it is a proactive stance integrating financial planning and risk management. With our CFO at the helm overseeing tax compliance, we engage openly with tax authorities and prioritize fair engagement over aggressive lobbying practices. Notably, we conduct ongoing evaluations through audits and external reviews to ensure our tax strategy remains robust and ethical.

ESG Governance Commitment

In our ESG governance, we uphold strong policy commitments embedded throughout our operations, focusing on sustainable development as a guiding principle. We have implemented processes to remediate any negative impacts and established mechanisms for advice and concerns, ensuring that all voices within the company are heard.

Governance

Ethics and Compliance Framework

Our ethics and compliance framework are a cornerstone of our organizational integrity, underscored by the complete absence of confirmed corruption incidents across all levels in 2024. This reflects our zero-tolerance policy towards corruption, with a focus on continuous strengthening through ethics training and stringent compliance measures. While this achievement highlights our proactive stance, the assessed percentage of operations for corruption risks indicates room for expansion.

Human Rights Commitment

Human rights remain a priority, demonstrated by our comprehensive policies and the active role of our Diversity and Inclusion Committee. With mechanisms for grievance reporting and a solid non-discrimination policy, we strive for an equitable workplace.

Through these practices, Aram Group remains steadfast in advancing our ESG goals, driving forward with transparency, accountability, and continuous improvement as we address both our achievements and the challenges that lie ahead.

Board's Commitment to Governance

The governance structure at Aram Group Company stands as a testament to our commitment to elevating corporate responsibility and enhancing stakeholder value. Our robust governance framework, meticulously crafted, embodies diversity and inclusivity, drawing upon indus- try-leading practices to ensure that we remain at the forefront of governance excellence. The composition of our highest governance body is reflective of this ethos, integrating a broad range of expertise and experience, thereby equipping us to navigate the evolving challenges of the real estate sector with confidence and foresight.

Governance

Governance Body Composition

Selection and nomination processes for our governance body prioritize transparency and merit. By adhering to stringent criteria and industry benchmarks, we ensure that individuals chosen to lead our organization possess not only the necessary qualifications but also the ethi- cal fortitude to uphold our values. Our chairperson, a distinguished leader recognized for their unwavering dedication to corporate governance, plays a pivotal role in steering our strategic vision.

In maintaining the integrity of our governance, the role of the board extends beyond oversight. It actively participates in delineating the responsibilities delegated to management for the implementation of our corporate strategy. This division of roles is critical, allowing the highest governance body to focus on strategic impacts and oversight, while management executes the tactical initiatives necessary for performance and sustainability. Our governance body is intimately involved in overseeing the management of impacts, a responsibility it does not take lightly. The organization's commitment to sustainability is further illustrated by the proactive involvement of our board in sustainability reporting, ensuring that our disclosures are both accurate and reflective of our ongoing efforts.

The collective knowledge within our governance ranks is a formidable asset. This approach provides a bedrock of informed decision-making, bolstering our ability to respond to dynamic market conditions and regulatory environments with agility and insight.

Performance Assessments

Evaluating our governance body's performance is an integral practice, underpinning our commitment to accountability. By instituting regular performance assessments, we identify areas for growth and development, ensuring that our governance continues to evolve in alignment with our strategic objectives and stakeholder expectations.

Our governance journey is one of continuous improvement, reflecting a dedication to sustainability, transparency, and accountability that resonates throughout Aram Group Company. As we look ahead, we remain committed to setting new standards for excellence in governance, affirming our role as a leader in responsible real estate development in the UAE and beyond.

Governance

Human Rights Commitment

At Aram Group Company, our commitment to human rights is both a foundational pillar and a continuous journey, marked by our proactive measures and evolving policies. Recognizing the importance of human rights within our business operations and supply chain, we've established a robust framework to address, assess, and ameliorate human rights impacts. Our implementa- tion of a comprehensive confidential grievance reporting system is a pivotal step in ensuring that human rights issues are addressed with the seriousness they deserve. This system, forti- fied by stringent non-retaliation policies, provides a secure channel for reporting and tackling discrimination, fostering a culture of openness and trust.

Human Rights Training

Our Diversity and Inclusion Committee, alongside the dedicated Human Rights Officer, plays a vital role in identifying and addressing human rights concerns. By integrating human rights requirements into business agreements and contracts, we hold ourselves and our partners accountable to high ethical standards. This is further reinforced by regular assessments focus- ing on the risks of child labour, forced labour, and discrimination, ensuring that corrective actions are timely and effective. Our new onboarding process, which includes human rights training, is designed to inculcate a deep understanding of these issues among employees from the outset of their journey with us, promoting a workplace culture rooted in respect & equality.

Grievance Reports

Our efforts to promote non-discrimination revolve around the implementation of an Equal Opportunity commitment, which is bolstered by regular training and a clear Non-Discrimina- tion Policy. While these efforts have led to positive impacts, such as higher engagement and societal equity, they also mitigate legal risks and systemic inequality. However, challenges in promoting human rights, particularly in addressing discrimination and harassment or ensuring fair wages, highlight areas that demand ongoing attention.

Governance

Ethics & Compliance Commitment

Aram Group Company is committed to ethical conduct and compliance, focusing on minimizing corruption risks such as conflicts of interest, procurement fraud, and bribery. High-risk areas are monitored through internal audits, compliance checks, and whistleblower hotlines, reinforcing our zero-tolerance policy against corruption.

During the reporting period, no public legal cases related to corruption were initiated against the organization or its employees. There were zero confirmed incidents of corruption across all organizational levels, including directors and key management personnel, and no corruption-related dismissals, disciplinary actions, or contract terminations with business partners.

Our compliance strategy includes rigorous ethics training programs and strengthened whistleblower mechanisms. Approximately 19.81% of our operations were assessed for corruption-related risks, indicating a proactive approach, though there is room to increase the breadth of risk evaluations.

We benchmark favourably against industry norms, maintaining a record of zero incidents and legal actions. Enhancing communication of anti-corruption policies to governance body members remains paramount.

Our commitment to high ethical standards is reflected in continuous monitoring and risk assessment, fostering trust among stakeholders and positioning us as a leader in ethical governance within the real estate sector. This journey requires constant vigilance and refinement to adapt to emerging challenges and opportunities.

Governance

Tax Policy Commitment

Aram Group Company's approach to tax exemplifies our commitment to compliance, transparency, and sustainability. Our structured tax strategy, overseen by our CFO and executive leadership team, ensures adherence to tax laws and proactive compliance, fostering responsible contributions to the communities we operate in.

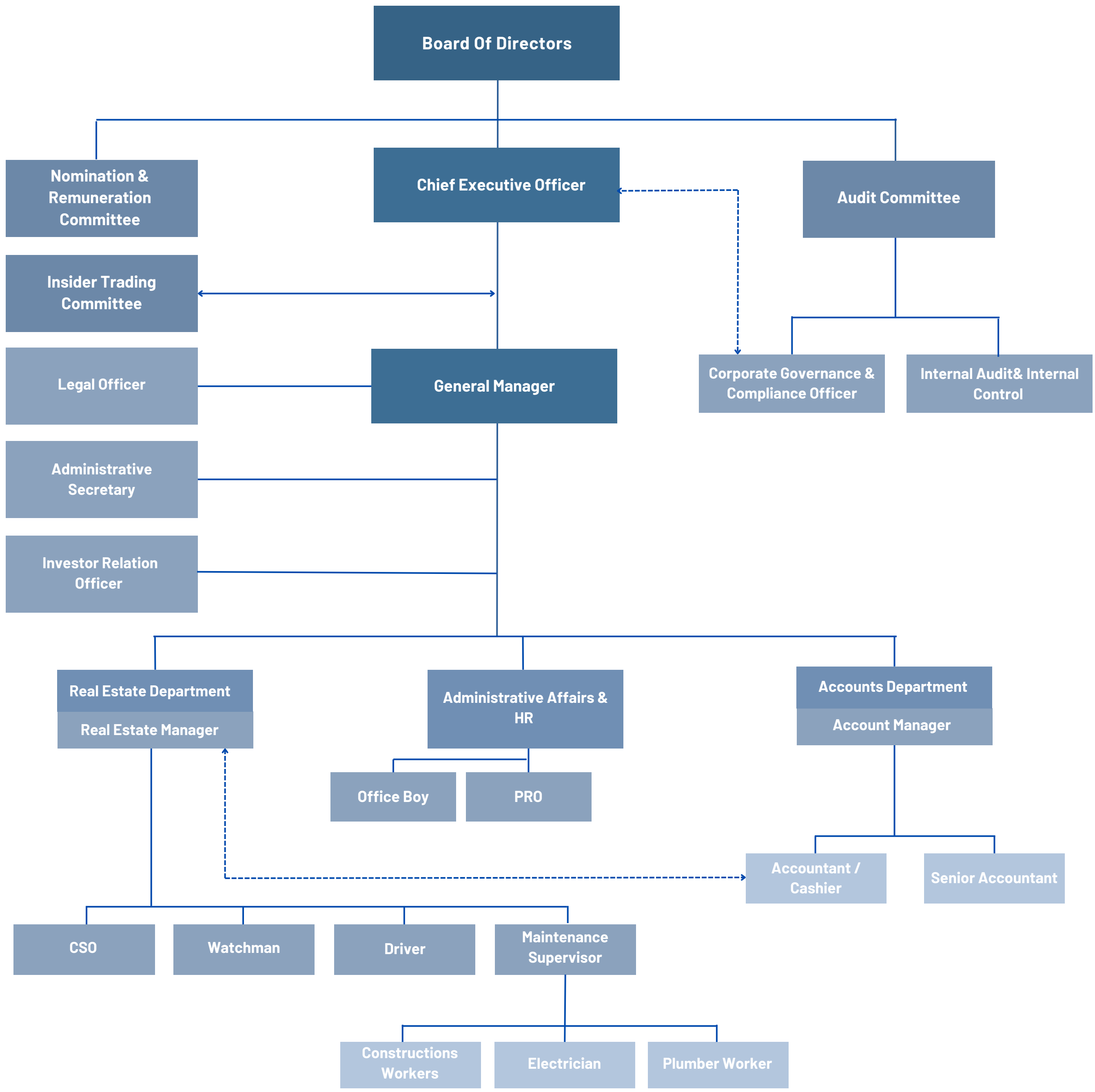
Our tax governance integrates tax compliance into broader financial planning and risk management frameworks. This includes regular audits, submissions, and regulatory reviews to ensure accuracy and integrity. Internal channels facilitate stakeholder concerns, offering confidential reporting and swift resolution.

We maintain open communication with tax authorities, emphasizing fairness and integrity over aggressive lobbying. Stakeholder concerns are gathered through consultations, meetings, and forums, demonstrating our proactive engagement strategy.

Our tax practices support public services and enhance organizational integrity. Regular audits and a governance framework involving external advisors ensure a comprehensive check-and-balance approach. Detailed reports and disclosures provide transparency into our tax practices, maintaining trust and upholding high ethical standards.

Through this approach, Aram Group Company fulfils its fiscal responsibilities and contributes to socio-economic development, reinforcing our role as a responsible corporate citizen. We remain dedicated to refining our tax practices and governance frameworks to meet and exceed stakeholder expectations.

Organizational Structure



Conclusion

Aram Group Company is proud to present our ESG report, showcasing our unwavering commitment to sustainability, ethical governance, and social responsibility. Throughout this report, we have highlighted our proactive measures and achievements across various domains, including supplier engagement, employee welfare, community integration, customer health and safety, board governance, human rights, ethics and compliance, and tax policy.

Our dedication to fostering a sustainable future is evident in our strategic initiatives and robust frameworks designed to address environmental, social, and governance impacts. By prioritizing local suppliers, ensuring safe and inclusive workplaces, engaging with communities, and maintaining transparent and ethical practices, we strive to create positive and lasting change.

As we continue our ESG journey, we remain committed to continuous improvement, transparency, and accountability. We recognize the importance of adapting to evolving challenges and opportunities, and we are dedicated to setting new standards of excellence in responsible corporate citizenship.

Thank you for your support and trust in Aram Group Company. Together, we will continue to drive forward with integrity, innovation, and a shared vision for a sustainable and prosperous future.

ADX & GRI Disclosures

Environment

ADX Metric	Corresponding GRI Standard	Ref Page No.
E1. GHG Emissions	GRI 305: Emissions 2016	12
E2. Emissions Intensity	GRI 305: Emissions 2016	12
E3. Energy Usage	"GRI 302: Energy 2016"	11
E4. Energy Intensity	"GRI 302: Energy 2016"	11
E5. Energy Mix	"GRI 302: Energy 2016"	11
E6. Water Usage	"GRI 303: Water & Effluents 2018"	13
E7. Environmental Operations	"GRI 103: Management Approach 2016*"	10
E8. Environmental Oversight	"GRI 102: General Disclosures 2016"	6,8,21
E9. Environmental Oversight	"GRI 102: General Disclosures 2016"	21-23/11-13
E10. Climate Risk Mitigation		12

Social

ADX Metric	Corresponding GRI Standard	Ref Page No.
"S1. CEO Pay Ratio"	"GRI 102: General Disclosures 2016"	
S2. Gender Pay Ratio	GRI 405: Diversity and Equal Opportunity 2016	18
S3. Employee Turnover	"GRI 401: Employment 2016"	18
S4. Gender Diversity	"GRI 102: General Disclosures 2016 GRI 405: Diversity & Equal Opportunity 2016"	18
S5. Temporary Worker Ratio	"GRI 102: General Disclosures 2016"	18
"S6. Non- Discrimination"	"GRI 103: Management Approach 2016*"	25
S7. Injury Rate	"GRI 403: Occupational Health & Safety 2018"	14
S8. Global Health & Safety	"GRI 103: Management Approach 2016*"	14
S9. Child & Forced Labor	"GRI 102: Genera"GRI 103: Management Approach 2016*" l Disclosures 2016"	25
S10. Human Rights	"GRI 103: Management Approach 2016"	25

Governance

ADX Metric	Corresponding GRI Standard	Ref Page No.
G1. Board Diversity	GRI 405: Diversity & Equal Opportunity 2016	23
G2. Board Independence		
G4. Supplier Code of Conduct		19
G5. Ethics & Prevention of Corruption		22
G6. Data Privacy		26
"G7. Sustainability Reporting"		21
G8. Disclosure Practices		23
G9. External Assurance	"* GRI 103: Management Approach 2016 is to be used in combination with the topic specific Standards"	External Audit report to have this information