

Q3, 2025

**Management Discussion
and Analysis
Report (MD&A)**

For the period ended 30th Sep, 2025

Overview of the main results during the financial period

Operation revenue	AED 8,238,787
Net Profit	AED 3,035,457
Total Assets	AED 174,109,341
Total Equity	AED 145,742,332
Total Liabilities	AED 28,364,009
Capital	AED 78,901,086

Securities issued during the financial period

No securities were issued during the third quarter of 2025, which ended on September 30, 2025.

Summary of Key Non-Financial Events and Developments During the Financial Period:

In the third quarter of 2025, Aram Group recorded a significant increase in operating income. This achievement can be attributed to the company's ability to effectively capitalize on strategic opportunities presented by favorable market trends, as well as the timely and effective implementation of well-considered managerial decisions. This reflects the management's strong commitment to enhancing shareholder wealth and providing sustainable long-term value.

The company is also committed to the highest standards of corporate governance and full compliance with all regulations and guidelines set by the Securities and Commodities Authority (SCA), the Abu Dhabi Securities Exchange (ADX), and the Federal Tax Authority (FTA), aiming to achieve transparency and foster sustainable growth.

Summary of Operational Performance During the Financial Period

In the third quarter of 2025, the company made significant progress across various operational dimensions, largely due to the effective strategies developed and implemented by the management team.

During the first nine months of 2025, the company achieved a profit of AED 3,275,942 (PBT), representing an increase of 61.7% compared to the same period in 2024. It also successfully reached 130.8% of the revenue target set in the budget for this period. Administrative and general expenses have decreased from AED 4,483,074 to AED 3,831,816 (a reduction of 14.53%) compared to the same period in 2024.

Furthermore, the occupancy rate were maintained well above 95% through out the first three quarters. Additionally, the book value per share increased by 16.7% compared to the 2024 results. This achievement underscores the effectiveness of the executive management's initiatives and the company's ability to navigate challenges while maintaining overall operational performance in alignment with the defined objectives.

Main Performance Indicators

Occupancy Rate

The occupancy rate reached 96.83% by the end of the financial period.

Book Value per Share

The book value per share increased at the end of the third quarter of 2025 to 1.847, compared to 1.583 recorded in the third quarter of 2024 and 1.769 recorded at the end of 2024. This reflects the growth in the company's financial capacity aimed at enhancing shareholder value and achieving sustainable growth in the company's asset base.

Budgeted Revenue

The budgeted revenue for the third quarter of 2025 was estimated at 6.3Mn AED. However, the company achieved actual revenues that exceeded this estimate by 30.8%, reaching a total of 8.24Mn AED.

These achievements highlight the company's resilience and the effectiveness of its strategic initiatives in navigating challenges, while maintaining strong operational performance aligned with its long-term objectives. The company's ongoing investment portfolio restructuring—focused exclusively on serving families by systematically and deliberately phasing out individual accommodations—is expected to generate significant financial returns in the future. This will be achieved through reduced maintenance costs and increased rental income, thereby enhancing the company's financial strength and long-term growth prospects.

Summary of Profit and Loss for the Financial Period

During the third quarter, the company reported operating revenues (PBT) of AED 1,174,453, compared to AED 1,350,728 in the third quarter of 2024, however The rental income for this period reached 2,862,574 AED, reflecting a 10.15% increase compared to the total income of 2,598,795 AED recorded in Q3 2024.

Summary of Financial Position as at the End of the Financial Period

By the end of the third quarter of 2025, the company's total assets reached 174,109,341 AED, reflecting an increase of 4.16 Million AED in the asset portfolio compared to 169,948,026 AED recorded at the end of 2024.

The company also benefited from the decline in the Emirates Interbank Offered Rate (EIBOR), which contributed to a reduction in total financing costs by 0.47 million AED, bringing total expenses down to AED 1,116,495/-, compared to AED 1,589,960/- during the same period in 2024.

Looking ahead, and based on the company's financial strength and effective cost management, the company reaffirms its commitment to settling the loan installment due in Nov 2025 on time, without facing any financial challenges.

Summary of Cash Flows for the Financial Period

During the third quarter of 2025, the company generated net cash flows from operating activities amounting to AED 4,135,508, closely aligning with the AED 4,294,532 recorded in the third quarter of 2024, underscoring the company's sustained operational efficiency and strong cash generation capabilities.

Sector Forecasts and the Company's Strategic Positioning

The company successfully maintained a high occupancy rate during the period, capitalizing on favorable market conditions and the implementation of strategic initiatives aimed at enhancing operational efficiency. The average occupancy rate reached an impressive 96.83%, reflecting the company's exceptional ability to adapt to market changes and leverage available opportunities.

Looking ahead, the company aims to play a leading role in the real estate sector within the United Arab Emirates. It continues to strive for positive impact and effective contribution by continuously upgrading existing facilities and pursuing strategic projects that align with the country's growth ambitions. This commitment underscores the company's dedication to supporting the UAE's vision for economic diversification and urban development, ensuring long-term success and the realization of its vision for sustainable growth.

Economic Forecasts and Its Impact on the Company and the Sector

The company is proactively engaged in formulating and executing expansion strategies that emphasize commercial development and new projects, while taking into account the decline in the Emirates Interbank Offered Rate (EIBOR) and the favorable conditions in the UAE real estate market. In light of future projections, the company adopts a strategic approach to adapt to market dynamics and assess the impact of interest rate fluctuations on its expansion initiatives, ensuring long-term and sustainable growth.

Strategic Plans for Growth and Operational Changes in the Coming Periods

- **Strategic Business Diversification**

Leveraging the advantages of being listed on the Abu Dhabi Securities Exchange (ADX), the company is actively pursuing business diversification within its investment portfolio by entering high-return sectors and strategically shifting away from low-return investments. This approach reflects its focus and commitment to achieving maximum profitability and making better use of available resources, with the aim of enhancing its financial performance and solidifying its position for sustainable long-term growth in the UAE market.

- **Optimizing the Investment Portfolio**

The company's management has identified promising new investment opportunities and is diligently working on formulating and analyzing the most effective execution strategies to maximize returns for both current and potential shareholders. This comprehensive approach focuses on aligning new projects with our strategic goals for sustainable long-term growth. Building on the principle of diversifying our investment portfolio, our aim is not only to expand our presence in existing markets but also to explore new sectors and geographical regions that offer sustainable benefits and returns.

These efforts are part of a broader strategy to diversify our revenue sources and secure sustainable returns, ensuring a stronger foundation and flexible performance that adapts to the ongoing evolution and growth of the business sector.

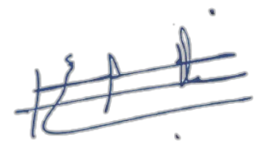
Other Matters Discussed:

In the third quarter of 2025, the Board of Directors discussed several other topics that fall under the company's strategic priorities. Key discussions included monitoring the company's performance, reviewing compliance and governance reports, as well as deliberating on plans for human resources development and enhancing administrative efficiency. Additionally, updates on the regulatory and legislative environment relevant to the company's operations were reviewed, with necessary recommendations made to ensure alignment with the applicable standards and regulations.

Conclusion of the Report

The UAE market is flourishing, offering a promising environment for investors. Aram Group Company continues to demonstrate resilience and a strong commitment to excellence, leveraging its internal strengths and capabilities to drive success.

We remain dedicated to upholding the highest standards of corporate governance, enforcing strict compliance measures to ensure optimal outcomes for our investors. Our focus is on sustainable growth and maximizing shareholder value while fulfilling our corporate responsibilities. By emphasizing ethical and effective business practices, we navigate challenges with confidence and seize long-term opportunities in this dynamic market.



Ali Mohd Zaid Musmar

Chief Executive Officer
Aram Group Company PJSC