MANAGEMENT DISCUSSION & ANALYSIS REPORT (MD&A)

Q3, 2026



FOR THE NINE-MONTH PERIOD ENDED 30TH SEP 2026

OVERVIEW

During the third quarter and the first nine months of 2026, Aram Company Company P.J.S.C continued to execute their diversification agenda while keeping the core real estate portfolio stable.
Rental income grew to AED 9.34 million for the nine months (2025: AED 8.24 million, up 13.4%). Profit after tax, however, fell 62.8% to AED 1.13 million (2025: AED 3.04 million), because the Company borrowed to fund two strategic investments and general and administrative expenses rose. Total equity increased to AED 160.02 million and book value per share to AED 2.028, helped by a AED 4.69 million fair value recovery on the Company's quoted Kuwait equity holdings in the third quarter.

Three themes explain the period:

1. A growing rental core with rising costs. Rental income rose 13.4% for the nine months, and third-quarter rental income of AED 3.14 million was 9.8% above the same quarter of 2025. Occupancy eased to 94.52% (Q3 2025: 96.83%), and operating costs grew faster than income. On 1 September 2026 a specialist third-party property manager took over day-to-day management of the portfolio.

2. Diversification funded by debt. The Company invested AED 33.02 million in two new holdings: a 20% interest in Quantum AI Connect Cloud Services L.L.C. ("Quantum AI"), subscribed on 6 April 2026 for AED 11.02 million, and a 10% interest in Prepaire Labs Holding Ltd ("Prepaire"), registered on 4 July 2026 under the share-settlement mechanism of the USD 6.0 million (AED 22.0 million) loan agreement of 22 January 2026. Sharjah Islamic Bank financing funded most of this. Bank borrowings rose to AED 56.42 million, finance costs more than doubled to AED 2.42 million, and interest cover fell to 1.5x. Management expects profit to remain under pressure from financing costs until these investments begin to contribute.

3. Equity moved with market values. The Company's Kuwait quoted equity holdings lost AED 4.79 million of fair value in the first half and regained AED 4.69 million in the third quarter. These changes are recorded in other comprehensive income, so they affect equity and book value per share but not profit.
The Company continues to comply with the requirements of the Capital Markets Authority (CMA), the Abu Dhabi Securities Exchange (ADX) and the Federal Tax Authority (FTA).

SECURITIES ISSUED DURING THE PERIOD

The Company did not issue any shares or other securities during the nine months ended 30 September 2026. Share capital remained AED 78,901,086 at 30 September 2026, 30 June 2026 and 31 December 2025. The investments made in the period were funded by Sharjah Islamic Bank financing , not by issuing securities.

SIGNIFICANT NON-FINANCIAL EVENTS

6 APRIL 2026 – QUANTUM AI.

The Company subscribed for a 20% equity interest in Quantum AI Connect Cloud Services L.L.C. for AED 11.02 million.

4 JULY 2026 – PREPAIRE LABS.

The Company was registered as the holder of 10% of the shares of Prepaire Labs Holding Ltd under the share-settlement mechanism of its January 2026 loan agreement.

26 AUGUST 2026 – PROPERTY MANAGEMENT.

The Company signed a two-year Property Management Agreement with Al Khayyal Group for Trading and Investment, effective 1 September 2026 and covering all eight properties in the portfolio.

REGULATORY COMPLIANCE.

The Company continued to meet the requirements of the Capital Markets Authority, the Abu Dhabi Securities Exchange and the Federal Tax Authority throughout the period.

FINANCIAL OVERVIEW

KEY FINANCIAL METRICS

	30 Sep 2026 (AED)	30 Jun 2026 (AED)	31 Dec 2025 (AED)
Total assets	224,442,828	222,196,265	187,141,520
Total equity	160,018,094	155,054,331	158,994,736
Total liabilities	64,424,734	67,141,934	28,146,784
Share capital	78,901,086	78,901,086	78,901,086

Total assets stood at AED 224.44 million at 30 September 2026, up AED 37.30 million (19.9%) from year-end 2025 and AED 2.25 million (1.0%) from 30 June 2026. The year-to-date increase reflects the AED 22.0 million Prepaire investment and the AED 11.02 million Quantum AI subscription, both funded largely by Sharjah Islamic Bank financing. This is a structural change to the balance sheet rather than a one-off movement.

Total liabilities rose AED 36.28 million (128.9%) from year-end 2025 to AED 64.42 million because of the new term financing. Compared with 30 June 2026, liabilities fell AED 2.72 million as the Company began repaying principal.

Total equity rose to AED 160.02 million, up AED 1.02 million (0.6%) from year-end 2025 and AED 4.96 million (3.2%) from 30 June 2026. The quarterly improvement comes mainly from the AED 4.69 million third-quarter fair value gain on the FVTOCI portfolio, which reversed most of the AED 4.79 million decline recorded in the first half. Because this gain depends on market prices, it should not be read as a recurring source of equity growth.

OPERATIONAL AND FINANCIAL PERFORMANCE

Revenue. Rental income for the nine months grew 13.4% (AED 1.10 million) to AED 9.34 million, supported by sustained tenant demand and the continued repositioning of the portfolio toward family-oriented accommodation. Third-quarter rental income was AED 3.14 million, 9.8% above the third quarter of 2025. Dividend income of AED 0.24 million was received in the third quarter. Occupancy was lower than a year earlier, so the growth in rental income did not come from higher occupancy.

Expenses. General and administrative expenses rose 53.2% to AED 5.87 million, an increase of about AED 2.0 million. Two items explain most of it: Legal, licence and professional fees rose to AED 1.33 million from AED 0.24 million (up AED 1.09 million), linked to the Company's investment and diversification activities. Employee costs rose to AED 2.46 million from AED 1.83 million (up AED 0.63 million, about 34%). Repairs and maintenance increased 27.2% to AED 0.53 million.

Finance costs. Finance costs more than doubled to AED 2.42 million (2025: AED 1.12 million), an increase of AED 1.30 million, following the January 2026 restructuring and the drawdown of additional financing from Sharjah Islamic Bank. The financing is priced at six-month EIBOR plus 2.5%, so these costs will continue while the borrowings are outstanding and will move with EIBOR.

Profit. Profit before tax for the nine months was AED 1.20 million. After income tax of AED 0.07 million, profit after tax was AED 1.13 million, 62.8% below the AED 3.04 million of 2025, equal to earnings per share of AED 0.014 (2025: AED 0.038). The AED 1.10 million increase in rental income was more than offset by the roughly AED 2.0 million rise in general and administrative expenses and the AED 1.30 million rise in finance costs.

Other comprehensive income. The net change in fair value of FVTOCI investments was a loss of AED 0.10 million for the nine months, compared with a gain of AED 3.05 million in 2025. Within this, the third quarter produced a gain of AED 4.69 million as the Kuwait quoted equity holdings recovered. Total comprehensive income for the quarter was AED 5.04 million.

MAIN PERFORMANCE INDICATORS

The indicators below are measured on the same basis as in prior periods. Definitions are given so that readers can reproduce them from the financial statements.

OCCUPANCY RATE.

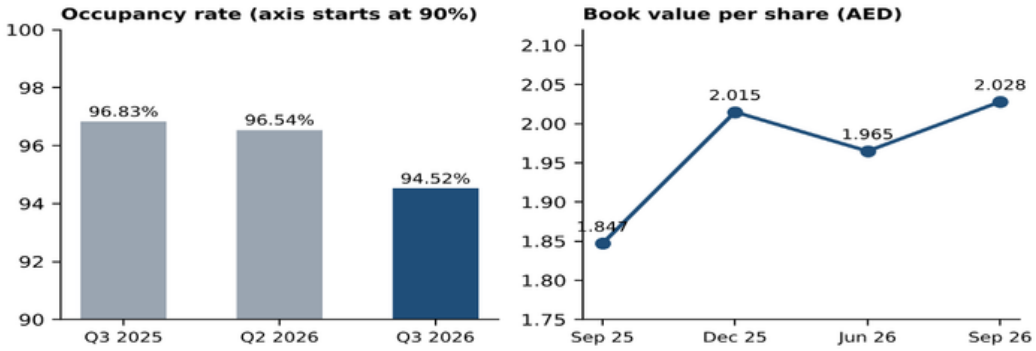
Occupancy at the end of Q3 2026 was 94.52%, compared with 96.83% in Q3 2025 and 96.54% at the end of Q2 2026.

BOOK VALUE PER SHARE.

Book value per share was AED 2.028 at 30 September 2026, compared with AED 1.965 at 30 June 2026 and AED 2.015 at 31 December 2025. Against 30 September 2025 (AED 1.847), this is an increase of 9.8%

LEVERAGE AND LIQUIDITY.

Bank borrowings of AED 56.42 million equal 35.3% of equity, compared with 12.7% at 31 December 2025. Interest cover (profit before finance costs divided by finance costs) fell to 1.5x from 3.9x in the nine months of 2025, because finance costs more than doubled while profit fell. The current ratio (current assets divided by current liabilities) improved to 0.55x from 0.26x at 31 December 2025, mainly because cash rose to AED 4.25 million from AED 0.45 million.



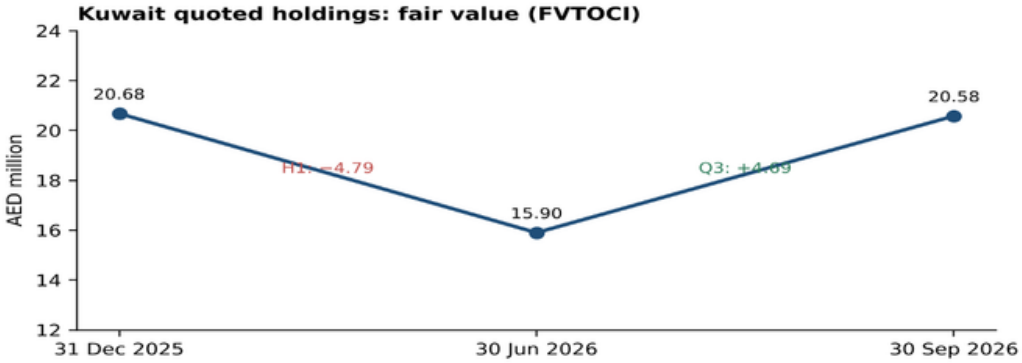
FINANCIAL POSITION

Investment properties remained at AED 163.46 million, unchanged from 31 December 2025, because fair valuations are performed annually. Properties with a carrying value of AED 109.12 million (31 December 2025: AED 84.47 million) are subject to a first-degree mortgage in favour of Sharjah Islamic Bank as security for the Company's facilities.

Bank borrowings totalled AED 56.42 million at 30 September 2026 (AED 48.74 million non-current and AED 7.68 million current), compared with AED 20.26 million at year-end and AED 58.42 million at 30 June 2026. The facilities are Sharia-compliant, repayable in equal semi-annual instalment's over ten years, at profit rates of six-month EIBOR plus 2.0% to 2.5% per annum.

Investments. Investments at FVTOCI were AED 42.59 million (31 December 2025: AED 20.68 million). They comprise Kuwait quoted holdings of AED 20.58 million (31 December 2025: AED 20.68 million; 30 June 2026: AED 15.90 million) and the AED 22.00 million Prepaire investment. The 20% interest in Quantum AI is carried at its cost of AED 11.02 million as an investment in associate.

Equity. Retained earnings increased to AED 26.34 million, and the fair value reserve stood at AED 2.82 million (31 December 2025: AED 2.92 million).



CASH FLOWS

Operating activities. Net cash from operating activities for the nine months was AED 2.95 million, down 28.6% from AED 4.14 million, mainly because of higher finance costs and an increase in trade and other receivables. Operating profit before working capital changes was AED 3.78 million (2025: AED 4.48 million).

Investing activities. Net cash used in investing activities was AED 32.80 million (2025: AED 0.03 million). It consisted of the Prepaire investment (AED 22.00 million), the Quantum AI subscription (AED 11.02 million), partly offset by dividends received of AED 0.24 million.

Financing activities. Net cash from financing activities was AED 33.65 million (2025: outflow of AED 2.68 million), reflecting net bank borrowings of AED 36.16 million, less finance costs paid of AED 2.40 million and lease payments of AED 0.11 million.

Cash position. Cash and cash equivalents closed at AED 4.25 million, compared with AED 0.45 million at year-end 2025 and AED 6.31 million at 30 June 2026. The AED 2.06 million fall during the third quarter reflects debt service and principal repayments of approximately AED 2.0 million.

SEGMENT PERFORMANCE

The Company reports two segments. The **Real Estate** segment generated revenue of AED 9.34 million and other income of AED 0.44 million, with a segment profit of AED 0.89 million (2025: AED 2.84 million), a fall of AED 1.95 million. Segment expenses were AED 8.89 million and include finance costs and income tax. Because the cost of borrowing for the new investments is reported in this segment, segment profit fell even though segment revenue grew. The **Investments** segment generated dividend income of AED 0.24 million (2025: AED 0.19 million). Segment assets were AED 170.42 million for Real Estate and AED 54.02 million for Investments, reflecting the growth of the investment book during the year.

PROPERTY MANAGEMENT ARRANGEMENTS

On 26 August 2026, the Company entered into a Property Management Agreement with Al Khayyal Group for Trading and Investment (the “Manager”), effective 1 September 2026 for a term of two years to 31 August 2028. The Manager acts as the Company’s agent for the eight properties in its portfolio, comprising 356 units (278 residential and 78 commercial) across Al Khan, Industrial Areas 7, 10 and 13, Muwaileh, Al Soor and Al Qasimia.

The Manager is responsible for leasing and renewals, rent collection, tenant follow-up, supervision of maintenance and facility services, and contracting with service providers. All lease contracts remain in the Company’s name as lessor. The Manager remits collected rent to the Company weekly and provides monthly performance reports covering revenues, expenses, occupancy, renewals, cheque status and maintenance activity, and the Company may inspect the Manager’s records. Significant commitments, settlements and long-term obligations require the Company’s prior written consent.

Management expects the arrangement to improve day-to-day operations, strengthen collections and tenant management, and free the Company’s own team to concentrate on its diversification programme. The agreement was in force for one month of the period, so its effect on third-quarter results was limited.

BUSINESS DIVERSIFICATION

The Company's strategy is to keep the core real estate portfolio stable while acquiring and developing higher-growth businesses with strong long-term value potential. Progress against that strategy in 2026 is set out below.

Quantum AI. The Company holds a 20% equity interest in Quantum AI, a company licensed in information technology consultancy, IT network services and cloud computing, acquired for AED 11,017,500 on 6 April 2026 and accounted for at cost as an investment in associate.

Prepaire Labs. Under the USD 6.0 million (AED 22.0 million) loan agreement dated 22 January 2026, which carries 6% interest and a 12-month term, the loan is to be settled through shares in Prepaire. On 4 July 2026 the Company was registered as a holder of 10% of Prepaire's shares. Prepaire is intended to become a UAE-listed healthcare technology platform focused on bio-digital twin innovation and AI-enabled health solutions. At 30 September 2026 the AED 22.00 million is carried within investments at fair value through other comprehensive income. Any future change in its carrying value will depend on an independent valuation and will be recognised in accordance with IFRS.

CAPITAL EXPENDITURE

The Company's main capital deployment during the period went to diversification rather than to the real estate portfolio: the AED 11.02 million Quantum AI subscription and the AED 22.0 million Prepaire investment.

Current period. No amounts were spent on acquiring or developing investment properties in the nine months; spending on the existing portfolio was limited to routine repairs and maintenance of AED 0.53 million, charged to the income statement. Investing cash outflow of AED 32.80 million was entirely the two investments above, partly offset by dividends received.

Projected capital expenditure and impact. no further material capital expenditure on the real estate portfolio is planned for the coming period beyond routine maintenance. Any new investment would have to be assessed against the Company's current ratio of 0.55x, interest cover of 1.5x and the scheduled semi-annual repayments on the Sharjah Islamic Bank facilities.

PROGRESS ON PROJECTS AND PLANS

Debt restructuring and new financing . Completed. Sharjah Islamic Bank financing is in place and is being repaid in equal semi-annual instalment's; bank borrowings fell from AED 58.42 million at 30 June 2026 to AED 56.42 million at 30 September 2026.

Quantum AI (20% interest). Completed on 6 April 2026 and carried at cost of AED 11.02 million.

Prepaire Labs (USD 6.0 million loan settled in shares). Share registration completed on 4 July 2026 (10% holding).

Third-party property management. Implemented from 1 September 2026; its first full quarter of results will be the fourth quarter.

SUBSEQUENT EVENTS

Management continues to monitor the Company's operating environment in light of ongoing regional geopolitical developments. Based on its assessment, no material impact on the Company's operations, financial position or liquidity has been identified.

SECTOR EXPECTATIONS AND THE COMPANY'S ROLE

Sharjah's property market continues to expand. The Sharjah Real Estate Registration Department reported transactions of AED 46.8 billion in the first nine months of 2026, up 14% on the same period of 2025. Rental data from Bayut show Sharjah's average rental rate at AED 41.4 per square foot in August 2026, 1.8% higher than a year earlier, with rents up year on year in all of the most searched apartment communities. Demand is supported by Sharjah's lower cost of living than Dubai and by population growth. Market commentators also expect rental growth to moderate as new supply is delivered, which would add competition for tenants.

The Company owns 356 units across eight Sharjah properties and is repositioning the portfolio toward family-oriented accommodation. Its rental income grew 13.4% in the nine months, although occupancy was lower than a year ago. The Company's role in this market is to retain its tenant base and collections through the new property manager, while using the stable rental income to support its diversification into new businesses.

ECONOMIC EXPECTATIONS AND THEIR IMPACT ON THE SECTOR AND THE COMPANY

The Central Bank of the UAE's Quarterly Economic Review of October 2026 projects real GDP growth of 1.6% for 2026, with non-oil GDP growth of 1.3%, followed by a rebound to 10.4% overall and 4.9% non-oil in 2027. The IMF and the World Bank also expect a softer 2026 followed by a stronger 2027, although their estimates differ in size. The IMF has noted that regional uncertainty in 2026 weighed on tourism, trade, transport and real estate.

Interest rates matter most to the Company. The Central Bank raised its Base Rate by 25 basis points to 3.90% with effect from 17 September 2026, and six-month EIBOR was 4.60% on 30 September 2026. The Company's facilities carry a margin of 2.0% to 2.5% over six-month EIBOR, so at that fixing the all-in profit rate would be about 6.6% to 7.1%, before the effect of each facility's reset dates. If rates stay at these levels, finance costs will be higher than in the first nine months of 2026, which supports management's expectation of continued pressure on profit.

The Company's Kuwait quoted holdings are exposed to regional market conditions. The IMF forecasts a sharp contraction in Kuwait's economy in 2026 followed by a strong rebound in 2027, which is consistent with the volatility seen in these holdings during the year.



FUTURE PLANS FOR GROWTH, OUTLOOK AND PRIORITIES

The Company does not give formal financial guidance. The comments below follow the Company's stated strategy of keeping the core real estate portfolio stable while diversifying. They describe priorities and the main factors management is watching, and they are not forecasts.

PRIORITIES FOR THE COMING PERIOD.

Rental portfolio: work with the Manager on collections, renewals and occupancy, using its monthly performance reports.
Financing and liquidity: continue the scheduled semi-annual principal repayments and manage cash carefully, as the current ratio is still below 1.0x.

KEY CHALLENGES AND RISKS

Finance costs are expected to remain high while the new borrowings are outstanding, general and administrative expenses are higher than a year ago, and occupancy is below last year's level. Management expects profit to remain under pressure until the new investments begin to contribute, and the timing of any contribution is uncertain.

KEY ASSUMPTIONS AND SENSITIVITIES

This commentary assumes that: (i) six-month EIBOR, to which the financing is linked, does not change materially, and any change would move finance costs directly; (ii) prices of the Kuwait quoted holdings can move either way, as the AED 4.79 million first-half fall and AED 4.69 million third-quarter recovery show, and these moves affect equity but not profit; and (iii) tenant demand in the Sharjah market remains broadly stable;. Investment properties are revalued once a year, so quarterly equity does not reflect changes in property values.

CONCLUSION

In the first nine months of 2026 the Company grew rental income by 13.4%, generated positive operating cash flow of AED 2.95 million, increased net assets to AED 160.02 million and lifted book value per share to AED 2.028. Against this, funding the Quantum AI and Prepaire investments with bank finance more than doubled finance costs, general and administrative expenses rose 53.2%, occupancy eased, and profit after tax fell 62.8%.

The stable rental base, the new property management arrangement and the diversification strategy are the foundations for the coming quarters. Management will continue to adopt a measured approach, balancing growth opportunities with prudent financial management to ensure sustainable performance over the long term.

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