Press Release

Union Properties Looks Forward to Boost its Revenue Streams through its Subsidiaries

United Arab Emirates, Dubai, February 16, 2020: Union Properties PJSC, the pioneer in residential and entertainment projects and the main developer of MotorCity Dubai, announced that the financing process of the previously announced expansion project for the Autodrome project is close to completion, as the financing is approximately AED 200 million, and this expansion will achieve a qualitative shift in terms of restoring momentum to MotorCity and the race tracks in Autodrome and providing a wide range of activities related to fans of driving, in addition to the various recreational facilities that suit all family members.

The project will also contribute to the transfer of the current site of the sub-race tracks in the Kartdrome to Autodrome, in order for the current site of the land for the Kartdrome to be invested in on a later stage; this will increase the size of the company's real estate portfolio. According to the financial and technical studies prepared by "MI Associated" and "APEX", this project will generate expected annual revenues of up to AED 80 million, in addition to the annual revenues from the facilities, restaurants, and auto services associated with the project.

On the other hand, ServeU, a fully owned company by Union Properties PJSC that specializes in the field of facility management and maintenance, has achieved annual revenue of AED 216 million, and The FitOut Company, also fully owned by Union Properties PJSC, has achieved annual revenues of AED 61 million.

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UNION PROPERTIES P.J.S.C.

up.ae

Union Properties PJSC
Paid Up Capital: AED 4,289 Million
Commercial Registration 42894

الاتحاد العقارية ش م ع
رأس المال مدفوع: 4,289 مليون درهم
سجل التجاري: 42894

Union Business Park 1
Green Community East
Dubai Investment Park 1
P.O Box 24649

يونيون بزنس بارك 1
جرين كوميونيتي الشرقية
مجمع دبي للاستثمار 1
ص.ب. 24649

As for the preliminary financial results, the company was able to achieve revenues that exceeded the amount of half a billion dirhams, however, still suffered losses for this year, mainly due to the cost of bank loans granted in previous years to Thermo - one of the subsidiaries - where the total loan amount reached one billion dirhams. These loans were granted more than five years ago, and Union Properties PJSC still bears the cost of these loans, which has caused direct losses to the company. It is worth mentioning that full provisions were taken for Thermo, and on a related level, negotiations are ongoing with banks for restructuring the debts, which will reduce pressure on the company's liabilities.

In a comment by Mr. Khalifa Al Hammadi, CEO of the company, he indicated that most of the new Executive Management's focus is on striking a balance between trying to tackle items that causes losses in the financial statements and maximizing and strengthening existing investments that generate profits to ensure the achievement of cash flows and revenues to meet the existing obligations and achieve optimal utilization for these investments, whether by completing the new expansion in Autodrome or other projects or seizing any available investment opportunity within the fields of Union Properties' subsidiaries.

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