Detailed analysis of accumulated losses

Date	4th August 2022
Name of the Listed Company	Union Properties PJSC
Define the period of the financial statements	June 30, 2022
Value of the Accumulated losses (Million Dirhams)	(2,940) million AED
Accumulated losses to capital ratio	68.55%
The main reasons leading to these accumulated losses and their history	The losses are mainly a product of significant provisioning of the following: • Fair value loss of AED 2,076 million related to investment properties recorded in the fiscal year 2017 • Fair value loss of AED 1,109 million related to investment properties recorded in the fiscal year 2021 • Loss on disposal of an associate of AED 250 million recorded in the fiscal year 2020 • Losses and impairments from financial instruments at FVTPL amounting to AED 337 million • Disposal of assets to related parties amounting to AED 62 million 2020 and AED 45.5 million in 2021 • Provisions amounting to AED 90.5 million against advances to contractors in 2021
Measures to be taken to address accumulated losses:	• Present a recovery plan to disclose to the Securities and the Commodities Authority and The Market a plan for handling the accumulated losses. • Developed a business plan that includes focusing on closing out existing projects and re-focusing the company on its core business activities in order to win new projects.

	• Develop the continued efforts to acquire more projects, in UAE, In addition to the ongoing. • Improve overall operational productivity and efficiency. • Recover the misappropriate funds through legal procedures. • Restructuring of its outstanding debt to reduce the finance cost • Recovering its outstanding receivables (notably through court and arbitration) • Continued reduction of its operating costs • Development of its extensive landbank • Development of assets with recurring cash flow • Strong focus on the Group operating subsidiaries • Potential listing for certain subsidiaries • Focus on cash-generating activities
Authorized Signatory	

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