Union Properties PJSC delivers positive Q3 2022 net profit as turnaround strategy continues to drive results

- *Company reports net profit of AED 825,000 in Q3 2022 compared to a net loss of AED 31 million in Q3 2021*
- *9M 2022 operating profit increases to AED 7 million compared to a loss of AED 40 million in 9M 2021*
- *9M revenue growth driven by a significant improvement in performance in the Group's subsidiaries and continued growth in the UAE's real estate sector*
- *Turnaround strategy continues to show positive results with good progress on cost efficiencies - administrative and general expenses down 50% year-on-year*
- *Strong performance builds on recent milestones such as the successful completion of the AED 595 million debt restructuring*

Dubai, UAE – November [1], 2022: Union Properties PJSC ("Union Properties" or the "Company") (DFM symbol: UPP) announces its consolidated financial results for the nine-month and three-month period ended 30 September 2022.

The company reported a net profit of AED 825,000 in Q3 2022, compared with a net loss of AED 31 million in the prior year period. Revenue from contracts with customers increased by 3% to AED 101 million in Q3 2022, compared to the same period last year as the Group's subsidiaries delivered healthy performance improvements that were supported by strong market dynamics in the UAE's real estate sector. Operating profit in the nine month period increased significantly to AED 7.1 million, from a loss of AED 39.9 million in the same period last year.

Commenting on the results, Mr. Amer Khansaheb, Board Member and Managing Director of Union Properties, said: *"We have maintained our strong growth trajectory in the third quarter building on the positive momentum in the first six months of 2022. We are continuing to see the positive benefits of our business Turnaround Strategy and remain confident that we will see further progress in the months ahead. We remain focused on driving growth and delivering cost efficiencies, particularly at a subsidiary level. Looking ahead, we are cautiously optimistic as we explore several development options that we expect to generate long term value for our investors*."

Union Properties continued to make strong progress in the execution of its turnaround strategy during the quarter delivering significant cost efficiencies. Administrative and general expenses declined by 50% year-on-year to AED 16.8 million in Q3 2022, and by 39% to AED 54 million in 9M 2022, compared to the same period last year.

The continued efficiency and productivity achieved across the business builds on the momentum from recent major milestones, including the successful completion of the AED 595 million debt restructuring plan and subsidiary ServeU being awarded 58 new contracts worth AED 270 million. The company remains focused on reducing the overall level of debt in the business.

Management's focus on efficiency has enabled Union Properties to preserve its book value at AED 1.9 billion, equivalent to AED 0.446 per share.

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