الاتحاد العقارية
Union Properties

Union Properties Delivers Full Year Profitability As Turnaround Strategy Continues To Drive Results

- *Company reports net profit of* AED 30.0 million *in 2022 compared to a net loss of* AED 966.8 million *in 2021*
- *2022 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 39% year-on-year*
- *Strong performance builds on recent milestones such as the successful completion of the AED 595 million debt restructuring*

Dubai, UAE – March 13, 2023: Union Properties PJSC ("Union Properties" or the "Company") (DFM symbol: UPP) announces its consolidated financial results for the year ended 31 December 31, 2022.

Union Properties returned to profitability in 2022 as it continues to successfully implement its turnaround strategy, with the company reporting a net profit of AED 30.0 million compared to a net loss of AED 966.8 million in the previous year. Revenue from contracts with customers increased by 5% year-on-year to AED 419.2 million in 2022 as the Group's subsidiaries continued to deliver significant performance improvements supported by strong positive momentum in the UAE's real estate sector.

Union Properties made substantial progress with its efficiency strategy including merging three of its existing business units - EDACOM Owners Management Association, Uptown Mirdif Mall, and Al Etihad Cold Store - into one single entity, EDACOM Asset Management. This unlocked significant synergies across the business and improved resource and asset utilization. As a result, administrative and general expenses declined 39% year-on-year to AED 80.5 million in 2022. Operating profit for the year increased significantly to AED 10.2 million compared to a loss of AED 34.1 million in the previous year.

Commenting on the results, Mr. Amer Khansaheb, Board Member and Managing Director of Union Properties, said: *"2022 was a milestone year for Union Properties as its new management team successfully implemented their turnaround strategy and restored the company to profitability. We completed our debt restructuring process and are in a strong position to leverage our deep expertise, reputation, and highly sought-after land bank locations to drive growth and capture opportunities in the UAE flourishing real estate market. Union Properties is* *now on a solid foundation to deliver long term and sustainable value for its shareholders and is evaluating a number of potential development opportunities."*

During the year, Union Properties successfully completed AED 595 million debt restructuring, marking a major milestone by resolving legacy liabilities with the majority of its lenders. The restructuring supports improved profitability and cash flow generation by effectively reducing the Company's financing costs. Additionally, it strengthens Union Properties' balance sheet and enables it to raise additional financing for future real estate developments. The Company is currently conducting negotiations to restructure the remaining legacy related debt with Emirates NBD and will update the market of any developments as it continues to deliver its turnaround strategy.

Management's focus on efficiency has enabled Union Properties to preserve its book value at AED 0.456 per share as of 31 December 2022.

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