Union Properties Delivers Net Profit of AED 12.3 Mn in Q1 2023 up from a Net Loss in Q1 2022

- *Company reports net profit of* AED 12.3 million *in Q1 2023 compared to a net loss of* AED 12.5 million *in Q1 2022*
- *First quarter revenue growth of 16% driven by robust performance improvements by the Group's subsidiaries and continued growth in the UAE's real estate sector*
- *Significant efficiency improvements delivered, with impressive operating profit growth of* 335%

Dubai, UAE – May 10, 2023: Union Properties PJSC ("Union Properties" or the "Company") (DFM symbol: UPP) announces its consolidated financial results for the quarter ended 31 March 2023.

Union Properties maintained strong positive momentum during the first quarter of 2023 as it continued to successfully implement its turnaround strategy. The company reported net profit of AED 12.3 million in Q1 2023 compared to a net loss of AED 12.5 million during the same period last year. Revenue from contracts with customers increased to AED 122.1 million in Q1 2023, up 16% compared to the same period last year, as the group's subsidiaries continued to deliver robust performance improvements, supported by a thriving real estate market in the UAE.

Union Properties delivered significant efficiency improvements during the quarter as part of its strategy to enhance profitability through fiscal prudence. As a result, administrative and general expenses declined 21% year-on-year to AED 16.6 million in Q1 2023. Consequently, operating profit increased considerably by 335% to AED 19.8 million in Q1 2023, compared to the same period last year.

Commenting on the results, Mr. Amer Khansaheb, Board Member and Managing Director of Union Properties, said: *"We continue to make strong progress with the implementation of our turnaround strategy, building on the significant milestones achieved in the previous year. The successful execution of our strategy is evidenced by Union Properties' return to net profitability and its impressive* 335% *increase in operating profit during the quarter.*

"Looking ahead we will continue to focus on driving efficiency across the group to support sustainable profitability improvements and cash flow generation. We are now in a strong

Union Properties

position to deliver long-term value creation for our shareholders by leveraging our deep expertise, reputation, and highly sought-after land bank locations to drive growth and capitalise on the UAE's thriving real estate market."

Union Properties' management remains committed to delivering long-term values for its shareholders through a combination of efficiency improvements and the pursuit of new growth opportunities. The company is in the process of evaluating various opportunities to leverage its highly sought-after land bank locations including potentially launching new developments in the near future.

Management's focus on efficiency has enabled Union Properties to preserve its book value at AED 0.46 per share as of 31 March 2023.

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