

Union Properties achieves AED 816 million from plot sales, repays AED 290 million of debt in Q1 2024

- *The Company intends to repay AED 966 million to lenders during FY2024 as part of its debt restructuring plan, which has improved its cash-flow and restored its standing with the financial institutions.*
- *Unlocking potential additional financing for future Real Estate developments from Financial Institutions.*
- *Deleveraging from current bank Loans to reduce interest rates and free mortgaged lands for development.*
- *Generating Seed Funding for new Real Estate projects (under pipeline) and immediate liquidity to fund working capital.*

Dubai, UAE – April 1, 2024,

Union Properties PJSC (“Union Properties” or the “Company”) (DFM symbol: UPP) has demonstrated robust asset sales and cash flow generation during the first quarter of 2024. During this period, the Company successfully closed AED 816 million of plot sales and utilised the proceeds to repay AED 290 million to its lenders. The Company is also poised to repay an additional AED 250 million in the second quarter of 2024, marking a significant milestone in its debt restructuring plan agreed with local banks.

This achievement is a significant moment in **Union Properties’** turnaround strategy, initiated during the first quarter of 2022 and further solidified in the last quarter of 2023. The restructuring is not only reducing financing costs but is also deleveraging Union Properties’ balance sheet for improved profitability and enhanced cash flow generation. With a strengthened

balance sheet, the Company is poised to pursue additional financing for future Real Estate developments and explore new value creation opportunities.

As part of its commitment to minimizing the accumulated losses, the Company and its subsidiaries have intensified efforts to restructure the outstanding debt and reduce the finance cost. This includes a strategic asset divestment strategy, initially presented to shareholders in FY2022 as part of a comprehensive recovery plan. These proceeds furnish the necessary funds to fulfill debt settlement agreements and honor the agreement reached with "**Dubai Land**" in 2023, which now allows "**Union Properties**" to change the original land usage and reallocate the GFA, thereby unlocking the full potential of its land bank in alignment with market demand. This strategic move positions the Company to leverage development opportunities on these key properties over the next five years.

Eng. Amer Khansaheb, Board Member and Managing Director of Union Properties, commented: "We have witnessed significant improvement on the demand for company-owned plots in Motor City, leading to increased cash flow during the first quarter of 2024. This reflects the successful implementation of our turnaround strategy. With a bolstered balance sheet and improved free cash flows, we are now in a strong position to leverage our deep expertise, reputation, and highly sought-after land bank locations to pursue strategic growth opportunities and expand our market presence with confidence and agility. This milestone marks a significant achievement after the successful conclusion of our debt restructuring, laying a sturdy foundation for propelling growth and enriching shareholder value."

"The strong performance and outlook for the UAE's Real Estate market provides significant opportunities for **Union Properties**, including the potential for new Real Estate developments in the near future" Eng. Khansaheb added.

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