

Union Properties P.J.S.C  
and its subsidiaries

Unaudited interim condensed  
consolidated financial information

*March 31, 2026*

**Union Properties P.J.S.C and its subsidiaries**  
Unaudited interim condensed consolidated financial information  
*For the three-month period ended March 31, 2026*

---

<i>Contents</i>	<i>Page(s)</i>
Report on review of interim condensed consolidated financial information.....	1
Interim condensed consolidated statement of profit or loss and other comprehensive income.....	2
Interim condensed consolidated statement of financial position.....	3
Interim condensed consolidated statement of cash flows .....	4
Interim condensed consolidated statement of changes in equity .....	5
Notes to the interim condensed consolidated financial information .....	6 - 19

## Report on Review of Interim Condensed Consolidated Financial Information To the Shareholders of Union Properties P.J.S.C

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Union Properties P.J.S.C (the "Company") and its subsidiaries (the "Group") as at March 31, 2026, the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity, and interim condensed consolidated statement of cash flows for the three-month period then ended and a summary of material accounting policies and other explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.


### Scope of Review


We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of any significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

GRANT THORNTON UAE

  
Anand Prabhu  
Registration No: 5567  
Dubai, United Arab Emirates



May 12, 2026

## Union Properties P.J.S.C and its subsidiaries

Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)

For the three-month period ended March 31, 2026

	Notes	Three-month period ended	
		2026 AED'000	2025 AED'000
Revenue from contracts with customers	16	271,417	163,228
Direct costs	16	(213,031)	(120,461)
<b>Gross profit</b>		<b>58,386</b>	<b>42,767</b>
Administrative and general expenses	16	(49,218)	(34,860)
Other operating income	5.2	5,152	5,585
<b>Operating profit</b>		<b>14,320</b>	<b>13,492</b>
Share of losses from associate, net		(1,662)	(3,069)
Other income	5.1	2,984	3,189
Finance income		2,683	116
Finance cost		(5,236)	(6,904)
<b>Profit before tax for the period</b>		<b>13,089</b>	<b>6,824</b>
Corporate tax for the period	18	(1,291)	(1,010)
<b>Profit for the period</b>		<b>11,798</b>	<b>5,814</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>11,798</b>	<b>5,814</b>
<b>Basic and diluted earnings per share (AED)</b>	11	<b>0.0028</b>	<b>0.0014</b>

The notes from 1 to 21 form an integral part of these interim condensed consolidated financial information


# Union Properties P.J.S.C and its subsidiaries

## Interim condensed consolidated statement of financial position

As at March 31, 2026

	Notes	Unaudited March 31, 2026 AED'000	Audited December 31, 2025 AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		66,836	66,836
Intangible assets		35,583	37,757
Property, plant and equipment		490,178	473,915
Right-of-use assets		14,668	15,699
Investment properties	6.1	2,180,857	2,004,670
Investment in an associate		5,220	6,883
Non-current receivables		7,967	8,069
Deferred tax asset		5,389	5,389
<b>Total non-current assets</b>		<b>2,806,698</b>	<b>2,619,218</b>
<b>Current assets</b>			
Investments at fair value through profit or loss		375	460
Inventories		7,062	6,178
Contract assets		28,743	28,509
Development properties	7	573,016	551,049
Trade and other receivables	8	954,633	1,100,084
Cash and cash equivalents	10	459,656	494,249
<b>Total current assets</b>		<b>2,023,485</b>	<b>2,180,529</b>
<b>Total assets</b>		<b>4,830,183</b>	<b>4,799,747</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		2,857,926	2,857,926
Statutory reserve		56,266	56,266
Asset revaluation surplus		332,863	332,863
Retained earnings		417,989	406,191
<b>Total equity</b>		<b>3,665,044</b>	<b>3,653,246</b>
<b>Non-current liabilities</b>			
Non-current portion of bank loans	12	225,260	231,680
Lease liabilities		12,325	13,013
Provision for staff terminal benefits		56,836	52,680
Deferred tax liabilities		50,899	50,631
<b>Total non-current liabilities</b>		<b>345,320</b>	<b>348,004</b>
<b>Current liabilities</b>			
Trade and other payables	13	452,008	461,816
Contract liabilities		238,924	209,119
Lease liabilities		3,476	3,853
Bank overdrafts		24,672	27,539
Current tax liability		31,138	30,117
Current portion of bank loans	12	69,601	66,053
<b>Total current liabilities</b>		<b>819,819</b>	<b>798,497</b>
<b>Total liabilities</b>		<b>1,165,139</b>	<b>1,146,501</b>
<b>Total equity and liabilities</b>		<b>4,830,183</b>	<b>4,799,747</b>

The interim condensed consolidated financial information were authorised for issue on May 12, 2026 by the Board of Directors and signed on its behalf by:

  
Chairman

  
Board Member & CEO

The notes from 1 to 21 form an integral part of these interim condensed consolidated financial information.

# Union Properties P.J.S.C and its subsidiaries

## Interim condensed consolidated statement of cash flows (unaudited)

For the three-month period ended March 31,2026

	Notes	Three-month period ended	
		2026 AED'000	2025 AED'000
<b>Operating activities</b>			
Profit before tax for the period		13,089	6,824
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment		5,722	3,809
Depreciation of right of use assets		910	544
Amortisation of intangibles		2,173	-
Finance costs		4,984	6,678
Exchange gain		(2,984)	82
Share of loss from associate, net		1,662	3,069
Finance income		(2,683)	(116)
Provision for expected credit loss		2,284	56
Interest on lease liabilities		252	226
Loss on financial instruments at FVTPL		85	-
<i>Operating profit before working capital changes</i>		<u>25,494</u>	<u>21,172</u>
Change in non-current receivables		102	25,472
Change in inventories		(884)	(4,048)
Change in contract assets		(234)	(6,771)
Change in contract liabilities		29,805	24,295
Change in trade and other receivables		(82,248)	152,374
Change in non-current payables		-	(30,499)
Change in trade and other payables		(13,308)	(6,379)
Change in staff terminal benefits (net)		4,156	1,631
Additions to development properties (net)	7	<u>(21,967)</u>	<u>(10,625)</u>
<i>Net cash (used in)/generated from operating activities</i>		<u>(59,084)</u>	<u>166,622</u>
<b>Investing activities</b>			
Additions to property, plant and equipment		(17,341)	(5,679)
Additions to investment properties	6	(176,187)	-
Proceeds from sale of investment properties		227,700	-
Interest income received		2,240	116
Changes in deposits with bank and escrow account		(15,791)	(55,136)
<i>Net cash used in investing activities</i>		<u>20,621</u>	<u>(60,699)</u>
<b>Financing activities</b>			
Proceed from bank loans	12	4,783	25,498
Repayment of bank loans	12	(7,655)	(204,125)
Finance costs excluding interest on lease liabilities		(4,983)	(6,678)
Payment of lease liabilities		(1,198)	(740)
<i>Net cash used in financing activities</i>		<u>(9,053)</u>	<u>(186,045)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(47,516)</u>	<u>(80,122)</u>
Cash and cash equivalent at the beginning of the period		<u>331,656</u>	<u>122,973</u>
Cash and cash equivalent at the end of the period	10	<u>284,140</u>	<u>42,851</u>

The notes from 1 to 21 form an integral part of these interim condensed consolidated financial information.

## Union Properties P.J.S.C and its subsidiaries

Interim condensed consolidated statement of changes in equity (unaudited)

For the three-month period ended March 31, 2026

	Share capital	Statutory reserve	Asset revaluation surplus	Retained earnings	Total Equity
	AED'000	AED'000	AED'000	AED'000	AED'000
At January 1, 2025	4,289,540	437,953	332,863	(1,869,567)	3,190,789
Total comprehensive income for the period	-	-	-	5,814	5,814
At March 31, 2025 (unaudited)	<u>4,289,540</u>	<u>437,953</u>	<u>332,863</u>	<u>(1,863,753)</u>	<u>3,196,603</u>
At January 1, 2026	2,857,926	56,266	332,863	406,191	3,653,246
Total comprehensive income for the period	-	-	-	11,798	11,798
At March 31, 2026 (unaudited)	<u>2,857,926</u>	<u>56,266</u>	<u>332,863</u>	<u>417,989</u>	<u>3,665,044</u>

\*The balance of statutory reserve as at January 1, 2025 includes AED 13.8 million pertaining to the subsidiaries.

Subsequent to the period end, the Company's shareholders approved the distribution of cash dividends at 4.5% of the Company's share capital, equivalent to 3 fils per share, amounting to AED 128,606,656.

The notes from 1 to 21 form an integral part of these interim condensed consolidated financial information.

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information

### 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Union Properties (P.J.S.C) (“the Company”) was incorporated on 28 October 1993 as a (P.J.S.C) by a United Arab Emirates Ministerial decree. The Group’s registered office address is P.O. Box 24649, Dubai, United Arab Emirates (“UAE”).

The principal activities of the Company are investment in and development of properties, the management and maintenance of owned properties including the operation of cold stores, the undertaking of property related services on behalf of other parties (including related parties) and acting as the holding Company of its subsidiaries and investing in other entities.

The Company and its subsidiaries are collectively referred to as (“the Group”) as set out in note 2.5 in the Group annual consolidated financial statements for the year ended December 31,2025. Effective January 1, 2026, the Group also includes the following newly acquired subsidiary:

Subsidiaries	Incorporated In	Effective ownership		Principal activities
		2026	2025	
Tetra Edge Industries L.L.C	United Arab Emirates	100%	0%	Eelectromechanical, Electrical power lines and building contracting

### 2 NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS

#### 2.1 New and amended IFRS Accounting Standards that are effective for the current period

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in condensed consolidated interim financial information. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial information:

#### New and revised IFRS Accounting Standard

#### Effective for annual periods beginning on or after

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments.

1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding purchase power arrangements.

1 January 2026

The amendments aim at enabling entities to include information in their financial information that in the IASB’s view more faithfully represents contracts referencing nature-dependent electricity.

Annual improvements to IFRS Accounting Standards - Volume 11

1 January 2026

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

---

### 2 NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS (CONTINUED)

#### 2.1 New and amended IFRS Accounting Standards that are effective for the current period (continued)

##### New and revised IFRS Accounting Standard

Effective for annual periods  
beginning on or after

The pronouncement comprises the following amendments:

- IFRS 1 First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter
- IFRS 7 Financial Instruments - Disclosures: Gain or loss on derecognition
- IFRS 7 Financial Instruments - Disclosures: Disclosure of deferred difference between fair value and transaction price
- IFRS 7 Financial Instruments - Disclosures: Introduction and credit risk Disclosures.
- IFRS 9 Financial Instruments: Lessee derecognition of lease liabilities
- IFRS 9 Financial Instruments: Transaction price
- IFRS 10 Consolidated Financial information: Determination of a “de facto agent”

IAS 7 Statement of Cash Flows: Cost method

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2026.

At the date of authorisation of these condensed consolidated interim financial information, the following new and revised IFRS Accounting Standards have been issued but are not yet effective or early adopted by the Group during the period:

IFRS 18 Presentation and Disclosures in Financial information 1 January 2027

IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial information to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.

IFRS 19 Subsidiaries without Public Accountability: Disclosures 1 January 2027

IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures 1 January 2027

The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Translation to a Hyperinflationary Presentation Currency. 1 January 2027

The amendments clarify how companies should translate financial information from a nonhyperinflationary currency into a hyperinflationary one.

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

---

### 2 NEW STANDARDS, AMENDMENT TO STANDARDS AND INTERPRETATIONS (CONTINUED)

#### 2.1 New and amended IFRS Accounting Standards that are effective for the current period (continued)

##### New and revised IFRS Accounting Standard

##### Effective for annual periods beginning on or after

Amendments to IFRS 10 Consolidated Financial statements and IAS 28 Investments in Associates and Joint Ventures (2011)	Effective date deferred indefinitely Adoption is still permitted
--	---

The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial information of Group in the period of initial application

### 3 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group are prepared in accordance with International Accounting Standard 34: Interim Financial Reporting and applicable requirements of the United Arab Emirates laws.

The interim condensed consolidated financial information do not contain all information and disclosures required for full financial information prepared in accordance with IFRS Accounting standards and should be read in conjunction with the Group's annual consolidated financial information for the year ended December 31,2025. The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial information as compared with the most recent annual consolidated financial statements.

Income tax expense for the interim period is determined by applying management's best estimate of the weighted-average income tax rate for annual period, adjusted for certain items fully applicable to the interim period if needed, to profit or loss before tax.

The interim condensed consolidated financial information has been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated.

The interim condensed consolidated financial information has been prepared on a historical cost basis except for investments at fair value through profit and loss, investment properties, and land as included in property, plant and equipment that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The results for the three-month period ended March 31,2026 are not necessarily indicative of the results that may be expected for the financial year ending December 31,2026.

### 4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2025.

## Union Properties P.J.S.C and its subsidiaries

### Notes to the interim condensed consolidated financial information (continued)

#### 5 OTHER INCOME AND OTHER OPERATING INCOME

##### 5.1 Other income

	Unaudited March 31,2026 AED'000	Unaudited March 31,2025 AED'000
Settlement amount from customers	-	3,189
Foreign exchange gain (note a)	2,984	-
	<u>2,984</u>	<u>3,189</u>

##### a Foreign exchange gain

Foreign exchange gain represented gain on account of overdraft balances held in Egyptian pound.

##### 5.2 Other operating income

	Unaudited March 31,2026 AED'000	Unaudited March 31,2025 AED'000
NOC Fee	475	1,045
Rental Income	2,921	2,580
Administrative Fee	341	439
Scrap Sale	2	237
Utilities	92	181
Miscellaneous Income	1,321	1,103
	<u>5,152</u>	<u>5,585</u>

#### 6 INVESTMENT PROPERTIES

##### 6.1 Movement in Investment properties

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
At 1 January	2,004,670	2,220,143
Additions during the period/year	176,187	949
Transfer to development properties	-	(275,060)
Transfer from property plant and equipment	-	15,843
Gain on fair valuation	-	275,487
Sale of investment properties	-	(232,692)
At the end of the period/year	<u>2,180,857</u>	<u>2,004,670</u>

The Group follows the fair value model under IAS 40 Investment property where investment property defined as land and buildings owned for the purpose of generating rental income or capital appreciation, or both, are fair valued based on an open market valuation. The most recent valuation was carried out on December 31, 2025, by an independent registered valuer, who carried out the valuation in accordance with RICS Appraisal and the Valuation Manual issued by the Royal Institute of Chartered Surveyors.

##### Acquisition of investment properties

During the period ended March 31,2026, building amounting to AED 164.4 million was acquired inclusive of AED 9.4 million directly attributable cost of acquisition capitalised.

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

### 7 DEVELOPMENT PROPERTIES

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
<b>Movement for the period/Year</b>		
Opening balance	551,049	230,528
Cost incurred during the period/year	50,084	64,458
Transfer to cost of revenue during the period/year	(28,117)	(18,997)
Transfer from investment properties (note 6.1)	-	275,060
At the end of the period/year	<u>573,016</u>	<u>551,049</u>

The Group is developing real estate projects "Takaya and Mirdad" on Plot 674-2060 and 674-332 respectively at Motorcity, Dubai, United Arab Emirates. Properties under construction are carried at the lower of cost or net realizable value. Net realizable value represents the estimated selling price less all costs to completion.

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and include the costs of:

- Freehold and leasehold rights for land.
- Amounts paid to contractors for construction including the cost of construction of infrastructure; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

The Group has assessed the impairment of the projects and concluded that the carrying value of the related development properties is appropriately stated.

### 8 TRADE AND OTHER RECEIVABLES

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
<b>Financial instruments</b>		
Trade receivables	350,341	309,472
Retention receivables	17,788	18,121
	<u>368,129</u>	<u>327,593</u>
Less: provision for expected credit losses (note 8.2)	(105,728)	(105,766)
	<u>262,401</u>	<u>221,827</u>
Property sales receivables	376,097	608,970
	<u>638,498</u>	<u>830,797</u>
Other receivables	215,393	167,137
Provision for expected credit losses	(12,000)	(10,000)
<b>Total (A)</b>	<u>841,891</u>	<u>987,934</u>
<b>Non-financial instruments</b>		
Advances to contractors (note 8.1)	5,321	6,808
Prepayments and advances	58,886	67,671
Prepaid Commission	56,198	45,436
<b>Total (B)</b>	<u>120,405</u>	<u>119,915</u>
<b>Total (A+B)</b>	<u>962,296</u>	<u>1,107,849</u>
Less:non-current portion of retention receivables	(7,663)	(7,765)
	<u>954,633</u>	<u>1,100,084</u>

As at March 31,2026 the Group has extended a loan to its associate, Properties Investment LLC, amounting to AED 10.9 million (2025:AED 10.9 million) which is included in the other receivable balance.

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

### 8 TRADE AND OTHER RECEIVABLES (CONTINUED)

#### 8.1 Advances to contractors

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
Advances to contractors	95,024	96,511
Less: provision against allowance for expected credit losses (note 8.2)	<u>(89,703)</u>	<u>(89,703)</u>
	<u>5,321</u>	<u>6,808</u>

Significant payments aggregating to AED 90.6 million were made, between May and October 2021 to a third-party vendor. Those payments were documented internally as related to various design and project management contracts, although the management identified that no or negligible service had been received, therefore the Group decided to classify it as advances to contractors.

#### 8.2 Allowance for expected credit losses

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
Provision against trade and retentions receivables (note 8)	105,728	105,766
Provision against advances to contractors (note 8.1)	<u>89,703</u>	<u>89,703</u>
	<u>195,431</u>	<u>195,469</u>

The Group's exposure to credit risk and impairment losses related to receivables are disclosed below:

#### *Impairment losses*

Set out below is the information about the credit risk exposure on the Group's trade and retention receivables using a provision matrix:

	<i>Advances to contractors</i> AED'000	<i>Retentions receivable</i> AED'000	<i>Property sales receivable</i> AED'000	Trade and other receivables			<i>Total</i> AED'000	
				<i>Current</i> AED'000	<i>Past due</i>			
					<i>1-90 days</i> AED'000	<i>91-365 days</i> AED'000		<i>&gt;365 days</i> AED'000
March 31,2026								
Expected credit loss rate	94.40%	55.97%	0.00%	0.00%	0.09%	4.13%	76.77%	23.50%
Gross amount	95,024	10,125	376,097	84,083	99,722	38,384	128,152	831,587
Expected credit loss	<u>89,703</u>	<u>5,667</u>	<u>-</u>	<u>-</u>	<u>94</u>	<u>1,585</u>	<u>98,382</u>	<u>195,431</u>
December 31,2025								
Expected credit loss rate	92.95%	83.38%	0.00%	0.00%	0.20%	4.53%	76.47%	19.06%
Gross amount	96,511	10,356	608,970	94,533	50,696	39,714	124,529	1,025,309
Expected credit loss	<u>89,703</u>	<u>8,635</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>1,801</u>	<u>95,230</u>	<u>195,469</u>

The movement in the allowance for expected credit losses in respect of trade and retention receivables during the period/year is as follows:

## Union Properties P.J.S.C and its subsidiaries

### Notes to the interim condensed consolidated financial information (continued)

#### 8 TRADE AND OTHER RECEIVABLES (CONTINUED)

##### 8.2 Allowance for expected credit losses (continued)

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
At 1 January	195,469	204,479
Provision for the period/year	284	1,292
Amounts written off	(322)	(10,302)
At the end of the period/year	<u>195,431</u>	<u>195,469</u>

#### 9 TRANSACTIONS WITH RELATED PARTIES

The Group, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. Such transactions are on terms and conditions approved by the Group's management and are held at arm's length.

As at March 31, 2026, the Group had a total outstanding loan to its associate, Properties Investment LLC, amounting to AED 10.9 million (refer note 8) (December 31, 2025: AED 10.9 million). This balance comprises a loan of AED 3.4 million extended during 2023 and an additional loan of AED 7.5 million extended during 2025, both bearing interest at a rate of 2.75% plus 3-month EIBOR.

The significant transactions with related parties, other than those already disclosed separately elsewhere in the interim condensed consolidated financial information are as follows:

	Unaudited March 31,2026 AED'000	Unaudited March 31,2025 AED'000
Interest received on loan extended to associate	<u>175</u>	<u>61</u>
Compensation to key management personnel are as follows :		
- Salaries and other short-term employee benefits	3,884	2,058
- Directors' fee during the period/year	1,500	3,000
- Provision towards staff terminal benefits	<u>72</u>	<u>81</u>

The Board of Directors remuneration amounting to AED 7 million for the year ended 31 December 2025 was approved by the Shareholders in the Annual General Meeting on April 7,2026.

#### 10 CASH AND CASH EQUIVALENTS

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
Cash in hand	1,829	1,654
Cash at bank		
- in current accounts	111,883	132,442
- in escrow accounts	147,949	132,008
- in fixed deposits	195,100	225,100
- in deposit accounts held under lien	<u>2,895</u>	<u>3,045</u>
	<u>459,656</u>	<u>494,249</u>

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

### 10 CASH AND CASH EQUIVALENTS (CONTINUED)

Balance held in escrow account represents advance collections from customers that are held with banks authorised by the Real Estate Regulatory Authority (“RERA”), Dubai, United Arab Emirates. Use of cash held in escrow is restricted to the specific development properties to which the cash receipts relate and can be used for payments related to specific development projects and hence, considered as cash and cash equivalents.

	Unaudited March 31,2026 AED’000	Audited December 31,2025 AED’000
Cash and cash equivalent comprise:		
Bank balance and cash (excluding deposits under lien and escrow)	308,812	359,196
Bank overdrafts	(24,672)	(27,539)
	<u>284,140</u>	<u>331,657</u>

### 11 BASIC AND DILUTED EARNINGS PER SHARE

	Unaudited Three month period ended March 31	
	2026 AED’000	2025 AED’000
Profit attributable to shareholders (AED)	11,798	5,814
Weighted average number of shares	4,289,540	4,289,540
Basic and diluted earnings per share (AED)	<u>0.0028</u>	<u>0.0014</u>

### 12 BANK LOANS

	Unaudited March 31,2026 AED’000	Audited December 31,2025 AED’000
Balance	294,861	297,733
Less: Current portion	(69,601)	(66,053)
Non-current portion	<u>225,260</u>	<u>231,680</u>

The bank loans carry interest at commercial rates. The movement in bank loans during the period/year was as follows:

	Unaudited March 31,2026 AED’000	Audited December 31,2025 AED’000
At 1 January	297,733	575,032
Availed during the period/year	4,783	90,000
Repayments during the period/year	(7,655)	(367,299)
At the end of the period/year	<u>294,861</u>	<u>297,733</u>

## Union Properties P.J.S.C and its subsidiaries

### Notes to the interim condensed consolidated financial information (continued)

#### 13 TRADE AND OTHER PAYABLES

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
<b>Financial liabilities :</b>		
Trade payables	132,481	165,872
Retention payables	7,099	6,036
Accruals and deposits payables	159,890	147,905
Other payables and accruals (note 13.1)	47,733	44,233
<b>Total</b>	<b>347,203</b>	<b>364,046</b>
<b>Non financial liabilities:</b>		
Advances received from customers	32,459	31,016
VAT Payables and other accruals	72,346	66,754
<b>Total</b>	<b>104,805</b>	<b>97,770</b>
<b>Total</b>	<b>452,008</b>	<b>461,816</b>

#### 13.1 Other payables and accruals

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
<i>Other payables and accruals includes:</i>		
Provision for staff related payables	39,015	32,638
Provisions and accruals against contracting business	110	3,198
Provisions and accruals for payment to contractors cost	8,608	8,397
	<b>47,733</b>	<b>44,233</b>

#### 14 CONTRACT LIABILITIES

	Unaudited March 31,2026 AED'000	Audited December 31,2025 AED'000
Deferred income from sale of properties	234,251	199,815
Deferred income from others	4,673	9,304
	<b>238,924</b>	<b>209,119</b>

Deferred income from sale of properties comprises of an unsatisfied performance obligation related to the ongoing projects under development. The Group estimates to recognise these unsatisfied performance obligations as revenue over a period of up to 3-5 years.

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

### 15 FINANCIAL INSTRUMENTS

Financial assets of the Group include non-current receivables, investments at fair value through profit or loss, trade and other receivables and cash at banks. Financial liabilities of the Group include trade and other payables, lease liabilities, short-term bank borrowings and long-term bank loans. The table below sets out the Group's classification of each class of financial assets and financial liabilities and their fair values for the current and the comparative periods:

	At fair value through profit or loss AED'000	At amortised cost AED'000	Total amount AED'000
<b>March 31,2026 (unaudited)</b>			
<i>Financial assets</i>			
Non-current receivables	-	7,967	7,967
Investments at fair value through profit or loss	375	-	375
Trade and other receivables	-	841,891	841,891
Cash at banks	-	459,656	459,656
<b>Total</b>	<b>375</b>	<b>1,309,514</b>	<b>1,309,889</b>
<i>Financial liabilities</i>			
Trade and other payables	-	347,203	347,203
Lease liabilities	-	15,801	15,801
Bank overdrafts	-	24,672	24,672
Bank loans	-	294,861	294,861
<b>Total</b>	<b>-</b>	<b>682,537</b>	<b>682,537</b>
	At fair value through profit or loss AED'000	At amortised cost AED'000	Total amount AED'000
<b>December 31,2025 (audited)</b>			
<i>Financial assets</i>			
Non-current receivables	-	8,069	8,069
Investments at fair value through profit or loss	460	-	460
Trade and other receivables	-	987,934	987,934
Cash at banks	-	494,249	494,249
<b>Total</b>	<b>460</b>	<b>1,490,252</b>	<b>1,490,712</b>
<i>Financial liabilities</i>			
Trade and other payables	-	364,046	364,046
Lease liabilities	-	16,866	16,866
Bank overdrafts	-	27,539	27,539
Bank loans	-	297,733	297,733
<b>Total</b>	<b>-</b>	<b>706,184</b>	<b>706,184</b>

## Union Properties P.J.S.C and its subsidiaries

### Notes to the interim condensed consolidated financial information (continued)

---

#### 15 FINANCIAL INSTRUMENTS (CONTINUED)

##### Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group holds investments at fair value through profit or loss.

There have been no reclassifications made during the current period or in the previous year/period.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
March 31,2026 (unaudited)				
Investments at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>375</u>	<u>375</u>
December 31,2025 (audited)				
Investments at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>460</u>	<u>460</u>

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

### 16 SEGMENT REPORTING

#### Business segments

The Group's activities include four main business segments, namely, real estate and others, contracting, sales of goods and services and investments. The details of segment revenue, segment result, segment assets and segment liabilities are as follows:

	Real estate and others	Contracting	Goods and services	Investments	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Three-month period ended March 31, 2026 (unaudited)</b>					
Segment revenue	67,569	15,385	188,463	-	271,417
Direct cost	(41,114)	(17,336)	(154,581)	-	(213,031)
Gross profit/(loss)	26,455	(1,951)	33,882	-	58,386
Administrative and general expenses	(31,409)	(3,442)	(14,367)	-	(49,218)
Other operating income	1,795	1	3,356	-	5,152
Operating profit/(loss)	(3,159)	(5,392)	22,871	-	14,320
Share of losses from an associate, net	-	-	-	(1,662)	(1,662)
Other income	-	-	-	2,984	2,984
Finance income	2,683	-	-	-	2,683
Finance cost	(1,416)	-	(3,820)	-	(5,236)
Corporate tax expense	(365)	(12)	(645)	(269)	(1,291)
(Loss)/profit for the period	(2,257)	(5,404)	18,406	1,053	11,798
Capital expenditure	9,166	-	8,175	-	17,341
Depreciation of property, plant and equipment	2,559	101	3,062	-	5,722
Depreciation of right of use assets	306	-	604	-	910
<b>As at March 31, 2026 (unaudited)</b>					
Segment assets	3,741,418	53,629	1,029,105	811	4,824,963
Investment in an associate	-	-	-	5,220	5,220
Total assets	3,741,418	53,629	1,029,105	6,031	4,830,183
Segment liabilities	612,853	40,743	485,208	26,335	1,165,139
<b>Three-month period ended March 31, 2025 (unaudited)</b>					
Segment revenue	18,239	13,358	131,631	-	163,228
Direct cost	(4,597)	(11,276)	(104,588)	-	(120,461)
Gross profit	13,642	2,082	27,043	-	42,767
Administrative and general expenses	(22,963)	(1,233)	(10,582)	(82)	(34,860)
Other operating income	2,241	24	3,320	-	5,585
Operating profit/(loss) for the period	(7,080)	873	19,781	(82)	13,492
Share of loss from associates	-	-	-	(3,069)	(3,069)
Other income	3,189	-	-	-	3,189
Finance income	69	-	47	-	116
Finance cost	(4,341)	-	(2,563)	-	(6,904)
Corporate tax	(185)	(19)	(806)	-	(1,010)
(Loss)/profit for the period	(8,348)	854	16,459	(3,151)	5,814
Capital expenditure	737	25	4,917	-	5,679
Depreciation of property, plant and equipment	1,314	59	2,436	-	3,809
Depreciation of right of use assets	309	-	235	-	544
<b>As at December 31, 2025 (audited)</b>					
Segment assets	3,760,034	51,455	980,564	811	4,792,864
Investment in an associate	-	-	-	6,883	6,883
Total assets	3,760,034	51,455	980,564	7,694	4,799,747
Segment liabilities	595,248	37,968	484,235	29,050	1,146,501

# Union Properties P.J.S.C and its subsidiaries

## Notes to the interim condensed consolidated financial information (continued)

### 17 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	Unaudited March 31, 2026 AED'000	Audited December 31, 2025 AED'000
<i>Company and its subsidiaries</i>		
<b>Commitments:</b>		
Capital commitments	9,913	146,234
<b>Contingent liabilities:</b>		
Letters of guarantee	<u>385,279</u>	<u>392,890</u>

### 18 CORPORATE TAX

The Group has adopted realization basis of taxation for the purpose of determining the taxable profit. The applicable tax rate as per the Corporate Tax Law is 9%. Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate is as follows:

	Unaudited 2026 AED'000
For the period from January 1, 2026 to March 31, 2026	
<i>Current corporate tax:</i>	
Current corporate tax charge	1,022
<i>Deferred tax</i>	
Relating to origination and reversal of temporary differences	<u>269</u>
<b>Corporate tax expense reported in the consolidated statement of profit or loss</b>	<b>1,291</b>
Relating to origination and reversal of temporary differences through OCI	<u>-</u>
<b>Corporate tax expense reported in the consolidated statement of profit or loss and other comprehensive income</b>	<b><u>1,291</u></b>
Reconciliation of effective tax rate:	
	2026 AED'000
Accounting profit before corporate tax	13,089
Adjustments in respect of Taxable Income subject to 0% (1)	(1,125)
Unrealized gain (4)	(2,984)
Effect of the disallowed interest cost portion	-
Share of loss from associate, net	1,662
Non-deductible expenses for tax purposes (2)	710
Taxable profit	<u>11,352</u>
At the corporate tax rate of 9%	<u>1,022</u>

(1) As per UAE Corporate Tax Law, the portion of taxable income of a taxable person not exceeding AED 375,000 is subject to Corporate Tax at a rate of 0%. Accordingly, as there are three taxable persons included in the consolidated financial information, the basic exemption has been applied on a per-taxable-person basis in determining the Group's current tax charge.

(2) Identified non-deductible cost

(3) Effective tax rate is 7.8% on the Taxable profits after offsetting losses in related entities.

(4) During the period, the Group has recorded a deferred tax liability arising on account of unrealized foreign exchange gain of AED 2.9 million

## Union Properties P.J.S.C and its subsidiaries

### Notes to the interim condensed consolidated financial information (continued)

---

#### 19 COMPARATIVES

##### Reclassifications

Certain comparative figures have been reclassified or regrouped, wherever necessary, to conform to the presentation adopted in these interim condensed consolidated financial information.

Such reclassifications do not affect the previously reported profit, net assets, or equity of the Group.

#### 20 SIGNIFICANT EVENTS DURING THE PERIOD

During the period ended 31 March 2026, ongoing geopolitical tensions in parts of the Middle East have created uncertainty in the regional economic environment, including the UAE. These developments have had indirect impacts on business sentiment, project execution timelines, and market liquidity.

The Group continues to monitor the situation closely and has activated its existing risk management and business continuity frameworks to address any potential operational or financial disruptions.

Management has performed an assessment of the potential impact on key business segments, particularly the real estate sector, including customer collections, project progress, and contractor performance. This also included consideration of macroeconomic factors such as market demand, cost fluctuations, and liquidity conditions.

However, a significant portion of the Group's revenue is derived from service-oriented business units, including facilities management, maid services, and fit-out operations, which have not experienced any material adverse impact. In fact, the fit-out segment has seen increased activity during the period, driven by renovation works across the hospitality sector.

Based on this overall assessment, management has applied a prudent overlay in its Expected Credit Loss (ECL) assessment to reflect emerging risks that may not yet be fully captured in the underlying models.

The Group will continue to evaluate the situation and take appropriate measures to safeguard its operations and financial position.

#### 21 SUBSEQUENT EVENTS

Subsequent to the period end, the Company's shareholders approved the distribution of cash dividends at 4.5% of the Company's share capital, equivalent to 3 fils per share, amounting to AED 128,606,656.

No adjusting or significant non-adjusting events have occurred between the March 31 reporting date and the date of authorisation of these financial information.