

Press Release

Union Properties reduces legacy debt and signs new funding agreement with a local bank to drive strategic growth

The Company announced retaining 10 Million sq. ft. of available GFA, unveiling plans to launch two new projects soon

February 5, 2025: Union Properties PJSC (“Union Properties” or the “Company”) (DFM symbol: UPP) achieves a significant milestone in its recovery plan as it reduced its legacy debt of AED 1.47 billion (FY2022) to AED 575 million as of end of December 2024, and further targets reducing it by end of Q1 2025 by another AED 150 million.

On the back of this exceptional performance, **Union Properties** was able to reduce the margin on the 3M EIBOR from 3.25 per cent to 2.75 per cent, in light of growing trust among banks. Union Properties was also able to secure additional bank loans of AED 150 million to fund new investments it intends to make in the coming 18 months. These investments are expected to generate an annual recurring income of approximately AED 40 million.

By successfully implementing its debt restructuring strategy, **Union Properties** has lowered its financing costs by AED 82 million during FY 2024 - from AED 114 million in FY 2023 to AED 32 million in FY 2024, improving profitability, and liquidity. In addition, as a part of its asset divestment strategy, the company has sold plots, generating AED 1.3 billion in funds for debt settlement agreements and fulfilling preliminary costs for new real estate projects.

The **Company** has also announced earlier, that as part of its 5 years strategy, it will be retaining land of approximately 10 million sq. ft. of Gross Floor Area (GFA) from its current portfolio for development. This exceptional milestone is a testament to the **Company's** strong asset base and strategic commitment towards driving sustainable growth in the UAE's Real Estate sector.

As part of its ambitious growth strategy, the **Company** also revealed plans to launch two new projects soon, further reinforcing its leading position in Dubai's urban development landscape. These projects will include mixed-use, residential, commercial developments that will meet the highest benchmarks of sustainability, innovation and functionality.

Eng. Amer Khansaheb, Chief Executive Officer and Board Member, Union Properties, stated, "With the successful reduction of our legacy debt and acquisition of new funding to advance our strategic expansion, we at **Union Properties** pave the way in a new era of growth and possibilities. Our growing trust among financial institutions and unwavering commitment to excellence will certainly lay the groundwork for continued success, while also allowing us to address the evolving needs of urban populations. The strength and potential of **the Company's** portfolio are also demonstrated in different format by the availability of 10 million sq. ft. of GFA."

Set to be launched soon, the two new projects will be strategically located and built to the highest sustainability and quality standards. These projects demonstrate **Union Properties'** commitment to promoting sustainable growth and improving Dubai's Real Estate market by attempting to meet the changing needs.

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