

Union Properties' Q1 2022 Revenue Rises 7.6%, Ongoing Progress on Turnaround Strategy

- Revenue from contracts with customers of AED 105.7m in Q1 2022, up 7.6% compared to Q1 2021 (2021: AED 98.3 million)
- 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 showing positive results with good progress on cost efficiencies - administrative and general expenses down 21.2% year-on-year

Dubai, UAE – May 13, 2022: Union Properties PJSC (“Union Properties” or the “Company”) today announced its financial results for the quarter ended 31 March 2022.

Revenue from contracts with customers was AED 105.7 million in Q1 2022, up 7.6% compared to the same period in the previous year, largely due to the continued rebound in Dubai's real estate sector and a significant improvement in performance in the Group's subsidiaries.

Dubai Autodrome reported a 38% year on year increase in revenues and 61.2% increase in net profit this quarter due to the launch of Motorsport Business Park 2 warehouse complex, increased uptake incorporate group packages, and major international motorsport events that took place during the quarter.

Earnings before interest and tax (EBIT) remain in the same range, amounting to AED 5 million compared to the same quarter in 2021, despite the one-off gains of AED 6.9 million due to the sale of assets in 2021 and additional legal costs of AED 2.2 million related to claims from a prior period in Q1 2022 which is reflecting management's focus on optimising costs, restructuring its operations, and delivering efficiencies across the business. This positive progress led to a 21.2% year-on-year decline in administrative and general expenses in Q1.

The merging of property management and cold store management operations with EDACOM was a significant factor in reducing costs and improving operational efficiencies this quarter.

Union Properties recorded a net loss of AED 12.5 million during the quarter primarily due to finance costs of AED 17.0 million related to legacy debt, which the new management team continues to make progress on restructuring. The comparative period in 2021 also included one-off gains of AED 6.9 million from the sale of an asset.

Mr. Amer Khansaheb, Board Member and Managing Director of Union Properties commented: “Q1 2022 saw an improved quarter for Union Properties as we increased our revenues and drove cost efficiencies across the business. We are also beginning to see the benefits of our business turnaround strategy and are confident that we will see further positive progress in the months ahead. In the meantime, our focus remains on addressing the company's legacy issues head on, restructuring our debt and rebuilding shareholder trust.”

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