

**Press Release**

## **Union Properties Reports 44% Gross Profit Growth in H1 2025, Signs AED 700 Million Sale Agreement**

**Dubai, UAE – July 30, 2025 – Union Properties PJSC (“Union Properties” or “the Company”) (DFM: UPP)** today announced its financial results for the second quarter of 2025, showcasing continued momentum in its transformation journey and solid progress across key operational and financial indicators.

The Company reported **AED 152.4 million in gross revenue for Q2 2025**, representing a **19% year-on-year increase** from AED 128 million in Q2 2024. **Gross profit surged to AED 32.9 million**, up **77.84% compared to the same period last year**, reflecting improved operational efficiency and margin recovery.

For the **first half of 2025**, Union Properties recorded **AED 316 million in total revenue**, up from AED 266 million in H1 2024, and **AED 75.6 million in gross profit** - representing a **44% increase** over the AED 52.6 million reported in the same period last year.

**Eng. Amer Khansaheb, Chief Executive Officer and Board Member of Union Properties PJSC, commented:**

“We are pleased to report another quarter of meaningful progress in our transformation. The first-half results reflect the strength of our operating fundamentals and our ongoing commitment to long-term value creation. While we continue to invest in scaling up our development business and digitizing our operations, the financial impact of these strategic steps will unfold over the coming quarters.”

The Company noted that its **overhead expenses increased in H1 2025**, primarily due to two factors:

1. The early-stage nature of the real estate development cycle, where costs are incurred upfront while project revenues are expected to materialize progressively over the next three years.
2. A significant investment in **digital transformation**, addressing legacy technology gaps and modernizing systems across the Group to support future growth.

As part of its ongoing debt management plan, Union Properties announced in Q2 its intention to **repay AED 150 million in bank debt**. However, **only AED 20 million was repaid prior to quarter-end**, with the remaining AED 130 million scheduled for repayment in Q3 2025 due to the timing of cash receipts after the quarter’s close.

A key strategic highlight of Q2 was the signing of a **conditional sale agreement worth AED 700 million** for a major real estate asset in **Motor City**. This landmark transaction is expected to be

financially recognized in **Q4 2025** and forms a cornerstone of the Company's strategy to unlock value from its land bank and strengthen its balance sheet.

While **net profit for Q2 2025 stood at AED 8.74 million**, lower than the same period last year, the decline is attributed to front-loaded investments in development activities and infrastructure upgrades. Notably, financial costs decreased to AED 14.28 million in the first half of 2025 from AED 15 million in H1 2024.

Union Properties remains focused on executing its AED 5 billion+ development pipeline and delivering sustained value to shareholders through prudent capital allocation, revenue diversification, and operational transformation.

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