

### Detailed analysis of accumulated losses

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| Date                                                                   | 31 <sup>st</sup> October 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Name of the Listed Company                                             | Union Properties PJSC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Define the period of the financial statements                          | September 30, 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Value of the Accumulated losses (Million Dirhams)                      | (2,939) million AED                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Accumulated losses to capital ratio                                    | 68.52%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| The main reasons leading to these accumulated losses and their history | <p>The losses are mainly a product of significant provisioning of the following:</p> <ul style="list-style-type: none"> <li>• Fair value loss of AED 2,076 million related to investment properties recorded in the fiscal year 2017</li> <li>• Fair value loss of AED 1,109 million related to investment properties recorded in the fiscal year 2021</li> <li>• Loss on disposal of an associate of AED 250 million recorded in the fiscal year 2020</li> <li>• Losses and impairments from financial instruments at FVTPL amounting to AED 337 million</li> <li>• Disposal of assets to related parties amounting to AED 62 million 2020 and AED 45.5 million in 2021</li> <li>• Provisions amounting to AED 90.5 million against advances to contractors in 2021</li> </ul> |
| Measures to be taken to address accumulated losses:                    | <ul style="list-style-type: none"> <li>• Present a recovery plan to disclose to the Securities and the Commodities Authority and The Market a plan for handling the accumulated losses.</li> <li>• Developed a business plan that includes focusing on closing out existing projects and re-focusing the company on its core business activities in order to win new projects.</li> <li>• Develop the continued efforts to acquire more projects, in UAE, In addition to the ongoing.</li> <li>• Improve overall operational productivity and efficiency.</li> <li>• Restructuring of its outstanding debt to reduce the finance cost</li> </ul>                                                                                                                                |



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|                      | <ul style="list-style-type: none"> <li>• Recovering its outstanding receivables (notably through court and arbitration)</li> <li>• Continued reduction of its operating costs</li> <li>• Development of its extensive landbank</li> <li>• Development of assets with recurring cash flow</li> <li>• Strong focus on the Group operating subsidiaries</li> <li>• Potential listing for certain subsidiaries</li> <li>• Focus on cash-generating activities</li> </ul> |
| Authorized Signatory |                                                                                                                                                                                                                                                                                                                                                                                   |

