



**Interim Report on
the First Quarter of 2023**

Key performance indicators

Key earning figures (in € m)

	1-3/2023	1-3/2022	Change
Total Output ¹	53.5	80.6	-33.6%
Revenue	17.9	30.5	-41.3%
EBT	1.1	5.3	-79.2%
Net profit (before non-controlling interests)	0.9	4.8	-81.3%

Key asset and financial figures (in € m)

	31.3.2023	31.12.2022	Change
Total assets	1,409.5	1,451.8	-2.9%
Equity	445.9	501.4	-11.1%
Equity ratio	31.6%	34.5%	-8.4 PP
Net debt ²	581.8	500.2	16.3%
Cash and cash equivalents	250.4	322.9	-22.5%

Key share data and staff

	31.3.2023	31.3.2022	Change
Earnings per share (in €) ³	-0.15	0.32	-147.7%
Market capitalisation (in € m)	207.0	307.9	-32.8%
Dividend per share (in €) ⁴	1.10	2.25	-51.1%
Staff ⁵	283	369	-23.3%

¹ Total Output corresponds to the revenue generated by fully consolidated companies and companies consolidated at equity as well as the sale proceeds from share deals in proportion to the stake held by UBM.

² Net debt equals current and non-current bonds and financial liabilities, excluding leasing liabilities, minus cash and cash equivalents.

³ Earnings per share after the deduction of hybrid capital interest.

⁴ The dividend is paid in the respective financial year, but is based on profit of the previous financial year.

⁵ Excluding 72 employees from alba Bau | Projekt Management GmbH; the company was sold as of 30 June 2022.

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At a glance

Unspectacular Q1.

Transaction market remains in a standstill

Confidence in the capital market.

Premature repayment of the hybrid bond 2018

Solid balance sheet.

Competitive advantage in the year of truth

Outlook.

Difficult first half-year in 2023

Q1
20
23

Dear Shareholders,

The first quarter was weak for UBM - as previously announced. The buyers' strike continues, which means the transaction market has now remained closed to UBM for three consecutive quarters. However, we see definite rays of hope. At the end of March, Universal Investment signed a lease for nearly 10,000 square metres of office space in the Timber Pioneer, Frankfurt's first office building in timber-hybrid construction. This take-up was the largest in Frankfurt during the first quarter, and that in a city with vacancies of more than a million square metres. It proves that our products are still in demand and we are right on course with our strategy to focus on timber construction projects.



UBM is currently developing more than a quarter of a million square metres in timber, to be exact 265,400 square metres, slightly more than half in the office asset class and the rest in residential. Our goal is to become the leading developer of timber construction projects in Europe. This uncompromising focus on timber construction is a logical consequence of our green. smart. and more. corporate strategy.

On 10 April 2023 we celebrated the 150th anniversary of our stock exchange listing. That makes us the third oldest company on the Vienna Stock Exchange. The Prime Market listing and the bond market were essential to take us through the many ups and downs in our long corporate history. The confidence of our investors is particularly important, which is the reason we repaid the hybrid bond 2018 prematurely from internal funds during the first quarter. UBM's 142nd annual general meeting on 19 May 2023 approved a dividend of €1.10 per share for the 2022 financial year. That again makes us one of the top dividend payers on the Vienna Stock Exchange and sends a clear signal: We are well positioned for the future.

What we must now do is to manage the transformation in the real estate branch as best as possible. Thank you for believing in us and accompanying us on our way to becoming the leading timber construction developer in Europe.

The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Interim Management Report

General economic environment

The global economy was still characterised by great uncertainty during first quarter 2023 due to the cumulative effects of the past three years – above all the Covid-19 pandemic and Russia’s war in Ukraine. There are, however, signs that the world’s economy has slowly started to recover from the consequences. Supply chain disruptions have been cleared, and the influence of the conflict on energy and food markets is declining. The strict monetary measures implemented by most central banks have started to produce first positive results, and inflation is inching towards the targeted level. These developments lead to expectations that the economy will improve – slowly but steadily. The forecasts for global growth in 2023 range from 2.2% (OECD) to 2.9% (International Monetary Fund, IMF), and the IMF experts are projecting growth of 0.8% for the eurozone this year.¹

Developments on the real estate markets

The transaction volume in Germany reached only €5.9 bn in the first quarter of 2023, whereby first quarter turnover below €6 bn was last seen in 2010. In comparison, the real estate investment volume in Austria totalled roughly €500m for the first quarter, which represents a year-on-year decline of more than 50% (Q1/2022: €900m). The residential asset class led the statistics in recent years due to the strong demand for institutional residential projects and ranked first among the asset classes for traded volume. This situation has changed significantly since the market upheaval in mid-2022. Office properties overtook the residential category for the first time in the first quarter of 2023 and now represent the strongest asset class with 45% of the transaction volume. Residential properties ranked second among the asset classes with slightly less than 15% of the transaction volume.^{2,3,4}

Market developments and the UBM share

The global economy is currently moving along a moderate downward trend, whereby the financial markets were upset in the final weeks of the quarter by banking sector tensions in the USA and Europe. In spite of weaker economic forecasts and this financial sector unrest, the global stock markets have remained robust to date. The economic outlook for Europe is influenced by the substantial uncertainty over the further course of the war between Russia and Ukraine. The MSCI World Index closed March 2023 7.25% higher than at year-end 2022. The EURO STOXX 50 and the DAX also reported gains with an increase of 9.03% and 8.07%, respectively. The leading Austrian ATX rose by 2.66% from January to the end of March, and the IATX reported a plus of 6.93% for the reporting period. The UBM share also improved during the first quarter of 2023. The beginning of the year brought a steady increase which weakened in mid-February. The share traded at €23.2 at the beginning of the year and reached the annual high of €32.3 in mid-February, but then declined to €27.70 at the end of March. The average daily stock exchange trading volume for UBM in the first quarter of 2023 equalled 4,690 shares.

¹ IMF: World Economic Outlook – April 2023

² Real Capital Analytics: Europe Capital Trends – 2023

³ Savills: Investmentmarkt Deutschland – April 2023

⁴ EHL: Immobilieninvestmentmarkt Update – Q1 2023

Business performance

UBM Development generated Total Output of €53.5m in the first quarter of 2023, compared with €80.6m in the comparable prior year period. Total Output for the reporting period was influenced, above all, by the progress of construction on previously sold real estate projects which are recognised to revenue and earnings over time based on the progress of construction and sale. The largest contributions to earnings came from residential projects like the Gmunder Höfe in Munich and the Arcus City, a project with 270 apartments and 10 single-family houses. Positive contributions were also made by residential projects like the Astrid Garden Residences in Prague and the Noble Residence project in Krakow. Total Output from the hotel business rose from €6.7m in the first quarter of 2022 to €15.7m in the reporting period and reflects the return to travel after the Covid-19 pandemic.

Total Output in the **Germany** segment fell from €43.3m to €9.1m in the first quarter of 2023. A major component of Total Output resulted from the Gmunder Höfe residential project in Munich. In the comparative period, a positive contribution was made by the forward sold F.A.Z. Tower in Frankfurt, which was completed in 2022 and will be transferred to the buyer after the first quarter of 2023.

The **Austria** segment reported a year-on-year decline in Total Output from €22.4m to €12.8m. A major component of Total Output in this segment was generated by the residential busi-

ness, in particular the Siebenbrunnengasse project in Vienna's fifth district and the Rankencity project in Graz, where 201 apartments are under development. A further positive factor were the contributions from UBM Hotels Management.

Total Output in the **Poland** segment amounted to €12.9m, versus €8.5m in the comparative period. Business performance is based on hotel operations, the rental of the Poleczki Business Park and various services.

The **Other Markets** segment reported a sound increase in Total Output from €6.5m in the first quarter of 2022 to €18.7m. The largest component of Total Output was generated by the Arcus City residential project in the Prague district of Stodůlky, where 100 housing units will be built in the first phase and accounted for according to the percentage of completion (PoC).

Total Output by region

in €m	1-3/2023	1-3/2022	Change
Germany	9.1	43.3	-79.0%
Austria	12.8	22.4	-42.9%
Poland	12.9	8.5	51.8%
Other markets	18.7	6.5	187.7%
Total	53.5	80.6	-33.6%

Total Output in the **Residential** segment declined to €20.7m, compared with €26.5m in the first quarter of 2022. The progress of construction on previously sold projects in Germany, Austria and the Czech Republic was responsible for most of Total Output this year. Included here are the Siebenbrunnengasse in Vienna and the Arcus City project in Prague. The Gmunder Höfe project in Germany and the Rankencity project in Austria were sold to institutional investors and, as of the sale date, are included in Total Output based on the progress of construction.

In the **Office** segment Total Output fell from €22.8m in the first quarter of 2022 to €3.0m. Total Output in the comparative period resulted, above all, from the F.A.Z. Tower in Frankfurt, which serves as the new headquarters for the Frankfurter Allgemeine Zeitung (F.A.Z.) and was forward sold in the fourth quarter of 2020.

Total Output in the **Hotel** segment rose from €6.7m in the first quarter of 2022 to €15.7m. This improvement reflects the increase in travel after the Covid-19 pandemic. Contributions from ongoing hotel operations also contributed to Total Output. However, there are still no hotel projects are under development at the present time.

The **Other** segment recorded a decline in Total Output from €20.0m in the first quarter of 2022 to €3.0m. Total Output for the reporting period was generated primarily from the rental of mixed use standing assets in Austria.

In the **Service** segment, Total Output rose from €4.7m to €11.1m. A major component resulted from the provision of services for various projects in the Czech Republic. This position also includes charges for management services and intragroup allocations.

Total Output by asset class

in €m	1-3/2023	1-3/2022	Change
Residential	20.7	26.5	-21.9%
Office	3.0	22.8	-86.8%
Hotel	15.7	6.7	134.3%
Other	3.0	20.0	-85.0%
Service	11.1	4.7	136.2%
Total	53.5	80.6	-33.6%

Financial performance indicators

Business development and earnings

The core activities of the UBM Group revolve around the project-based real estate business. The revenue reported on the income statement can be subject to strong fluctuations because these projects are developed over a period of several years. Real estate projects are recognised as of the signing date based on the progress of construction and realisation (percentage of completion, PoC). The sale of properties through share deals and the development and sale of projects within the framework of equity-accounted investments are not included in revenue. In order to provide a better overview and improve the transparency of information on UBM's business performance, Total Output is also reported. This managerial indicator includes – similar to revenue – the proceeds from property sales, rental income and income from hotel operations as well as the general contractor and project management services capitalised or provided to third parties and companies not included through full consolidation. It also contains the profit or loss from companies accounted for at equity and the results of sales through share deals. Total Output is based on the amount of the investment held by UBM. It does not include advance payments, which are primarily related to large-scale or residential construction projects.

Total Output declined by 33.6% to €53.5m in the first quarter of 2023 (Q1/2022: €80.6m), and revenue as reported on the consolidated income statement fell from €30.5m to €17.9m. Revenue in the first quarter of 2023 was generated primarily by the progress of construction on previously sold properties, which is recognised over time based on the percentage of completion and realisation. A substantial contribution was made by various residential projects in Germany and the Czech Republic.

The profit from companies accounted for at equity fell from €7.3m in the first quarter of 2022 to €0.5m for the reporting period. The earnings contribution in the comparative period was based chiefly on real estate projects like the F.A.Z. Tower in Frankfurt and the Gmunder Höfe in Munich.

The income from fair value adjustments to investment property totalled €3.5m in the first quarter of 2023 (Q1/2022: €6.7m). The fair value adjustments in the first quarter of 2023 involved a property under development in Poland. The expenses from fair value adjustments were immaterial in the first quarters of 2023 and 2022. There were no significant rental default incidents in fully consolidated standing assets.

Other operating income amounted to €4.5m in the reporting period and included, among others, foreign exchange gains, income from the release of provisions, staff costs settlements and various other positions. In the previous year, other operating income equalled €1.3m. Other operating expenses declined from €8.3m to €5.1m, above all due to a reduction in foreign exchange losses during the reporting period. This position also includes office operating costs, legal and consulting fees and management fees as well as taxes, duties and miscellaneous expenses.

The cost of materials and other related production services totalled €14.5m in the first quarter of 2023 (Q1/2022: €19.4m). These expenses consist largely of material costs for the construction of residential properties and various other development projects which were sold through forward transactions. Also included here are the book value disposals from property sales in the form of asset deals and purchased general contractor services.

Income of €5.6m was recorded in the first quarter of 2023 for changes in the portfolio related to residential property inventories. (Q1/2022: expenses of €0.4m). The increase resulted from a decline in sales activities due to the general market conditions.

Personnel expenses were lower year-on-year at €7.3m (Q1/2022: €8.7m). The number of employees in the companies included in the consolidated financial statements totalled 283 at the end of March 2023 (31 December 2022: 292).

EBITDA fell by €5.0m to €4.8m in the first quarter of 2023. EBIT equalled €4.1m and was 54.1% below the previous year (Q1/2022: € 9.0m). Financial income declined slightly from €3.25m in the first quarter of 2022 to €3.23m in the reporting period, and financial costs equalled €6.3m (Q1/2022: €6.9m). Financial costs did not include any material write-downs in the first quarter of 2023 or 2022.

EBT fell from €5.3m in the first quarter of 2022 to €1.1m. Tax expense equalled €0.2m for the reporting period and reflects a tax rate of 17.3%. The tax rate was substantially lower in the comparative period at 9.5% due to a tax correction from 2021.

Profit for the period (net profit after tax) totalled €0.9m (Q1/2022: €4.8m). The share attributable to shareholders of the parent company equalled €0.7m for the reporting period, and the share attributable to the hybrid capital holders amounted to €1.8m. Earnings per share equalled €-0.15 in the first quarter of 2023.

Asset and financial position

Total assets recorded by the UBM Group amounted to €1,409.5m as of 31 March 2023 and were €42.3m lower than on 31 December 2022. This reduction resulted primarily from the premature repayment of the hybrid bond 2018 in March 2023.

Property, plant and equipment fell slightly by €0.4m to €12.5m. This position consists primarily of capitalised rights of use from leases. The carrying amount of investment property was €7.9m lower at €399.7m.

The carrying amount of the investments in equity-accounted companies totalled €178.9m at the end of March 2023 (31 December 2022: €180.8m). Project financing declined by €9.4m to €190.3m at the end of the first quarter of 2023.

Current assets were €59.4m lower at €601.8m as of 31 March 2023. Cash and cash equivalents declined by €72.6m to €250.4m at the end of the reporting period and were reduced by the premature repayment of the hybrid bond 2018 and the payment of the purchase price for an acquisition made in 2022. Financial assets were €0.1m lower than the balance on 31 December 2022.

Real estate inventories rose from €259.3m at year-end 2022 to €261.3m at the end of March 2023. This position includes miscellaneous inventories as well as specific residential properties under development which are designated for sale. Trade receivables increased from €49.5m at the end of 2022 to €57.5m at the end of the first quarter of 2023. Included here, in particular, are real estate inventories which are sold during development as well as the proportional share of forward sales of investment properties.

Equity was €55.6m lower than at year-end 2022 and totalled €445.9m as of 31 March 2023. The equity ratio equalled 31.6% at the end of March 2023 and remained within the 30-35% target range (31 December 2022: 34.5%).

Bond liabilities totalled €446.9m at the end of March 2023 and were slightly higher than at year-end 2022 (31 December 2022: €446.7m). Financial liabilities (current and non-current) rose by €9.9m to €408.2m during the reporting period.

Trade payables amounted to €45.2m at the end of March 2023 and were below the level at year-end 2022 (€46.9m). This amount includes payments for subcontractor services which were outstanding at the end of the reporting period. Other financial liabilities (current and non-current) increased from €25.5m as of 31 December 2022 to €32.7m. Deferred taxes and current taxes payable amounted to €20.7m as of 31 March 2023 (31 December 2022: €20.1m).

Net debt totalled €581.8m as of 31 March 2023 (31 December 2022: €500.2m). This indicator includes current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents.

Cash flow

Operating cash flow rose from €-3.7m in the first quarter of 2022 to €4.9m. The fair value adjustments included in profit for the reporting period were excluded from operating cash flow because of their non-cash character.

Cash flow from operating activities totalled €-14.4m for the reporting period (Q1/2022: €-55.5m). Cash flow was increased by a €4.7m addition to inventories. Real estate inventories amounted to €6.3m in the first quarter of 2023. The additions to real estate inventories equalled €1.1m, whereby the additions declined year-on-year. There were no additions to receivables from real estate inventory sales.

Cash flow from investing activities amounted to €-10.4m in the first quarter of 2023 (Q1/2022: €-31.7m). Investments in project financing totalled €6.4m, and investments in property, plant and equipment, investment property and financial assets equalled €4.0m. Cash inflows from the repayment of project financing and from the sale of consolidated companies had an immaterial effect on cash flow from investing activities.

Cash flow from financing activities totalled €-48.2m for the reporting period (Q1/2022: €42.1m) and was influenced, above all, by the repayment of the hybrid bond 2018 (€52.9m). New borrowings amounted to €10.1m, and the repayment of loans equalled €1.7m. Distributions of €0.8m were made to non-controlling shareholders of subsidiaries.

Non-financial performance indicators

Environmental and social issues

As a project developer and property owner, we carry significant responsibility for society. Above all in the area of real estate development, we can not only influence our own actions but also create the basis for future users (e.g. through the selection of materials, energy sources, etc.). The inclusion of sustainability aspects during planning, construction and operations also creates an important instrument for the sustainable preservation of buildings. Consequently, the environment and sustainability have been an integral part of UBM's strategy for many years and are presented extensively in a separate annual ESG report.

Employees

The UBM Group, including all its subsidiaries, had a workforce of 283 as of 31 March 2023, compared with 292 as of 31 December 2022. Approximately 51% of UBM's employees work outside Austria.

Detailed information on environmental and social issues, respect for human rights, the fight against corruption and bribery, and employee-related issues can be found in the ESG Report for 2022.

Outlook

The forecasts for global growth in 2023 range from 2.2% (OECD) to 2.9% (International Monetary Fund, IMF) and reflect the weakness caused by the ongoing war in Ukraine and the resulting overheated inflation. The European Central Bank (ECB) has been fighting inflation in the eurozone by raising interest rates since July 2022, but there are still no signs of a trend reversal. Based on the recent upward revisions in the inflationary outlook, further increases in interest rates can be expected.^{1, 2, 3}

UBM views these 2023 forecasts as too optimistic and sees a turning point for the real estate market, especially in the development sector. The equity ratio of 31.6% and liquidity position are strategically essential to create the necessary reserves, not only to manage negative variances but also to take advantage of potential opportunities. Our internal management with its focus on cash flow successfully held UBM's liquidity at a solid level in the first quarter of 2023. Cash and cash equivalents totalled €250.4m as of 31 March 2023. We repaid the €52.9m hybrid bond 2018 prematurely from a position of financial strength.

Excellent progress was also made on the company's strategic transformation to become the leading developer of timber construction projects in Europe. UBM is currently developing more than a quarter of a million square metres in timber, to be exact 265,400 square metres, slightly more than half in the office asset class and the rest in residential. This uncompromising focus on timber construction is a logical consequence of our green, smart, and more, corporate strategy, which is directed to the development of more sustainable, intelligent and aesthetically demanding properties.

A frequently asked question is whether today's global economic problems will not upstage the trend towards sustainability, but UBM is convinced that the current situation will

reinforce this movement. We were further able to maintain our ESG rating with the ISS ESG agency and, with B status, have a unique selling proposition which makes us the branch leader in Austria and Germany. It also means that our payment obligations for the two sustainability-linked bonds issued in 2021 will not increase.

The investment market remains in a state of shock and, in the current phase, it is impossible to estimate when the market will again be ready for transactions. UBM does not expect any major transactions before the second half of 2023 and has also postponed planned transactions in recent quarters. The future is largely dependent on office customers and their readiness to sign longer-term leases. This was the case at our Timber Pioneer in Frankfurt, where we recently acquired an anchor tenant and are currently in negotiations with other interested parties.

High inflation, rising interest rates and increasing construction costs will accompany us throughout the entire year. Market recovery up to a pre-turning point level is not expected in the short term. However, properties like the ones we develop will still be in demand. UBM's focus on green building and smart offices in major cities like Vienna, Munich and Frankfurt also makes us optimistic for the future.

Market developments remain volatile and difficult to estimate. For this reason, UBM must refrain from issuing any guidance and limit comments to its solid financial position and healthy equity ratio.

¹ IMF: World Economic Outlook - January 2023

² Austrian National Bank: Konjunktur aktuell - January 2023

³ ECB: Monetary Policy Decisions - Press Release December 2022

Risk report

The risks which have, or could have, a significant impact on UBM Development AG are discussed in the 2022 Annual Report on pages 123 to 127. Detailed information on UBM's risk management system is also provided in this section.

There have been no significant changes in the risk profile since the publication of the financial statements for the 2022 financial year. Therefore, the statements in the 2022 Annual Report/risk report still apply without exception. Reference is also made, in particular, to the risks associated with the war in Ukraine (see pages 126-127).

Responsibility statement

We confirm to the best of our knowledge that these consolidated interim financial statements, which were prepared in accordance with the applicable accounting standards, provide a true and fair view of the financial position and financial performance of the Group. Furthermore, we confirm to the best of our knowledge that the interim management report provides a true and fair view of the important events that occurred during the first three months of the financial year and their effects on these consolidated interim financial statements as well as the principal risks and uncertainties for the remaining nine months of the financial year and the major reportable transactions with related parties.

Vienna, 25 May 2023

The Management Board



Thomas G. Winkler
CEO



Martin Löcker
COO



Patric Thate
CFO



Martina Maly-Gärtner
COO

Consolidated Income Statement

from 1 January to 31 March 2023

in T€	1-3/2023	1-3/2022
Revenue	17,895	30,533
Changes in the portfolio	5,640	352
Share of profit/loss from companies accounted for at equity	548	7,333
Income from fair value adjustments to investment property	3,470	6,692
Other operating income	4,511	1,310
Cost of materials and other related production services	-14,497	-19,357
Personnel expenses	-7,319	-8,736
Expenses from fair value adjustments to investment property	-404	-85
Other operating expenses	-5,066	-8,304
EBITDA	4,778	9,738
Depreciation and amortisation	-648	-749
EBIT	4,130	8,989
Financial income	3,225	3,249
Financial costs	-6,280	-6,944
EBT	1,075	5,294
Income tax expenses	-186	-502
Profit for the period (net profit)	889	4,792
of which: attributable to shareholders of the parent	-1,135	2,378
of which: attributable to holder of hybrid capital	1,826	2,449
of which: attributable to non-controlling interests	198	-35
Earnings per share (basic and diluted in €)	-0.15	0.32

Consolidated Statement of Comprehensive Income

from 1 January to 31 March 2023

in T€	1-3/2023	1-3/2022
Profit for the period (net profit)	889	4,792
Other comprehensive income		
Remeasurement of defined benefit obligations	-112	238
Income tax expense (income) on other comprehensive income	26	-136
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	-86	102
Currency translation differences	-438	418
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	-438	418
Other comprehensive income of the period	-524	520
Total comprehensive income of the period	365	5,312
of which: attributable to shareholders of the parent	-1,659	2,872
of which: attributable to holder of hybrid capital	1,826	2,449
of which: attributable to non-controlling interests	198	-9

Consolidated Statement of Financial Position

as of 31 March 2023

in T€	31 March 2023	31 December 2022
Assets		
Non-current assets		
Intangible assets	1,708	1,636
Property, plant and equipment	12,518	12,155
Investment property	399,664	391,725
Investments in companies accounted for at equity	178,912	180,762
Project financing	190,318	180,885
Other financial assets	10,229	10,217
Financial assets	3,877	3,877
Deferred tax assets	10,502	9,339
	807,728	790,596
Current assets		
Inventories	261,333	259,297
Trade receivables	57,520	49,494
Financial assets	19,618	19,741
Other receivables and assets	12,949	9,774
Cash and cash equivalents	250,366	322,929
	601,786	661,235
Assets total	1,409,514	1,451,831
Equity and liabilities		
Equity		
Share capital	52,305	52,305
Capital reserves	98,954	98,954
Other reserves	186,636	188,224
Hybrid capital	103,010	156,395
Equity attributable to shareholders of the parent	440,905	495,878
Equity attributable to non-controlling interests	4,989	5,571
	445,894	501,449
Non-current liabilities		
Provisions	6,660	7,537
Bonds and promissory note loans	326,840	326,653
Financial liabilities	278,105	268,982
Other financial liabilities	1,983	1,845
Deferred tax liabilities	9,417	8,909
	623,005	613,926
Current liabilities		
Provisions	408	1,805
Bonds and promissory note loans	120,042	120,049
Financial liabilities	130,109	129,357
Trade payables	45,152	46,947
Other financial liabilities	30,715	23,657
Other liabilities	2,858	3,480
Taxes payable	11,331	11,161
	340,615	336,456
Equity and liabilities total	1,409,514	1,451,831

Consolidated Statement of Cash Flows

from 1 January to 31 March 2023

in T€	1-3/2023	1-3/2022
Profit for the period (net profit)	889	4,792
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	-2,427	-5,820
Interest income/expense	3,067	3,553
Income from companies accounted for at equity	-547	-7,333
Dividends from companies accounted for at equity	5,000	-
Decrease/increase in long-term provisions	-1,007	992
Deferred income tax	-65	155
Operating cash flow	4,910	-3,661
Decrease in short-term provisions	-1,397	-6
Increase in tax liabilities	170	189
Losses/Gains on the disposal of assets	-7	-95
Increase in inventories	-2,036	-57,320
Increase/decrease in receivables	-13,637	2,959
Increase in payables (excluding banks)	1,658	3,473
Interest received	151	73
Interest paid	-2,944	-1,791
Other non-cash transactions	-1,288	700
Cash flow from operating activities	-14,420	-55,479
Proceeds from the sale of property, plant and equipment and investment property	24	398
Proceeds from the sale of financial assets	2	-
Proceeds from the repayment of project financing	28	12,857
Investments in intangible assets	-121	-266
Investments in property, plant and equipment and investment property	-4,040	-13,862
Investments in project financing	-6,416	-30,939
Proceeds from the sale of consolidated companies	125	125
Cash flow from investing activities	-10,398	-31,687
Dividends	-2,909	-2,910
Dividends paid to non-controlling interests	-780	-813
Increase in loans and other financing	10,063	56,095
Repayment of loans and other financing	-1,664	-10,305
Repayment of hybrid capital	-52,900	-
Cash flow from financing activities	-48,190	42,067
Cash flow from operating activities	-14,420	-55,479
Cash flow from investing activities	-10,398	-31,687
Cash flow from financing activities	-48,190	42,067
Change in cash and cash equivalents	-73,008	-45,099
Cash and cash equivalents at 1 January	322,929	423,312
Currency translation differences	445	-63
Cash and cash equivalents at 31 March	250,366	378,150
Taxes paid	81	158

Consolidated Statement of Changes in Equity

as of 31 March 2023

in T€	Share capital	Capital reserves	Remeasurement of defined benefit obligations	Currency translation reserve
Balance as of 31 December 2021	22,417	98,954	-3,362	1,496
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	102	417
Total comprehensive income for the period	-	-	102	417
Dividend	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Changes in non-controlling interests	-	-	-	-
Balance as of 31 March 2022	22,417	98,954	-3,260	1,913
Balance as of 31 December 2022	52,305	98,954	-2,426	2,231
Total profit/loss for the period	-	-	-	33
Other comprehensive income	-	-	-86	-438
Total comprehensive income for the period	-	-	-86	-405
Dividend	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Balance as of 30 March 2023	52,305	98,954	-2,512	1,826

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other reserves	hybrid capital	Equity attributable to equity holders of the parent	Non-controlling interests	Total
242,686	183,244	545,435	5,156	550,591
2,378	2,449	4,827	-35	4,792
-25	-	494	26	520
2,353	2,449	5,321	-9	5,312
-	-2,910	-2,910	-813	-3,723
669	-	669	-	669
-	-	-	-	-
245,708	182,783	548,515	4,334	552,849
188,419	156,395	495,878	5,571	501,449
-1,168	1,826	691	198	889
-	-	-524	-	-524
-1,168	1,826	167	198	365
-	-2,909	-2,909	-780	-3,689
669	-	669	-	669
187,322	103,010	440,905	4,989	445,894

Segment reporting¹

from 1 January to 31 March 2023

in T€	Germany		Austria	
	1-3/2023	1-3/2022	1-3/2023	1-3/2022
Total Output				
Residential	3,576	3,900	2,358	16,563
Office	337	19,683	232	339
Hotel	3,290	1,087	3,984	1,584
Other	175	17,123	2,173	2,261
Service	1,757	1,510	4,049	1,647
Total Output	9,135	43,303	12,796	22,394
Less revenue from associates and companies of minor importance and from performance companies as well as changes in the portfolio	-6,882	-38,807	-11,049	-7,452
Revenue	2,253	4,496	1,747	14,942
Residential	-1,599	267	498	5,042
Office	545	2,121	-9	4,082
Hotel	65	4	-827	-17
Other	-152	44	735	161
Service	-1,833	243	2,253	-2,716
Total EBT	-2,974	2,679	2,650	6,552

¹ Part of the notes. Intersegment revenue is immaterial.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Poland		Other markets		Group	
1-3/2023	1-3/2022	1-3/2023	1-3/2022	1-3/2023	1-3/2022
2,118	821	12,659	5,191	20,711	26,475
2,459	2,742	-	-	3,028	22,764
5,308	2,978	3,119	1,033	15,701	6,682
671	621	-	-	3,019	20,005
2,327	1,308	2,932	258	11,065	4,723
12,883	8,470	18,710	6,482	53,524	80,649
-8,035	-5,426	-9,663	1,569	-35,629	-50,116
4,848	3,044	9,047	8,051	17,895	30,533
-741	-2,155	1,630	257	-212	3,411
-612	834	-19	-13	-95	7,024
-173	-53	-1,638	-1,838	-2,573	-1,904
3,226	-934	301	-	4,110	-729
-161	-299	-414	264	-155	-2,508
1,539	-2,607	-140	-1,330	1,075	5,294

Notes to the Consolidated Interim Financial Statements

1. General information

The UBM Group comprises UBM Development AG (UBM) and its subsidiaries. UBM is a public limited company under Austrian law which maintains its registered headquarters at 1100 Vienna, Laaer-Berg-Strasse 43. It is registered with the commercial court of Vienna under reference number FN 100059x. The business activities of the Group are focused primarily on the development, sale and management of real estate.

These consolidated interim financial statements were prepared in accordance with IAS 34, Interim Financial Reporting, based on the International Financial Reporting Standards (IFRS) which were issued by the International Accounting Standards Board (IASB) and adopted by the European Union as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The applied accounting principles also include the standards which required mandatory application as of 1 January 2023.

The reporting currency is the euro, which is also the functional currency of UBM. The functional currency of the subsidiaries included in the consolidated financial statements is the euro or the respective national currency, depending on the business field. Amounts are reported in thousands of euros (T€) based on commercial rounding.

2. Scope of consolidation

The consolidated interim financial statements include UBM as well as 57 (31 December 2022: 57) domestic and 75 (31 December 2022: 75) foreign subsidiaries. One company was initially included in the consolidated financial statements during the reporting period following its founding (see note 2.1.).

One company was liquidated during the reporting period. The assets and liabilities over which control was lost were immaterial.

In addition, 26 (31 December 2022: 27) domestic and 21 (31 December 2022: 21) foreign associates and joint ventures were accounted for at equity. One company was liquidated during the reporting period.

2.1. Initial consolidations

The following company was initially included through full consolidation during the reporting period.

<u>Due to new foundations</u>	<u>Date of initial consolidation</u>
Poleczki Infrastructure Sp.z o.o.	10.2.2023

3. Accounting and valuation methods

These consolidated interim financial statements are based on the same accounting and valuation methods applied in preparing the consolidated financial statements as of 31 December 2022, which are presented in the related notes. Exceptions to these methods are formed by the following standards and interpretations that required mandatory application for the first time during the reporting period.

The following standards were initially applied by the Group as of 1 January 2023 and had no material effect on the consolidated interim financial statements.

<u>New or revised standard</u>	<u>Date of publication by IASB</u>	<u>Date of adoption into EU</u>	<u>Date of initial application</u>
IFRS 17 - Insurance Contracts	18.5.2017	19.11.2021	1.1.2023
Amendments to IFRS 17: Insurance Contracts	25.6.2020	19.11.2021	1.1.2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	12.2.2021	2.3.2022	1.1.2023
Amendments to IAS 8: Definition of Accounting Estimates	12.2.2021	2.3.2022	1.1.2023
Amendments to IAS 12: Deferred tax related to Assets and Liabilities arising from a Single Transaction	7.5.2021	11.8.2022	1.1.2023
Initial application of IFRS 17 and IFRS 9 - Comparative information	9.12.2021	8.9.2022	1.1.2023

The following standards and interpretations were published after the preparation of the consolidated financial statements as of 31 December 2022. They do not yet require mandatory application and/or have not yet been adopted into EU law:

<u>New or revised standard</u>	<u>Date of publication by IASB</u>	<u>Date of adoption into EU law</u>	<u>Date of initial application</u>
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	23.1.2020 + 15.7.2020 + 31.10.2022	-	1.1.2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	22.9.2022	-	1.1.2024
Amendments to IAS 1: Non-Current Liabilities with Covenants	31.10.2022	-	1.1.2024

4. Estimates and assumptions

The preparation of consolidated interim financial statements in accordance with IFRSs requires estimates and assumptions by management which influence the amount and presentation of assets, liabilities, income and expenses as well as the disclosure of contingent liabilities in the interim report. Actual results may differ from these estimates.

5. Dividend

The Annual General Meeting on 19 May 2023 approved the recommendation for the distribution of profit for the 2022 financial year. A dividend of €1.10 per share, representing a total pay-out of €8,219,398.00 based on 7,472,180 shares, was distributed and the remainder of €37,076.25 was carried forward. The dividend was paid on 30 May 2023.

6. Revenue

The following table shows the classification of revenue according to the major categories, the time of recognition and the reconciliation to segment reporting:

	<u>Germany</u>	<u>Austria</u>	<u>Poland</u>	<u>Other Markets</u>	<u>Group</u>
in T€	1-3/2023	1-3/2023	1-3/2023	1-3/2023	1-3/2023
Revenue					
Residential	250	443	2,048	8,772	11,513
Office	245	232	1,528	-	2,005
Hotel	-	-	-	266	266
Other	11	280	955	-	1,246
Service	1,747	792	317	9	2,865
Revenue	2,253	1,747	4,848	9,047	17,895
Recognition over time	87	106	2,046	8,772	11,011
Recognition at a point in time	2,166	1,641	2,802	275	6,884
Revenue	2,253	1,747	4,848	9,047	17,895

	<u>Germany</u>	<u>Austria</u>	<u>Poland</u>	<u>Other Markets</u>	<u>Group</u>
in T€	1-3/2022	1-3/2022	1-3/2022	1-3/2022	1-3/2022
Revenue					
Residential	261	12,008	2	2,594	14,865
Office	41	342	1,931	-	2,314
Hotel	-	-	-	307	307
Other	268	619	891	7	1,785
Service	3,926	1,973	220	5,143	11,262
Revenue	4,496	14,942	3,044	8,051	30,533
Recognition over time	-	12,736	-	2,451	15,187
Recognition at a point in time	4,496	2,206	3,044	5,600	15,346
Revenue	4,496	14,942	3,044	8,051	30,533

7. Earnings per share

	1-3/2023	1-3/2022
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	691	4,827
Less interest on hybrid capital (in T€)	-1,826	-2,449
Proportion of profit for the period attributable to shareholders of the parent (in T€)	-1,135	2,378
Weighted average number of shares issued	7,472,180	7,472,180
Basic earnings per share = Diluted earnings per share (in €)	-0.15	0.32

8. Share capital

Share capital	Number 31 March 2023	€ 31 March 2023	Number 31 Dec 2022	€ 31 Dec 2022
Ordinary bearer shares	7,472,180	52,305,260	7,472,180	52,305,260

9. Authorised capital, conditional capital, authorisation to issue convertible bonds and treasury shares

The following resolutions, among others, were passed at the 141st Annual General Meeting on 16 May 2022 (including the editorial adjustments passed by the 142nd Annual General Meeting on 19 May 2023):

Resolution revoking the existing authorisation of the Management Board in accordance with Section 4 Para. 4 of the Statutes (authorised capital 2017) and the concurrent approval of a new authorisation for the Management Board in accordance with Section 169 of the Austrian Stock Corporation Act in connection with Section 4 Para. 4 of the Statutes to increase the company's share capital, with the approval of the Supervisory Board, by up to €5,230,526.00, also in several tranches, by the issue of up to 747,218 new ordinary zero par value bearer shares in exchange for cash and/or contributions in kind, also under the possible exclusion of subscription rights. Authorisation of the Management Board to determine the issue price, terms and conditions, the subscription ratio and all other details in agreement with the Supervisory Board (authorised capital 2022). Resolution to amend Section 4 Para. 4 of the Statutes accordingly and authorisation of the Supervisory Board to approve changes to the Statutes resulting from the issue of shares from authorised capital 2022, whereby the subscription right for greenshoe options connected with the issue of shares in exchange for cash contributions is excluded.

Resolution over a conditional capital increase in accordance with Section 159 Para. 2 (1) of the Austrian Stock Corporation Act of up to €5,230,526.00 through the issue of up to 747,218 new ordinary zero par value bearer shares, under the exclusion of subscription rights, for issue to the holders of convertible bonds and determination of the requirements pursuant to Section 160 Para. 2 of the Austrian Stock Corporation Act. Authorisation of the Management Board to determine the remaining details for the conditional capital increase and its implementation with the approval of the Supervisory Board, in particular the details of the issue and conversion procedure for the convertible bonds, the possibility of mandatory conversion, the amount of the issue and the exchange or conversion ratio. Resolutions on the amendment of the Statutes through the addition of a new Para. 5b under Section 4, and authorisation of the Supervisory Board to approve amendments to the statutes arising from the issue of shares from conditional capital.

Resolution in accordance with Section 174 Para. 2 of the Austrian Stock Corporation Act authorising the Management Board, with the consent of the Supervisory Board, to issue convertible bonds, also in several tranches, which carry an exchange or subscription right to the purchase of up to 747,218 new bearer shares with a proportional share of up to €5,230,526.00 in share capital. Authorisation of the Management Board to determine all other conditions for the issue and conversion procedure of the convertible bonds as well as the issue amount and the exchange or conversion ratio. The subscription rights of shareholders are excluded. The issue terms can include a provision for mandatory conversion at the end of the term or at another point in time in addition to or in place of a subscription or exchange right. The exchange or subscription right can be serviced by conditional capital or by treasury shares or by a combination of conditional capital and treasury shares. The price of the convertible bonds is to be determined by recognised financial methods through a recognised price-finding procedure.

The following resolutions, among others, were passed at the 142nd Annual General Meeting on 19 May 2023:

Resolution to a) revoke the following resolutions passed by the annual general meeting on 27 May 2021: (i) authorisation of the Management Board to repurchase the company's shares in accordance with Section 65 Para. 1 Nos. 4 and 8 and Paras. 1a and 1b of the Austrian Stock Exchange Act and (ii) authorisation of the Management Board in accordance with Section 65 1b of the Austrian Stock Exchange Act to sell treasury shares; as well as b) a new authorisation of the Management Board to purchase treasury shares in accordance with Section 65 Para. 1 Nos. 4 and 8 and Paras. 1a and 1b of the Austrian Stock Exchange Act over the stock exchange or through off-market transactions up to the legally allowed limit of 10% of share capital, also with the exclusion of the proportional sale rights that can result from this type of purchase (reverse exclusion of subscription rights); and c) a new authorisation of the Management Board in accordance with Section 65 1b of the Austrian Stock Exchange Act to sell treasury shares in another manner than over the stock exchange or through a public offering and under the exclusion of the general purchase rights of shareholders (exclusion of subscription rights); the authorisation of the Management Board to withdraw treasury shares.

10. Hybrid bond

UBM repaid the outstanding €52.9m of the hybrid bond 2018, a deeply subordinated bond, prematurely after five years on 24 February 2023.

11. Notes on segment reporting

Segment reporting is based on geographical regions in accordance with the internal organisational structure of the UBM Group. The individual development companies in a segment are combined into groups for the purpose of segment reporting. Each of these groups constitutes a business area (asset class) in the UBM Group.

12. Financial instruments

The carrying amount of the financial instruments represents a reasonable approximation of fair value as defined by IFRS 7.29. Exceptions are the financial assets carried at amortised cost and the fixed-interest bonds (fair value hierarchy level 1) as well as the fixed-interest borrowings and overdrafts from banks and other fixed-interest financial liabilities (fair value hierarchy level 3).

The fair value measurement of the bonds is based on quoted prices. Loans and borrowings as well as other financial assets are valued using the discounted cash flow method, whereby the zero coupon yield curve published by Reuters on 31 March 2023 was used to discount the cash flows.

Carrying amounts, measurement approaches and fair values

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 March 2023	Measurement in acc. with IFRS 9			Fair value hierarchy	Fair value as of 31 March 2023
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)		
Assets							
Project financing at variable interest rates	Amortised Cost	190,318	190,318	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,490
Other financial assets	FVTPL	642	-	-	642	Level 3	642
Other financial assets	FVTPL	866	-	-	866	Level 1	866
Trade receivables	Amortised Cost	26,130	26,130	-	-	-	-
Financial assets	Amortised Cost	23,495	23,495	-	-	-	-
Cash and cash equivalents	-	250,366	250,366	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	446,882	446,882	-	-	Level 1	429,596
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	325,919	325,919	-	-	-	-
at fixed interest rates	Amortised Cost	46,475	46,475	-	-	Level 3	42,996
Other loans and borrowings							
at fixed interest rates	Amortised Cost	12,886	12,886	-	-	Level 3	8,688
Lease liabilities	-	22,934	22,934	-	-	-	-
Trade payables	Amortised Cost	45,152	45,152	-	-	-	-
Other financial liabilities	Amortised Cost	32,698	32,698	-	-	-	-
By category:							
Financial assets at amortised cost	Amortised Cost	248,664	248,664	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	1,508	-	-	1,508	-	-
Cash and cash equivalents	-	250,366	250,366	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	910,012	910,012	-	-	-	-

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2022	Measurement in acc. with IFRS 9			Fair value hierarchy	Fair value as of 31 Dec 2022
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)		
Assets							
Project financing at variable interest rates	Amortised Cost	180,885	180,885	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,375
Other financial assets	FVTPL	638	-	-	638	Level 3	638
Other financial assets	FVTPL	858	-	-	858	Level 1	858
Trade receivables	Amortised Cost	26,490	26,490	-	-	-	-
Financial assets	Amortised Cost	23,618	23,618	-	-	-	-
Cash and cash equivalents	-	322,929	322,929	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	446,702	446,702	-	-	Level 1	432,983
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	317,104	317,104	-	-	-	-
at fixed interest rates	Amortised Cost	46,475	46,475	-	-	Level 3	44,271
Other loans and borrowings							
at fixed interest rates	Amortised Cost	12,884	12,884	-	-	Level 3	10,947
Lease liabilities	-	21,876	21,876	-	-	-	-
Trade payables	Amortised Cost	46,947	46,947	-	-	-	-
Other financial liabilities	Amortised Cost	25,502	25,502	-	-	-	-
By category:							
Financial assets at amortised cost	Amortised Cost	239,714	239,714	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	1,496	-	-	1,496	-	-
Cash and cash equivalents	-	322,929	322,929	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	895,614	895,614	-	-	-	-

13. Transactions with related parties

Transactions between Group companies and companies accounted for at equity are related primarily to project development and construction as well as the provision of loans and the related interest charges.

In addition to the companies accounted for at equity, related parties in the sense of IAS 24 include PORR AG and its subsidiaries, as well as the member companies of the IGO Industries Group and the Strauss Group because they, or their controlling entities, have significant influence over UBM through the existing syndicate.

Transactions between companies included in the UBM Group's consolidated financial statements and the PORR Group companies during the first quarter of 2023 were related primarily to construction.

14. Events after the balance sheet date

No reportable events occurred after the balance sheet date on 31 March 2023.

Vienna, 25 May 2023

The Management Board



Mag. Thomas G. Winkler, LL.M.
CEO



DI Martin Löcker
COO



Dipl.-Ök. Patric Thate
CFO



Martina Maly-Gärtner, MRICS
COO

Financial calendar**2023**

Publication of the Q1 Report 2023	25.5.2023
Interest payment on hybrid bond 2021	19.6.2023
Publication of the Half-Year Report 2023	31.8.2023
Interest payment on UBM bond 2019	13.11.2023
Redemption and interest payment on UBM bond 2018	16.11.2023
Publication of the Q3 Report 2023	23.11.2023

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Disclaimer

This quarterly report includes forward-looking statements which are based on current assumptions and estimates made to the best of their knowledge by the management of UBM Development AG. These forward-looking statements can be identified by words like "expectation", "goal" or similar terms and expressions. The forecasts concerning the future development of the company represent estimates which are based on the information available at the time the quarterly report was prepared. If the assumptions underlying these forecasts do not materialise or if unexpected risks occur at an amount not quantified or quantifiable, the actual future development and actual future results can differ from these estimates, assumptions and forecasts.

Significant factors for these types of deviations can include, for example, changes in the general economic environment or the legal and regulatory framework in Austria and the EU as well as changes in the real estate sector. UBM Development AG will not guarantee or assume any liability for the agreement of future development and future results with the estimates and assumptions made in this quarterly report.

The use of automated data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

The quarterly report as of 31 March 2023 was prepared with the greatest possible care to ensure the accuracy and completeness of the information in all sections. The key figures were rounded based on the compensated summation method. However, rounding, typesetting and printing errors cannot be excluded.

This quarterly report is also published in German and is available in both languages on the website of UBM Development AG. In the event of a discrepancy or deviation, the German language version takes precedence.

