



**Interim Report on
the First Three Quarters of 2023**

Key performance indicators

Key earning figures (in € m)

	1-9/2023	1-9/2022	Change
Total Output ¹	181.8	318.9	-43.0%
Revenue	62.9	115.4	-45.5%
EBT	-17.4	16.6	n.a.
Net result (before non-controlling interests)	-15.0	14.3	n.a.

Key asset and financial figures (in € m)

	30.9.2023	31.12.2022	Change
Total assets	1,394.5	1,451.8	-3.9%
Equity	417.5	501.4	-16.7%
Equity ratio	29.9%	34.5%	-4.6 PP
Net debt ²	608.8	500.2	21.7%
Cash and cash equivalents	253.0	322.9	-21.6%

Key share data and staff

	30.9.2023	30.9.2022	Change
Earnings per share (in €) ³	-2.61	1.00	n.a.
Market capitalisation (in €m)	156.9	201.7	-22.2%
Dividend per share (in €) ⁴	1.10	2.25	-51.1%
Staff	275	289	-4.8%

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 (amended calculation from 2020).

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

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At a glance

Strong Q3.

Half year loss almost cut in half.

Reliable financials.

€253m in cash.

No bond repayments for 2 years.

ESG leadership.

Integrating emission targets.

Outlook FY2023.

Loss. A result of re-valuations.

20

23



**Dear Shareholders,
Dear Stakeholders,**

at the end of the third quarter, we had over €250m in liquid funds and an equity ratio of 30%. The successful placement of our first green bond in July 2023 brought an additional €50m of fresh capital. We further underscored our position as a reliable issuer during the fourth quarter with the prompt repayment of the outstanding €91m of the 3.125% UBM bond 2018-2023 after five years. UBM has no other bond repayments due until November 2025, which represents a significant competitive advantage over other market participants.

UBM has always been a reliable partner with a sound credit rating. That would not have been worth mentioning in the past, but is increasingly becoming a unique selling proposition in the current environment. UBM also “produces” something that is needed almost everywhere – a roof over the head and a workplace where people happily and regularly return. That would also sound almost trivial, if so many construction projects had not been stopped or not even started.

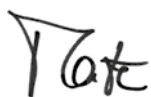
An offering in short supply in times of rising demand sounds like a toxic mixture for everyone involved, and we are also not pleased with the situation. When construction is in jeopardy of being stopped or where creditors face “stranding” with a half-finished project, we are happy to jump in as a service developer. We believe this is the only way to prevent a disaster, not only for the branch but for the entire economy. Our contribution may not be very large as seen in the great context, but it is large enough to be mentioned here.

We want to continue the realisation of the LeopoldQuartier because Vienna needs this office space, because Vienna needs housing for qualified immigration and because the construction industry – which is responsible for nearly five per cent of Austria’s GDP – needs work.

Our focus is now on the final weeks of a difficult year, both for the branch and for UBM, and we are already looking towards the challenges of 2024. Thank you very much for your trust and confidence in our ability to master these challenges and become the leading timber construction developer in Europe.



Thomas G. Winkler
CEO, Chairman



Patric Thate
CFO



Martina Maly-Gärtner
COO

Share

Stock exchange developments

Inflation still remains above central banks' target corridors in spite of recent declines. This situation led the ECB to raise interest rates by 25 basis points in each of two steps to 4.5% during the third quarter. The US Federal Reserve held the spread at 5.25% to 5.5% after the last increase in July. The global outlook for this year and for 2024 remains reserved. This combination of ongoing high interest rates and a less dynamic economic environment were the main reasons for losses on the global stock markets. This decline was intensified at the beginning of October by the escalation in the Near East.

The MSCI World closed September 9.6% over year-end 2022 (development in Q3 2023: -3.8%). The pan-European EURO STOXX 50 and the DAX also recorded positive performance with an increase of 10.0% and 10.9%, respectively (-5.1% and -5.0% in Q3 2023). Austria's ATX benchmark index rose by 1.3% from January to the end of September (Q3 2023: +0.4%), while the IATX increased by 17.3% (Q3 2023: +3.7%).

Development of the UBM share

The UBM share traded 7.9% below the level at year-end 2022 during the reporting period (Q3 2023: -19.8%). A steady recovery at the beginning of the year ended in mid-February, and a renewed recovery beginning at the end of April was followed by further declines through the end of September. The average daily trading volume in the first three quarters of 2023 equalled 3,826 shares.

Shareholder structure

The share capital of UBM Development AG totalled € 52,305,260.00 as of 30 September 2023 and is divided into 7,472,180 shares. The syndicate comprising IGO Industries and the Strauss Group continued to hold 38.8% of the shares outstanding at the end of the first half-year. In addition, the IGO Industries Group held 7.0% of UBM outside the syndicate. A further 5.0% were held by Jochen Dickinger, a private investor. Free float comprised 49.2% of the shares and included the 3.9% of the shares held by the Management and Supervisory Boards. Most of the other free float was held by investors in Austria (74%) and Germany (13%).

Performance of the UBM share vs. ATX and trading volumes from January to September 2023



Management Report

General economic environment

The global economy is recovering only slowly from the effects of the pandemic, the war in Ukraine and the inflationary crisis. Rising inflation has led, on the one hand, to interest rate hikes by the central banks and, on the other hand, eroded the purchasing power of many households and slowed consumption. There are, however, noticeable differences – the US economy has been supported by higher-than-expected, robust consumption, while forecasts for Europe have been revised downward. Many emerging and developing countries generated surprisingly positive development, with the exception of China which is faced with increasing counterwinds from the real estate crisis and weak consumer confidence. The European Central Bank (ECB) and the European Commission are forecasting global growth of slightly over 3% for 2023 – in comparison, the long-term average since 1999 lies by roughly 3.5%. For 2024, both the ECB and the International Monetary Fund (IMF) are expecting a growth rate of 3%. The forecast for the eurozone points to an increase of 0.8% in 2023 (2024: 1.3%). Restrictive monetary policies and declining pressure on energy and food markets have had a positive effect on inflation, but it is still far above central banks' targets in many countries.^{1,2}

Developments on the real estate markets

The transaction volume in Europe fell by 16% from €39.0 bn in the second quarter of 2023 to €33.0 bn in the third quarter (-57% versus Q3 2022). This steady decline is based on a reduction in the number of (in particular, large) transactions and expected price adjustments. For 2023, the experts at CBRE see an investment volume half as high as in 2022, and activity is also expected to remain at a similarly low level in 2024.

Prime office properties are developing well, but the general mood of investors as well as users in the office asset class has deteriorated. The limited availability of high-quality space, in connection with widespread market restraint is leading to a decline in rentals, above all larger contract conclusions.³

In Germany, commercial and residential properties with a combined value of approximately €6.7 bn changed owners in slightly more than 200 transactions during the third quarter of 2023. The number of transactions and the transaction volume roughly reflect the levels from the two previous quarters, and the negative trend has apparently bottomed out. Peak yields were higher in all segments, with an increase of at least 20 to 30 basis points. The transaction volume in the first three quarters of 2023 totalled €21.2 bn and was roughly 60% lower than the first three quarters of the previous year.⁴

The real estate investment market in Austria produced a very satisfactory transaction volume of slightly over €1 bn in the third quarter, but the volume for the first nine months was almost 30% lower year-on-year. The reasons for the decline included the high inflation, the sharp rise in interest rates and mixed economic prospects that are clouding the outlook for the entire European market. In particular, older non-compliant properties in less promising locations have been faced with in part significant price markdowns, while price adjustments in new, taxonomy-conform properties have been much more moderate.⁵

¹ Austrian National Bank: Konjunktur aktuell – September 2023

² IMF: World Economic Outlook – October 2023

³ CBRE: European Real Estate Investment Volumes – Q3 2023

⁴ Savills: Investmentmarkt Deutschland – October 2023

⁵ EHL: Immobilieninvestmentmarkt Update – Q3 2023

Business performance

UBM generated Total Output of €181.8m in the first three quarters of 2023 (Q1-3/2022: €318.9m). The largest contributions in both the current and comparative periods were made by projects in Germany, especially due to the transfer of the F.A.Z. Tower. Total Output for the reporting period also reflects the progress of construction on previously sold real estate projects, which is included in revenue and earnings over time based on the status of construction and realisation. A positive contribution to Total Output was also made by the Arcus City (Prague), a project with over 270 apartments and 10 single family houses. Further contributions were provided by the Astrid Garden Residences and Neugraf projects in the Czech Republic. Total Output from the hotel business rose from €39.1m in the first three quarters of 2022 to €57.4m in the reporting period, following the recovery in tourism and travel following the COVID-19 pandemic.

Total Output in the **Germany segment** fell from €160.3m to €49.8m, whereby a major component resulted from the closing of the F.A.Z. Tower in Frankfurt. A further contribution to Total Output was made by the progress of construction on the Gmunder Höfe residential project in Munich and the Flösserhof in Mainz customs harbour.

The **Austria segment** reported a year-on-year decline in Total Output from €97.6m in the first three quarters of 2022 to €32.3m. A major component of Total Output in this segment was generated by the residential asset class, in particular the Rankencity project in Graz and the Siebenbrunnengasse project in Vienna's fifth district. A further positive factor was the contribution from current hotel operations in Jochberg.

Total Output in the **Poland segment** amounted to €36.8m and was slightly higher than the comparative period (Q1-3/2022: €32.8m). 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 €28.3m in the first three quarters of 2022 to €62.9m in the first nine months of 2023. 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). Construction also started on the second phase of the Timber Prague, the city's first multi-storey timber-hybrid residential building, and completion is scheduled for the end of 2024. Additional contributions to Total Output in this segment were made by the Astrid Garden Residences and Neugraf projects.

Total Output by region

in €m	1-9/2023	1-9/2022	Change
Germany	49.8	160.3	-68.9%
Austria	32.3	97.6	-66.9%
Poland	36.8	32.8	12.2%
Other markets	62.9	28.3	122.3%
Total	181.8	318.9	-43.0%

Total Output in the **Residential segment** declined to €47.3m, compared with €114.7m in the first three quarters of 2022. The progress of construction on previously sold residential projects in Germany, Austria and the Czech Republic was responsible for most of this year's Total Output. 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 are included in Total Output based on the progress of construction beginning on the sale date.

In the **Office segment**, Total Output fell from €73.7m in the first three quarters of 2022 to €32.4m. Total Output in the reporting period resulted, above all, from the closing of the F.A.Z. Tower in Frankfurt, which serves as the new headquarters for the Frankfurter Allgemeine Zeitung (F.A.Z.).

Total Output in the **Hotel segment** rose from €39.1m in the first nine months of 2022 to €57.4m and reflects the increase in travel after the COVID-19 pandemic.

Ongoing hotel operations also contributed to Total Output, but there are still no hotel projects under development at the present time.

The **Other segment** recorded a decline in Total Output from €65.6m in the first three quarters of 2022 to €9.2m. Total Output for the reporting period was generated primarily from the rental of mixed use standing assets in Austria. In contrast, Total Output for Q1-3/2022 included the sale of building rights to three sites in Vienna as well as the strategic divestment of the German project and construction management subsidiary, alba Bau | Projekt Management GmbH.

In the **Service segment**, Total Output rose from €25.8m to €35.6m. A major component resulted from the provision of services for various projects in the Czech Republic, Austria and Germany. This position also includes charges for management services and intragroup allocations.

Total Output by asset class

in €m	1-9/2023	1-9/2022	Change
Residential	47.3	114.7	-58.8%
Office	32.4	73.7	-56.0%
Hotel	57.4	39.1	46.8%
Other	9.2	65.6	-86.0%
Service	35.6	25.8	38.0%
Total	181.8	318.9	-43.0%

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 amounted to €181.8m in the first three quarters of 2023 (Q1-3/2022: €318.9m), with major contributions coming from projects in Germany (F.A.Z. Tower, Hafensinsel IV, Gmunder Höfe), the Czech Republic (Arcus City, Astrid Garden Residences) and Austria (Rankencity, Siebenbrunnengasse). Revenue as reported on the consolidated income statement was also lower than the previous year at €62.9m (Q1-3/2022: €115.4m). The year-on-year decline reflected the reduction in contributions from the sale of fully consolidated projects. Revenue was also supported, in particular, by residential projects in the Czech Republic (Arcus City, Astrid Garden Residences).

The profit from companies accounted for at equity fell from €20.2m in the first three quarters of 2022 to €-8.9m 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 three quarters of 2023 (Q1-3/2022: €6.7m). The fair value write-up in the comparative period was related to a project in Vienna. The expenses from fair value adjustments in the first three quarters of 2023 totalled €20.5m (Q1-3/2022: €0.7m).

Other operating income amounted to €7.0m in the reporting period and included, among others, foreign exchange gains, income from the release of provisions and various other items. In the previous year, other operating income equalled €5.6m. Other operating expenses rose from €27.8m to €30.5m, above all due to impairment losses and current asset disposals, legal and consulting fees, and foreign exchange losses. This position also includes administrative expenses, travel expenses, advertising, office operating costs, and duties and fees.

The cost of materials and other related production services totalled €52.8m in the first nine months of 2023 (Q1-3/2022: €72.8m). These expenses consisted 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 €22.8m was recorded in the first three quarters of 2023 from changes in the portfolio related to residential property inventories and for other IAS 2 properties (Q1-3/2022: expenses of €0.3m). The increase resulted from a decline in sales activities due to the general market conditions.

Personnel expenses were lower year-on-year at €21.5m (Q1-3/2022: €26.9m). The number of employees in the companies included in the consolidated financial statements totalled 275 at the end of September 2023 (31 December 2022: 292).

EBITDA fell by €57.2m year-on-year to €-37.9m in the first three quarters of 2023 (Q1-Q3/2022: €19.3m), chiefly due to the revaluation of projects and standing assets. The amortisation of intangible assets and depreciation of property, plant and equipment roughly reflected the previous year at €2.0m (Q1-3/2022: €2.1m). EBIT equalled €-39.9m in the first nine months of 2023, compared with €17.2m in the first three quarters of 2022. Financial income rose from €18.2m in the first three quarters of 2022 to €44.4m in the reporting period, and financial costs equalled €22.0m (Q1-3/2022: €18.8m). The positive financial results in the previous year resulted from the sale of the German project and construction management subsidiary alba Bau | Projekt Management GmbH (share deal).

EBT fell from €16.6m in the first nine months of 2022 to €-17.4m. Tax expense was positive in the first three quarters of 2023 and equalled €2.4m, which represents a tax rate of 13.9% (Q1-3/2022: tax rate of 13.6%).

The net loss (after-tax result for the period) equalled €-15.0m for the first three quarters of 2023 (Q1-3/2022: €14.3m), and the net loss attributable to the shareholders of the parent company equalled €-19.5m (Q1-3/2022: €7.5m). Beginning with the 2020 financial year, the share of net profit or net loss attributable to the shareholders of the parent company also includes a deduction for the share attributable to the hybrid capital holders. The share attributable to the hybrid capital holders equalled €4.6m in the first nine months of 2023 (Q1-3/2022: €7.0m). The resulting earnings per share equalled €-2.61 for the reporting period.

Asset and financial position

Total assets recorded by the UBM Group amounted to €1,394.5m as of 30 September 2023 and were below the level at year-end 2022 (31 December 2022: €1,451.8m). This decline resulted primarily from the premature repayment of the hybrid bond 2018 in March 2023 as well as from write-downs that reduced equity and from the payment of the dividend and interest costs.

The carrying amount of investment property rose by €35.5m to €427.2m at the end of September 2023. Tangible assets declined slightly by €0.7m to €11.5m. This position consists primarily of capitalised rights of use from leases.

The carrying amount of the investments in equity-accounted companies totalled €180.8 at the end of December 2022 and fell by 1.5% to €178.1m as of 30 September 2023. Project financing declined by €24.7m to €156.2m at the end of the first nine months of 2023.

Current assets were €69.6m lower at €591.6m as of 30 September 2023. Cash and cash equivalents declined by €69.9m to €253.3m at the end of September 2023, among others due to the premature redemption of the hybrid bond 2018, the payment of the purchase price for two acquisitions made in 2022 and 2023, and the dividend and interest payments. Cash and cash equivalents totalled €253.0m at the end of September 2023. Financial assets declined to €8.1m, from €19.7m on 31 December 2022.

Real estate inventories totalled €264.2m at the end of September 2023 and were slightly higher than at year-end 2022 (31 December 2022: €259.3m). 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 €54.7m as of the reporting period. 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 €83.9m lower than at year-end 2022 and totalled €417.5m as of 30 September 2023. This decline resulted, above all, from the repayment of the hybrid capital, the dividend payment and the loss recorded for the reporting period. The €8.2m dividend was paid on 30 May 2023. The equity ratio equalled roughly 30.0% at the end of September 2023 (31 December 2022: 34.5%) and reflected the lower end of the 30-35% target range.

Bond liabilities (current and non-current) totalled €467.6m at the end of September 2023 and reflected the previous year (31 December 2022: €446.7m). Financial liabilities (current and non-current) increased by €17.9m to €416.2m. Trade payables amounted to €29.1m at the end of September 2023 and were €17.9m below the level at year-end 2022. 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 €33.2m. Deferred taxes and current taxes payable amounted to €19.5m as of 30 September 2023 (31 December 2022: €20.1m).

Net debt totalled €608.8m as of 30 September 2023 (31 December 2022: €500.2m). The most important effects for the reporting period included the repayment of the hybrid capital, interest and dividend payments, and operating cash outflows. Net debt includes current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents.

Cash flow

Operating cash flow rose from €0.8m in the first three quarters of the previous year to €23.1m in the reporting period. The fair value adjustments included in profit for the reporting year were excluded from operating cash flow because of their non-cash character.

Cash flow from operating activities totalled €-18.6m (Q1-3/2022: €-49.3m). It was reduced, above all, by an increase in real estate inventories (€4.9m), interest paid (€17.0m), an increase in receivables (€7.2m) and a reduction in liabilities (€14.1m). These amounts included cash inflows of €19.6m from the sale of real estate inventories. The additions to real estate inventories amounted to €24.5m. The additions to receivables from real estate inventory sales totalled €13.0m, while the decline in receivables from real estate sales equalled €3.5m.

Cash flow from investing activities totalled €-17.6m in the first three quarters of 2023 (Q1-3/2022: €12.7m). Investments in project financing amounted to €30.4m, and investments in property, plant and equipment, investment property and financial assets equalled €52.0m. A contrasting factor was the repayment of €52.1m in project financing.

Cash flow from financing activities amounted to €-33.7m (Q1-3/2022: €-28.3m). New borrowings totalled €51.3m, while the hybrid capital of €52.9m and loans of €34.9m were repaid during the reporting period. In addition, dividends and hybrid bond interest of €16.6m were paid during the first nine months of 2023.

Non-financial performance indicators

Environmental issues

Through our properties, we design the living areas of the future – and that means we also design the environment. Real estate development is not only our core business – as a company, it also gives us the greatest leverage to significantly reduce our carbon footprint. Consequently, UBM directly addresses the ecological impact of its activities in all project phases with a constant focus on environmental protection and the careful use of resources.

Employees and social issues

Responsible management is in no way limited to environmental aspects. It also covers our social responsibility, in other words the impact of our actions on society. In our direct sphere of influence this includes the fair treatment of our employees, who represent an important factor for our long-term success and are essential for the positive development of our company.

The UBM Group, including all its subsidiaries, had a total workforce of 275 as of 30 September 2023, compared with 289 as of 30 September 2022 (excl. the employees of alba Bau | Projekt Management GmbH, which was sold in June 2022). Roughly 50% of UBM's employees work outside Austria.

As a real estate developer, we also have an impact on local communities and neighbouring residents. Our projects contribute to the quality of life for society – in particular through urban quarter development projects and also through residential and office projects. We are well aware that we change and influence people's lives with every property we develop. That is a responsibility which we actively accept. Our goal is,

wherever possible, to establish a constructive dialogue with neighbouring residents and relevant interest groups in the areas surrounding the projects and to make an improvement through our activities.

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

Forecasts by the European Central Bank (ECB) and the European Commission place global growth at slightly over 3% in 2023, a level that is lower than the long-term average since 1999 (ca. 3.5%). For 2024, the ECB and the International Monetary Fund (IMF) are expecting an increase of roughly 3%. The European Commission estimates GDP growth at only 0.8% for the eurozone in 2023 (2024: 1.3%), whereby the reasons for these subdued prospects still lie in the not foreseeable end to the war in Ukraine, the aftereffects of the pandemic and persistently high inflation. The restrictive monetary policies by many central banks have had little effect, and inflation in many countries is still above the target corridor. After ten hikes in succession, the ECB last held the key interest rate constant at 4.5%. The US Federal Reserve also waived further increases after the last adjustment in July. Experts see no signs of an approaching reversal in the interest rate trend, and the IMF recently warned the ECB of a premature reduction. The IMF expects global inflation will equal 6.8% in 2023 and 5.2% in 2024 and, for the eurozone, 5.6% in 2023 and 3.2% in 2024.^{6,7}

Rising interest rates continue to have a massive influence on the development of the real estate market – and above all on the valuation of projects and standing assets. An unscheduled revaluation of the company's projects and properties led to the recognition of write-downs. Although UBM, as a developer, did not record extensive write-ups in the past as

⁶ IMF: World Economic Outlook – October 2023

⁷ Austrian National Bank: Konjunktur aktuell – September 2023

did many other property holders, this revaluation - above all to the project portfolio - is a direct consequence of the rising interest rates and the resulting higher yield expectations of future property buyers. A proportional increase in rents at this same scope and speed is not possible over the short-term.

UBM sees the real estate industry in its core markets in an existential crisis for the above reasons. The third quarter of 2023 brought roughly a dozen profit warnings and several bankruptcies. However, an equity ratio of 30% and over €250m of liquid funds show UBM's relative strength. The internal management of and focus on cash allowed UBM to also hold its liquidity at a high level in the third quarter of 2023 and even record a slight increase over the half-year. The successful placement of the company's first green bond brought an additional €50m of fresh capital. Cash and cash equivalents totalled €253.0m as of 30 September 2023, although the acquisition of the Timber Marina Tower in Vienna was paid for during the third quarter.

There are no signs of improvement on the real estate market in the fourth quarter, and this means UBM will not make any major sales up to the end of this year. These sales are, however, the primary source of earnings for a real estate developer. The preliminary building permit which was received for the Timber Factory in Munich's Baubergerstrasse during July had a strong positive effect on the third quarter. The purchase price for the second half of the share held by the joint venture partner was then due in the agreed form, and the loss reported as of 30 June 2023 was reduced by roughly half as of 30 September 2023.

Based on the revaluation of projects and properties during the first nine months of 2023 and the current standstill on the transaction market, UBM's Management Board expects a continuation of the difficult market environment during the fourth quarter and a loss for the full 2023 financial year.

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).

Vienna, 22 November 2023

The Management Board



Thomas G. Winkler
CEO, Chairman



Patric Thate
CFO



Martina Maly-Gärtner
COO

Consolidated Income Statement

from 1 January to 30 September 2023

in T€	1-9/2023	1-9/2022	7-9/2023	7-9/2022
Revenue	62,861	115,377	25,022	29,268
Changes in the portfolio	22,871	-338	8,045	38
Share of profit/loss from companies accounted for at equity	-8,856	20,208	-1,853	2,937
Income from fair value adjustments to investment property	3,534	6,692	3,534	-
Other operating income	7,048	5,600	-6,229	3,994
Cost of materials and other related production services	-52,803	-72,797	-21,204	-12,547
Personnel expenses	-21,495	-26,918	-7,352	-8,262
Expenses from fair value adjustments to investment property	-20,547	-724	-5,860	-534
Other operating expenses	-30,496	-27,832	-7,059	-11,610
EBITDA	-37,883	19,268	-12,956	3,284
Depreciation and amortisation	-1,987	-2,081	-670	-595
EBIT	-39,870	17,187	-13,626	2,689
Financial income	44,439	18,167	36,330	2,881
Financial costs	-22,015	-18,797	-8,567	-5,154
EBT	-17,446	16,557	14,137	416
Income tax expenses	2,417	-2,244	105	-1,922
Profit for the period (net profit)	-15,029	14,313	14,242	-1,506
of which: attributable to shareholders of the parent	-19,472	7,470	12,992	-3,680
of which: attributable to holder of hybrid capital	4,584	6,956	1,386	2,120
of which: attributable to non-controlling interests	-141	-113	-136	54
Basic earnings per share (in €)	-2.61	1.00	1.74	-0.49
Diluted earnings per share (in €)	-2.61	1.00	1.74	-0.49

Consolidated Statement of Comprehensive Income

from 1 January to 30 September 2023

in T€	1-9/2023	1-9/2022	7-9/2023	7-9/2022
Profit for the period (net profit)	-15,029	14,313	14,242	-1,506
Other comprehensive income				
Remeasurement of defined benefit obligations	-51	1,223	-33	537
Income tax expense (income) on other comprehensive income	9	-396	5	-151
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	-42	827	-28	386
Currency translation differences	-481	3,699	3,495	2,630
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	-481	3,699	3,495	2,630
Other comprehensive income of the period	-523	4,526	3,467	3,016
Total comprehensive income of the period	-15,552	18,839	17,709	1,510
of which: attributable to shareholders of the parent	-19,995	11,969	16,458	-665
of which: attributable to holder of hybrid capital	4,584	6,956	1,386	2,120
of which: attributable to non-controlling interests	-141	-86	-135	55

Consolidated Balance Sheet

as of 30 September 2023

in T€	30 September 2023	31 December 2022
Assets		
Non-current assets		
Intangible assets	1,803	1,636
Property, plant and equipment	11,467	12,155
Investment property	427,219	391,725
Investments in companies accounted for at equity	178,115	180,762
Project financing	156,163	180,885
Other financial assets	10,236	10,217
Financial assets	3,921	3,877
Deferred tax assets	13,993	9,339
	802,917	790,596
Current assets		
Inventories	264,215	259,297
Trade receivables	54,681	49,494
Financial assets	8,096	19,741
Other receivables and assets	11,620	9,774
Cash and cash equivalents	252,992	322,929
	591,604	661,235
Assets total	1,394,521	1,451,831
Equity and liabilities		
Equity		
Share capital	52,305	52,305
Capital reserves	98,954	98,954
Other reserves	161,346	188,224
Hybrid capital	100,267	156,395
Equity attributable to shareholders of the parent	412,872	495,878
Equity attributable to non-controlling interests	4,650	5,571
	417,522	501,449
Non-current liabilities		
Provisions	5,429	7,537
Bonds and promissory note loans	376,483	326,653
Financial liabilities	279,197	268,982
Other financial liabilities	2,373	1,845
Deferred tax liabilities	8,555	8,909
	672,037	613,926
Current liabilities		
Provisions	1,987	1,805
Bonds and promissory note loans	91,081	120,049
Financial liabilities	137,044	129,357
Trade payables	29,084	46,947
Other financial liabilities	30,812	23,657
Other liabilities	3,999	3,480
Taxes payable	10,955	11,161
	304,962	336,456
Equity and liabilities total	1,394,521	1,451,831

Consolidated Statement of Cash Flows

from 1 January to 30 September 2023

in T€	1-9/2023	1-9/2022
Profit for the period (net profit)	-15,029	14,313
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	18,985	-3,785
Interest income/expense	9,952	8,645
Income from companies accounted for at equity	8,856	-20,208
Dividends from companies accounted for at equity	5,500	1,267
Decrease/Increase in long-term provisions	-2,176	321
Deferred income tax	-3,034	224
Operating cash flow	23,054	777
Increase/Decrease in short-term provisions	182	-103
Decrease/Increase in tax liabilities	-206	1,027
Losses/Gains on the disposal of assets	51	-5,303
Increase in inventories	-4,918	-55,402
Increase/decrease in receivables	-7,164	12,779
Decrease/Increase in payables (excluding banks)	-14,051	518
Interest received	2,323	510
Interest paid	-17,030	-10,503
Other non-cash transactions	-877	6,433
Cash flow from operating activities	-18,636	-49,267
Proceeds from the sale of property, plant and equipment and investment property	241	25,822
Proceeds from the sale of financial assets	1,976	13,120
Proceeds from the repayment of project financing	52,129	42,109
Investments in intangible assets	-313	-371
Investments in property, plant and equipment and investment property	-51,983	-30,474
Investments in financial assets	-5	-4,276
Investments in project financing	-30,443	-41,597
Proceeds from the sale of consolidated companies	10,776	8,358
Cash flow from investing activities	-17,622	12,691
Dividends	-16,629	-27,407
Dividends paid to non-controlling interests	-780	-826
Proceeds from bonds	20,318	-
Increase in loans and other financing	51,286	59,444
Repayment of loans and other financing	-34,947	-34,132
Repayment of hybrid capital	-52,900	-25,330
Cash flow from financing activities	-33,652	-28,251
Cash flow from operating activities	-18,636	-49,267
Cash flow from investing activities	-17,622	12,691
Cash flow from financing activities	-33,652	-28,251
Change in cash and cash equivalents	-69,910	-64,827
Cash and cash equivalents at 1 Jan	322,929	423,312
Currency translation differences	-27	-444
Cash and cash equivalents at 30 September	252,992	358,041
Taxes paid	823	993

Consolidated Statement of Changes in Equity

as of 30 September 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
Error correction pursuant IAS 8.42	-	-	-	-
Balance as of 1 January 2022	22,417	98,954	-3,362	1,496
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	827	3,717
Total comprehensive income for the period	-	-	827	3,717
Dividend	-	-	-	-
Capital increase	29,888	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 30 September 2022	52,305	98,954	-2,535	5,213
Balance as of 31 December 2022	52,305	98,954	-2,426	2,231
Total profit/loss for the period	-	-	-	33
Other comprehensive income	-	-	-42	-480
Total comprehensive income for the period	-	-	-42	-447
Dividend	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 30 September 2023	52,305	98,954	-2,468	1,784

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
-26,629	-	-26,629	-	-26,629
216,057	183,244	518,806	5,156	523,962
7,470	6,956	14,426	-113	14,313
-45	-	4,499	27	4,526
7,425	6,956	18,925	-86	18,839
-16,812	-10,595	-27,407	-826	-28,233
-29,888	-	-	-	-
2,437	-	2,437	-	2,437
-	-25,330	-25,330	-	-25,330
179,219	154,275	487,431	4,244	491,675
188,419	156,395	495,878	5,571	501,449
-19,505	4,584	-14,888	-141	-15,029
-1	-	-523	-	-523
-19,506	4,584	-15,411	-141	-15,552
-8,219	-8,410	-16,629	-780	-17,409
1,934	-	1,934	-	1,934
-598	-52,302	-52,900	-	-52,900
162,030	100,267	412,872	4,650	417,522

Segment Reporting¹

from 1 January to 30 September 2022

in T€	Germany		Austria	
	1-9/2023	1-9/2022	1-9/2023	1-9/2022
Total Output				
Residential	5,491	63,276	4,039	32,107
Office	24,519	39,752	614	25,408
Hotel	12,787	9,324	7,983	4,534
Other	565	39,439	6,539	24,217
Service	6,435	8,477	13,154	11,289
Total Output	49,797	160,268	32,329	97,555
Less revenue from associates and companies of minor importance and from performance companies as well as changes in the portfolio	-41,901	-139,012	-23,280	-41,448
Revenue	7,896	21,256	9,049	56,107
Residential	-4,841	5,923	-3,218	8,203
Office	-8,058	4,720	-3,736	3,433
Hotel	33	-163	-2,509	-1,832
Other	15,634	-1,569	-117	6,116
Service	-7,802	1,492	14,194	4,875
Total EBT	-5,034	10,403	4,614	20,795

¹ Part of the notes. Intersegment revenues are immaterial.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Poland		Other markets		Group	
1-9/2023	1-9/2022	1-9/2023	1-9/2022	1-9/2023	1-9/2022
3,374	2,382	34,384	16,903	47,288	114,668
7,221	8,532	-	-	32,354	73,692
20,014	15,068	16,646	10,174	57,430	39,100
2,096	1,964	-	-	9,200	65,620
4,082	4,842	11,898	1,205	35,569	25,813
36,787	32,788	62,928	28,282	181,841	318,893
-13,219	-22,971	-40,580	-85	-118,980	-203,516
23,568	9,817	22,348	28,197	62,861	115,377
-1,325	-7,163	-4,818	1,363	-14,202	8,326
-3,647	2,576	-8	9	-15,449	10,738
-51	124	-1,382	-4,345	-3,909	-6,216
-3,748	-3,718	-421	-509	11,348	320
-807	-542	-820	-2,436	4,765	3,389
-9,578	-8,723	-7,449	-5,918	-17,447	16,557

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

These consolidated interim financial statements include UBM as well as 58 (31 December 2022: 57) domestic and 75 (31 December 2022: 75) foreign subsidiaries. One company was initially included in the consolidated financial statements following its founding and another company was acquired during the reporting period (see note 2.1.).

One company was deconsolidated following its liquidation. The assets and liabilities over which control was lost were immaterial.

In addition, 24 (31 December 2022: 27) domestic and 20 (31 December 2022: 21) foreign associates and joint ventures were accounted for at equity. Three companies were deconsolidated following their liquidation and one company was sold 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
<u>Due to acquisitions</u>	<u>Date of initial consolidation</u>
Timber Marina Tower Immobilien GmbH & Co KG	4.7.2023

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
Amendments to IAS 12: International Tax Reform - Pillar Two Model Rules	23.5.2023	8.11.2023	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
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	25.5.2023	-	1.1.2024
Amendments to IAS 21: Lack of Exchangeability	15.8.2023	-	1.1.2025

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. Correction of an error

Information on the adjustments resulting from an audit by the Austrian Financial Reporting Enforcement Panel ("Österreichische Prüfstelle für Rechnungslegung", OePR) is provided on page 157 (consolidated financial statements) of the annual report for 2022.

The correction of the error in accordance with IAS 8 had no effect on the consolidated balance sheet or consolidated income statement and, consequently, no effect on earnings per share or the consolidated cash flow statement for the current reporting period or comparative period, but did have an effect on the development of Group equity as of 30 September 2022.

6. Valuation of the property portfolio

Multiple factors also held the real estate market in a veritable crisis during the third quarter of 2023:

- High inflation
- Interest rate hikes by the ECB
- Volatile energy prices
- Geopolitical crises
- High construction costs

These factors and their effects were identified and included in the valuations as of 31 December 2022.

The ECB announced further increases in key interest rates during the period up to 30 September 2023. The market remains reserved and activity, in general, is very low.

The above developments are contrasted by very low vacancy rates in office properties and the recovery of the tourism sector as well as the expected high demand for residential properties that has resulted from the extremely low level of construction activity and related shortage of space.

Based on these facts, all valuation reports prepared as at December 31, 2022 were subjected to a revaluation as at June 30, 2023 and September 30, 2023 respectively. The related effects are shown in the following tables.

in T€	Investment properties	Right-of-use assets: Investment properties	Total
Carrying amounts			
Balance as of 1 Jan 2022	412,454	11,034	423,488
Additions	30,727	1,353	32,080
Disposals	-30,063	-	-30,063
Reclassification from/to real estate inventories	-54,226	-	-54,226
Currency adjustments	-389	-	-389
Adjustments to fair value	21,204	-369	20,835
Balance as of 31 Dec 2022	379,707	12,018	391,725
Balance as of 1 Jan 2023	379,707	12,018	391,725
Additions	51,721	655	52,376
Disposals	-252	-	-252
Currency adjustments	382	-	382
Adjustments to fair value	-16,711	-301	-17,012
Balance as of 30 Sept 2023	414,847	12,372	427,219

in T€	Austria				Germany		Poland			Other markets		Total
	Office	Other	Residential	Land bank	Office	Land bank	Office	Other	Hotel	Hotel	Land bank	
Carrying amount as of 1 Jan 2023	127,620	187	202	4,309	75,762	2,130	52,925	32,044	6,345	70,262	7,921	379,707
Currency adjustments	-	-	-	-	-	-	-11	396	73	-	-76	382
Additions from property purchases	25,828	-	-	-	13,976	-	-	-	-	-	-	39,804
Additions in existing properties	7,048	362	-	-	3,357	-	295	218	245	2	390	11,917
Disposals	-	-	-202	-	-	-	-	-	-	-50	-	-252
Net gains/losses from fair value adjustments ¹	-4,314	-362	-	-15	-6,124	-	-1,658	-3,663	-359	-	-216	-16,711
Carrying amount as of 30 Sept 2023	156,182	187	-	4,294	86,971	2,130	51,551	28,995	6,304	70,214	8,019	414,847

¹ The net income from fair value adjustments consists of revaluation gains of T€ 3,534 and revaluation losses of T€ -20,245.

Impact on investment property

Investment property with a combined carrying amount of T€373,339 (Q1-3/2022: T€376,702) was revalued.

The fair values of the standing assets declined by T€9,732 (Q1-3/2022: T€567), and the fair value of development projects fell by T€7,281 (Q1-3/2022: T€3,683).

	Carrying amount as of 30.9.2023 before valuation (in T€)	Value adjustment (in T€)	Currency translation differences (in T€)	Carrying amount as of 30.9.2023 after valuation (in T€)	Value adjustment (in T€)
Standing assets	177,098	-9,732	84	167,450	-1.90%
Properties under development	267,083	-7,280	-34	259,769	-4.73%
Total	444,181	-17,012	50	427,219	

Impact on real estate inventories

The valuation parameters applied to real estate inventories as of 31 December 2022 were also updated and resulted in write-downs of T€8,806 (Q1-3/2022: T€1,420).

Impact on property assets held by the equity-accounted companies

The following value adjustments were recorded as of 30 September 2023 to properties under development by joint ventures or associates or to standing assets held by these companies:

in T€	Write-down (100%)	Write-down (proportional)
Investment property	-23,826	-13,184
Property held for sale	-2,574	-1,313
Property, plant and equipment	-2,385	-1,789

7. 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.

8. Revenue

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

	Germany	Austria	Poland	Other Markets	Group
in T€	1-9/2023	1-9/2023	1-9/2023	1-9/2023	1-9/2023
Revenue					
Residential	250	1,944	11,739	19,541	33,474
Office	691	619	7,262	-	8,572
Hotel	-	-	-	2,106	2,106
Other	84	775	3,167	-	4,026
Service	6,871	5,711	1,400	701	14,683
Revenue	7,896	9,049	23,568	22,348	62,861
Recognition over time	1,228	3,155	11,733	19,541	35,657
Recognition at a point in time	6,668	5,894	11,835	2,807	27,204
Revenue	7,896	9,049	23,568	22,348	62,861

	Germany	Austria	Poland	Other Markets	Group
in T€	1-9/2022	1-9/2022	1-9/2022	1-9/2022	1-9/2022
Revenue					
Residential	4,684	24,047	110	17,205	46,046
Office	553	25,406	5,883	-	31,842
Hotel	-	-	-	1,728	1,728
Other	2,782	1,053	2,713	24	6,572
Service	13,237	5,601	1,111	9,240	29,189
Revenue	21,256	56,107	9,817	28,197	115,377
Recognition over time	-	2,644	-	16,261	18,905
Recognition at a point in time	21,256	53,463	9,817	11,936	96,472
Revenue	21,256	56,107	9,817	28,197	115,377

9. Earnings per share

	1-9/2023	1-9/2022
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	-14,888	14,426
Less interest on hybrid capital (in T€)	-4,584	-6,956
Proportion of profit for the period attributable to shareholders of the parent (in T€)	-19,472	7,470
Weighted average number of shares issued	7,472,180	7,472,180
Basic earnings per share = Diluted earnings per share (in €)	-2.61	1.00

10. Share capital

Share capital	Number 30 Sept 2023	€ 30 Sept 2023	Number 31 Dec 2022	€ 31 Dec 2022
Ordinary bearer shares	7,472,180	52,305,260	7,472,180	52,305,260

11. 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 EUR 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 resolution, among others, was 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); together with 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); and d) the authorisation of the Management Board to withdraw treasury shares.

12. 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.

13. 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.

14. 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 30 September 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 30 Sept 2023	Measurement in acc. with IFRS 9			Fair value hierarchy	Fair value as of 30 Sept 2023
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)		
Assets							
Project financing at variable interest rates	Amortised Cost	156,163	156,163	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,288
Other financial assets	FVTPL	642	-	-	642	Level 3	642
Other financial assets	FVTPL	873	-	-	873	Level 1	873
Trade receivables	Amortised Cost	24,143	24,143	-	-	-	-
Financial assets	Amortised Cost	12,017	12,017	-	-	-	-
Cash and cash equivalents	-	252,992	252,992	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	467,564	467,564	-	-	Level 1	432,874
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	334,842	334,842	-	-	-	-
at fixed interest rates	Amortised Cost	46,475	46,475	-	-	Level 3	43,600
Other loans and borrowings							
at fixed interest rates	Amortised Cost	12,891	12,891	-	-	Level 3	9,028
Lease liabilities	-	22,033	22,033	-	-	-	-
Trade payables	Amortised Cost	29,084	29,084	-	-	-	-
Other financial liabilities	Amortised Cost	33,185	33,185	-	-	-	-
By category:							
Financial assets at amortised cost	Amortised Cost	201,044	201,044	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	1,515	-	-	1,515	-	-
Cash and cash equivalents	-	252,992	252,992	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	924,041	924,041	-	-	-	-

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	-	-	-	-

15. 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 three quarters of 2023 were related primarily to construction.

16. Events after the balance sheet date

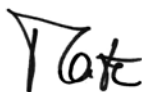
No reportable events occurred after the balance sheet date on 30 September 2023.

Vienna, 22 November 2023

The Management Board



Thomas G. Winkler
CEO, Chairman



Patric Thate
CFO



Martina Maly-Gärtner
COO

Financial calendar

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

2024

Publication of the Annual Report 2023	11.4.2024
Record date for participation in the 143rd Annual General Meeting	13.5.2024
143rd Annual General Meeting, Vienna	21.5.2024
Interest payment on UBM bond 2021	21.5.2024
Trading ex dividend on the Vienna Stock Exchange	24.5.2024
Dividend record date	27.5.2024
Publication of the Q1 Report 2024	29.5.2024
Payment date of the dividend for the 2023 financial year	30.5.2024
Interest payment on hybrid bond 2021	18.6.2024
Interest payment on UBM Green Bond 2023	10.7.2024
Publication of the Half-Year Report 2024	29.8.2024
Interest payment on UBM bond 2019	13.11.2024
Publication of the Q3 Report 2024	28.11.2024

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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 30 September 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.

