



UBM with presumable loss of up to € 35 million for the first half of the year

Loss expected to be cut in half by year-end

Vienna, 21.08.2023 – In the course of an extraordinary revaluation of its projects and real estate, UBM undertook, among other things, depreciations in the amount of € 31.3 million, with a corresponding negative impact on the half-year result. This was triggered by the current development on the real estate market, which was influenced by the increased interest rate level.

Even though UBM, as a developer, has not carried out substantial revaluations in the past – unlike many portfolio holders – the revaluation of the project portfolio in particular is a direct consequence of the increased interest rate level and the resulting higher yield expectations of future property investors. In the short term, rent increases cannot compensate for these devaluations to the same extent and at the same pace.

The management board of UBM expects that the preliminary construction permit (*Bauvorbescheid*) for the Timber Factory in Munich's Baubergerstrasse, which was issued at the end of July 2023, will have a positive impact. The purchase price for the second half of the share held by the joint venture partner is now due in the agreed form. The impact for this is expected to be reflected in Q3/2023. The Company expects that this could halve the current loss in the 2023 financial statements. However, no substantial improvement in the real estate market is expected in the second half of the year, which means that there will probably be no significant sales by UBM in the second half of 2023 either. However, for a developer of real estate, this represents the main source of income. The almost balanced operating result in the first half of the year is due to the ongoing sale of 51 apartments and the successful handover of the FAZ Headquarters project. The half-year figures are currently being prepared and agreed with UBM's auditor and will be presented on 31 August 2023.

“The real estate branch is in extremely difficult straits. UBM cannot disengage from this situation, but has been prepared for this perfect storm for some time“, commented Thomas G. Winkler, CEO of UBM, on the current situation.

UBM Development is one of Europe's leading developers of timber construction projects. The strategic focus is on green building and smart office in major cities like Vienna, Munich, Frankfurt and Prague. A Platinum rating from EcoVadis and Prime Status from ISS ESG confirm the consequent focus on sustainability. With 150 years of experience, UBM offers all development services from a single source, from planning to marketing. The shares are listed on the Prime Market of the Vienna Stock Exchange, the segment with the highest transparency requirements.

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