



Key performance indicators

Key earnings figures (in €m)

	1-6/2023	1-6/2022	Change
Total Output ¹	116.2	206.2	-43.6%
Revenue	37.8	86.1	-56.1%
EBT	-31.6	16.1	n.a.
Net result (before non-controlling interests)	-29.3	15.8	n.a.

Key asset and financial figures (in €m)

	30.6.2023	31.12.2022	Change
Total assets	1,340.4	1,451.8	-7.7%
Equity	399.8	501.4	-20.3%
Equity ratio	29.8%	34.5%	-4.7 PP
Net debt ²	606.3	500.2	21.2%
Cash and cash equivalents	214.3	322.9	-33.6%

Key share data and staff

	30.6.2023	30.6.2022	Change
Earnings per share (in €) ³	-4.34	1.49	n.a.
Market capitalisation (in €m)	195.8	256.3	-23.6%
Dividend per share (in €) ⁴	1.10	2.25	-51.1%
Staff	276	295	-6.4%

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). The values relate to the first half of the year.

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

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Operating environment still difficult

H1

20

23



**Dear Shareholders,
Dear Stakeholders,**

exactly one year ago, we reported that the “perfect storm” was approaching the real estate branch. We now find ourselves in the eye of this storm, but its speed and strength are still surprising. Media reports in recent weeks have been filled with news of insolvent real estate developers, and we assume this bankruptcy wave and revaluation phase will continue throughout the sector. UBM has not been left untouched by these current market developments with rising interest rates and investors’ yield expectations that are now more than 150 basis points higher. Prior to the publication of this report on the first half of 2023, UBM issued a profit warning to explain that an unscheduled revaluation of its projects and properties had led to write-downs of €31.3m and a corresponding negative effect on half-year results.

UBM has been prepared for this existential crisis in the real estate branch for some time. Despite the costs for the early repayment of the hybrid bond, the reliable payment of the dividend and an acquisition in Germany, cash and cash equivalents remained high at €214.3m as of 30 June 2023. The equity ratio equalled nearly 30% at the end of June 2023 and is still within the long-term target range of 30-35%. There will be no bond repayments during the 2024 financial year.

We also recorded a number of operating successes in the first half of 2023: The largest rental in Frankfurt during the first quarter – the first office building in timber-hybrid construction – underscores the demand for our products and confirms that we are on the right course with our strategy to focus on timber construction projects. This also convinced us to acquire a key project in Vienna, in spite of the crisis on the real estate market. With the Timber Marina Tower, we are planning to develop the highest timber skyscraper in the world – a further milestone to increase our over 300,000 square metre timber-hybrid construction pipeline. The recognition of this strategy by the bond market is confirmed by the successful placement of our first €50m green bond.

Our eyes are now firmly set on the second half-year with a still very difficult operating environment. We expect the building permit for the Timber Factory in Munich’s Baubergeerstrasse, which was received at the end of July 2023, will have a positive effect on the third quarter and reduce the current loss by roughly half in the annual financial statements for 2023.



Thomas G. Winkler
CEO



Patric Thate
CFO



Martina Maly-Gärtner
COO

Highlights Half-Year 2023

UBM plans to develop the world's highest timber skyscraper in Vienna

The 113-metre Timber Marina Tower in Vienna is currently under development in timber-hybrid construction - and from today's perspective, it is the highest timber skyscraper in the world. The project covers 32 upper floors and four underground floors with approximately 44,350 square metres of gross floor space. For UBM, the Timber Marina Tower represents a further milestone on the road to becoming the leading developer of timber construction projects in Europe. The company currently has over 300,000 square metres of timber-hybrid construction in the pipeline.



UBM transfers the F.A.Z. Tower to HanseMerkur Grundvermögen

The tenant, the Frankfurter Allgemeine Zeitung, moved in at the end of 2022, and the new F.A.Z. headquarters were subsequently transferred to the owner, HanseMerkur Grundvermögen. The final purchase price totalled approximately €198m.



UBM repays hybrid bond 2018 ahead of schedule

In March, UBM repaid the outstanding €52.9m from the hybrid bond 2018 from its own cash reserves. The early repayment of this financial instrument reduces the company's future annual interest expense by €2.9m.

Two-thirds of the Timber Pioneer rented to Universal Investment

In 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 rental represents the largest take-up in Frankfurt during the first quarter - and that with over a million square metres of vacancies. "This underscores the demand for our products and proves that we are on the right course with our strategy and its absolute focus on timber construction projects", commented CEO Thomas G. Winkler.



Green Finance Framework and first green bond

UBM successfully placed its first green bond with a volume of €50m. The bond is based on UBM's Green Finance Framework, which regulates the issue of green financing instruments whose net proceeds are used exclusively to (re)finance green projects. This framework was developed in agreement with market best practices and the EU Taxonomy and reviewed by the ESG rating and research agency ISS ESG through a second party opinion.

2023

ESG sector leadership expanded

UBM was again awarded "Prime Status" (Level "B-") in a rating by the international rating agency ISS ESG, which makes it the most sustainable company in the sector in Germany and Austria. The listing in Austria's VBV Sustainability Index (VÖNIX) was also confirmed. This sustainability benchmark includes Austrian companies on the Vienna Stock Exchange that are leaders for ecological and social activities and performance.



Reliable dividend payer

The 142nd Annual General Meeting on 19 May 2023 approved the payment of a € 1.10 dividend per share. That again makes UBM one of the most reliable dividend payers on the Vienna Stock Exchange and sends a clear signal to the capital market.



Share

Stock exchange developments

The economic and geopolitical climate remained difficult, but many global markets can look back on a good half-year. Declining inflation rates and the related expectations of loosening central bank monetary policies led, in part, to substantial price gains: The MSCI World closed the end of June 14.0% over year-end 2022, and the DAX followed this positive trend with a sound 16.0% improvement. The EURO STOXX 50 ended the first half-year with a plus of 16.0%, while the Dow Jones recorded only a moderate increase of 3.8%.

Development of the UBM share

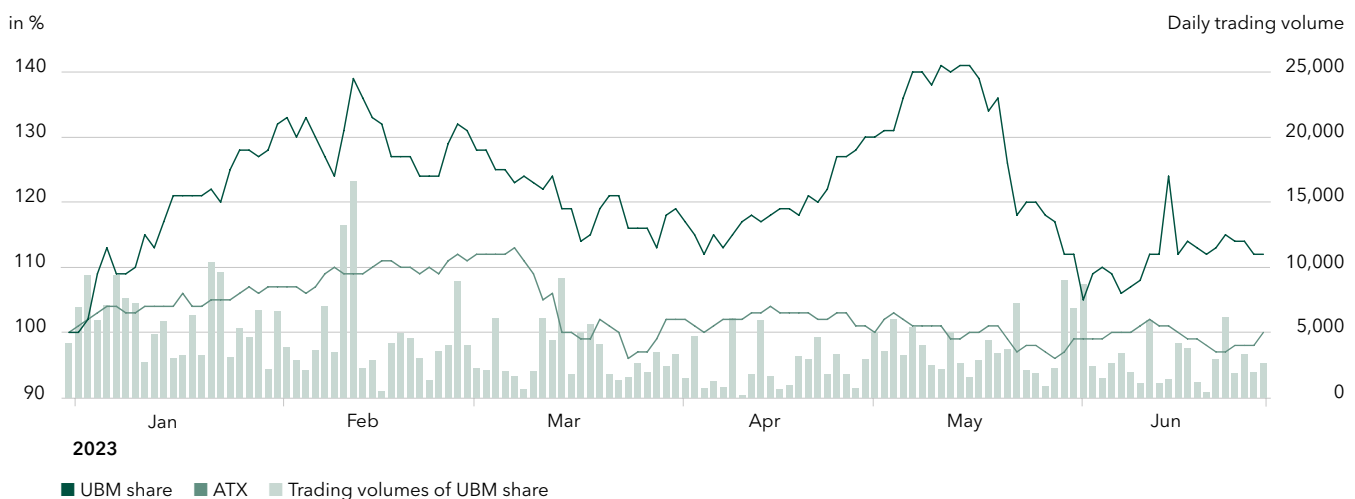
The UBM share opened the year on a steady upward course which, however, weakened in mid-February. A renewed recovery beginning at the end of April was followed by a further decline at the end of May. The share traded at €26.20 at the end of June, or 14.9% higher than at year-end 2022, but was 23.6% lower in year-on-year comparison. Austria's leading ATX index recorded an increase of only 0.9% during the six months up to the end June, following a second quarter decline of 1.7%. The IATX rose by 13.1% in the first half-year.

The average daily trading volume in the first half of 2023 equalled 3,917 shares. The UBM share has been listed on the Vienna Stock Exchange since 10 April 1873 and entered the prime market, the top segment of the Vienna Stock Exchange, in August 2016. The share is also included in the IATX real estate stock index.

Shareholder structure

The share capital of UBM Development AG totalled € 52,305,260.00 as of 30 June 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%). Shareholders in other European countries held roughly 12%, and 1% were attributable to other investors.

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



Management Report

General economic environment

Geopolitical uncertainty, inflationary trends and central banks' interest rate policies were also the focal point of interest in the first half of 2023. Central banks reacted to the historic rise in inflation during the past year with clear signals in the form of repeated interest rate hikes. The US Federal Reserve (Fed) interrupted its series of interest adjustments for the first time in June, but the European Central Bank (ECB) is standing by its tight monetary course. Despite first positive effects in both economic regions, there are no signs of an end to the restrictive measures because of the persistently high core inflation.

The global economy is expected to generate steady, but weak and fragile growth. The International Monetary Fund (IMF) revised its forecast for the world's economy in 2023 upward from an initial increase of 2.8% (Q1 2023) to 3.0%. For 2024, the experts are also projecting GDP growth of 3.0%.¹ The European Commission's forecast for the eurozone places GDP growth at 1.1% in 2023 with an increase to 1.6% in 2024. The Austrian National Bank expects an increase of 0.5% for Austria in 2023 and an improvement to 1.7% in the following year. Economic developments in Eastern and South-eastern Europe were surprisingly robust in the first quarter of 2023 and, as a result, the European Commission adjusted its GDP forecast for 2023 from 0.9% (February 2023) to 1.2% (May 2023).

In addition to the growth forecasts, projections for the inflation rate have become more important due to the recent sharp increase. The Austrian National Bank has revised its forecast upward to incorporate current wage trends and the continuing high food prices and places annual inflation in the eurozone at 5.8% in 2023 and 2.8% in 2024. For Austria, the Austrian National Bank expects a steady decline in HICP inflation from the peak level at year-end 2022 (8.6%) to a still above average 2.9% in 2025. Inflation in Eastern and South-eastern Europe is declining and, at 13.7% in April 2023, fell to the lowest level since May 2022.²

¹ International Monetary Fund: World Economic Outlook - July 2023

² Austrian National Bank: Konjunktur aktuell - June 2023

Developments on the real estate markets

The transaction volume in Europe declined by 9% from €39.0 bn in the first quarter of 2023 to €35.4 bn (-54% in comparison with Q2 2022). The general mood on the office market has deteriorated, but prime properties remain popular. A decline has been noted, above all, in larger transactions, while the smaller and middle segments have been less affected.³

The real estate investment market in Germany stabilised during the second quarter of 2023, but activity was still unusually low. Properties with a combined value of €13.3 bn changed hands during the first six months, for a decline of roughly two-thirds compared with the previous year. The transaction volume on the commercial property market fell by 51.5% over the past 12 months to €32.4 bn, while transactions in residential properties dropped by an even higher 84.0% to €8.0 bn. Moderate recovery in the retail, residential and logistics asset classes is expected in the coming months, and the transaction volume is expected to reach €40.0 bn for the full year in 2023.^{4,5}

The transaction volume in Austria totalled approximately €1.2 bn in the first half of 2023 - whereby €560m are attributable to the first and €630m to the second quarter. In comparison with the previous year, that represents a decline of roughly 45%. The asset class ranking for the first half-year was led by retail (34.0%), followed by office (23.0%) and residential (15.0%).⁶ In the CEE region, €3.2 bn were invested in real estate from January to June 2023.⁷

³ CBRE: European Real Estate Investment Volumes - Q2 2023

⁴ Savills: Investmentmarkt Deutschland - July 2023

⁵ JLL: Investmentmarktüberblick - Q2 2023

⁶ EHL: Immobilieninvestmentmarkt Update - H1 2023

⁷ CBRE: CEE Real Estate Investment Volumes - Q2 2023

Business performance

UBM Development generated Total Output of €116.2m in the first half of 2023, compared with €206.2m in the first six months of 2022. The largest contribution to earnings, similar to the comparative period, came from Germany, in particular due to the transfer of the F.A.Z. Tower in Frankfurt. 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 €21.9m in the first half of 2022 to €36.6m in the reporting period, following the recovery in tourism and travel following the COVID-19 pandemic.

Total Output in the **Germany segment** fell from €87.3m to €41.4m, 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 €84.7m in the first half of 2022 to €23.0m. 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 €19.7m, versus €19.5m 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 €14.7m in the first half of 2022 to €32.1m in the first half 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	1-6/2023	1-6/2022	Change
Germany	41.4	87.3	-52.6%
Austria	23.0	84.7	-72.8%
Poland	19.7	19.5	1.0%
Other markets	32.1	14.7	118.4%
Total	116.2	206.2	-43.6%

Total Output in the **Residential segment** declined to €23.6m, compared with €85.0m in the first half 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 €61.5m in the first two quarters of 2022 to €28.9m. 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 €21.9m in the first half of 2022 to €36.6m 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 €24.1m in the first half of 2022 to €6.1m. Total Output for the reporting period was generated primarily from the rental of mixed use standing assets in Austria. In contrast, Total Output for H1 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 €13.7m to €20.9m. 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	1-6/2023	1-6/2022	Change
Residential	23.6	85.0	-72.2%
Office	28.9	61.5	-53.0%
Hotel	36.6	21.9	67.1%
Other	6.1	24.1	-74.7%
Service	20.9	13.7	52.6%
Total	116.2	206.2	-43.6%

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 amounted to €116.2m in the first half of 2023 (H1 2022: €206.2m), 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 €37.8m (H1 2022: €86.1m). This year-on-year decline reflected the reduction in contributions which followed 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 €17.3m in the first half of 2022 to €-7.0m 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 €0m in the first half of 2023 (H1 2022: €6.7m). The fair value adjustment in the reporting period was related to a project in Vienna. The expenses from fair value adjustments in the first half of 2023 totalled €14.7m (H1 2022: €0.2m).

Other operating income amounted to €13.3m in the reporting period and includes, among others, foreign exchange gains, income from the release of provisions and various other items. In the previous year, other operating income equalled €1.6m. Other operating expenses rose from €16.2m to €23.4m, 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 €31.6m in the first half of 2023 (H1 2022: €60.3m). 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 €14.8m was recorded in the first half of 2023 from changes in the portfolio related to residential property inventories and for other IAS 2 properties (H1 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 €14.1m (H1 2022: €18.7m). The number of employees in the companies included in the consolidated financial statements totalled 276 at the end of June 2023 (31 December 2022: 292).

EBITDA fell by €40.9m year-on-year to €-24.9m in the first half of 2023 (H1 2022: €16.0m), 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 €1.3m (H1 2022: €1.5m). EBIT equalled €-26.2m in the first six months of 2023, compared with €14.5m in the first half of 2022. Financial income declined from €15.3m in the first half of 2022 to €8.1m in the reporting period. Financial costs equalled €13.4m and generally reflected the previous year (H1 2022: €13.6m). 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 €16.1m in the first half of 2022 to €-31.6m. Tax expense was positive in the first half of 2023 and equalled €2.3m, which represents a tax rate of 7.3% (H1 2022: tax rate of 2.0%).

The net loss (after-tax result for the period) equalled €-29.3m in the first half of 2023 (H1 2022: €15.8m), and the net loss attributable to the shareholders of the parent company equalled €-32.5m (H1 2022: €11.2m). 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 €3.2m in the first half of 2023 (H1 2022: €4.8m). The resulting earnings per share equalled €-4.34 for the reporting period.

Asset and financial position

Total assets recorded by the UBM Group amounted to €1,340.4m as of 30 June 2023 and were slightly lower than 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 €10.6m to €402.3m at the end of June 2023. Tangible assets declined slightly by €0.1m to €12.1m. 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 2.9% to €175.5m as of 30 June 2023. Project financing declined by €30.6m to €150.3m at the end of the first half of 2023.

Current assets were €90.2m lower at €571.0 m as of 30 June 2023. Cash and cash equivalents declined by €108.6m to €214.3m at the end of June 2023, among others due to the premature redemption of the hybrid bond 2018, the payment of the purchase price for an acquisition made in 2022 and the dividend and interest payments. Financial assets rose slightly by €0.4m over the level on 31 December 2022.

Real estate inventories totalled €270.3m at the end of June 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 €55.0m as of 30 June 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 €101.6m lower than at year-end 2022 and totalled €400.0m as of 30 June 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 June 2023 (31 December 2022: 34.5%) and reflected the lower end of the 30-35% target range.

Bond liabilities (current and non-current) totalled €447.1m at the end of June 2023 and reflect the previous year (31 December 2022: €446.7m). Financial liabilities (current and non-current) declined slightly by €2.3m to €396.1m. Trade payables amounted to €40.9m at the end of June 2023 and were €6.1m 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 €27.9m. Deferred taxes and current taxes payable amounted to €19.5m as of 30 June 2023 (31 December 2022: €20.1m).

Net debt totalled €606.3m as of 30 June 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 was stable year-on-year at €-0.2m. 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 €-42.2m (H1 2022: €-47.9m). It was reduced, above all, by an increase in real estate inventories (€11.0m), interest paid (€11.3m), an increase in receivables (€6.8m) and a reduction in liabilities (€6.6m). These amounts include cash inflows of €4.3m from the sale of real estate inventories. The additions to real estate inventories amounted to €24.3m. The additions to receivables from real estate inventory sales totalled €12.0m, while the decline in receivables from real estate sales equalled €3.9m.

Cash flow from investing activities totalled €6.9m in the first half of 2023 (H1 2022: €-2.5m). Investments in project financing amounted to €22.0m, and investments in property, plant and equipment, investment property and financial assets equalled €23.1m. A contrasting factor was the repayment of €52.0m in project financing.

Cash flow from financing activities amounted to €-74.1m (H1 2022: €28.8m). New borrowings totalled €14.3m, while the hybrid capital of €52.9m and loans of €18.1m were repaid during the reporting period. In addition, dividends and hybrid bond interest of €16.6m were paid in the first half 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 276 as of 30 June 2023, compared with 295 as of 30 June 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

The International Monetary Fund (IMF) recently issued a slight upward revision to its April 2023 forecast for global growth in 2023 (from 2.8% to 3.0%), but the outlook is still weak in historical comparison. The World Health Organisation retracted its classification of COVID-19 as a global health emergency in May, and worldwide supply chain problems have generally normalised. The financial market uncertainty caused by bank crises in the USA and Switzerland and disputes over the US debt ceiling have been contained, but the downside risks that hindered growth in 2022 remain and the current climate is dominated by a high degree of insecurity.

Central bank interest rate policies continue to have a negative effect on the economy. Estimates point towards a downward trend in global inflation from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024, but core inflation will presumably decline at a much slower pace. According to the IMF, any intensification of the Ukraine war and/or weather-related extreme events could negatively influence these forecasts. The slower-than-expected economic recovery in China which was caused in part by the struggling real estate market (in particular, real estate giants like Evergrande and Country Garden) could also have an impact beyond national borders.

In the eurozone, economic output stagnated during the fourth quarter of Quartal 2022 and the first quarter of 2023. The forecast by the European Commission for GDP growth in 2023 equals 1.1%. The greatest risks are seen in a tightening of monetary policy, turbulence in the banking sector, rising geopolitical tensions and the effects of the Ukraine war on energy supplies. Wage increases and persistently high food prices led to an upward adjustment of the inflation forecast to 5.6% for 2023 and 2.8% for 2024.^{8,9}

Rising interest rates have had a massive influence on the development of the real estate market – and above all on the valuation of projects and standing assets. In connection with

an unscheduled revaluation of its projects and properties, UBM recognised write-downs of €31.3m – with a corresponding negative effect on half-year results. UBM, as a developer, did not record extensive write-ups in the past as did many other property holders. This current revaluation – above all of 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 speed is not possible over the short-term. The second half of this year is not expected to bring any substantial improvement in the real estate market, and this means UBM is also unlikely to complete any significant property sales during the coming six months. These sales are, however, the primary source of earnings for a real estate developer. The nearly balanced results for the first half-year are based on the satisfactory sale of 51 apartments and the successful transfer of the FAZ headquarters project.

UBM has been prepared for this existential crisis on the real estate market for some time. Cash and cash equivalents remained at a solid level of €214.3m as of 30 June 2023, and the hybrid bond 2018 was repaid (€52.9m) from UBM's internal financial strength. The equity ratio equalled nearly 30.0% at the end of June 2023 and is still within the long-term target range of 30–35%.

The Management Board of UBM expects the building permit for the Timber Factory in Munich's Bauberggerstrasse, which was received at the end of July 2023, will have a positive influence on the remainder of this year. The purchase price for the second half of the share held by the joint venture partner is now due in the agreed form, and the related effects should be realised in Q3 2023. UBM expects the current loss will be reduced by roughly half in the annual financial statements for 2023.

⁸ International Monetary Fund: World Economic Outlook – July 2023

⁹ Austrian National Bank: Konjunktur aktuell – June 2023

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.

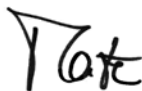
There have been no significant changes in the risk profile since the publication of the financial statements for the 2022 financial year. Therefore, the statements in the 2022 Annual Report/risk report still apply without exception. Reference is also made, in particular, to the risks associated with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

Vienna, 30 August 2023

The Management Board



Thomas G. Winkler
CEO



Patric Thate
CFO



Martina Maly-Gärtner
COO

Consolidated Income Statement

from 1 January to 30 June 2023

in T€	1-6/2023	1-6/2022	4-6/2023	4-6/2022
Revenue	37,839	86,109	19,944	55,576
Changes in the portfolio	14,826	-376	9,186	-728
Share of profit/loss from companies accounted for at equity	-7,003	17,271	-7,551	9,938
Income from fair value adjustments to investment property	-	6,692	-3,470	-
Other operating income	13,277	1,606	8,766	296
Cost of materials and other related production services	-31,599	-60,250	-17,102	-40,893
Personnel expenses	-14,143	-18,656	-6,824	-9,920
Expenses from fair value adjustments to investment property	-14,687	-190	-14,283	-105
Other operating expenses	-23,437	-16,222	-18,371	-7,918
EBITDA	-24,927	15,984	-29,705	6,246
Depreciation and amortisation	-1,317	-1,486	-669	-737
EBIT	-26,244	14,498	-30,374	5,509
Financial income	8,109	15,286	4,884	12,037
Financial costs	-13,448	-13,643	-7,168	-6,699
EBT	-31,583	16,141	-32,658	10,847
Income tax expenses	2,312	-322	2,498	180
Profit for the period	-29,271	15,819	-30,160	11,027
of which: attributable to shareholders of the parent	-32,464	11,150	-31,329	8,772
of which: attributable to holder of hybrid capital	3,198	4,836	1,372	2,387
of which: attributable to non-controlling interests	-5	-167	-203	-132
Basic earnings per share (in €)	-4.34	1.49	-4.19	1.17
Diluted earnings per share (in €)	-4.34	1.49	-4.19	1.17

Consolidated Statement of Comprehensive Income

from 1 January to 30 June 2023

in T€	1-6/2023	1-6/2022	4-6/2023	4-6/2022
Profit for the period	-29,271	15,819	-30,160	11,027
Other comprehensive income				
Remeasurement of defined benefit obligations	-18	686	94	448
Income tax expense (income) on other comprehensive income	4	-245	-22	-109
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	-14	441	72	339
Currency translation differences	-3,976	1,069	-3,538	651
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	-3,976	1,069	-3,538	651
Other comprehensive income of the period	-3,990	1,510	-3,466	990
Total comprehensive income of the period	-33,261	17,329	-33,626	12,017
of which: attributable to shareholders of the parent	-36,453	12,634	-34,794	9,762
of which: attributable to holder of hybrid capital	3,198	4,836	1,372	2,387
of which: attributable to non-controlling interests	-6	-141	-204	-132

Consolidated Balance Sheet

as of 30 June 2023

in T€	30 June 2023	31 December 2022
Assets		
Non-current assets		
Intangible assets	1,784	1,636
Property, plant and equipment	12,085	12,155
Investment property	402,307	391,725
Investments in companies accounted for at equity	175,454	180,762
Project financing	150,303	180,885
Other financial assets	10,242	10,217
Financial assets	3,921	3,877
Deferred tax assets	13,285	9,339
	769,381	790,596
Current assets		
Inventories	270,317	259,297
Trade receivables	54,971	49,494
Financial assets	20,324	19,741
Other receivables and assets	11,082	9,774
Cash and cash equivalents	214,343	322,929
	571,037	661,235
Assets total	1,340,418	1,451,831
Equity and liabilities		
Equity		
Share capital	52,305	52,305
Capital reserves	98,954	98,954
Other reserves	144,888	188,224
Hybrid capital	98,881	156,395
Equity attributable to shareholders of the parent	395,028	495,878
Equity attributable to non-controlling interests	4,785	5,571
	399,813	501,449
Non-current liabilities		
Provisions	5,740	7,537
Bonds and promissory note loans	327,028	326,653
Financial liabilities	340,913	268,982
Other financial liabilities	2,283	1,845
Deferred tax liabilities	8,065	8,909
	684,029	613,926
Current liabilities		
Provisions	1,108	1,805
Bonds and promissory note loans	120,035	120,049
Financial liabilities	55,168	129,357
Trade payables	40,894	46,947
Other financial liabilities	25,609	23,657
Other liabilities	2,295	3,480
Taxes payable	11,467	11,161
	256,576	336,456
Equity and liabilities total	1,340,418	1,451,831

Consolidated Statement of Cash Flows

from 1 January to 30 June 2023

in T€	1-6/2023	1-6/2022
Profit for the period	-29,271	15,819
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	15,983	-4,928
Interest income/expense	5,362	6,631
Income from companies accounted for at equity	7,003	-17,271
Dividends from companies accounted for at equity	5,500	659
Decrease/increase in long-term provisions	-1,849	652
Deferred income tax	-2,924	-1,727
Operating cash flow	-196	-165
Decrease in short-term provisions	-697	-171
Increase in tax liabilities	306	1,798
Losses/Gains on the disposal of assets	164	-4,245
Increase in inventories	-11,020	-56,951
Increase/decrease in receivables	-6,773	13,095
Decrease/increase in payables (excluding banks)	-6,594	6,178
Interest received	1,135	508
Interest paid	-11,273	-9,811
Other non-cash transactions	-7,265	1,901
Cash flow from operating activities	-42,213	-47,863
Proceeds from the sale of property, plant and equipment and investment property	181	25,811
Proceeds from the sale of financial assets	40	1,280
Proceeds from the repayment of project financing	51,989	17,431
Investments in intangible assets	-247	-276
Investments in property, plant and equipment and investment property	-23,118	-21,484
Investments in project financing	-22,035	-33,662
Proceeds from the sale of consolidated companies	125	8,358
Cash flow from investing activities	6,935	-2,542
Dividends	-16,629	-27,407
Dividends paid to non-controlling interests	-780	-826
Increase in loans and other financing	14,317	56,786
Repayment of loans and other financing	-18,134	-32,024
Repayment of hybrid capital	-52,900	-25,330
Cash flow from financing activities	-74,126	-28,801
Cash flow from operating activities	-42,213	-47,863
Cash flow from investing activities	6,935	-2,542
Cash flow from financing activities	-74,126	-28,801
Change in cash and cash equivalents	-109,404	-79,206
Cash and cash equivalents at 1 Jan	322,929	423,312
Currency translation differences	818	-138
Cash and cash equivalents at 30 June	214,343	343,968
Taxes paid	306	251

Consolidated Statement of Changes in Equity

as of 30 June 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	-	-	441	1,068
Total comprehensive income for the period	-	-	441	1,068
Dividend	-	-	-	-
Capital increase	29,888	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 30 June 2022	52,305	98,954	-2,921	2,564
Balance as of 31 December 2022	52,305	98,954	-2,426	2,231
Total profit/loss for the period	-	-	-	33
Other comprehensive income	-	-	-14	-3,977
Total comprehensive income for the period	-	-	-14	-3,944
Dividend	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 30 June 2023	52,305	98,954	-2,440	-1,713

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
11,150	4,836	15,986	-167	15,819
-25	-	1,484	26	1,510
11,125	4,836	17,470	-141	17,329
-16,812	-10,595	-27,407	-826	-28,233
-29,888	-	-	-	-
2,437	-	2,437	-	2,437
-	-25,330	-25,330	-	-25,330
182,919	152,155	485,976	4,189	490,165
188,419	156,395	495,878	5,571	501,449
-32,497	3,198	-29,266	-5	-29,271
2	-	-3,989	-1	-3,990
-32,495	3,198	-33,255	-6	-33,261
-8,219	-8,410	-16,629	-780	-17,409
1,934	-	1,934	-	1,934
-598	-52,302	-52,900	-	-52,900
149,041	98,881	395,028	4,785	399,813

Segment Reporting¹

from 1 January to 30 June 2023

in T€	Germany		Austria	
	1-6/2023	1-6/2022	1-6/2023	1-6/2022
Total Output				
Residential	4,469	48,288	4,078	27,285
Office	23,589	30,542	422	25,126
Hotel	8,037	4,826	5,856	3,046
Other	358	639	4,365	22,160
Service	4,917	3,027	8,294	7,063
Total Output	41,370	87,322	23,015	84,680
Less revenue from associates and companies of minor importance and from performance companies as well as changes in the portfolio	-35,724	-77,508	-17,777	-33,698
Revenue	5,646	9,814	5,238	50,982
Residential	-8,644	3,883	-2,810	8,835
Office	-4,553	2,940	-3,002	3,747
Hotel	52	6,616	-2,008	-1,414
Other	225	-4,439	14	7,327
Service	-5,719	771	-1,163	-579
Total EBT	-18,639	9,771	-8,969	17,916

¹ Part of the notes. Intersegment revenue is immaterial.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Poland		Other markets		Group	
1-6/2023	1-6/2022	1-6/2023	1-6/2022	1-6/2023	1-6/2022
-	1,191	15,041	8,283	23,588	85,047
4,929	5,840	-	-	28,940	61,508
12,648	8,601	10,030	5,379	36,571	21,852
1,417	1,283	-	-	6,140	24,082
707	2,611	7,019	979	20,937	13,680
19,701	19,526	32,090	14,641	116,176	206,169
-6,671	-12,090	-18,165	3,236	-78,337	-120,060
13,030	7,436	13,925	17,877	37,839	86,109
2,670	-4,024	-1,171	-223	-9,955	8,471
-4,078	1,448	-17	-12	-11,650	8,123
-19	-37	-1,227	-5,151	-3,202	14
1,408	-1,562	-482	-316	1,165	1,010
-682	-427	-377	-1,242	-7,941	-1,477
-701	-4,602	-3,274	-6,944	-31,583	16,141

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 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 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.

Due to new foundations	Date of initial consolidation
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
Amendments to IAS 12: International Tax Reform - Pillar Two Model Rules	23.5.2023	-	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

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) are 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 June 2022.

6. Valuation of the property portfolio

Multiple factors held the real estate market in a veritable crisis during the first half 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 June 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, the appraisals prepared as of 31 December 2022 were updated. 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 January 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 January 2023	379,707	12,018	391,725
Additions	22,876	655	23,531
Disposals	-348	-	-348
Currency adjustments	2,086	-	2,086
Adjustments to fair value	-14,486	-201	-14,687
Balance as of 30 June 2023	389,835	12,472	402,307

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 January 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	-	-	-	-	-	-	-62	1,703	319	-	126	2,086
Additions from property purchases	-	-	-	-	13,448	-	-	-	-	-	-	13,448
Additions in existing properties	6,031	344	-	-	2,442	-	107	216	-	-	288	9,428
Disposals	-	-	-183	-	-	-	-	-	-115	-50	-	-348
Net gains/losses from fair value adjustments ¹	-4,306	-344	-	-10	-6,135	-	-1,575	-1,246	-505	-	-365	-14,486
Carrying amount as of 30 June 2023	129,345	187	19	4,299	85,517	2,130	51,395	32,717	6,044	70,212	7,970	389,835

¹ The net income from fair value adjustments consists of revaluation gains of T€ 0 and revaluation losses of T€ -14,486.

Impact on investment property

Investment property with a combined carrying amount of T€373,785 (31 December 2022: T€376.702) was revalued.

Die The fair value write-downs amounted to T€3,385 (31 December 2022: T€567) for standing assets and to T€11,302 (31 December 2022: T€3.683) for properties under development.

	Carrying amount as of 30 June 2023 before valuation (in T€)	Value adjustment (in T€)	Currency translation differences (in T€)	Carrying amount as of 30 June 2023 after valuation (in T€)	Value adjustment (in T€)
Standing assets	178,112	-3,385	-307	174,420	-1.90%
Properties under development	239,022	-11,302	167	227,887	-4.73%
Total	417,134	-14,687	-140	402,307	

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€8,954 (H1 2022: T€1,420).

Impact on property assets held by the equity-accounted companies

The following value adjustments were recorded as of 30 June 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	-10,158	-4,985
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€	1-6/2023	1-6/2023	1-6/2023	1-6/2023	1-6/2023
Revenue					
Residential	250	1,956	5,689	12,201	20,096
Office	483	422	4,676	-	5,581
Hotel	-	-	-	1,181	1,181
Other	39	531	2,057	-	2,627
Service	4,874	2,329	608	543	8,354
Revenue	5,646	5,238	13,030	13,925	37,839
Recognition over time	813	699	5,687	12,201	19,400
Recognition at a point in time	4,833	4,539	7,343	1,724	18,439
Revenue	5,646	5,238	13,030	13,925	37,839
	Germany	Austria	Poland	Other Markets	Group
in T€	1-6/2022	1-6/2022	1-6/2022	1-6/2022	1-6/2022
Revenue					
Residential	527	21,352	1,198	8,463	31,540
Office	417	25,126	3,693	-	29,236
Hotel	-	-	-	1,025	1,025
Other	1,044	836	1,786	17	3,683
Service	7,826	3,668	759	8,372	20,625
Revenue	9,814	50,982	7,436	17,877	86,109
Recognition over time	-	3,473	1,089	7,718	12,280
Recognition at a point in time	9,814	47,509	6,347	10,159	73,829
Revenue	9,814	50,982	7,436	17,877	86,109

9. Earnings per share

	1-6/2023	1-6/2022
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	-29,266	15,986
Less interest on hybrid capital (in T€)	-3,198	-4,836
Proportion of profit for the period attributable to shareholders of the parent (in T€)	-32,464	11,150
Weighted average number of shares issued	7,472,180	7,472,180
Basic earnings per share = Diluted earnings per share (in €)	-4.34	1.49

10. Share capital

Share capital	Number 30 June 2023	€ 30 June 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 June 2023 von Reuters 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 June 2023	Measurement in acc. with IFRS 9			Fair value hierarchy	Fair value as of 30 June 2023
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)		
Assets							
Project financing at variable interest rates	Amortised Cost	150,303	150,303	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,427
Other financial assets	FVTPL	642	-	-	642	Level 3	642
Other financial assets	FVTPL	879	-	-	879	Level 1	879
Trade receivables	Amortised Cost	23,241	23,241	-	-	-	-
Financial assets	Amortised Cost	24,245	24,245	-	-	-	-
Cash and cash equivalents	-	214,343	214,343	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	447,063	447,063	-	-	Level 1	420,995
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	314,211	314,211	-	-	-	-
at fixed interest rates	Amortised Cost	46,475	46,475	-	-	Level 3	43,570
Other loans and borrowings							
at fixed interest rates	Amortised Cost	12,889	12,889	-	-	Level 3	8,935
Lease liabilities	-	22,506	22,506	-	-	-	-
Trade payables	Amortised Cost	40,894	40,894	-	-	-	-
Other financial liabilities	Amortised Cost	27,892	27,892	-	-	-	-
By category:							
Financial assets at amortised cost	Amortised Cost	206,510	206,510	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	1,521	-	-	1,521	-	-
Cash and cash equivalents	-	214,343	214,343	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	889,424	889,424	-	-	-	-

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2022	Measurement in acc. with IFRS 9				Fair value as of 31 Dec 2022
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)	Fair value hierarchy	
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 half of 2023 were related primarily to construction.

16. Events after the balance sheet date

On 10 July 2023, UBM successfully placed a four-year green bond (UBM bond 2023-2027) with a total volume of €50m and an annual coupon of 7.00%. This new issue was accompanied by an exchange offer which resulted in the exchange of a nominal amount of approximately €28.9m from the UBM bond 2018-2023 for the new green bond/UBM bond 2023-2027.

Furthermore, the Supervisory Board nominated Peter Schaller to the Management Board as the fourth member effective on 24 August 2023. The contracts of the existing board members were extended prematurely by a further five years at the same time.

Vienna, 30 August 2023

The Management Board



Thomas G. Winkler
CEO, Chairman



Patric Thate
CFO



Martina Maly-Gärtner
COO

Report on a Review of the condensed, Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed, consolidated financial statements as of June 30, 2023 of UBM Development AG, Vienna, (referred to as "Company") comprising the condensed, consolidated balance sheet as of June 30, 2023, the condensed, consolidated income statement, the condensed, consolidated statement of comprehensive income, the condensed, consolidated cash flow statement and the condensed, consolidated statement of changes in equity for the period from January 1, 2023 to June 30, 2023, as well as the notes to the condensed, consolidated interim financial statements which summarise the accounting and measurement methods applied along with other notes.

Management is responsible for the preparation and fair presentation of these condensed, consolidated interim Financial Statements in accordance with IFRS for Interim Financial Reporting as adopted by the EU.

Our responsibility is to issue a report on these condensed, consolidated interim Financial statements based on our review.

Responsible for the proper performance of the engagement is Mr. Mag. Markus Trettnak Austrian Certified Public Accountant.

With reference to § 125 Abs. 3 Austrian Stock Exchange Act (BörseG) our responsibility and liability is based on § 275 Abs. 2 Austrian Commercial Code.

Scope of Review

We conducted our review in accordance with laws and regulations applicable in Austria, especially in accordance with KFS/PG 11 "Standard on Review Engagements" and International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity". A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We draw attention to the fact that the English translation of this Report on a Review of the condensed, consolidated interim financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed, consolidated interim Financial statements does not give a true and fair view of the financial items of the entity as at June 30, 2023, and of its financial performance and its cash flows for the period then ended in accordance with IFRS for Interim Financial Reporting as adopted by the EU.

Statement on the Group management report for the half-year and on the statement of the legal representatives pursuant to Sec. 125 Austrian Stock Exchange Act

We have reviewed the Half Yearly Group Management Report and evaluated it in respect of any obvious contradictions with the condensed, consolidated interim financial statements. In our opinion, the Half Yearly Group Management Report does not contain any obvious contradictions with the condensed, consolidated interim financial statements.

The Half Yearly Group Report contains a Responsibility Statement as stipulated by Art. 125 Sec. 1 No. 3 Austrian Stock Exchange Act.

Vienna, 30 August 2023

BDO Assurance GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Markus Trettnak

Auditor

Wolfgang Mader

Auditor

We draw attention to the fact that the English translation of this Report on a Review of the condensed, consolidated interim financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Responsibility Statement pursuant to section 125 para. 1 stock exchange act 2018 – Consolidated Interim Financial Statements

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 six 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 six months of the financial year and the major reportable transactions with related parties.

Vienna, 30 August 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 Half-Year 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 Half-Year 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 Half-Year Report.

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

The Half-Year Report as of 30 June 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 Half-Year 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.

