ubm development

Interim Report on the First Quarter of 2024

Key performance indicators

Key earning figures (in € m)

	1-3/2024	1-3/2023	Change
Total Output[1]	85.0	53.5	58.9%
Revenue	20.4	17.9	14.0%
EBT	-7.3	1.1	n.m.
Net profit (before non-controlling interests)	-8.0	0.9	n.m.

Key asset and financial figures (in € m)

	31.3.2024	31.12.2023	Change
Total assets	1,237.5	1,253.8	-1.3%
Equity	371.3	379.7	-2.2%
Equity ratio	30.0%	30.3%	-0.3PP
Net debt[2]	628.8	610.2	3.0%
Cash and cash equivalents	127.1	151.5	-16.1%

Key share data and staff

	31.3.2024	31.3.2023	Change
Earnings per share (in €)[3]	-1.27	-0.15	n.m.
Market capitalisation (in € m)	140.5	207.0	-32.1%
Dividend per share (in €)[4]	-	1.10	n.m.
Staff	261	283	-7.8%

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

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Q1 2024

Dear Shareholders,
Dear Stakeholders,

The first quarter failed, as expected, to bring a trend reversal on the real estate market. Any industry would be in trouble if it were unable to sell hardly anything over a longer period of time. In this respect, it is probably surprising that we were able to complete a series of successful sales during the first three months of 2024. We sold double the number of apartments compared with the first quarter of the previous year. UBM also sold land in the Arcus development project in Prague to a Czech construction company. A building in the Poleczki Business Park in Warsaw was sold to our tenant, Porr, and in Prague, IGO increased its investment in the Andaz project from 25% to 40%.

That gives us the necessary leeway to further invest in the future. Work is proceeding on all our projects, and we are continuing to invest in their realisation or at least until the building permit is granted. Our goal to become one of the largest developers of timber-hybrid buildings in Europe is our priority and focal point. Of the total development pipeline, we want to realise 77% in this form – a goal considered by many as impossible only a short time ago.

Our consequence not "only" pays off for the environment, but also commercially for UBM. Timber-hybrid construction substantially reduces construction time – which is decisive because, as we all know, time is money. It also serves as a catalyst to do things in a different way than many decades ago. We believe the future lies in serial and modular (timber) construction. A strong shift from the construction site to the factory hall also creates significant opportunities in connection with the acute lack of professionals and generally unchanging production conditions.

No abrupt changes are expected on the market or at UBM, but the medium-term perspective leads to hopes of a return to a functioning and, consequently, profitable business model. Thank you very much for your trust and confidence in accompanying us on this journey.

The Management Board

Thomas G. Winkler
CEO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Peter Schaller
CTO

Interim Management Report

General economic environment

Ongoing military confrontations like Russia's war in Ukraine and the escalating conflicts in the Near East had a cumulative effect on the world's economy during the first quarter of 2024. However, the global economy proved to be surprisingly resilient despite these aggressive events and substantial interest rate hikes by central banks to restore price stability. Inflation has been slowly moving towards the target levels from the peak in mid-2022 and the central banks in many countries have started to loosen their policies, but growth remains burdened by the tightening of financial policies which have been implemented to contain the high sovereign debt through increased taxes and reduced government spending. The forecasts for global growth in 2024 range from 2.9% (OECD) to 3.2% (International Monetary Fund, IMF). For the eurozone, the IMF experts expect are expecting a growth rate of 0.8% in 2024.[1]

Developments on the real estate markets

The first quarter of 2024 has passed and the expected recovery on the transaction market has still not materialised. The investment market in Europe reached a total of €34.0 bn in the first quarter of 2024, a year-on-year decline of 12.0%. The transaction volume in Germany rose slightly from a low in the first quarter of 2023 to a volume of €6.0 bn at the beginning of 2024 (Q1 2023: €5.9 bn). In Austria, the market increased by 8.0% over the first quarter of the previous year to €540m (Q1 2023: €500m). International investors have remained patient despite this improvement – nearly 90% of Austrian investments are financed with local funds. This trend was not only visible in Austria but, in slightly weaker form, also in Germany. The office asset class was again the most popular with an increase of 3.0% to 48.0% of the total investment market, followed by residential with 32.0% and hotels with 10.0% of the transaction volume. The CEE regions recorded a decline of 15.0% to €1.2 bn in the first three months of the year. For the full 12 months of 2024, the experts at Colliers place the total transaction volume at €6.0 bn.[2, 3, 4, 5]

[1] IMF: World Economic Outlook – April 2024

Stock market developments and the UBM share

The economic outlook improved during the first months of 2024 despite the prevailing military conflicts. The international stock markets continued the rally which started in November 2023 during the reporting period, supported primarily by positive corporate reports from the major technology stocks. Other driving factors included the improved economic environment and the outlook of more favourable interest rates. The MSCI World closed the month of March with an increase of 8.4% over year-end 2023 and matched the record level from 2023. On the US market, substantial gains were recorded by the Dow Jones with 5.8% and the S&P 500 with 10.2% from January to March. The pan-European EURO STOXX 50 and the DAX also recorded positive performance with increases of 12.4% and 10.4%, respectively. Only the Austrian index remained below average with a first quarter increase of 2.9%. Austria's IATX kept pace with the international markets with an increase of 10.0%. UBM Development was faced with a mixed capital market environment during the first three months of 2024. The share rose rapidly at the beginning of the year and followed with sideward movements up to mid-February. The share price equalled €21.8 at the beginning of the year, fell steadily starting in mid-February and traded at €18.8 at the end of March for a first quarter loss of 10.9%. The average daily trading volume in the first three quarters of 2024 equalled 2,853 shares.

[2] CBRE: Pressemitteilung Immobilieninvestments in Österreich April 2024
[3] Savills: Investmentmarkt Deutschland – April 2024
[4] Savills: European Investment – Q1 2024
[5] Colliers: The CEE Investment Scene – Q1 2024

Business performance

UBM generated Total Output of €85.0m in the first quarter of 2024 (Q1 2023: €53.5m). Total Output for the reporting period was influenced, above all, by the sale of property shares and 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. The largest contribution to Total Output was made by the sale of an interest in the hotel Andaz in Prague and parts of the Poleczki Business Park in Warsaw. Other positive contributions were made by residential construction projects like the Astrid Garden Residences and the Arcus City project in Prague. Total Output from the hotel business rose from €15.7m in the first quarter of 2023 to €35.0m in the reporting period. This increase reflects the return to travel after the Covid-19 pandemic and the sale of an interest in the Andaz hotel.

Total Output in the **Germany segment** increased from €9.1m to €10.5m and was supported in the reporting period primarily by the Flösserhof residential project and the Havn residential project in Mainz. In the comparative period, Total Output included the F.A.Z. Tower in Frankfurt which was forward sold and completed in 2022. This project was transferred to the buyer in the second quarter of 2023.

The **Austria segment** reported a year-on-year decline in Total Output from €12.8m to €11.2m in the first quarter of 2024. A major component of Total Output in this segment was generated by the residential asset class, in particular the PEAK HOMES project in the VILLAGE IM DRITTEN which recorded 67 apartment sales following the start of construction in early December. Total Output was also supported by contributions from UBM Hotels Management and the provision of services.

Total Output in the **Poland segment** amounted to €27.1m in the first quarter of 2024 (Q1 2023: €12.9 m) and was based on contributions from ongoing hotel operations, the sale of a share in the Poleczki Business Park and various services.

The **Other Markets** segment reported a sound increase in Total Output to €36.2m in the first quarter of 2024 (Q1 2023: €18.7m). The largest component was generated by the sale of a share in the Andaz luxury hotel in Prague. Total Output also included the Arcus City residential project in the Prague district of Stodůlky and the Astrid Garden residential project in the heart of Holešovice. The Arcus City project involves the construction of 283 housing units which are also accounted for according to the percentage of completion (PoC).

Total Output by region

in €m	1-3/2024	1-3/2023	Change
Germany	10.5	9.1	15.4%
Austria	11.2	12.8	-12.5%
Poland	27.1	12.9	110.1%
Other markets	36.2	18.7	93.6%
Total	**85.0**	**53.5**	**58.9%**

Total Output in the **Residential segment** declined to €16.4m, compared with €20.7m in the first quarter of 2023. The progress of construction on previously sold residential projects in Germany, Austria and Czechia was responsible for most of the Total Output for the reporting period. Included here are the VILLAGE IM DRITTEN residential project in Vienna and the Arcus City in Prague. Both projects made a positive contribution to Total Output, primarily through the sale of individual apartments.

In the **Office segment**, Total Output improved substantially to €20.0m (Q1 2023: €3.0m). Performance for the reporting period was based primarily on the proportional sale of the Poleczki Business Park and other smaller contributions from Austria and Germany.

The **Hotel segment** reported Total Output of €35.0m for the first quarter of 2024 (Q1 2023: €15.7m). This improvement is again attributable to the increase in travel after the Covid-19 pandemic as well as the sale of an interest in the Andaz hotel. Ongoing hotel operations and the sale of the hotel share contributed to Total Output, but there are still no hotel projects under development at the present time.

The **Other segment** recorded an increase in Total Output to €3.4m (Q1 2023: €3.0m). Total Output for the reporting period was generated primarily from the rental of mixed use standing assets in Austria.

In the **Service segment**, Total Output fell from €11.1m to €10.2 m. A major component resulted from the provision of services for various projects in Czechia, Austria and Germany. This position also includes charges for management services and intragroup allocations.

Total Output by asset class

in €m	1-3/2024	1-3/2023	Change
Residential	16.4	20.7	-20.8%
Office	20.0	3.0	n.m.
Hotel	35.0	15.7	122.9%
Other	3.4	3.0	13.3%
Service	10.2	11.1	-8.1%
Total	**85.0**	**53.5**	**58.9%**

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 €85.0m in the first quarter of 2024 and was 58.9% higher than the previous year (Q1 2023: €53.5m). Revenue as reported on the consolidated income statement rose from €17.9m to €20.4m and was influenced primarily by the progress of construction on previously sold real estate projects which are recorded over time based on the progress of construction and realisation. Substantial contributions were made by various residential projects in Germany and Czechia as well as forward sales in Austria.

The profit from companies accounted for at equity fell from €0.5m in the first quarter of 2023 to €-3.8m in the reporting period. The prior period contributions were based on real estate projects like the F.A.Z. Tower in Frankfurt and the Gmunderhöfe in Munich.

No income was recorded from fair value adjustments to investment property in the first quarter of 2024. The fair value adjustment of €3.5m in the comparative period resulted from a development project in Poland. The expenses from fair value adjustments were immaterial in the first quarters of 2024 and 2023. There were no major rental defaults from fully consolidated standing assets.

Other operating income amounted to €1.5m and included, among others, income from the release of provisions, employee-related settlements and various other items. In the previous year, other operating income equalled €4.5m. Other operating expenses rose from €5.1m to €6.5m, above all due to foreign exchange losses during the reporting period. This position also includes office operating costs, legal and consulting fees, and management fees as well as taxes, duties and miscellaneous expenses.

The cost of materials and other related production services rose to €21.9m (Q1 2023: €14.5m). 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 €13.8m was recorded in the first quarter of 2024 from changes in the portfolio related to residential property inventories (Q1 2023: €5.6m). The increase resulted from a decline in sales activities due to the general market conditions.

Personnel expenses were lower year-on-year at €5.6m (Q1 2023: €7.3m). The number of employees in the companies included in the consolidated financial statements totalled 261 at the end of March 2024 (31 December 2023: 268).

EBITDA fell by €7.0m year-on-year to €-2.2m in the first quarter of 2024, and EBIT totalled €-2.9m (Q1 2023: €4.1m). Financial income increased only slightly from €3.2m in the first quarter of 2023 to €3.3m in the reporting period. Financial costs were higher than the previous year at €7.8m (Q1 2023: €6.3m) and included no material write-downs in the reporting or comparative period.

EBT declined from €1.1m to €-7.3m in the first quarter of 2024. Tax expense equalled €0.6m, which represents a tax rate of 8.6% and was substantially lower than the first quarter of the previous year (Q1 2023: tax rate of 17.3%). The low tax rate in the comparative period was based on a tax correction from 2021.

The net loss (after-tax result for the period) equalled €-8.0m (Q1 2023: €0.9m) and the net loss attributable to the shareholders of the parent company equalled €-9.5m. The share attributable to the hybrid capital holders equalled €1.3m in the first three months of 2024. The resulting earnings per share equalled €-1.27 for the reporting period.

Asset and financial position

Total assets recorded by the UBM Group amounted to €1,237.5m as of 31 March 2024 and were €16.2m below the level on 31 December 2023. This decline resulted primarily from the sale of an interest in the Poleczki Business Park which was accompanied by a reduction in the project-related debt.

Tangible assets declined slightly by €0.2m to €10.9m. This position consists primarily of capitalised rights of use from leases. The carrying amount of investment property fell by €6.6m to €401.3m at the end of March.

The carrying amount of the investments in equity-accounted companies totalled €152.9m at the end of March and was slightly higher than on 31 December 2023 (€150.2m). Project financing rose by €22.7m to €166.2m at the end of the first quarter of 2024.

Current assets declined by €32.7m to €475.8m in the reporting period. Cash and cash equivalents were €24.4m lower due to equity contributions to projects in Czechia during the reporting period. At the end of March 2024, cash and cash equivalents totalled €127.1m. Financial assets changed by €1.74m compared with 31 December 2023.

Real estate inventories totalled €268.8m at the end of March 2024 and were slightly higher than at year-end 2023 (€265.4m). This position includes miscellaneous inventories as well as specific residential properties under development which are designated for sale. Trade receivables declined from €37.3m at the end of 2023 to €29.7m at the end of the first quarter of 2024. 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 €8.4m below year-end 2023 at €371.3m as of 31 March 2024. The equity ratio equalled 30.0% at the end of March and remained within the target range of 30–35% (31 December 2023: 30.3%).

Bond liabilities totalled €376.9m at the end of March and were slightly higher than the previous year (31 December 2023: €376.1m). Financial liabilities (current and non-current) declined by € 6.8m to €401.4m.

Trade payables amounted to €22.8m at the end of March 2024 and were below the level at year-end 2023 (€25.7m). 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 minimally from €27.9m as of 31 December 2023 to €28.3m. Deferred taxes and current taxes payable amounted to €17.0m as of 31 March 2024 (31 December 2023: €17.2m).

Net debt rose from €610.2m as of 31 December 2023 to €628.8m as of 31 March 2024. Net debt includes current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents.

Cash flow

Operating cash flow declined from €4.9m to €0.1m in the first quarter of 2024. 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 €3.0m, compared with €–14.4m in the first quarter of 2023. It was increased, above all, by a higher balance of real estate inventories (€3.3 m), interest paid (€4.1m), a reduction in receivables (€13.5m) and a decline in liabilities (€ 4.7 m). These amounts included cash inflows of €6.5m from the sale of real estate inventories. The additions to real estate inventories amounted to €9.8m. The change in receivables from real estate inventory sales equalled €1.3m, while the cash inflows from real estate receivables equalled €4.3m.

Cash flow from investing activities amounted to €-29.1m, compared with €-10.4 m in the first three months of the previous year. Investments in project financing totalled €40.9m, and the investments in property, plant and equipment, investment property and financial assets equalled €10.7m. Cash inflows from the repayment of project financing and from the sale of consolidated companies had an effect of €15.4m and €6.8m, respectively, on cash flow from investing activities

Cash flow from financing activities amounted to €2.6m (Q1 2023: €-48.2m), whereby the comparative period was significantly influenced by the repayment of the hybrid bond 2018 at €52.9m. New borrowings totalled €28.7m, and loans totalling €25.7m were repaid.

Non-financial performance indicators

Environmental and social issues
UBM carries high responsibility for society as a project developer and property owner. Especially in the area of real estate development, the company can influence its own sustainable growth but also creates the foundation for future users (e.g. through the selection of materials, energy sources etc.). The inclusion of sustainability aspects during the planning process, production and operation also represents an important instrument for the sustainable preservation of a property. The environment and sustainability have been anchored in UBM's strategy for many years and are presented annually in an extensive ESG report.

Employees
The UBM Group, including all its subsidiaries, had a total workforce of 261 as of 31 March 2024, compared with 268 as of 31 December 2023.

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 2023.

Outlook

In the midst of geopolitical conflicts and continuing high interest policy, the experts at the OECD and International Monetary Fund (IMF) are projecting growth of 2.9% to 3.2% for the world's economy in 2024. Global growth has been slowed by the ongoing war in Europe, the conflict between Israel and Hamas which has been escalating since October 2023 and is influenced by the role played by Iran, the impact of high inflation and the resulting high interest rates. The increase in interest rates has led to a decline in inflation in the eurozone and caused the ECB to leave interest rates unchanged at 4.5% in September 2023 and again at the beginning of 2024. Despite the downward trend in recent months, inflation is only expected to approach the ECB target of 2% later this year or in 2025.[1, 2, 3]

Even though UBM has been unable to disengage completely from market developments, the company sees itself in a position of relative strength. The internal management of and focus on cash allowed UBM to hold the equity ratio at 30% and maintain cash and cash equivalents of €127.1m in the first quarter of 2024. No further bond repayments are scheduled until November 2025, which creates a competitive advantage.

Successful sales in the first quarter demonstrate that UBM is consistently following its chosen course. More than double the number of apartments were sold compared with the first quarter of the previous year. UBM was also able to sell land in the Arcus development project in Prague to a Czech construction company. In addition, a building in the Poleczki Business Park in Warsaw was sold to the tenant, Porr, and in Prague, IGO increased its investment in the Andaz project from 25% to 40%.

That gives UBM the necessary leeway to further invest in the future. Work is proceeding on all projects, and UBM is continuing to invest in their realisation or at least until the building permit is granted.

The prioritisation and focus on the realisation of the goal to become one of the largest developers of timber-hybrid buildings in Europe remain intact. Of the total development pipeline, 77% is already under realisation in this form. Timber-hybrid construction substantially reduces the construction time – which is decisive because time means money. It also serves as a catalyst to do things in a different way than many decades ago. The future lies in serial and modular (timber) construction. A strong shift from the construction site to the factory hall also creates significant opportunities in connection with the acute lack of professionals and the largely unchanging production conditions.

No abrupt changes are expected on the market or at UBM, but the medium-term perspective leads to hopes of a return to a functioning and, consequently, profitable business model.

UBM expects a significant year-on-year reduction of the loss in 2024, but the protection of liquidity has priority. A return to the profit zone can be expected in 2025, most likely due to the growing supply gap as well as the steady increase in rent levels in all UBM markets. In view of the current market reorganisation, there can be no doubt that the remaining market participants will be able to enjoy above-average benefits.

[1] IMF: World Economic Outlook – April 2024
[2] OECD: Press release 5 February 2024
[3] ECB: Monetary policy decisions – Press release March 2024

Risk report

The risks which have, or could have, a significant impact on UBM Development AG are discussed in the 2023 Annual Report on pages 129 to 134. 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 2023 financial year. Therefore, the statements in the 2023 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 132-134).

Responsibility statement

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

Vienna, 29 May 2024

The Management Board

Thomas G. Winkler
CEO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Peter Schaller
CTO

Consolidated Income Statement

from 1 January to 31 March 2024

in T€	1-3/2024	1-3/2023
Revenue	20,432	17,895
Changes in the portfolio	13,811	5,640
Share of profit/loss from companies accounted for at equity	-3,837	548
Income from fair value adjustments to investment property	-	3,470
Other operating income	1,466	4,511
Cost of materials and other related production services	-21,877	-14,497
Personnel expenses	-5,589	-7,319
Expenses from fair value adjustments to investment property	-113	-404
Other operating expenses	-6,516	-5,066
EBITDA	**-2,223**	**4,778**
Depreciation and amortisation	-637	-648
EBIT	**-2,860**	**4,130**
Financial income	3,302	3,225
Financial costs	-7,787	-6,280
EBT	**-7,345**	**1,075**
Income tax expenses	-635	-186
Loss/Profit for the year	**-7,980**	**889**
of which: attributable to shareholders of the parent	-9,479	-1,135
of which: attributable to holder of hybrid capital	1,317	1,826
of which: attributable to non-controlling interests	182	198
Earnings per share (basic and diluted in €)	**-1.27**	**-0.15**

Consolidated Statement of Comprehensive Income

from 1 January to 31 March 2024

in T€	1-3/2024	1-3/2023
Loss/Profit for the year	**-7,980**	**889**
Other comprehensive income		
Remeasurement of defined benefit obligations	-	–112
Income tax expense (income) on other comprehensive income	-	26
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	**-**	**-86**
Currency translation differences	–403	–438
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	**-403**	**-438**
Other comprehensive income of the period	**-403**	**-524**
Total comprehensive income of the period	**-8,383**	**365**
of which: attributable to shareholders of the parent	–9,882	–1,659
of which: attributable to holder of hybrid capital	1,317	1,826
of which: attributable to non-controlling interests	182	198

Consolidated Balance Sheet
as of 31 March 2024

in T€	31 March 2024	31 December 2023
Assets		
Non-current assets		
Intangible assets	1,918	1,915
Property, plant and equipment	10,932	11,129
Investment property	401,301	407,894
Investments in companies accounted for at equity	152,930	150,208
Project financing	166,214	143,552
Other financial assets	19,358	19,358
Financial assets	166	2,356
Deferred tax assets	8,889	8,883
	761,708	**745,295**
Current assets		
Inventories	268,755	265,411
Trade receivables	29,727	37,315
Financial assets	41,827	40,089
Other receivables and assets	8,397	14,147
Cash and cash equivalents	127,124	151,520
	475,830	**508,482**
Assets total	**1,237,538**	**1,253,777**
Equity and liabilities		
Equity		
Share capital	52,305	52,305
Capital reserves	98,954	98,954
Other reserves	111,653	121,535
Hybrid capital	102,922	101,605
Equity attributable to shareholders of the parent	**365,834**	**374,399**
Equity attributable to non-controlling interests	5,505	5,323
	371,339	**379,722**
Non-current liabilities		
Provisions	10,648	11,129
Bonds and promissory note loans	376,938	376,066
Financial liabilities	264,002	287,815
Other financial liabilities	1,379	1,404
Deferred tax liabilities	10,295	10,415
	663,262	**686,829**
Current liabilities		
Provisions	3,459	3,554
Financial liabilities	137,403	120,365
Trade payables	22,752	25,653
Other financial liabilities	26,888	26,502
Other liabilities	5,699	4,325
Taxes payable	6,736	6,827
	202,937	**187,226**
Equity and liabilities total	**1,237,538**	**1,253,777**

Consolidated Statement of Cash Flows

from 1 January to 31 March 2024

in T€	1-3/2024	1-3/2023
Profit for the period (net profit)	–7,980	889
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	750	–2,427
Interest income/expense	4,001	3,067
Income from companies accounted for at equity	3,837	–547
Dividends from companies accounted for at equity	-	5,000
Decrease in long-term provisions	–481	–1,007
Deferred income tax	-	–65
Operating cash flow	**127**	**4,910**
Decrease in short-term provisions	49	–1,397
Increase in tax liabilities	2	170
Gains on the disposal of assets	–77	–7
Increase in inventories	–3,344	–2,036
Decrease in receivables	13,458	–13,637
Decrease in payables (excluding banks)	–4,731	1,658
Interest received	-	151
Interest paid	–4,076	–2,944
Other non-cash transactions	1,593	–1,288
Cash flow from operating activities	**3,001**	**–14,420**
Proceeds from the sale of property, plant and equipment and investment property	204	24
Proceeds from the sale of financial assets	-	2
Proceeds from the repayment of project financing	15,384	28
Investments in intangible assets	-	–121
Investments in property, plant and equipment and investment property	–10,712	–4,040
Investments in project financing	–40,852	–6,416
Proceeds from the sale of consolidated companies	6,849	125
Cash flow from investing activities	**–29,127**	**–10,398**
Dividends	-	–2,909
Dividends paid to non-controlling interests	-	–780
Increase in loans and other financing	28,713	10,063
Repayment of loans and other financing	–26,066	–1,664
Repayment of hybrid capital	-	–52,900
Cash flow from financing activities	**2,647**	**–48,190**
Cash flow from operating activities	**3,001**	**–14,420**
Cash flow from investing activities	**–29,127**	**–10,398**
Cash flow from financing activities	**2,647**	**–48,190**
Change in cash and cash equivalents	**–23,479**	**–73,008**
Cash and cash equivalents at 1 January	151,520	322,929
Currency translation differences	–917	445
Cash and cash equivalents at 31 March	**127,124**	**250,366**
Taxes paid	–633	–81

Consolidated Statement of Changes in Equity

as of 31 March 2024

in T€	Share capital	Capital reserves	Remeasurement of defined benefit obligations	Currency translation reserve
Balance as of 31 December 2022	**52,305**	**98,954**	**–2,426**	**2,231**
Total profit/loss for the period	-	-	-	33
Other comprehensive income	-	-	–86	–438
Total comprehensive income for the period	-	-	–86	–405
Dividend	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 31 March 2023	**52,305**	**98,954**	**–2,512**	**1,826**
Balance as of 1 January 2024	**52,305**	**98,954**	**–2,455**	**–3,113**
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	-	–403
Total comprehensive income for the period	-	-	-	–403
Balance as of 31 March 2024	**52,305**	**98,954**	**–2,455**	**–3,516**

Other reserves	Hybrid capital	Equity attributable to equity holders of the parent	Non-controlling interests	Total
188,419	**156,395**	**495,878**	**5,571**	**501,449**
–1,168	1,826	691	198	889
-	-	–524	-	–524
–1,168	1,826	167	198	365
-	–2,909	–2,909	–780	–3,689
669	-	669	-	669
–598	–52,302	–52,900	-	–52,900
187,322	**103,010**	**440,905**	**4,989**	**445,894**
127,103	**101,605**	**374,399**	**5,323**	**379,722**
–9,479	1,317	–8,162	182	–7,980
-	-	–403	-	–403
–9,479	1,317	–8,565	182	–8,383
117,624	**102,922**	**365,834**	**5,505**	**371,339**

Segment Reporting[1]

from 1 January to 31 March 2024

	Germany		Austria	
in T€	1-3/2024	1-3/2023	1-3/2024	1-3/2023
Total Output				
Residential	3,349	3,576	1,257	2,358
Office	192	337	195	232
Hotel	3,692	3,290	3,611	3,984
Other	209	175	2,418	2,173
Service	3,030	1,757	3,758	4,049
Total Output	**10,472**	**9,135**	**11,239**	**12,796**
Less revenue from companies accounted for at-equity and of minor importance as well as changes in the portfolio	–8,407	–6,882	–9,740	–11,049
Revenue	**2,065**	**2,253**	**1,499**	**1,747**
Residential	–603	–1,599	–556	498
Office	–1,825	545	–339	–9
Hotel	4	65	–2,236	–827
Other	432	–152	–768	735
Service	1,421	–1,833	–2	2,253
Total EBT	**-571**	**-2,974**	**-3,901**	**2,650**

[1] Part of the notes. Intersegment revenues are immaterial.

Poland		Other markets		Group	
1-3/2024	1-3/2023	1-3/2024	1-3/2023	1-3/2024	1-3/2023
1,006	2,118	10,826	12,659	16,438	20,711
19,628	2,459	-	-	20,015	3,028
5,377	5,308	22,328	3,119	35,008	15,701
743	671	-	-	3,370	3,019
336	2,327	3,088	2,932	10,212	11,065
27,090	**12,883**	**36,242**	**18,710**	**85,043**	**53,524**
–23,099	–8,035	–23,365	–9,663	–64,611	–35,629
3,991	**4,848**	**12,877**	**9,047**	**20,432**	**17,895**
–341	–741	–1,271	1,630	–2,771	–212
499	–612	5	–19	–1,660	–95
–15	–173	–480	–1,638	–2,727	–2,573
271	3,226	–727	301	–792	4,110
–417	–161	–397	–414	605	–155
-3	**1,539**	**-2,870**	**-140**	**-7,345**	**1,075**

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 2024.

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 51 (31 December 2023: 51) domestic and 72 (31 December 2023: 73) foreign subsidiaries.

One company was deconsolidated following its sale. The net sale price of T€6,849 was paid in cash and involved investment property totalling T€17,113 and financial liabilities totalling T€ 9.727.

In addition, 23 (31 December 2023: 23) domestic and 20 (31 December 2023: 20) foreign associates and joint ventures were accounted for at equity.

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 2023, 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 2024 and had no material effect on the consolidated interim financial statements.

New or revised standard	Date of publication by IASB	Date of adoption into EU	Date of initial application
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	23.1.2020 + 15.7.2020 + 31.10.2022	19.12.2023	1.1.2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	22.9.2022	20.11.2023	1.1.2024
Amendments to IAS 1: Non-Current Liabilities with Covenants	31.10.2022	19.12.2023	1.1.2024
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	25.5.2023	15.5.2024	1.1.2024

The following standards and interpretations were published but do not yet require mandatory application and/or have not yet been adopted into EU law:

New or revised standard	Date of publication by IASB	Date of adoption into EU law	Date of initial application
Amendments to IAS 21: Lack of Exchangeability	15.8.2023	–	1.1.2025
IFRS 18: Presentation and Disclosure in Financial Statements	9.4.2024	–	1.1.2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	9.5.2024	–	1.1.2027

4. 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€	**1-3/2024**	**1-3/2024**	**1-3/2024**	**1-3/2024**	**1-3/2024**
Revenue					
Residential	465	-	1,007	11,818	13,290
Office	206	206	1,412	-	1,824
Hotel	-	-	-	931	931
Other	44	556	1,123	-	1,723
Service	1,350	737	449	128	2,664
Revenue	**2,065**	**1,499**	**3,991**	**12,877**	**20,432**
Recognition over time	465	123	-	11,426	12,014
Recognition at a point in time	1,600	1,376	3,991	1,451	8,418
Revenue	**2,065**	**1,499**	**3,991**	**12,877**	**20,432**

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

5. Share capital

Share capital	Number 31 March 2024	€ 31 March 2024	Number 31 Dec 2023	€ 31 Dec 2023
Ordinary bearer shares	7,472,180	52,305,260	7,472,180	52,305,260

6. Authorised capital, conditional capital

The following resolutions, among others, were passed at the 143rd Annual General Meeting on 21 May 2024:

Resolution revoking the authorisation of the Management Board pursuant to Section 169 of the Austrian Stock Corporation Act to increase the company's share capital by 9 June 2027, with the approval of the Supervisory Board, by up to EUR 5,230,526.00, also in several tranches, through the issue of up to 747,218 new ordinary zero par value bearer shares in exchange for cash and/or contributions in kind, also through indirect subscription rights as defined by Section 153 (6) of the Austrian Stock Corporation Act and with the possible exclusion of subscription rights as currently provided by Para. 4 (4) of the Statutes.

Resolution authorising the Management Board to increase the company's share capital within a period of five years following recording in the company register of this authorisation by the Annual General Meeting on 21 May 2024, with the approval of the Supervisory Board, also in several tranches, by up to EUR 26,152,630.00 through the issue of up to 3,736,090 new ordinary zero par value bearer shares in exchange for cash and/or contributions in kind, also through indirect subscription rights as defined by Section 153 (6) of the Austrian Stock Corporation Act and with the possible exclusion of subscription rights (authorised capital). Furthermore, 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. The subscription rights of shareholders to the new shares issued from authorised capital are excluded if, and to what extent, this authorisation (authorised capital) is used through the issue of shares in exchange for cash as part of greenshoe options in connection with the placement of new shares by the company. The Management Board is also authorised, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders.

The Supervisory Board is authorised to approve amendments to the Statutes which result from the use of this authorisation by the Management Board.

Para. 4 (4) of the Statutes in the current version was revoked and replaced by the following paragraph as the new Para. 4 (4) of the Statutes:

"(4) The Management Board is authorised, with the approval of the Supervisory Board, to increase the company's share capital within a period of five years following recording in the company register of this authorisation by the Annual General Meeting on 21 May 2024, with the approval of the Supervisory Board, also in several tranches, by up to EUR 26,152,630.00 (twenty-six million, one hundred fifty-two thousand and six hundred thirty euros) through the issue of up to 3,736,090 (three million, seven hundred thirty-six thousand and ninety) new ordinary zero par value bearer shares in exchange for cash and/or contributions in kind, also through indirect subscription rights as defined by Section 153 (6) (paragraph one hundred fifty-three, section six) of the Austrian Stock Corporation Act and with the possible exclusion of subscription rights (authorised capital). Furthermore, 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. The subscription rights of shareholders to the new shares issued from authorised capital are excluded if, and to what extent, this authorisation (authorised capital) is used through the issue of shares in exchange for cash as part of greenshoe options in connection with the placement of new shares by the company. The Management Board is also authorised, with the approval of the Supervisory Board, to exclude the subscription rights of shareholders. The Supervisory Board is authorised to approve amendments to the Statutes which result from the use of this authorisation by the Management Board."

Share option program for managers 2024:

UBM is introducing a share option program for the top executives, which is intended to contribute to the long-term increase in the value of the company and at the same time offers the opportunity to participate in the positive economic development. The prerequisite for participation is an existing personal investment in UBM shares and a declaration of participation by July 19, 2024. The exercise price is the average closing price of the UBM share in the period between May 27, 2024 and July 22, 2024. The virtual share options can be exercised in two two-month exercise windows until 31 October 2027, provided that the UBM share price is at least EUR 27.00 on 15 consecutive trading days and the net debt does not exceed 25% of the market capitalization.

7. 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.

8. Financial instruments

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

The fair value measurement of the bonds is based on quoted prices. Loans and borrowings as well as other financial assets are valued using the discounted cash flow method, whereby the zero coupon yield curve published by Reuters on 31 March 2024 was used to discount the cash flows.

Carrying amounts, measurement approaches and fair values

			Measurement in acc. with IFRS 9				
in T€	Measurement category (IFRS 9)	Carrying amount as of 31 March 2024	(Amortised) cost	Fair value (other comprehen-sive income)	Fair value (through profit or loss)	Fair value hierarchy	Fair value as of 31 March 2024
Assets							
Project financing at variable interest rates	Amortised Cost	166,214	166,214	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,692
Other financial assets	Amortised Cost	10,000	10,000	-	-	Level 3	10,000
Other financial assets	FVTPL	637	-	-	637	Level 3	637
Trade receivables	Amortised Cost	9,842	9,842	-	-	-	-
Financial assets	Amortised Cost	41,993	41,993	-	-	-	-
Cash and cash equivalents	–	127,124	127,124	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	376,938	376,938	-	-	Level 1	347,525
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	335,652	335,652	-	-	–	-
at fixed interest rates	Amortised Cost	42,475	42,475	-	-	Level 3	43,195
Other loans and borrowings							
at fixed interest rates	Amortised Cost	895	895	-	-	Level 3	144
Lease liabilities	–	22,383	22,383	-	-	–	-
Trade payables	Amortised Cost	22,752	22,752	-	-	–	-
Other financial liabilities	Amortised Cost	28,267	28,267	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	236,770	236,770	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	637	-	-	637	-	-
Cash and cash equivalents	–	127,124	127,124	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	806,979	806,979	-	-	-	-

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 December 2023	Measurement in acc. with IFRS 9			Fair value hierarchy	Fair value as of 31 December 2023
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)		
Assets							
Project financing at variable interest rates	Amortised Cost	143,552	143,552	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,802
Other financial assets	Amortised Cost	10,000	10,000	-	-	Level 3	10,000
Other financial assets	FVTPL	637	-	-	637	Level 3	637
Trade receivables	Amortised Cost	7,903	7,903	-	-	-	-
Financial assets	Amortised Cost	42,445	42,445	-	-	-	-
Cash and cash equivalents	–	151,520	151,520	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	376,066	376,066	-	-	Level 1	337,887
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	338,332	338,332	-	-	–	-
at fixed interest rates	Amortised Cost	46,475	46,475	-	-	Level 3	43,223
Other loans and borrowings							
at fixed interest rates	Amortised Cost	893	893	-	-	Level 3	139
Lease liabilities	–	22,480	22,480	-	-	–	-
Trade payables	Amortised Cost	25,653	25,653	-	-	–	-
Other financial liabilities	Amortised Cost	27,906	27,906	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	212,621	212,621	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	637	-	-	637	-	-
Cash and cash equivalents	–	151,520	151,520	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	815,325	815,325	-	-	-	-

9. Transactions with related parties

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

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

Transactions between companies included in the UBM Group's consolidated financial statements and the PORR Group companies during the first quarter of 2024 were related primarily to construction.

An office property in Poland was acquired by the PORR Group during the first quarter. The net purchase price of T€ 6,849 was paid in cash.

In addition, the IGO Industries Group purchased an additional 15.00% interest in two equity accounted companies. The purchase price of T€8,515 was paid in cash.

10. Events after the balance sheet date

No reportable events occurred after the balance sheet date on 31 March 2024.

Vienna, 29 May 2024

The Management Board

Thomas G. Winkler
CEO, Chairman

Patric Thate
CFO

Martina Maly-Gärtner
COO

Peter Schaller
CTO

Financial calendar

2024	
Publication of the Q1 Report 2024	**29.5.2024**
Interest payment on hybrid bond 2021	19.6.2024
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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