

Report

UBM Development AG,
Vienna

Independent Limited Assurance Report on
Selected Information of the
“UBM Green Bond Allocation Report
as of March 31, 2024”

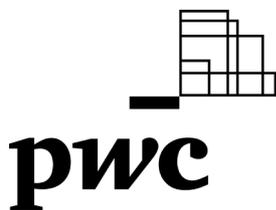


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PwC Wirtschaftsprüfung GmbH
Donau-City-Straße 7
1220 Vienna
Austria
Tel.: +43 1 501 88 - 0
Fax: +43 1 501 88 - 601
E-mail: at_office.wien@pwc.com
www.pwc.at

To the
Management Board of
UBM Development AG
Laaer-Berg-Straße 43
1100 Wien

Independent Limited Assurance Report on Selected Information of the “UBM Green Bond Allocation Report as of March 31, 2024”

We have performed a limited assurance engagement on pages 9 to 11 (“selected information”) of the UBM Green Bond Allocation Report as of March 31, 2024 (the “UBM Green Bond Allocation Report as of March 31, 2024” or the “Allocation Report”) of UBM Development AG (the “Company”), Vienna.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Eligible Green Projects allocated to the Green Bond, in all material respect, do not meet the eligibility criteria defined in the UBM Green Finance Framework.

Other matters - Disclaimer of liability towards third parties

This report is addressed to the Management Board and is intended solely to inform the Management Board of the result of the engagement. The report may therefore not be suitable for any other purpose than the purpose named above and is not intended to serve as basis for any (investment) decisions by third parties. Therefore, no legal claims of third parties can be derived from it.

Management’s Responsibility

UBM Development AG’s management is responsible for preparing the Allocation Report and the selected information in accordance with the criteria described in the UBM Green Finance Framework.

UBM Development AG’s management is also responsible for determining the appropriateness of the measurement and reporting criteria selected under the UBM Green Finance Framework in view of the intended users of the Allocation Report and for ensuring that those criteria are publicly available to the report users. This responsibility includes adequate documentation as well as design, implementation

and maintenance of internal control relevant to the preparation of the Allocation Report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a limited assurance conclusion based on the procedures performed and the evidence obtained as to whether any matters have come to our attention that cause us to believe that the selected information in the Allocation Report does not comply, in all material aspects, with the UBM Green Finance Framework. In detail, this comprises:

Subject matter	Applicable criteria
Allocation of Eligible Green Projects to net proceeds of the Green Bond	UBM Development AG’s Green Finance Framework

We have performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than the Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements, including rules on independence, and that we plan and perform the engagement to obtain limited assurance within the limits of materiality.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures that were performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The selection of the procedures lies in the sole discretion of the auditor.

The procedures we have performed were based on our professional judgement and include inquiries, observation of processes, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we

- interviewed UBM Development AG’s staff involved in the preparation of the selected information of the Allocation Report to obtain an understanding of the process for selecting Eligible Green Projects to be allocated to the Green Bond, including the methodology applied to decide on green eligibility as well as how reporting of the allocated Eligible Green Projects is derived from underlying records;
- reperformed, on a sample basis, the application of the green eligibility criteria provided by the UBM Green Finance Framework to the allocated Eligible Green Projects, by corroborating documentation with underlying evidence.

Ensuring the Auditor's Independence and Quality

We are independent of the Company in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities, in particular the requirements for quality assurance, in accordance with these requirements.

General Conditions of Contract

Our report is issued based on the terms of engagement agreed upon with UBM Development AG which also apply towards third parties and is governed by the General Conditions of Contract for the Public Accounting Professions ("AAB 2018") in its current applicable version enclosed to this report.

Vienna
May 27, 2024

PwC Wirtschaftsprüfung GmbH

Marius Richter
Austrian Certified Public Accountant

Appendices



LEOPOLDQUARTIER OFFICE

UBM Development AG
31.03.2024

**UBM Green Bond
Allocation Report**



LeopoldQuartier, Vienna.
High ceilings, natural wooden surfaces and flexible partitioning deliver the best prerequisites for individual office concepts.

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

As per 31/12/2023, UBM's stock market capitalization amounts over € 150 m. In total, UBM has a development pipeline amounting to €2.3bn. The majority (92 %) of these projects are situated in Germany and Austria, in the asset classes Residential (45 %) and Light Industrial & Office (55 %). More than 300,000 m² have a timber hybrid design and are already being built or in the planning stage, which contributes to UBM's goal of becoming one of Europe's leading developers of timber construction projects.

Wood is set to be the building material of the 21st century.



Timber Peak, Mainz
High ceilings, natural wooden surfaces and a flexible room layout.

Green bond issue

This report details the allocation of the net proceeds of the inaugural green bond which were issued within UBM-Development Green Finance Framework. UBM-Development AG issued for a total amount of € 50,000,000 in Green Bond which is listed on Vienna Stock Exchange, comprising the following issue:

- On 10 July 2023, the first green bond issue occurred with ISIN number AT0000A35FE2 for an amount of 50,000,000 EUR with a potential increase to up to EUR 100,000,000 and of fixed rate notes at a 7,00% yearly interest rate with a maturity date 10 July 2027

Sustainability

Protecting the future viability of our planet is one of the most important social responsibilities of our time. With the announcement of the Green Deal, the European Union underscored its intention to make Europe the world's first climate-neutral continent by 2050. Other megatrends aside from ecology are urbanisation and the transformation of society caused by demographic and social changes. UBM sees these trends not only as a challenge but also as an opportunity and has moreover anchored the relevance of sustainability in its corporate strategy through the focus on green, smart, and more, and is introducing specific accompanying measures.

green. stands for measures in support of greening, meaning the redirection of the economy in line with the environment. Our primary focal point is timber construction as well as renewable energies and green building certification.

smart. expresses our commitment to intelligent buildings. With the use of sensors and automation, buildings can be adapted to meet users' needs and, at the same time, operations can become more efficient.

and more. means we tell stories with our buildings. This involves aesthetics, well-being and customer experience – a “more” that is perceptible all over.

UBM developed a plan to improve its sustainability performance which contains four key objectives, out of the nine sustainable project development goals mentioned in the ESG-Report of 2023, that are linked to the United Nations Sustainable Development Goals (“UN SDG’s”). This plan will help UBM design sustainable cities and communities that offer a better quality of life, where natural resources are used wisely.

The four objectives are the following:

1. Obtain green building certification:

As one of the major players in timber development in Europe, UBM aims to play a leading role in the transformation towards the sustainable cities and communities of tomorrow and to promote the trend towards sustainability in the real estate sector. To this end, UBM-Development aims to achieve at least DGNB/ÖGNI Gold or LEED Gold or

BREEAM Excellent certification for 100% of its new developments from 2022.

2. Reduce primary energy demand:

UBM is reducing its environmental footprint through careful use of water and energy, and by reducing its CO2 emissions for new projects to national near-zero energy building standards. This includes the use of circular economy approaches as seen in Timber Pioneer, such as the cradle-to-cradle approach to examine and track the use of secondary materials, recyclable construction materials, and products with proven recyclability.

3. Increase share of renewable energy:

UBM aims to increase the share of renewable energy to 50%. UBM's plan is to achieve this by using on-site renewable energy sources such as solar thermal, heat pumps, geothermal, etc.

4. EU Taxonomy alignment

Alignment with the EU Taxonomy for 100% of new developments in the office asset class is one of UBM's objectives, in order to achieve the necessary building certification and to obtain sustainable solutions as an integral part of its projects and all levels of the working organization.

The four objectives are linked to the following selection of the UN SDG's:



Affordable and clean energy -
Ensure access to affordable, reliable, sustainable and modern energy for all.
Focus: Goals 7.2 and 7.3



Sustainable cities and communities -
Make cities and human settlements inclusive, safe, resilient and sustainable.
Focus: Goals 11.1 and 11.3



Climate Action -
Take urgent action to combat climate change and its impacts.
Focus: Goals 13.1 and 13.2

Criteria for eligible assets

UBM intends to use an amount equivalent to the net proceeds raised by the issuance of Green Finance Instruments to finance and/or refinance, in whole or in part, new or existing eligible projects providing distinct environmental benefits ("Eligible Green Projects") from any of the Eligible Green Project Categories as defined below, together forming the "Eligible Green Project Portfolio".

UBM will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Eligible Green Projects.

Eligible assets include Green Buildings (all existing and newly acquired, newly developed or renovated commercial and residential buildings), as well as assets with the use of on-site renewable energy sources, that fall into one of the categories in the table below:

Eligible Green Project Categories relevant for use under the Framework include:

Eligible Green Project Category	Eligibility Criteria	Contribution to UN SDG
Green Buildings	<p>(i) All existing as well as newly acquired, newly developed or refurbished commercial and residential buildings (also "buildings") that</p> <ul style="list-style-type: none"> - have achieved or are in the process of achieving (at least applied or pre-certified⁸) an environmental certification such as: <ul style="list-style-type: none"> ■ BREEAM Very good or above ■ BREEAM In-Use Very good or above ■ LEED Gold or above ■ DGNB/ÖGNI Gold or above - OR buildings where the Primary Energy Demand (PED based on the energy performance certificate) is at least 10% lower than the local Nearly Zero Energy Buildings (NZEB⁹) <p>(ii) Renovation of buildings that achieve at least 30% improvement in Primary Energy Demand (PED) compared to a baseline before the renovation</p> <p>Buildings that are used for the purpose of industrial fossil fuel extraction or manufacturing of fossil fuel products are explicitly excluded.</p>	 <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p>  <p>13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries</p>
Renewable Energy	<p>Onsite renewable energy including:</p> <ul style="list-style-type: none"> ■ Solar energy: Installation of photovoltaic solar panels ■ Air to air or air to water heat pump systems using renewable energy ■ Geothermal energy installations ■ Dedicated support infrastructure for renewable energy sources across building management systems (e.g., inverter, overvoltage protection, feed-in meter, electricity storage, wiring etc.) 	 <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>

Eligible Assets are located in countries in which UBM operates. UBM will perform a location analysis to ensure the best possible accessibility with regards to public transport. Eligible Assets are either buildings in acquisition phase or on-going developments. For each project, a forecast date of delivery is communicated.

Allocation reporting

A cross-functional Green Finance Committee ("GFC") has been established by UBM bringing together the expertise from various business activities. The GFC is composed of the Chief Financial Officer, Head of Treasury, Head of Investor Relations & ESG, Head of Green Building and Head of Controlling. The UBM treasury department will manage the net proceeds of the issued Green Bonds on a portfolio basis.

As long as the Green Bond under this framework are outstanding, UBM aims to allocate an amount equivalent to the net proceeds of these instruments towards a portfolio of Eligible Assets. If a specific asset is divested, discontinued or does no longer meet the definition of Eligible Assets, it will be removed from the portfolio of Eligible Assets. In such a scenario, UBM will strive to replace the asset with another Eligible Asset as soon as reasonably practicable.

UBM aims to ensure that the total volume of issued Green Finance Instruments will not exceed the value of the portfolio of Eligible Assets at UBM.

The allocation of the net proceeds of issued Green Finance Instruments to the portfolio of Eligible Assets will be reviewed and approved by the UBM Management Team on at least an annual basis, until full allocation of the net proceeds of issued Green Finance Instruments.

Up to this date the total volume of issued Green Finance Instruments has been fully allocated.

Selection of eligible projects

The selection of Eligible Assets is kept by UBM's Investor Relations & ESG department who is ultimately responsible for keeping the list up to date and ensuring that proceeds are sufficiently allocated to Eligible Green Projects on a regular basis until full allocation. This list is supervised on a yearly basis by the Green Finance Committee. The UBM Green Finance Committee identifies the Eligible Assets within its area of competences. The selection is carried out in strict compliance with the eligibility criteria as defined in the UBM Green Finance Framework.

For the inaugural green bond issue, 2 eligible projects were selected referring the eligibility criteria as set out in the UBM Green Finance Framework. For each project, the eligible amounts are identifiable and traceable in the financing system of UBM.

Allocation of net proceeds

The net proceeds of the inaugural green bond have been allocated to the following projects:

- **LeopoldQuartier:** Europe's first quarter in timber construction, located in Vienna (Austria)
- **Timber Pioneer:** Frankfurt's first office building in timber hybrid construction, located in Frankfurt(Germany)

The allocation of the outstanding net proceeds of the 2023 green bond to Eligible Assets shall be managed in accordance with the Green Finance Framework and reported in subsequent reporting cycles.

⁸ If the final environmental certificate no longer meets the minimum levels described, the project will be removed from the portfolio of Eligible Green Projects.

⁹ We obtain a green building certificate for all of our new projects starting after 2022. Within the scope of green building certifications, UBM conducts e.g., blower-door tests and life cycle assessments.

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Allocation Table*

Asset name	Project share	Property type	Country	City	Size (m ²)	Status	% share of total allocated proceeds**	€ share of total allocated proceeds**	Green finance label	Certificate obtained	Foreseen construction period	Share of proceeds
LeopoldQuartier BT A	100%	Office	Austria	Vienna	6,252 m ²	Under construction	23.38 %	€ 11,690.532.25	"Aspired: ÖGNI Gold Based on preassessment documentation of independent assessor"	Compliance with the eligibility criteria is based on the preassessment of the independent assessor, confirming that the project will meet the criteria for the ÖGNI certificate.	Q4 2023-Q4 2025	Refinancing
LeopoldQuartier BT B	100%	Residential/Office	Austria	Vienna	5,592 m ²	Development	35.15 %	€ 17,576.053.08	"Aspired: ÖGNI Gold Based on preassessment documentation of independent assessor"	Compliance with the eligibility criteria is based on the preassessment of the independent assessor, confirming that the project will meet the criteria for the ÖGNI certificate.	Q3 2026-Q4 2028	Refinancing
LeopoldQuartier BT C	100%	Residential	Austria	Vienna	5,115 m ²	Under construction	5.42 %	€ 2,708.498.08	"Aspired: ÖGNI Gold Based on preassessment documentation of independent assessor"	Compliance with the eligibility criteria is based on the preassessment of the independent assessor, confirming that the project will meet the criteria for the ÖGNI certificate.	Q2 2024-Q4 2025	Refinancing
LeopoldQuartier BT D	100%	Residential	Austria	Vienna	5,914 m ²	Under construction	9.65 %	€ 4,825.570.39	"Aspired: ÖGNI Gold Based on preassessment documentation of independent assessor"	Compliance with the eligibility criteria is based on the preassessment of the independent assessor, confirming that the project will meet the criteria for the ÖGNI certificate.	Q2 2024-Q4 2025	Refinancing
Timber Pioneer	75%	Office	Germany	Frankfurt	6,796 m ²	Under construction	26.40 %	€ 13,199.346.20***	"Aspired: DGNB Gold Based on preassessment documentation of independent assessor"	Compliance with the eligibility criteria is based on the preassessment of the independent assessor, confirming that the project will meet the criteria for the DGNB certificate.	Q2 2020-Q4 2024	Refinancing

Total allocated proceeds to Eligible Project: 50,000,000.00

Total unallocated net proceeds: 0

Geographic distribution of Eligible Green Projects: 73.60% Austria / 26.40% Germany

Link to Prospectus: <https://www.ubm-development.com/?acq=MTQ1NjQ>

* The allocation table in no way affects the green finance framework and the principles set forth therein. In case of inconsistencies, the green finance framework shall always prevail.

** the allocation of the project consists of the ongoing construction financing

*** Allocated to UBM Invest Deutschland GmbH

LeopoldQuartier

Project description

Surrounded by the green Augarten, the lively Danube Canal and the pulsating **heart of the city - the first district** - the LeopoldQuartier offers the best that nature and urban life have to offer. Europe's first quarter in timber construction is being built on an area of around 23,000m² and offers space for flats, offices and city apartments. The timber hybrid construction method combines the unique qualities of naturally grown wood with the advantages of the most modern building materials. **The CO₂ bound in the wood** and the reduced weight of the hybrid construction method enable **considerable emission savings** and a far lower raw material requirement compared to solid construction.



LeopoldQuartier, Vienna.
Europe's first urban quarter in timber hybrid construction. 100% of the energy will come from renewable sources.

Facts and figures:

Country:
Austria

Green Finance Label:
ÖGNI Gold

Currents development / Phase of the project:
under construction / development

Surface:
> 28,800 m² office
> 250 apartments

Foreseen construction period:
Q4 2023-Q4 2028



The LeopoldQuartier comes with a total of **five building sites**, starting with the building phase in November 2023, while respecting a maximum of sustainability and circularity principles. Situated between the Danube Canal with Roßauer Lände promenade and the Augarten Park, the project will benefit from the consistent use of geothermal energy and photovoltaics and enables **CO₂-free operation**. In comparison to a conventional energy supply using district heating, the LeopoldQuartier saves about **330 tonnes of CO₂**, year after year. Besides being good for the environment, this also lowers operating costs.

Buildings that use a timber hybrid design reduce their CO₂ emissions by up to 80 percent compared to conventional structures. The 4,000 solid cubic metres or

1,900 tonnes of spruce wood used for building the Leopold-Quartier Office also store **4,000 tonnes of CO₂ over the long term**.

Regarding the **impact** of the LeopoldQuartier UBM identifies the following effects: Energy generation for **heating and cooling** the LeopoldQuartier takes place **entirely on-site**. Via a network of around 200 geothermal probes that are each buried 150 metres down into the ground, the building is heated and cooled by 4,800 MWh of energy every year. Moreover, more than 1,000 intelligently positioned photovoltaic panels in the LeopoldQuartier deliver a total output of about 425 kWp.

In terms of design and comfort, LeopoldQuartier's use of **wood in the interior** has a particularly beneficial effect on

the **health and well-being** of a building's users. In addition, the infrastructural offer with bars and restaurants, childcare facilities, service apartments and hotels or supermarkets provides the project with the perfect infrastructure. UBM's sustainability ambition aspires to be translated into, among others, a **ÖGNI Gold label**.

UBM applied shortly after acquisition for the relevant building permits which were permitted in Q4 2023 and the project is expected to be fully delivered by end of 2028.



Timber Pioneer, Frankfurt.
Timber Pioneer is adjacent to the new F.A.Z. Tower and is one of the final projects in the development of Frankfurt's new Europaviertel (European Quarter).

Timber Pioneer

Project description

The Timber Pioneer, which is located in the heart of **Frankfurt's Europaviertel**, will become the **first office building in wood hybrid construction!** A working atmosphere to feel good in and a CO₂ balance that is something to be proud of. The Timber Pioneer's wood-hybrid construction makes health and sustainability in the workplace the new state of the art. The 8-storey building with its surface area of 17,600 m² features maximum flexibility for different workspaces. The project presents office spaces but also retail surfaces.

Timber Pioneer is adjacent to the new F.A.Z. Tower and is one of the final projects in the development of Frankfurt's **new Europaviertel** (European Quarter), with

enjoyable access to public transportation. Furthermore, the **e-mobility concept** provides electric cars and e-bikes, which can be booked easily via an app.

Some 1,500 m³ of wood is used in Timber Pioneer, which corresponds to around **1,500 tonnes of locked-up CO₂**. At roughly 300 kg/m², the timber hybrid construction is 57% lighter than conventional solid construction (approx. 700 kg/m²). This resource-friendly use of materials enables carbon-neutral shell construction of the office floors. Using **prefabricated** composite elements also speeds up the building work, meaning **less dust, less noise and less waste**.

The **cradle-to-cradle principle** ensures that used materials do not end up as waste but remain in the raw material cycle instead. Timber Pioneer takes the entire loop into account and engages in urban mining for the future.

Timber is also characterized by a high target of savings, achieved through the wood hybrid construction of the office floors. In total, 30% less transportation, 40% less material, 50% less time is needed, which means an **80% CO₂ saving**. An enormous amount of attention was paid to re-use of materials, for instance, the wood used in construction and the aluminium in the curtain wall can be reused or recycled in many different ways.

Regarding the **impact** of the Timber Pioneer UBM identifies the following effects: Timber is the building material of the future: it is renewable, locks up CO₂, bears high loads and has a low self-weight. Some 1,500 m³ of wood is used in Timber Pioneer, which corresponds to around 1,500 tonnes of locked-up CO₂. Additionally with smart building technology, Timber Pioneer also cuts down on energy and other resources.

The project has obtained the **DGNB Gold label**.

Facts and figures:

Country:

Germany

Green Finance Label:

DGNB Gold

Currents development / Phase of the project:

under construction

Surface:

17,600 m²

Foreseen construction period:

Q2 2020-Q4 2024





UBM Development AG
April 2023

Green Finance Framework



Timber Factory, Munich.
Munich's first timber commercial campus.
A shared forum for managers, artists and artisans.

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UBM'S SUSTAINABILITY STRATEGY

Timber Pioneer, Frankfurt.
Frankfurt's first ever timber hybrid office building.
15,000 square metres of rentable space in
the booming Europaviertel.

1.1. Introduction

green. smart. and more. That summarises the strategy of UBM Development AG ("UBM" or "UBM Group") in four words. Explained in brief. Because anyone who plans for the future must develop buildings that are sustainable, intelligent and aesthetically appealing, where people feel well.

We develop properties for Europe's major cities. In line with our core strategy, the focus is on green building and smart office in metropolises like Vienna, Munich, Frankfurt and Prague. With 150 years of experience, UBM provides a full range of development services - from planning to marketing - from a single source.

UBM aims to become one of the leading timber construction developers in Europe. Our actions today are already focused on smart, low-barrier or barrier-free, flexible living and working to also meet the needs of tomorrow's users. As a real estate developer, we can give the office new meaning as a communication and collaboration platform - the physical workplace then becomes a place for community and corporate culture. As an employer, we also take advantage of these opportunities - for example, by benefitting from the additional innovation potential created by a diverse workforce.

The Covid-19 pandemic has significantly increased the pace of change in this area. Ecological and social sustainability are now the determining factors for our actions. UBM has been a member of the UN Global Compact since 2021, is committed to compliance with the UN Sustainable Development Goals and is an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

UBM has anchored the relevance of ESG in its corporate strategy through the focus on *green. smart. and more.* and is introducing specific accompanying measures. The efficient use of resources is an integral part of ongoing operations, as are social issues and adherence to compliance rules. UBM's flagship projects, green building certifications and the activities evolving from the *green. smart. and more.* strategy reflect the requirements of the EU and create new opportunities for UBM.

green. stands for measures in support of greening, meaning the redirection of the economy in line with the environment. Our primary focus is on timber construction as well as renewable energies and green building certification.

smart. expresses our commitment to intelligent buildings. With the use of sensors and automation, buildings can be adapted to meet the needs of users and, at the same time, operations can be made more efficient.

and more. means we tell stories with our buildings. This involves aesthetics, well-being and customer experience - a "more" that is perceptible all over.

Our sustainability activities are based on the applicable rules and regulations in the countries where we are active. For example: government programmes in the countries relevant for UBM cover issues like the expansion of renewable energy, efficient energy consumption, subsidy programmes for environmentally friendly behaviour and the strengthening of fundamental and human rights, especially in the supply chain. An additional framework is provided by national and supranational norms and standards, including the UN Global Compact, Sustainable Development Goals (SDGs), the EU Green Deal and the EU Taxonomy. We have implemented - and regularly evaluate and improve - the necessary processes to realise our ESG goals and related measures.

UBM Development AG is listed in the prime market segment of the Vienna Stock Exchange and, as a result, meets the highest transparency standards. That not only means financial transparency but also includes the disclosure of all other aspects of our business model.

Leading worldwide ESG rating agencies have confirmed UBM's strong position on sustainability. Additional information can be found in section 1.2.

1.2. Ratings

CDP¹: B for UBM Development

The first rating by the non-profit organization CDP for UBM resulted in a B rating as a reflection of its commitment to the fight against climate change. UBM voluntarily took part in CDP's climate protection data reporting in 2022 and transparently informed its stakeholders of its climate protection strategy and measures to reduce CO₂ emissions.

Rating date: 13 December 2022



ISS ESG²: Prime Status for UBM Development

ISS ESG awarded UBM "Prime Status" (level "B-") which makes UBM the most sustainable company in its sector in Germany and Austria.

Rating date: 20 May 2022



EcoVadis³: Platinum for UBM Development

Following gold in the initial assessment last year, UBM Development has now been awarded platinum by EcoVadis, the highest rating awarded by EcoVadis. This puts UBM in the top one percent of all 100,000 companies assessed by EcoVadis worldwide.

Rating date: 17 October 2022



Member of VÖNIX Index⁴

In 2022, UBM Development became a new member of the Austrian Sustainability Index (VÖNIX) for the years 2022/23.

Listing date: 20 June 2022



1.3. Our contribution to the Sustainable Development Goals

UBM Development AG is committed to the United Nations Sustainable Development Goals (SDGs), which were adopted by all UN members in 2015 as the 2030 Agenda for Sustainable Development. Governments as well as companies are called upon to make a contribution to reaching these goals.

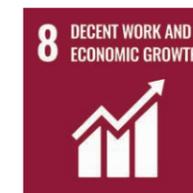
In connection with a materiality analysis and a risk and impact assessment, UBM dealt with the SDGs and the related sub-goals in detail and identified the goals where the company can make a direct contribution to the Agenda 2030.



Affordable and clean energy -

Ensure access to affordable, reliable, sustainable and modern energy for all.

Focus: Goals 7.2 and 7.3



Decent work and economic growth -

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Focus: Goals 8.4 and 8.8



Industry, innovation and infrastructure -

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Focus: Goal 9.1



Sustainable cities and communities -

Make cities and human settlements inclusive, safe, resilient and sustainable.

Focus: Goals 11.1 and 11.3



Climate Action -

Take urgent action to combat climate change and its impacts.

Focus: Goals 13.1 and 13.2



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Focus: Goal 15.5



Peace, justice and strong institutions -

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Focus: Goal 16.7

¹ CDP is considered the worldwide gold standard of environmental reporting with the most comprehensive dataset on the environmental impact, risks and opportunities of corporate and city action.

² The ESG rating by ISS ESG covers companies' ecological and social performance based on a corporate rating scheme with over 100 selected sector-specific ecological, social and corporate governance criteria.

³ The evaluation for the EcoVadis rating is based on 21 criteria from the four most important sustainability aspects: environment, labour and human rights, ethics and sustainable procurement. UBM's performance exceeded the sector average in all four categories.

⁴ This sustainability benchmark includes those Austrian companies listed on the Vienna Stock Exchange that are leaders in terms of ecological and social activities and performance.

GREEN FINANCE FRAMEWORK

Timber Peak, Mainz.
Mainz's first timber hybrid high-rise.
Modern, prizewinning architecture in a
prime waterside location.

Green Finance Framework

In line with UBM Group's commitment to integrate sustainability in its corporate strategy, we have established this Green Finance Framework which enables us to focus even more on projects with a positive environmental impact. When issuing Green Finance Instruments, this Green Finance Framework will apply.

This Green Finance Framework ("Framework") has been developed in alignment with the ICMA Green Bond Principles 2021 ("GBP")⁵ and the LMA Green Loan Principles 2023 ("GLP")⁶. These voluntary process guidelines are developed in multi-stakeholder processes involving issuers, investors, financial institutions and NGOs, with a view to promoting the development and integrity of Green Finance Instruments.

The Framework is applicable for issuance of Green Finance Instruments including Green Bonds, Green Loans and Green Schuldscheindarlehen where net proceeds will be exclusively applied to finance and/or refinance green projects with clear environmental benefits.

UBM's Green Finance Framework is aligned with the four recommended components of the GBP and the GLP:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds and
- Reporting

As the green finance market continues to evolve, the Framework may be subsequently revised or updated to remain consistent with shifting market expectations, best market practices and the regulatory landscape.

Furthermore, the Framework is reviewed by an external impartial firm, ISS ESG, that has provided the Second Party Opinion to confirm the alignment of UBM's Green Finance Framework with the GBPs and GLPs. The Framework together with the second party opinion is available on UBM Group's website⁷.

⁵ ICMA Green Bond Principles June 2021 (with June 2022 Appendix1) <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

⁶ LMA Green Loan Principles February 2023 <https://www.lsta.org/content/green-loan-principles/>

⁷ <https://www.ubm-development.com/esg/>

2.1. Use of Proceeds

An amount equivalent to the net proceeds raised by the issuance of Green Finance Instruments will be used to finance and/or refinance, in whole or in part, new or existing eligible projects providing distinct environmental benefits ("Eligible Green Projects") from any of the Eligible Green

Project Categories as defined below, together forming the "Eligible Green Project Portfolio". UBM will continuously exercise its professional judgement, discretion and sustainability expertise when identifying the Eligible Green Projects.

Eligible Green Project Categories relevant for use under the Framework include:

Eligible Green Project Category	Eligibility Criteria	Contribution to UN SDG
Green Buildings	<p>(i) All existing as well as newly acquired, newly developed or refurbished commercial and residential buildings (also "buildings") that</p> <ul style="list-style-type: none"> - have achieved or are in the process of achieving (at least applied or pre-certified⁸) an environmental certification such as: <ul style="list-style-type: none"> ■ BREEAM Very good or above ■ BREEAM In-Use Very good or above ■ LEED Gold or above ■ DGNB/ÖGNI Gold or above - OR buildings where the Primary Energy Demand (PED based on the energy performance certificate) is at least 10% lower than the local Nearly Zero Energy Buildings (NZEB⁹) <p>(ii) Renovation of buildings that achieve at least 30% improvement in Primary Energy Demand (PED) compared to a baseline before the renovation</p> <p>Buildings that are used for the purpose of industrial fossil fuel extraction or manufacturing of fossil fuel products are explicitly excluded.</p>	 <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums</p>  <p>13.1 Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries</p>
Renewable Energy	<p>Onsite renewable energy including:</p> <ul style="list-style-type: none"> ■ Solar energy: Installation of photovoltaic solar panels ■ Air to air or air to water heat pump systems using renewable energy ■ Geothermal energy installations ■ Dedicated support infrastructure for renewable energy sources across building management systems (e.g., inverter, overvoltage protection, feed-in meter, electricity storage, wiring etc.) 	 <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>

⁸ If the final environmental certificate no longer meets the minimum levels described, the project will be removed from the portfolio of Eligible Green Projects.

⁹ We obtain a green building certificate for all of our new projects starting after 2022. Within the scope of green building certifications, UBM conducts e.g., blower-door tests and life cycle assessments.

2.2. Process for Project Evaluation and Selection

The evaluation and selection process for Eligible Green Projects is a key process in ensuring that the amount equivalent to the net proceeds from Green Finance Instruments is allocated to projects that meet the criteria and objectives set out above in the Use of Proceeds section.

A cross-functional Green Finance Committee ("GFC") has been established by UBM bringing together the expertise from various business activities. The GFC is composed of the Chief Financial Officer, Head of Treasury, Head of Investor Relations & ESG, Head of Green Building and Head of Controlling.

Only projects which are approved by all members of the GFC can be selected as Eligible Green Projects. A list of Eligible Green Projects is kept by UBM's Investor Relations & ESG department who is ultimately responsible for keeping the list up to date and ensuring that proceeds are sufficiently allocated to Eligible Green Projects on a regular basis until full allocation.

The Green Finance Committee will be responsible for:

- Ensuring the proposed allocations are aligned with the relevant general company policies and company's ESG strategy
 - Ensuring the potential Eligible Green Projects are aligned with the categories and eligibility criteria as specified in the Use of Proceeds section above, and approving any proposed changes to the Portfolio of Eligible Green Projects in the event that the projects no longer meet the eligibility criteria
 - Approving the annual Allocation and Impact Report
- The GFC meets at least on an annual basis and until full allocation.

UBM selected eligible Green Project categories that are in line with UBM Group's *green. smart. and more.* sustainability strategy which is an integral part of its DNA. The focus on green buildings and use of renewable energy contributes to *green.*, while energy efficiency projects relate specifically to *smart.*

Exclusions

UBM Group commits to use the proceeds of the Green Finance Instruments only for Eligible Green Projects described in the Use of Proceeds section above and explicitly excludes financing of fossil fuel generation, nuclear energy generation, the weapons and defense industries or gambling.

ESG Risks

UBM has conducted an ESG risk analysis¹⁰ and has identified the important environmental, social and governance risks related to the company and its operations.

UBM's main goal is to reduce its ESG risks by constantly working on risk mitigation measures. ESG risks like negative environmental impact based on energy consumption, biodiversity, recyclability and durability of building materials and occupational health and safety of employees, among others, are part of the risk assessment policy and UBM has introduced respective measures to minimize and mitigate them. Strategic focus on timber construction, emphasis on renewable energies, green building certifications and the integrated management system for occupational health and safety protection to ensure a safe and healthy working environment are examples for the measures set by UBM. A list of identified ESG risks together with measures taken can be found in our latest ESG report on UBM's website. If a meaningful environmental and or social risk is identified, the Green Finance Committee provides a mitigation proposal during the project evaluation and selection process. Furthermore, the compliance management system implemented by UBM is intended to minimise the risk of a potential violation of legal regulations and ensure adherence to all framework conditions.

UBM is subject to its Code of Ethics which underlines UBM's determination as a company to conduct its business based on ecologically, socially and ethically fair business practices. It describes high standards of sustainability requirements including human rights and working conditions which should apply to the entire Group as well as equally to its business partners and the business partners of its Group companies. The values and principles contained in the Code of Ethics are based on national and international laws and regulations as well as conventions such as the Universal Declaration of Human Rights, the European Convention on Human Rights, the United Nations Guiding Principles (in particular the Guiding Principles on Business and Human Rights), the OECD Guidelines for Multinational Enterprises and international labour standards of the International Labour Organisation (in particular the ILO Fundamental Principles) and are reflected in the guidelines and instructions of UBM's corporate companies and divisions.

¹⁰ UBM ESG Report 2021 <https://www.ubm-development.com/esg/>



2.3. Management of Proceeds

The net proceeds of the Green Finance Instruments issued under this Framework will be managed by UBM's Treasury department on a portfolio basis.

An amount equal to the net proceeds of the Green Finance Instruments will be allocated to Eligible Green Projects which meet the eligibility criteria and align with the Evaluation and Selection process presented above.

All green bonds issued by UBM Group will be managed on a portfolio level. UBM will strive, over time, to achieve a level of allocation out of the Eligible Green Project Portfolio which matches or exceeds the balance of proceeds from its outstanding Green Finance Instruments. If a specific project is divested, discontinued or does no longer meet the definition of Eligible Green Projects as described in the Use of Proceeds section, it will be removed from the portfolio of Eligible Green Projects. In such a scenario, in the Use of

Proceeds section, it will be removed from the portfolio of Eligible Green Projects. In such a scenario, UBM will strive to replace the asset with another Eligible Project as soon as reasonably practicable.

UBM commits, on a best effort basis, to reach full allocation within 36 months following each issuance.

Pending allocation to the Eligible Green Projects, net proceeds from Green Financing Instruments may be temporarily invested or otherwise maintained in cash and cash equivalents, in line with UBM's regular cash management policy.

2.4. Reporting

UBM intends to produce and keep readily available an annual reporting on the allocation and impact of the portfolio of Eligible Green Projects after a year from the issuance of the Green Finance Instruments¹¹, to be renewed annually until full allocation or in case of material change. This report will be publicly available on UBM's website.

UBM intends to report on an aggregated basis for all the Green Finance Instruments outstanding.

Allocation Report

The allocation report will provide indicators such as:

- Total amount of Green Financing Instruments outstanding
- The amount of proceeds allocated to Eligible Green Project Categories
- The geographic distribution of Eligible Green Projects
- The balance of unallocated proceeds (if any)
- The amount or the percentage of new financing and refinancing
- Examples of Eligible Green Projects (project name and location, as long as not of sensitive nature)

Impact Report

Where feasible, and on a best effort's basis, UBM will provide an impact report in accordance with the approach outlined under the Handbook for "Harmonized Framework for Impact Reporting"¹², which may include below criteria indicating environmental impact of the Eligible Green Projects:

Eligible Category	Potential Impact Indicators
Green Buildings	<ul style="list-style-type: none"> ■ Type of certification and degree of certification for buildings (e.g. DGNB Gold) ■ One or several of the following key performance indicators: <ul style="list-style-type: none"> - Estimated annual GHG emission avoided (tCO₂e) - Estimated annual energy savings (in kWh)
Renewable Energy	<ul style="list-style-type: none"> ■ Expected annual renewable energy generation (MWh) ■ Installed renewable energy capacity (MW) ■ Estimated annual GHG emissions avoided (tCO₂e)

Where impact data is reported, details of the methodology applied in compiling the data will also be provided.

¹¹ The allocation and impact reporting as well as the external post-issuance audit of the allocation report is limited to green bonds only. For other green finance instruments (loans and Schuldscheindarlehen) UBM will have separate agreements with the relevant parties.

¹² Harmonized Framework for Impact Reporting, June 2022, ICMA <https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/>



Timber Praha, Prague.
A modern, sustainably designed
neighbourhood with three timber
hybrid residential blocks.

External Review

Second party opinion

Prior to the inaugural issuance under the UBM Green Finance Framework, UBM has commissioned ISS ESG to provide a Second Party Opinion in relation to its Green Finance Framework. UBM has engaged ISS ESG to provide a Second Party Opinion (SPO) on its Green Finance Framework. ISS ESG reviewed the alignment of the Framework with ICMA's 2021 Green Bond Principles and LMA's 2023 Green Loan Principles. The Second Party Opinion and the Green Finance Framework are publicly available on UBM's website.

Audit of the Allocation Report

UBM will appoint an external auditor to provide a post-issuance review addressing the allocation of the Green Finance Instruments' proceeds to Eligible Green Projects on an annual basis until full allocation. Such verification report will be published on our website and has been attached as an annex to this report.

Management assertion

UBM asserts that the total allocated amount, as set out in the allocation table in this report, have been allocated to the projects as described above in accordance with the eligibility criteria described in the UBM Green Finance Framework.

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General Conditions of Contract for the Public Accounting Professions (AAB 2018)

Provided by the Board of the Chamber of Tax Advisers and Auditors

Preamble and General Items

(1) Contract within the meaning of these Conditions of Contract refers to each contract on services to be rendered by a person entitled to exercise profession in the field of public accounting exercising that profession (de facto activities as well as providing or performing legal transactions or acts, in each case pursuant to Sections 2 or 3 Austrian Public Accounting Professions Act (WTBG 2017). The parties to the contract shall hereinafter be referred to as the "contractor" on the one hand and the "client" on the other hand).

(2) The General Conditions of Contract for the professions in the field of public accounting are divided into two sections: The Conditions of Section I shall apply to contracts where the agreeing of contracts is part of the operations of the client's company (entrepreneur within the meaning of the Austrian Consumer Protection Act. They shall apply to consumer business under the Austrian Consumer Protection Act (Federal Act of March 8, 1979 / Federal Law Gazette No. 140 as amended) insofar as Section II does not provide otherwise for such business.

(3) In the event that an individual provision is void, the invalid provision shall be replaced by a valid provision that is as close as possible to the desired objective.

SECTION I

1. Scope and Execution of Contract

(1) The scope of the contract is generally determined in a written agreement drawn up between the client and the contractor. In the absence of such a detailed written agreement, (2)-(4) shall apply in case of doubt:

(2) When contracted to perform tax consultation services, consultation shall consist of the following activities:

- a) preparing annual tax returns for income tax and corporate tax as well as value-added tax (VAT) on the basis of the financial statements and other documents and papers required for taxation purposes and to be submitted by the client or (if so agreed) prepared by the contractor. Unless explicitly agreed otherwise, documents and papers required for taxation purposes shall be produced by the client.
- b) examining the tax assessment notices for the tax returns mentioned under a).
- c) negotiating with the fiscal authorities in connection with the tax returns and notices mentioned under a) and b).
- d) participating in external tax audits and assessing the results of external tax audits with regard to the taxes mentioned under a).
- e) participating in appeal procedures with regard to the taxes mentioned under a).

If the contractor receives a flat fee for regular tax consultation, in the absence of written agreements to the contrary, the activities mentioned under d) and e) shall be invoiced separately.

(3) Provided the preparation of one or more annual tax return(s) is part of the contract accepted, this shall not include the examination of any particular accounting conditions nor the examination of whether all relevant concessions, particularly those with regard to value added tax, have been utilized, unless the person entitled to exercise the profession can prove that he/she has been commissioned accordingly.

(4) In each case, the obligation to render other services pursuant to Sections 2 and 3 WTBG 2017 requires for the contractor to be separately and verifiably commissioned.

(5) The aforementioned paragraphs (2) to (4) shall not apply to services requiring particular expertise provided by an expert.

(6) The contractor is not obliged to render any services, issue any warnings or provide any information beyond the scope of the contract.

(7) The contractor shall have the right to engage suitable staff and other performing agents (subcontractors) for the execution of the contract as well as to have a person entitled to exercise the profession substitute for him/her in executing the contract. Staff within the meaning of these Conditions of Contract refers to all persons who support the contractor in his/her operating activities on a regular or permanent basis, irrespective of the type of underlying legal transaction.

(8) In rendering his/her services, the contractor shall exclusively take into account Austrian law; foreign law shall only be taken into account if this has been explicitly agreed upon in writing.

(9) Should the legal situation change subsequent to delivering a final professional statement passed on by the client orally or in writing, the contractor shall not be obliged to inform the client of changes or of the consequences thereof. This shall also apply to the completed parts of a contract.

(10) The client shall be obliged to make sure that the data made available by him/her may be handled by the contractor in the course of rendering the services. In this context, the client shall particularly but not exclusively comply with the applicable provisions under data protection law and labor law.

(11) Unless explicitly agreed otherwise, if the contractor electronically submits an application to an authority, he/she acts only as a messenger and this does not constitute a declaration of intent or knowledge attributable to him/her or a person authorized to submit the application.

(12) The client undertakes not to employ persons that are or were staff of the contractor during the contractual relationship, during and within one year after termination of the contractual relationship, either in his/her company or in an associated company, failing which he/she shall be obliged to pay the contractor the amount of the annual salary of the member of staff taken over.

2. Client's Obligation to Provide Information and Submit Complete Set of Documents

(1) The client shall make sure that all documents required for the execution of the contract be placed without special request at the disposal of the contractor at the agreed date, and in good time if no such date has been agreed, and that he/she be informed of all events and circumstances which may be of significance for the execution of the contract. This shall also apply to documents, events and circumstances which become known only after the contractor has commenced his/her work.

(2) The contractor shall be justified in regarding information and documents presented to him/her by the client, in particular figures, as correct and complete and to base the contract on them. The contractor shall not be obliged to identify any errors unless agreed separately in writing. This shall particularly apply to the correctness and completeness of bills. However, he/she is obliged to inform the client of any errors identified by him/her. In case of financial criminal proceedings he/she shall protect the rights of the client.

(3) The client shall confirm in writing that all documents submitted, all information provided and explanations given in the context of audits, expert opinions and expert services are complete.

(4) If the client fails to disclose considerable risks in connection with the preparation of financial statements and other statements, the contractor shall not be obliged to render any compensation insofar as these risks materialize.

(5) Dates and time schedules stated by the contractor for the completion of the contractor's products or parts thereof are best estimates and, unless otherwise agreed in writing, shall not be binding. The same applies to any estimates of fees: they are prepared to best of the contractor's knowledge; however, they shall always be non-binding.

(6) The client shall always provide the contractor with his/her current contact details (particularly the delivery address). The contractor may rely on the validity of the contact details most recently provided by the client, particularly have deliveries made to the most recently provided address, until such time as new contact details are provided.

3. Safeguarding of Independence

(1) The client shall be obliged to take all measures to prevent that the independence of the staff of the contractor be jeopardized and shall himself/herself refrain from jeopardizing their independence in any way. In particular, this shall apply to offers of employment and to offers to accept contracts on their own account.

(2) The client acknowledges that his/her personal details required in this respect, as well as the type and scope of the services, including the performance period agreed between the contractor and the client for the services (both audit and non-audit services), shall be handled within a network (if any) to which the contractor belongs, and for this purpose transferred to the other members of the network including abroad for the purpose of examination of the existence of grounds of bias or grounds for exclusion and conflicts of interest. For this purpose the client expressly releases the contractor in accordance with the Data Protection Act and in accordance with Section 80 (4) No. 2 WTBG 2017 from his/her obligation to maintain secrecy. The client can revoke the release from the obligation to maintain secrecy at any time.

4. Reporting Requirements

(1) (Reporting by the contractor) In the absence of an agreement to the contrary, a written report shall be drawn up in the case of audits and expert opinions.

(2) (Communication to the client) All contract-related information and opinions, including reports, (all declarations of knowledge) of the contractor, his/her staff, other performing agents or substitutes ("professional statements") shall only be binding provided they are set down in writing. Professional statements in electronic file formats which are made, transferred or confirmed by fax or e-mail or using similar types of electronic communication (that can be stored and reproduced but is not oral, i.e. e.g. text messages but not telephone) shall be deemed as set down in writing; this shall only apply to professional statements. The client bears the risk that professional statements may be issued by persons not entitled to do so as well as the transfer risk of such professional statements.

(3) (Communication to the client) The client hereby consents to the contractor communicating with the client (e.g. by e-mail) in an unencrypted manner. The client declares that he/she has been informed of the risks arising from the use of electronic communication (particularly access to, maintaining secrecy of, changing of messages in the course of transfer). The contractor, his/her staff, other performing agents or substitutes are not liable for any losses that arise as a result of the use of electronic means of communication.

(4) (Communication to the contractor) Receipt and forwarding of information to the contractor and his/her staff are not always guaranteed when the telephone is used, in particular in conjunction with automatic telephone answering systems, fax, e-mail and other types of electronic communication. As a result, instructions and important information shall only be deemed to have been received by the contractor provided they are also received physically (not by telephone, orally or electronically), unless explicit confirmation of receipt is provided in individual instances. Automatic confirmation that items have been transmitted and read shall not constitute such explicit confirmations of receipt. This shall apply in particular to the transmission of decisions and other information relating to deadlines. As a result, critical and important notifications must be sent to the contractor by mail or courier. Delivery of documents to staff outside the firm's offices shall not count as delivery.

(5) (General) In writing shall mean, insofar as not otherwise laid down in Item 4. (2), written form within the meaning of Section 886 Austrian Civil Code (ABGB) (confirmed by signature). An advanced electronic signature (Art. 26 eIDAS Regulation (EU) No. 910/2014) fulfills the requirement of written form within the meaning of Section 886 ABGB (confirmed by signature) insofar as this is at the discretion of the parties to the contract.

(6) (Promotional information) The contractor will send recurrent general tax law and general commercial law information to the client electronically (e.g. by e-mail). The client acknowledges that he/she has the right to object to receiving direct advertising at any time.

5. Protection of Intellectual Property of the Contractor

(1) The client shall be obliged to ensure that reports, expert opinions, organizational plans, drafts, drawings, calculations and the like, issued by the contractor, be used only for the purpose specified in the contract (e.g. pursuant to Section 44 (3) Austrian Income Tax Act 1988). Furthermore, professional statements made orally or in writing by the contractor may be passed on to a third party for use only with the written consent of the contractor.

(2) The use of professional statements made orally or in writing by the contractor for promotional purposes shall not be permitted; a violation of this provision shall give the contractor the right to terminate without notice to the client all contracts not yet executed.

(3) The contractor shall retain the copyright on his/her work. Permission to use the work shall be subject to the written consent by the contractor.

6. Correction of Errors

(1) The contractor shall have the right and shall be obliged to correct all errors and inaccuracies in his/her professional statement made orally or in writing which subsequently come to light and shall be obliged to inform the client thereof without delay. He/she shall also have the right to inform a third party acquainted with the original professional statement of the change.

(2) The client has the right to have all errors corrected free of charge if the contractor can be held responsible for them; this right will expire six months after completion of the services rendered by the contractor and/or – in cases where a written professional statement has not been delivered – six months after the contractor has completed the work that gives cause to complaint.

(3) If the contractor fails to correct errors which have come to light, the client shall have the right to demand a reduction in price. The extent to which additional claims for damages can be asserted is stipulated under Item 7.

7. Liability

(1) All liability provisions shall apply to all disputes in connection with the contractual relationship, irrespective of the legal grounds. The contractor is liable for losses arising in connection with the contractual relationship (including its termination) only in case of willful intent and gross negligence. The applicability of Section 1298 2nd Sentence ABGB is excluded.

(2) In cases of gross negligence, the maximum liability for damages due from the contractor is tenfold the minimum insurance sum of the professional liability insurance according to Section 11 WTBG 2017 as amended.

(3) The limitation of liability pursuant to Item 7. (2) refers to the individual case of damages. The individual case of damages includes all consequences of a breach of duty regardless of whether damages arose in one or more consecutive years. In this context, multiple acts or failures to act that are based on the same or similar source of error as one consistent breach of duty if the matters concerned are legally and economically connected. Single damages remain individual cases of damage even if they are based on several breaches of duty. Furthermore, the contractor's liability for loss of profit as well as collateral, consequential, incidental or similar losses is excluded in case of willful damage.

(4) Any action for damages may only be brought within six months after those entitled to assert a claim have gained knowledge of the damage, but no later than three years after the occurrence of the (primary) loss following the incident upon which the claim is based, unless other statutory limitation periods are laid down in other legal provisions.

(5) Should Section 275 Austrian Commercial Code (UGB) be applicable (due to a criminal offense), the liability provisions contained therein shall apply even in cases where several persons have participated in the execution of the contract or where several activities requiring compensation have taken place and irrespective of whether other participants have acted with intent.

(6) In cases where a formal auditor's report is issued, the applicable limitation period shall commence no later than at the time the said auditor's report was issued.

(7) If activities are carried out by enlisting the services of a third party, e.g. a data-processing company, any warranty claims and claims for damages which arise against the third party according to law and contract shall be deemed as having been passed on to the client once the client has been informed of them. Item 4. (3) notwithstanding, in such a case the contractor shall only be liable for fault in choosing the third party.

(8) The contractor's liability to third parties is excluded in any case. If third parties come into contact with the contractor's work in any manner due to the client, the client shall expressly clarify this fact to them. Insofar as such exclusion of liability is not legally permissible or a liability to third parties has been assumed by the contractor in exceptional cases, these limitations of liability shall in any case also apply to third parties on a subsidiary basis. In any case, a third party cannot raise any claims that go beyond any claim raised by the client. The maximum sum of liability shall be valid only once for all parties injured, including the compensation claims of the client, even if several persons (the client and a third party or several third parties) have sustained losses; the claims of the parties injured shall be satisfied in the order in which the claims have been raised. The client will indemnify and hold harmless the contractor and his/her staff against any claims by third parties in connection with professional statements made orally or in writing by the contractor and passed on to these third parties.

(9) Item 7. shall also apply to any of the client's liability claims to third parties (performing agents and vicarious agents of the contractor) and to substitutes of the contractor relating to the contractual relationship.

8. Secrecy, Data Protection

(1) According to Section 80 WTBG 2017 the contractor shall be obliged to maintain secrecy in all matters that become known to him/her in connection with his/her work for the client, unless the client releases him/her from this duty or he/she is bound by law to deliver a statement.

(2) Insofar as it is necessary to pursue the contractor's claims (particularly claims for fees) or to dispute claims against the contractor (particularly claims for damages raised by the client or third parties against the contractor), the contractor shall be released from his/her professional obligation to maintain secrecy.

(3) The contractor shall be permitted to hand on reports, expert opinions and other written statements pertaining to the results of his/her services to third parties only with the permission of the client, unless he/she is required to do so by law.

(4) The contractor is a data protection controller within the meaning of the General Data Protection Regulation ("GDPR") with regard to all personal data processed under the contract. The contractor is thus authorized to process personal data entrusted to him/her within the limits of the contract. The material made available to the contractor (paper and data carriers) shall generally be handed to the client or to third parties appointed by the client after the respective rendering of services has been completed, or be kept and destroyed by the contractor if so agreed. The contractor is authorized to keep copies thereof insofar as he/she needs them to appropriately document his/her services or insofar as it is required by law or customary in the profession.

(5) If the contractor supports the client in fulfilling his/her duties to the data subjects arising from the client's function as data protection controller, the contractor shall be entitled to charge the client for the actual efforts undertaken. The same shall apply to efforts undertaken for information with regard to the contractual relationship which is provided to third parties after having been released from the obligation to maintain secrecy to third parties by the client.

9. Withdrawal and Cancellation („Termination“)

(1) The notice of termination of a contract shall be issued in writing (see also Item 4. (4) and (5)). The expiry of an existing power of attorney shall not result in a termination of the contract.

(2) Unless otherwise agreed in writing or stipulated by force of law, either contractual partner shall have the right to terminate the contract at any time with immediate effect. The fee shall be calculated according to Item 11.

(3) However, a continuing agreement (fixed-term or open-ended contract on – even if not exclusively – the rendering of repeated individual services, also with a flat fee) may, without good reason, only be terminated at the end of the calendar month by observing a period of notice of three months, unless otherwise agreed in writing.

(4) After notice of termination of a continuing agreement and unless otherwise stipulated in the following, only those individual tasks shall still be completed by the contractor (list of assignments to be completed) that can (generally) be completed fully within the period of notice insofar as the client is notified in writing within one month after commencement of the termination notice period within the meaning of Item 4. (2). The list of assignments to be completed shall be completed within the termination period if all documents required are provided without delay and if no good reason exists that impedes completion.

(5) Should it happen that in case of a continuing agreement more than two similar assignments which are usually completed only once a year (e.g. financial statements, annual tax returns, etc.) are to be completed, any such assignments exceeding this number shall be regarded as assignments to be completed only with the client's explicit consent. If applicable, the client shall be informed of this explicitly in the statement pursuant to Item 9. (4).

10. Termination in Case of Default in Acceptance and Failure to Cooperate on the Part of the Client and Legal Impediments to Execution

(1) If the client defaults on acceptance of the services rendered by the contractor or fails to carry out a task incumbent on him/her either according to Item 2. or imposed on him/her in another way, the contractor shall have the right to terminate the contract without prior notice. The same shall apply if the client requests a way to execute (also partially) the contract that the contractor reasonably believes is not in compliance with the legal situation or professional principles. His/her fees shall be calculated according to Item 11. Default in acceptance or failure to cooperate on the part of the client shall also justify a claim for compensation made by the contractor for the extra time and labor hereby expended as well as for the damage caused, if the contractor does not invoke his/her right to terminate the contract.

(2) For contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, a termination without prior notice by the contractor is permissible under Item 10. (1) if the client verifiably fails to cooperate twice as laid down in Item 2. (1).

11. Entitlement to Fee

(1) If the contract fails to be executed (e.g. due to withdrawal or cancellation), the contractor shall be entitled to the negotiated compensation (fee), provided he/she was prepared to render the services and was prevented from so doing by circumstances caused by the client, whereby a merely contributory negligence by the contractor in this respect shall be excluded; in this case the contractor need not take into account the amount he/she obtained or failed to obtain through alternative use of his/her own professional services or those of his/her staff.

(2) If a continuing agreement is terminated, the negotiated compensation for the list of assignments to be completed shall be due upon completion or in case completion fails due to reasons attributable to the client (reference is made to Item 11. (1)). Any flat fees negotiated shall be calculated according to the services rendered up to this point.

(3) If the client fails to cooperate and the assignment cannot be carried out as a result, the contractor shall also have the right to set a reasonable grace period on the understanding that, if this grace period expires without results, the contract shall be deemed ineffective and the consequences indicated in Item 11. (1) shall apply.

(4) If the termination notice period under Item 9. (3) is not observed by the client as well as if the contract is terminated by the contractor in accordance with Item 10. (2), the contractor shall retain his/her right to receive the full fee for three months.

12. Fee

(1) Unless the parties explicitly agreed that the services would be rendered free of charge, an appropriate remuneration in accordance with Sections 1004 and 1152 ABGB is due in any case. Amount and type of the entitlement to the fee are laid down in the agreement negotiated between the contractor and his/her client. Unless a different agreement has verifiably been reached, payments made by the client shall in all cases be credited against the oldest debt.

(2) The smallest service unit which may be charged is a quarter of an hour.

(3) Travel time to the extent required is also charged.

(4) Study of documents which, in terms of their nature and extent, may prove necessary for preparation of the contractor in his/her own office may also be charged as a special item.

(5) Should a remuneration already agreed upon prove inadequate as a result of the subsequent occurrence of special circumstances or due to special requirements of the client, the contractor shall notify the client thereof and additional negotiations for the agreement of a more suitable remuneration shall take place (also in case of inadequate flat fees).

(6) The contractor includes charges for supplementary costs and VAT in addition to the above, including but not limited to the following (7) to (9):

(7) Chargeable supplementary costs also include documented or flat-rate cash expenses, traveling expenses (first class for train journeys), per diems, mileage allowance, copying costs and similar supplementary costs.

(8) Should particular third party liabilities be involved, the corresponding insurance premiums (including insurance tax) also count as supplementary costs.

(9) Personnel and material expenses for the preparation of reports, expert opinions and similar documents are also viewed as supplementary costs.

(10) For the execution of a contract wherein joint completion involves several contractors, each of them will charge his/her own compensation.

(11) In the absence of any other agreements, compensation and advance payments are due immediately after they have been requested in writing. Where payments of compensation are made later than 14 days after the due date, default interest may be charged. Where mutual business transactions are concerned, a default interest rate at the amount stipulated in Section 456 1st and 2nd Sentence UGB shall apply.

(12) Statutory limitation is in accordance with Section 1486 of ABGB, with the period beginning at the time the service has been completed or upon the issuing of the bill within an appropriate time limit at a later point.

(13) An objection may be raised in writing against bills presented by the contractor within 4 weeks after the date of the bill. Otherwise the bill is considered as accepted. Filing of a bill in the accounting system of the recipient is also considered as acceptance.

(14) Application of Section 934 ABGB within the meaning of Section 351 UGB, i.e. rescission for *laesio enormis* (lesion beyond moiety) among entrepreneurs, is hereby renounced.

(15) If a flat fee has been negotiated for contracts concerning bookkeeping, payroll accounting and administration and assessment of payroll-related taxes and contributions, in the absence of written agreements to the contrary, representation in matters concerning all types of tax audits and audits of payroll-related taxes and social security contributions including settlements concerning tax assessments and the basis for contributions, preparation of reports, appeals and the like shall be invoiced separately. Unless otherwise agreed to in writing, the fee shall be considered agreed upon for one year at a time.

(16) Particular individual services in connection with the services mentioned in Item 12. (15), in particular ascertaining whether the requirements for statutory social security contributions are met, shall be dealt with only on the basis of a specific contract.

(17) The contractor shall have the right to ask for advance payments and can make delivery of the results of his/her (continued) work dependent on satisfactory fulfillment of his/her demands. As regards continuing agreements, the rendering of further services may be denied until payment of previous services (as well as any advance payments under Sentence 1) has been effected. This shall analogously apply if services are rendered in installments and fee installments are outstanding.

(18) With the exception of obvious essential errors, a complaint concerning the work of the contractor shall not justify even only the partial retention of fees, other compensation, reimbursements and advance payments (remuneration) owed to him/her in accordance with Item 12.

(19) Offsetting the remuneration claims made by the contractor in accordance with Item 12. shall only be permitted if the demands are uncontested and legally valid.

13. Other Provisions

(1) With regard to Item 12. (17), reference shall be made to the legal right of retention (Section 471 ABGB, Section 369 UGB); if the right of retention is wrongfully exercised, the contractor shall generally be liable pursuant to Item 7. or otherwise only up to the outstanding amount of his/her fee.

(2) The client shall not be entitled to receive any working papers and similar documents prepared by the contractor in the course of fulfilling the contract. In the case of contract fulfillment using electronic accounting systems the contractor shall be entitled to delete the data after handing over all data based thereon – which were prepared by the contractor in relation to the contract and which the client is obliged to keep – to the client and/or the succeeding public accountant in a structured, common and machine-readable format. The contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy) for handing over such data in a structured, common and machine-readable format. If handing over such data in a structured, common and machine-readable format is impossible or unfeasible for special reasons, they may be handed over in the form of a full print-out instead. In such a case, the contractor shall not be entitled to receive a fee.

(3) At the request and expense of the client, the contractor shall hand over all documents received from the client within the scope of his/her activities. However, this shall not apply to correspondence between the contractor and his/her client and to original documents in his/her possession and to documents which are required to be kept in accordance with the legal anti-money laundering provisions applicable to the contractor. The contractor may make copies or duplicates of the documents to be returned to the client. Once such documents have been transferred to the client, the contractor shall be entitled to an appropriate fee (Item 12. shall apply by analogy).

(4) The client shall fetch the documents handed over to the contractor within three months after the work has been completed. If the client fails to do so, the contractor shall have the right to return them to the client at the cost of the client or to charge an appropriate fee (Item 12. shall apply by analogy) if the contractor can prove that he/she has asked the client twice to pick up the documents handed over. The documents may also further be kept by third parties at the expense of the client. Furthermore, the contractor is not liable for any consequences arising from damage, loss or destruction of the documents.

(5) The contractor shall have the right to compensation of any fees that are due by use of any available deposited funds, clearing balances, trust funds or other liquid funds at his/her disposal, even if these funds are explicitly intended for safekeeping, if the client had to have anticipated the counterclaim of the contractor.

(6) To secure an existing or future fee payable, the contractor shall have the right to transfer a balance held by the client with the tax office or another balance held by the client in connection with charges and contributions, to a trust account. In this case the client shall be informed of the transfer. Subsequently, the amount secured may be collected either after agreement has been reached with the client or after enforceability of the fee by execution has been declared.

14. Applicable Law, Place of Performance, Jurisdiction

(1) The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law, excluding national referral rules.

(2) The place of performance shall be the place of business of the contractor.

(3) In absence of a written agreement stipulating otherwise, the place of jurisdiction is the competent court of the place of performance.

SECTION II

15. Supplementary Provisions for Consumer Transactions

(1) Contracts between public accountants and consumers shall fall under the obligatory provisions of the Austrian Consumer Protection Act (KSChG).

(2) The contractor shall only be liable for the willful and grossly negligent violation of the obligations assumed.

(3) Contrary to the limitation laid down in Item 7. (2), the duty to compensate on the part of the contractor shall not be limited in case of gross negligence.

(4) Item 6. (2) (period for right to correction of errors) and Item 7. (4) (asserting claims for damages within a certain period) shall not apply.

(5) Right of Withdrawal pursuant to Section 3 KSChG:

If the consumer has not made his/her contract statement in the office usually used by the contractor, he/she may withdraw from the contract application or the contract proper. This withdrawal may be declared until the contract has been concluded or within one week after its conclusion; the period commences as soon as a document has been handed over to the consumer which contains at least the name and the address of the contractor as well as instructions on the right to withdraw from the contract, but no earlier than the conclusion of the contract. The consumer shall not have the right to withdraw from the contract

1. if the consumer himself/herself established the business relationship concerning the conclusion of this contract with the contractor or his/her representative,

2. if the conclusion of the contract has not been preceded by any talks between the parties involved or their representatives, or

3. in case of contracts where the mutual services have to be rendered immediately, if the contracts are usually concluded outside the offices of the contractors, and the fee agreed upon does not exceed €15.

In order to become legally effective, the withdrawal shall be declared in writing. It is sufficient if the consumer returns a document that contains his/her contract declaration or that of the contractor to the contractor with a note which indicates that the consumer rejects the conclusion or the maintenance of the contract. It is sufficient if this declaration is dispatched within one week.

If the consumer withdraws from the contract according to Section 3 KSChG,

1. the contractor shall return all benefits received, including all statutory interest, calculated from the day of receipt, and compensate the consumer for all necessary and useful expenses incurred in this matter,

2. the consumer shall pay for the value of the services rendered by the contractor as far as they are of a clear and predominant benefit to him/her.

According to Section 4 (3) KSChG, claims for damages shall remain unaffected.

(6) Cost Estimates according to Section 5 Austrian KSChG:

The consumer shall pay for the preparation of a cost estimate by the contractor in accordance with Section 1170a ABGB only if the consumer has been notified of this payment obligation beforehand.

If the contract is based on a cost estimate prepared by the contractor, its correctness shall be deemed warranted as long as the opposite has not been explicitly declared.

(7) Correction of Errors: Supplement to Item 6.:

If the contractor is obliged under Section 932 ABGB to improve or complement his/her services, he/she shall execute this duty at the place where the matter was transferred. If it is in the interest of the consumer to have the work and the documents transferred by the contractor, the consumer may carry out this transfer at his/her own risk and expense.

(8) Jurisdiction: Shall apply instead of Item 14. (3)

If the domicile or the usual residence of the consumer is within the country or if he/she is employed within the country, in case of an action against him/her according to Sections 88, 89, 93 (2) and 104 (1) Austrian Court Jurisdiction Act (JN), the only competent courts shall be the courts of the districts where the consumer has his/her domicile, usual residence or place of employment.

(9) Contracts on Recurring Services:

(a) Contracts which oblige the contractor to render services and the consumer to effect repeated payments and which have been concluded for an indefinite period or a period exceeding one year may be terminated by the consumer at the end of the first year, and after the first year at the end of every six months, by adhering to a two-month period of notice.

(b) If the total work is regarded as a service that cannot be divided on account of its character, the extent and price of which is determined already at the conclusion of the contract, the first date of termination may be postponed until the second year has expired. In case of such contracts the period of notice may be extended to a maximum of six months.

(c) If the execution of a certain contract indicated in lit. a) requires considerable expenses on the part of the contractor and if he/she informed the consumer about this no later than at the time the contract was concluded, reasonable dates of termination and periods of notice which deviate from lit. a) and b) and which fit the respective circumstances may be agreed.

(d) If the consumer terminates the contract without complying with the period of notice, the termination shall become effective at the next termination date which follows the expiry of the period of notice.