ubm development

Annual Report 2022

Key performance indicators

Key earnings figures (in €m)

	2022	Change	2021	2020
Total Output[1]	390.7	-17.0%	471.0	478.6
Revenue	133.9	-51.9%	278.3	183.3
Earnings before taxes	31.5	-47.6%	60.1	62.3
Net profit	27.1	-38.0%	43.7	40.8

Key asset and financial figures (in €m)

	31.12.2022	Change	31.12.2021[8]	31.12.2020[8]
Total assets	1,451.8	-1.1%	1,467.8	1,345.4
Equity	501.4	-4.3%	524.0	456.2
Equity ratio	34.5%	-1.2 PP	35.7%	33.9%
Net debt[2]	500.2	31.3%	381.0	479.1
Cash and cash equivalents	322.9	-23.7%	423.3	247.2

Key share data and staff

	31.12.2022	Change	31.12.2021	31.12.2020
Earnings per share (in €)[3]	2.25	-50.0%	4.50	4.39
Earnings per share incl. hybrid capital interest[4]	3.46	-38.8%	5.65	5.33
Share price (in €)	22.80	-47.3%	43.30	35.80
Market capitalisation (in €m)	170.4	-47.3%	323.5	267.5
Dividend per share (in €)[5]	1.10	-51.1%	2.25	2.20
Payout ratio %[6]	48.9%	-1.1 PP	50.0%	50.2%
Staff[7]	292	-17.7%	355	339

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, each 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 Earnings per share before the deduction of hybrid capital interest.
5 The dividend is paid in the following financial year but is based on the previous year's net profit. The dividend proposal for 2022 is subject to the approval of the Annual General Meeting.
6 Dividend in relation to earnings per share after deduction of hybrid capital interest.
7 Excluding 72 employees from alba Bau | Projekt Management GmbH; the company was sold as of 30 June 2022.
8 Key asset and financial figures restated as of 31 December 2021 and 31 December 2020 due to OePR finding. More information can be found in the consolidated financial statement.

Contents


2022


TH2
6.


AIRSTOP ELASTO

Dear Shareholders,
Dear Stakeholders,

The year 2022 marks a turning point in the development sector – it is anything but "business as usual". Rising inflation, rising interest rates and rising construction costs threaten to drive a whole industry into the red – and it will be a long time before the market recovers to the level it enjoyed prior to this turning point.

So what's to be done? The approaches will vary considerably. For UBM, the answer is to become Europe's leading developer of timber construction projects. This requires maximum focus and maximum consistency.

Unfortunately, in 2022 we were unable to continue with our extraordinarily good results of the previous two crisis years. Earnings before taxes almost halved at €31m. In view of the ongoing stagnation on the transactions market, this is a respectable result. But it is still below our expectations. The balance sheet tells a different story. Here, we continued to show our financial strength. With equity totalling over half a billion and about €500m net debt at the end of the year, and also with almost €323m cash, we see ourselves well positioned to manage the transitional period in this turning point, and potentially even use it to our benefit. 2023 will be the year of truth for the industry.

At this point, all that remains is for us to thank our customers, investors, suppliers and the authorities for their trust in UBM – and also our employees for their commitment to the company.

2023 also marks our 150th anniversary. It will not be an easy year, but there have been several such phases in our long history. With your continued support, we will deal successfully with this phase as well.

The Management Board

Thomas G. Winkler
CEO, Chairman

Patric Thate
CFO

Martina Maly-Gärtner
COO

Martin Löcker
COO


PROL


OGUE

The ascetic with a cornucopia of resources

Shigeru Ban is one of the most important representatives of a new, sustainable kind of architecture. At our meeting in his Paris office, he explains why he disagrees with this ascription and why a building's durability is independent of the material used for its construction.

Situated in one of the historic townhouses in Marais, we find ourselves in the direct vicinity of the Centre Pompidou. Out in the street, there is nothing to suggest that a Pritzker prizewinner works here in his Paris branch. Only on the fifth floor, at the very top of a fantastically narrow staircase, we find written on the door in small white letters: Shigeru Ban Architects.

Ostentatious embellishment doesn't interest this Japanese starchitect. Dressed from head to toe in black, he enters the boardroom, nods briefly as a greeting. It's actually astounding that he can take the time to meet us at all. With tight schedules between Japan, Europe and the USA, Shigeru Ban (65) has established a life between the time zones.

Ban embraced timber construction and building with recycled cardboard at an early stage, in the late 1980s. Nonetheless, he rejects any attempt to label him as an "eco-architect". In reality, he is an ascetic who uses resources and materials sparingly, whether for the design of a prominent museum or for emergency refugee accommodation. He prefers to see himself as somebody who surprises the world with a new way to build, while holding a mirror up to it. This is especially true when his lightweight paper constructions outlive buildings made of concrete and steel.

You have a strong connection with timber. Is it true that this goes back to your early childhood?

Yes, I grew up in a timber house. My mother was a fashion designer and she hired sewing ladies every year, so my parents transformed our house into a dormitory. Almost every year there was a carpenter renovating the house, and I really enjoyed watching him. At the time they didn't have electric saws: everything was made by hand. That was a fundamental experience for me, the use of wood, the good smell. I wanted to be a carpenter back then.

Your design for the Centre Pompidou-Metz was inspired by a Chinese hat you found in a shop in Paris. How did you define form and function?

Basically, the shape of the roof follows the functional space underneath. That's why it has an organic shape. The roof was adjusted to suit the position of the gallery zone and other functions. This flexible system proved to be very good.

What about the woven structure?

Actually, the woven structure of the hat was my inspiration. Timber elements always need a connection, unless they overlap. Weaving is a method that allows a structure to be built without metal connections. ⟶

Shigeru Ban sitting on the Carta Chair made of cardboard tubes and plywood from the eponymous Carta Collection which the architect designed in the late 1980s.

1


2

There are many timber constructions, but none of them resembles woven bamboo. I have worked with Frei Otto in the past and I was also influenced by his grid shell structure in timber.

These biomorphic shapes require very good engineers. How do you approach the subject with them?

Usually, architects are dependent on structural engineers for their designs, whereas I design the structure by myself. When the design is finished, I choose engineers who are specialized in the relevant type of structure.

For the Centre Pompidou-Metz, you first worked with a different engineering firm who advised you not to use timber for the roof. Is that right?

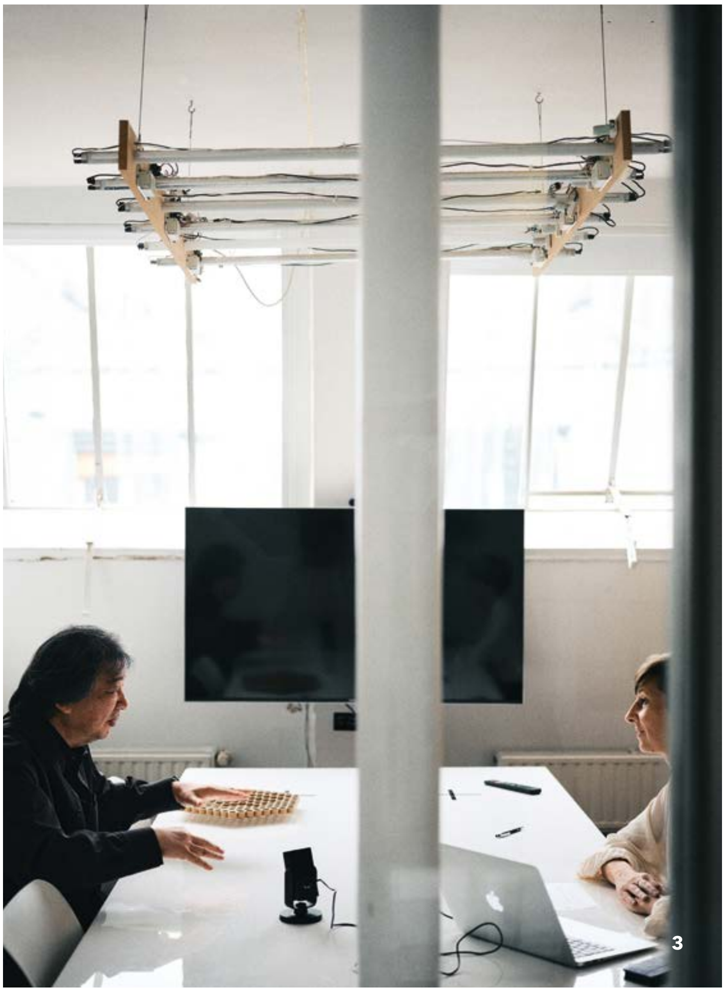
How do you know this complicated story? (Laughs.) For the competition and the concept design phase I had a different firm. They are one of the best for concrete and steel structures, but they didn't have enough experience in timber. The responsible engineer rejected my structural idea and proposed a different way of building it. When the subsequent estimate was twice the set budget, the mayor of Metz wanted me to reduce costs and build the structure in steel. However, I wasn't persuaded to change my plan. When I got in touch with one of the big timber construction companies in Germany, they introduced me to Hermann Blumer. I showed him my original design, and he said it was feasible and also cheaper. After two weeks he came back with the necessary proof, and his estimate was just inside the budget. It was very difficult to change the engineering company that I had chosen myself, but Blumer was the only one who could realise my idea. We share the same spirit, and we continued our collaboration afterwards.

The new Swatch head office in Biel has an organic, animal-like form. It looks as if the Omega building is disappearing into its gigantic mouth. What was your creative starting point for this project?

Many people say that it has an animal-like form, but basically I just followed the L-shape of the site. In addition, this was a competition for Swatch and Omega, two brands with totally different characteristics – Swatch is colourful and playful, while Omega is more rigid. And so I wanted to create some contrast between the two buildings. After the construction was finished, people commented on a big mouth where the two buildings were connected. I didn't intend it, but I quite like this idea.

This building is one of the biggest timber framework constructions in the world and a highly complex parametric design. Do you create your designs on the computer?

I draw everything by hand, but we had an engineer who made the



parametric plans, which then were used as a basis for cutting the timber elements.

Can digitalisation improve architecture?

The computer is a tool that makes it easier for people to work, but in order to improve a building, you have to spend more time on designing and constructing it. We cannot rebuild a historical building from 300 years ago, not even with state-of-the-art technology. In other words, digital progress doesn't make architecture better.

But the computer can, for example, help calculate the minimum amount of material that is needed in order to make a building stable.

That is relevant for engineers, but architects are often focused on creating an unusual shape. If you remove the skin, the huge waste of steel and other materials becomes visible. It seems like there is more interest in playing with the form than in saving materials.

The term "paper architect" was originally used to refer to architects whose utopian ideas were never realised. You gave it a literal interpretation.

My former professor John Hejduk from Cooper Union (private university in New York) was famous for being such a paper architect. So I'm following in his footsteps – I like to joke about that with my students.

In 2004 you built the Paper Temporary Studio right on top of the Centre Pompidou. What was its purpose?

Winning the competition for the branch of the Centre Pompidou in Metz was a huge opportunity for me. To monitor the ⟶

1:
When the Japanese starchitect is in Paris, he works in the office behind this door.

2:
One of the many models on show in the conference room.

3:
In flow: shortly before he flew back to Tokyo, Shigeru Ban found time for an in-depth talk.

4:
Shigeru Ban wears a quartz watch with integrated calculator and adjustable time zone instead of a smart watch.

construction process as closely as possible – because it was a very complex building, I wanted to be as close as possible to the client. The Centre Pompidou is also one of my favourite buildings. The reason why we built with paper was because it had to be a lightweight structure in order to be accepted on top of the existing building. As a result, I could save a lot of money, because we didn't have to pay any rent at all. (Laughs mischievously.)

In times when individualism and resources still seemed limitless, you turned to this very humble material. What was your motivation behind that decision?

I started developing the paper tube structure in 1985, at a time when nobody was talking about environmental issues. Two of the architects I really respect are Buckminster Fuller (USA) and Frei Otto (Germany). They developed their own structural system based on material research. That was my interest, too. I wanted to create my own building system, instead of being influenced by the fashionable style of the time. Another motivation for me was that I like to use up the things around me, without wasting anything. It had nothing to do with the current sustainability movement.

There is a fashionable term for not throwing things away; it is called Cradle to Cradle.

Sustainability and ecology have become very fashionable. The terms are often used for commercial reasons, without understanding the real meaning. Sometimes I'm categorised as an environmentally friendly architect, but that's not really true. Once in an interview, a journalist from the New York Times called me an "accidental environmentalist", and that sums it up quite well. Sustainability became a part of it by chance.

Why has nobody ever thought of using paper as a load-bearing building material before?

Humans tend to develop things that are stronger and stronger, but even the very strong concrete can be destroyed very easily. The strength and stability of a building do not depend on the strength of the material itself, though. Paper is an industrial material that's very stable. We can control its strength; we can protect it against fire and make it waterproof.

How do you make the cardboard waterproof?

There is a water-repellent layer inside and outside. The big tubes I have been building with are normally used as casting forms for concrete columns. They have to be waterproof and strong in order to hold wet concrete inside, while being exposed to the weather outside. In other words, I'm using technology that already exists.

You have used cardboard tubes very successfully for your humanitarian projects. How did that idea come about?

The paper tubes are very lightweight and inexpensive, and so they are ideal for temporary structures. In addition, they are available almost anywhere in the world. My work for the United Nations involved building refugee shelters in Rwanda. Back then, I found a producer of paper tubes in the capital Kigali. And recently, when I built the shelters for Ukrainian refugees, the paper tubes were donated by a local manufacturer.

How do the refugees react to this unusual building material?

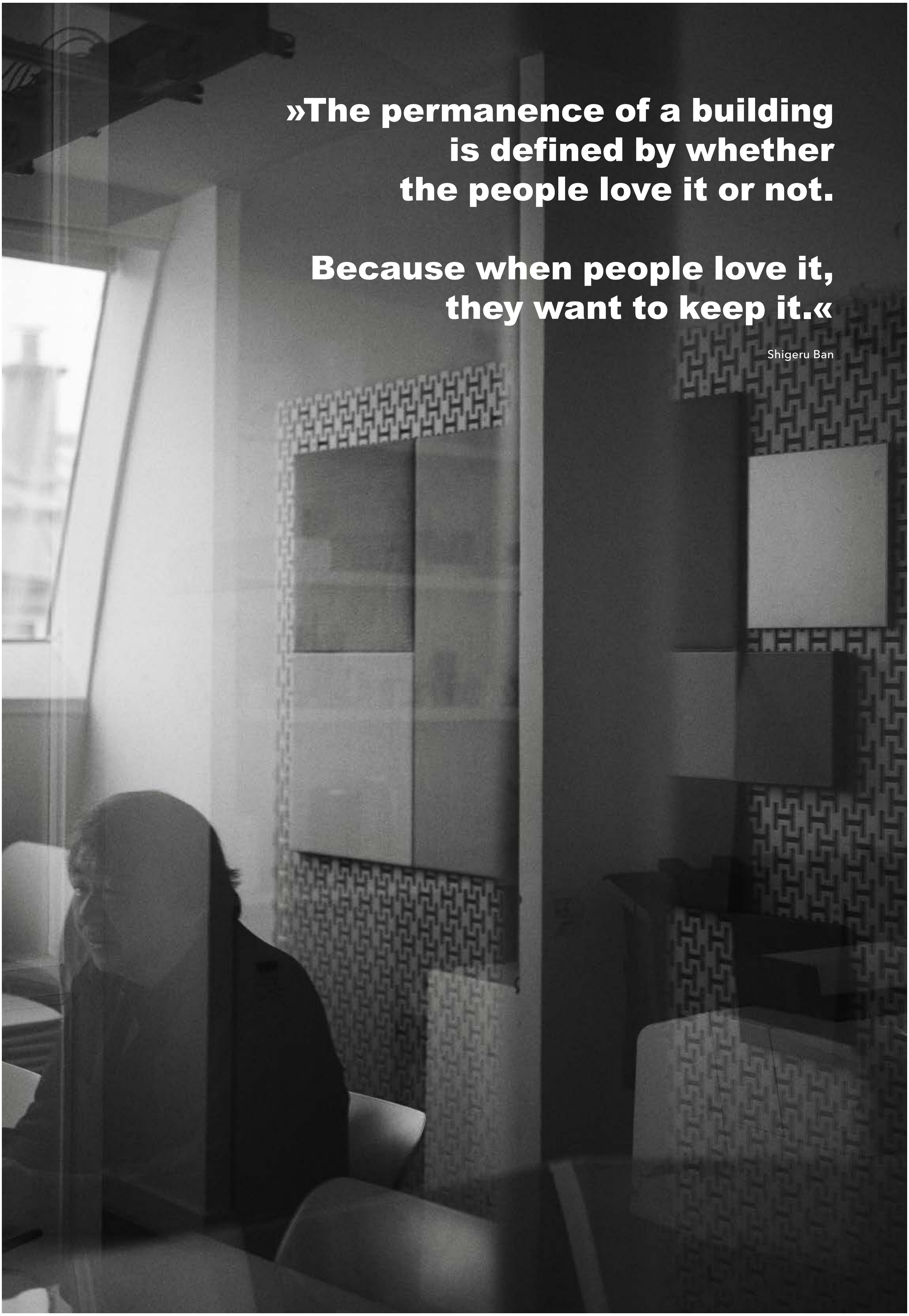
When I was building the temporary houses in Turkey after the big earthquake in 1999, I made an interesting observation. The local Turkish architect I collaborated with was very helpful but a bit sceptical. He thought that Japanese people would feel at ease in a paper house because they usually live in wooden houses. Turkish people, however, live in concrete and brick houses, so he thought they might not feel comfortable there. But actually, it was the complete opposite. The people who suffered the terrible experience of the earthquake were afraid of sleeping in their concrete houses. When they moved into the paper houses, they felt very comfortable and safe.

What defines the permanence of a building in your opinion? The Paper Temporary Studio, for example, ⟶

»Once in an interview, a journalist from the New York Times called me an ‘accidental environmentalist’, and that sums it up quite well.«

Shigeru Ban

A model shows the design for the Nomadic Museum, built from shipping containers and paper tubing. This mobile gallery was first sited on Pier 54 in New York and later in Santa Monica and Tokyo. The containers were rented each time, and the paper tubes were recycled when the gallery was disassembled.



»The permanence of a building is defined by whether the people love it or not.

Because when people love it, they want to keep it.«

Shigeru Ban

is now part of the museum in Metz. It was first built over 20 years ago and can't really be called "temporary" any longer.

Many of my paper buildings were intended to be temporary but ultimately became permanent. On the other hand, many of the concrete buildings in Paris and Tokyo made by commercial developers were destroyed within a short period of time, usually when another developer bought the land. Therefore, in effect, these buildings were temporary. A building is temporary when its only purpose is to make money, even if it is built using concrete.

Which means the permanence is not defined by the material?

The permanence has nothing to do with the strength of the material. A lightweight structure can be very durable. Timber, for example, can survive for over a thousand years. I knew that even the cardboard tubes, which are weaker than wood, can last for a very long time. In the end, the permanence of a building is defined by whether the people love it or not. Because when people love it, they want to keep it.

Do we need a change of paradigm due to climate change?

I am not in a position to say that, but personally I think the use of timber is a really good solution. However, people are going too far when they try to build tall high-rise buildings out of timber. The material is not suitable for that height. In Japan there are very strict fire regulations, and so a company developed a new timber material with a concrete core. The wood is only on the surface, so in effect the material is fake. That is the only way to build a skyscraper with timber. Timber is weak and we have to take advantage of this weakness.

Nowadays, people are thinking more frequently beyond the useful life of buildings, and planning is extending to deconstruction as well. Will that change anything?

In Japan there was a movement called Metabolism in the 1960s and 1970s. The concept was very similar in a way that they added or exchanged parts. It was very interesting as a concept, but it was not realistic, because the mechanical lifespan of a building is much shorter than the structural durability. Every ten to twenty years there is a big change in mechanical engineering. And so this idea of metabolism didn't work.

When you use timber as a building material today, do you think about the carbon it stores and its environmental benefits?

I didn't start building with timber because of that, but when I propose a timber structure today, I do mention it. In the past, I always had a problem convincing the client to have a timber structure. But today, it's actually the client who is asking us to use as much timber as possible.

What about sustainability in the operation of a building?

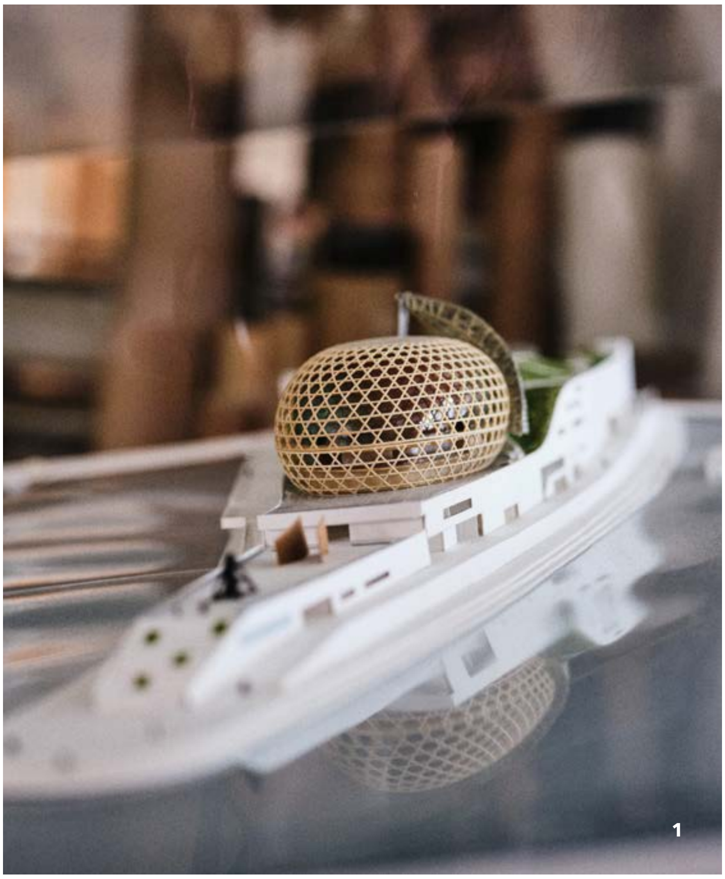
A lot of money and materials are wasted because of some very strict environmental regulations. Everything in an office building, from insulation to air conditioning, has to be designed for the hottest summer and the coldest winter. But in reality, nobody works in offices on the hottest days in the summer. It really doesn't make any sense to have so much insulation.

What would you suggest instead?

My ideal is to design a building that has multiple layers on the outside, like humans and clothing. We wear more clothes in the winter and take them off in the summer. That's my idea of a dream architecture – a building that is changing its skin according to the season. For that reason I always design buildings with a moveable skin, or shutters.

The Nicolas G. Hayek Center in Tokyo has a façade that can be fully opened. The fluid transition between inside and outside spaces is a recurring element in your work. What was your original intention?

Since the beginning of my career I have always been interested in making spaces between inside and outside. I believe that the in-between space is the most comfortable space for anyone, independent of culture or climate. Even in Europe, if you look around Paris, everyone likes ⟶



1:
The model shows the spherical timber construction of La Seine Musicale. This cultural centre on the Île Seguin, situated south-west of Paris, is equipped with a photovoltaic "sail" that follows the path of the sun.

2:
A room divider made of cardboard tubes forms the entrance to Shigeru Ban's office in Paris.

to sit outside under the canopy, even in winter. That's because it's more comfortable than inside. My interest is in making in-between spaces.

There is currently a lot of talk about a mass timber revolution. How do you see that?

Right now, sustainability is a fashionable movement, and it is important for investment. But even if the term is used commercially, I still think it's a good movement. However, making fake wood can't be the solution.

What could be the solution?

We have to change the building regulations. The strength of fire is the same everywhere, and I don't understand why we have stricter fire regulations in Japan than in Europe. The Tamedia Building, a seven-storey timber building in Zurich, could never be built in Japan for that reason.
It's very important to think about climate change, but we shouldn't overregulate the sustainability standards. Instead, we should make sure that heating and air conditioning are only turned on when a building is used.

An architect's style is usually defined by certain forms and design features. However, your work doesn't seem to fit into only one category. How do you define your own work?

I agree with Frei Otto's definition: My method is form finding. Today, many architects are focused on form making. I ask myself: What is the most appropriate form? What is the most appropriate structure? What is the most appropriate material? All in order to minimise energy and materials, while at the same time generating the maximum possible space.

You were awarded the renowned Pritzker Prize in 2014, in particular for your humanitarian work. Did it come as a surprise?

I was actually very surprised to be chosen. I had been a member of the jury before, so I knew the selection criteria. Before, they were choosing the star architects. This was the first time that the criteria changed, and social aspects were included. That's why I was chosen. It was good timing.

Which of your projects are the most rewarding to you?

I think all of them. Whether I'm designing a museum or temporary housing, I always spend the same amount of energy on it and I have the same satisfaction when it's completed. The only difference is that for many temporary structures I'm not paid, but that doesn't matter to me.
My interest is always the same.

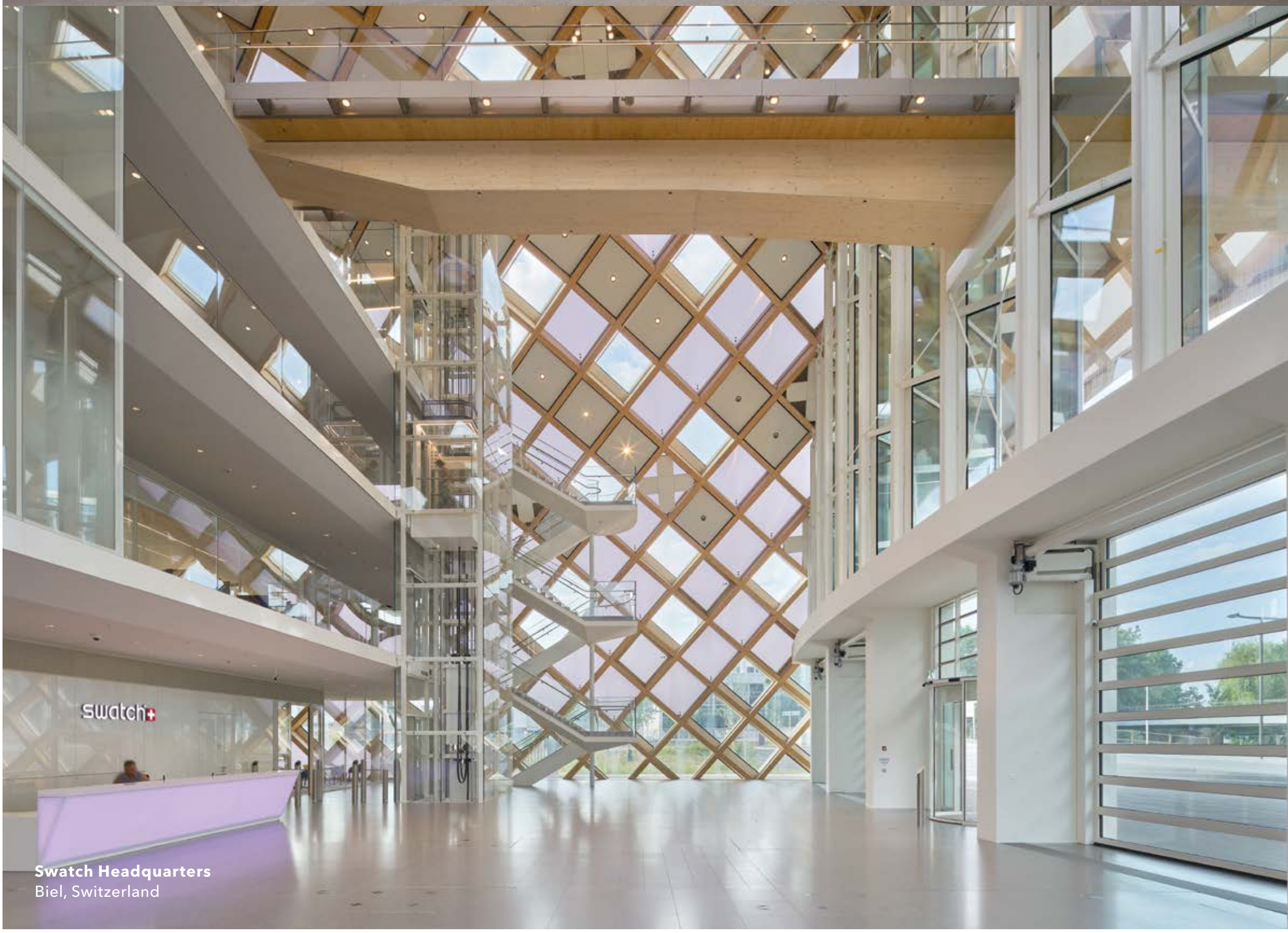
Interview:
Gertraud Gerst

Shigeru Ban

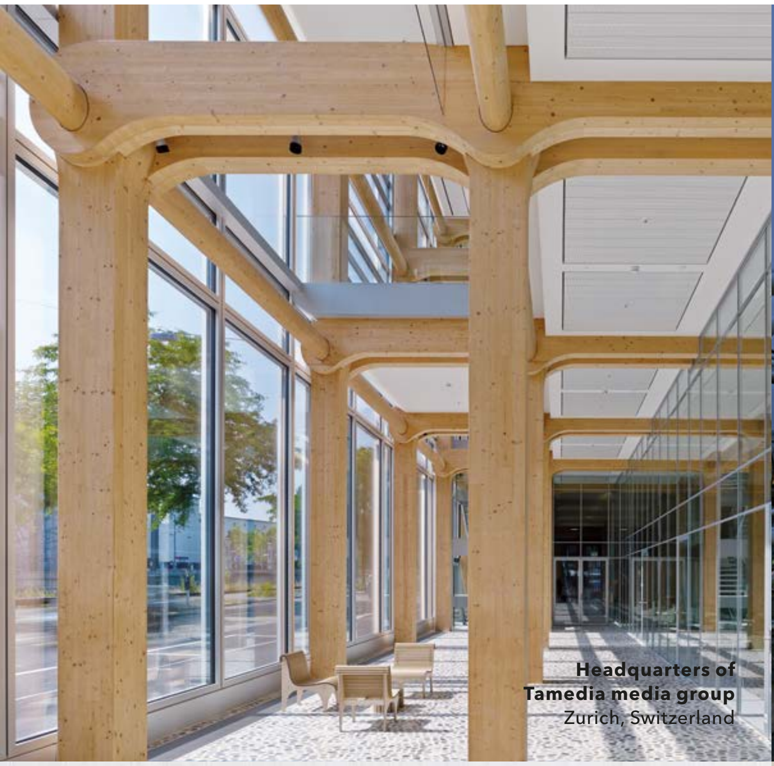
was born in Tokyo in 1957. He studied at the Southern California Institute of Architecture and later moved to New York to join the Cooper Union School of Architecture. His professor in New York, John Hejduk, had a lasting influence on him and his work. In 2014, Ban was awarded the renowned Pritzker Prize especially for his creative use of unconventional materials such as paper, and for his commitment to humanitarian causes.

Shigeru Ban: Buildings & projects

Centre Pompidou-Metz
Metz, France



Swatch Headquarters
Biel, Switzerland



Headquarters of Tamedia media group
Zurich, Switzerland

Paper Temporary Studio
Centre Pompidou
Paris, France

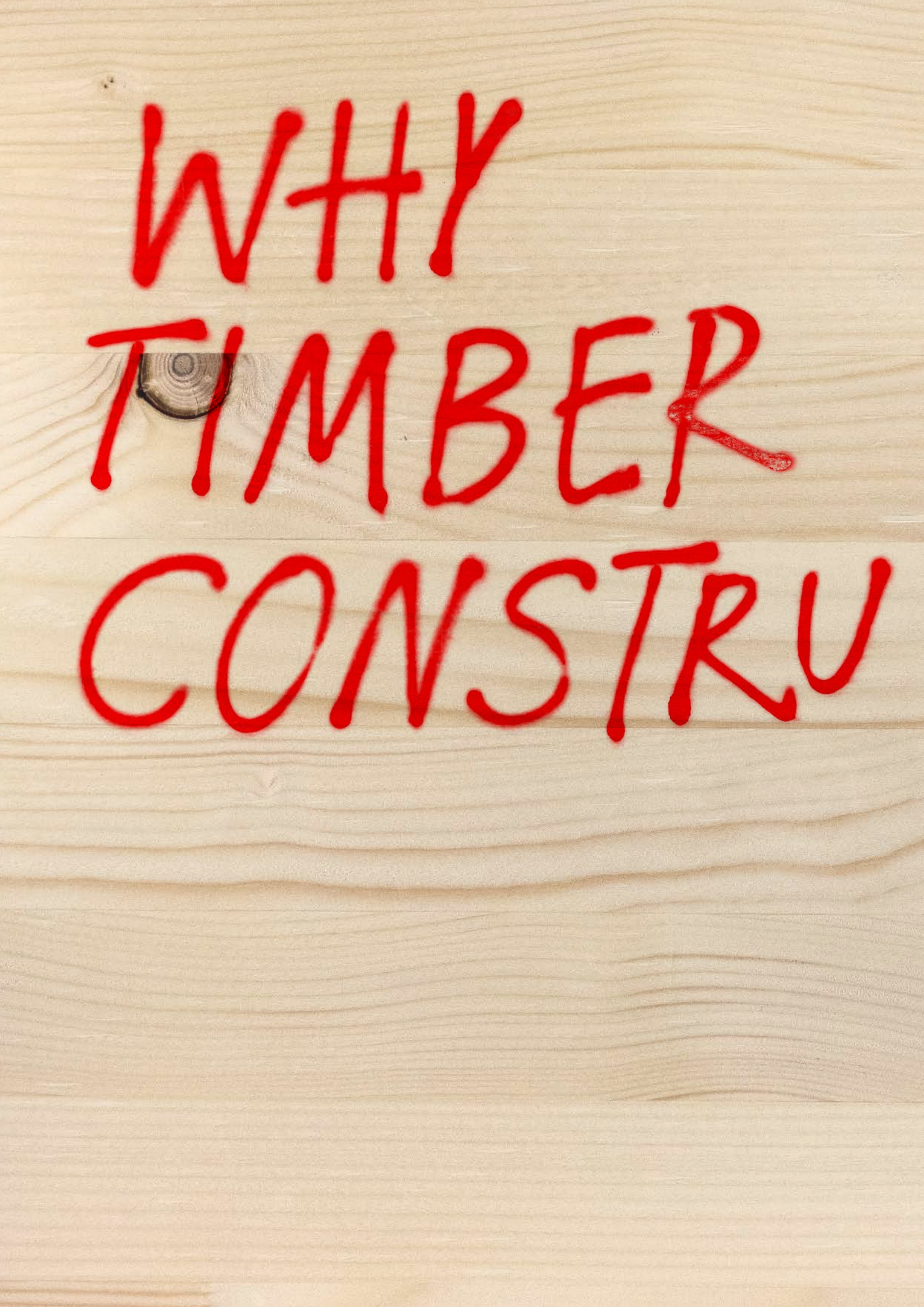
An architect without borders

When back in 1994 Shigeru Ban saw the conditions in which the two million refugees had to live after the civil war in Rwanda, he contacted the United Nations High Commissioner for Refugees with an idea. He proposed building emergency accommodation with a construction using cardboard tubes. As a result, the UN hired him as a consultant, and ever since then Ban has travelled to all of the world's major crisis regions to offer the people accommodation that gives them the appropriate dignity: whether housed in a paper log house or using the paper partition system (PPS). The latter was used in eastern Japan after the severe earthquake catastrophe in 2011, for example, and most recently in the Ukraine war. It grants the families a minimum of privacy while they are living in huge halls.

The Voluntary Architects' Network (VAN) established by Ban is the architecture counterpart to Doctors Without Borders. Besides building accommodation, volunteer helpers on-site also assist with the construction of temporary schools and churches. The Takatori Paper Dome created after the earthquake in the Kobe region in 1995, for example, has become known outside Japan as well. When it was replaced by a permanent church after ten years, it was possible to dismantle the paper dome and send it in 2008 to a region in Taiwan that had been destroyed by another earthquake, where the dome was reconstructed.

Paper Log House
Kobe, Japan

Paper Dome
Taomi Village, Taiwan

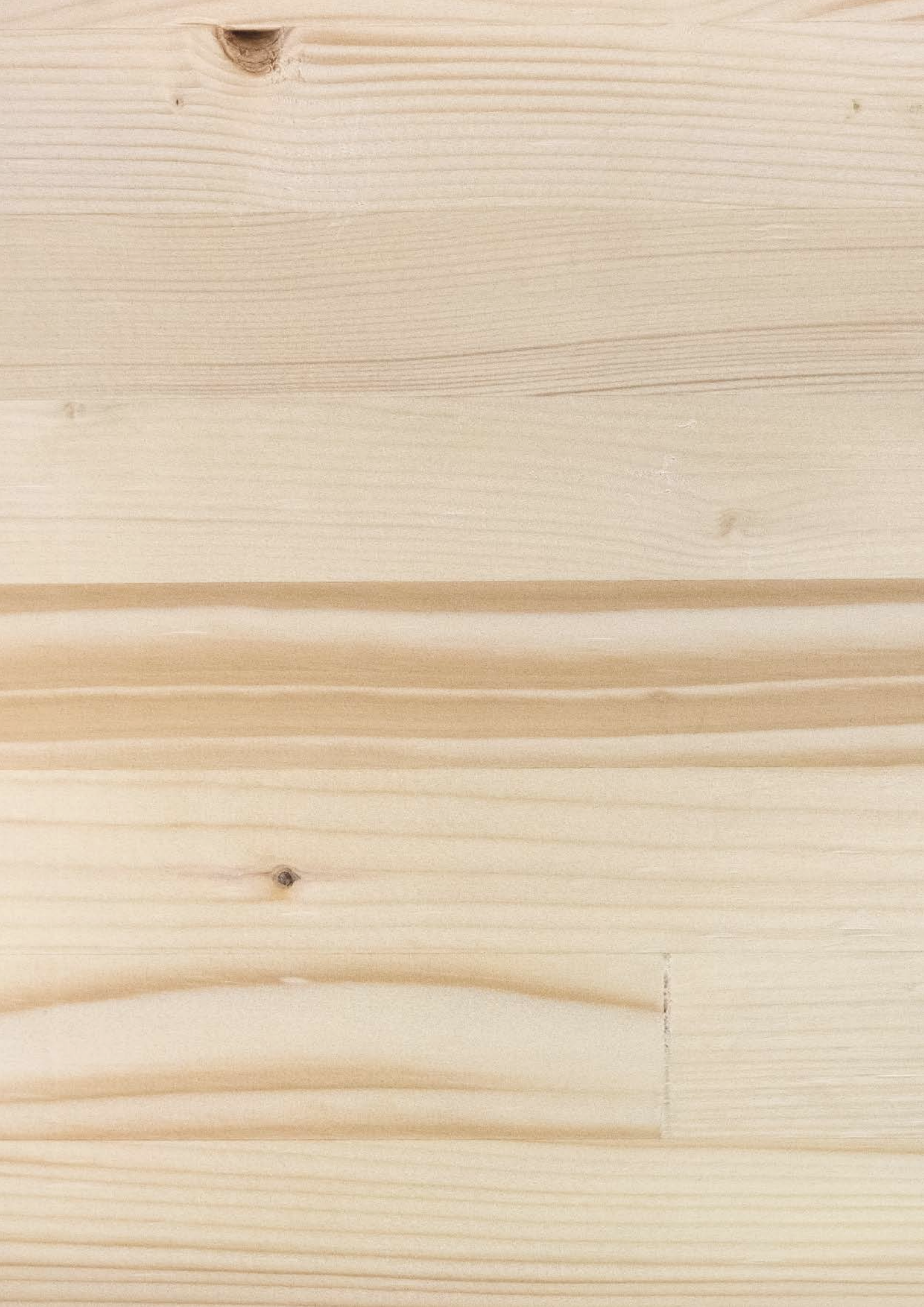

WHY
TIMBER
CONSTRU

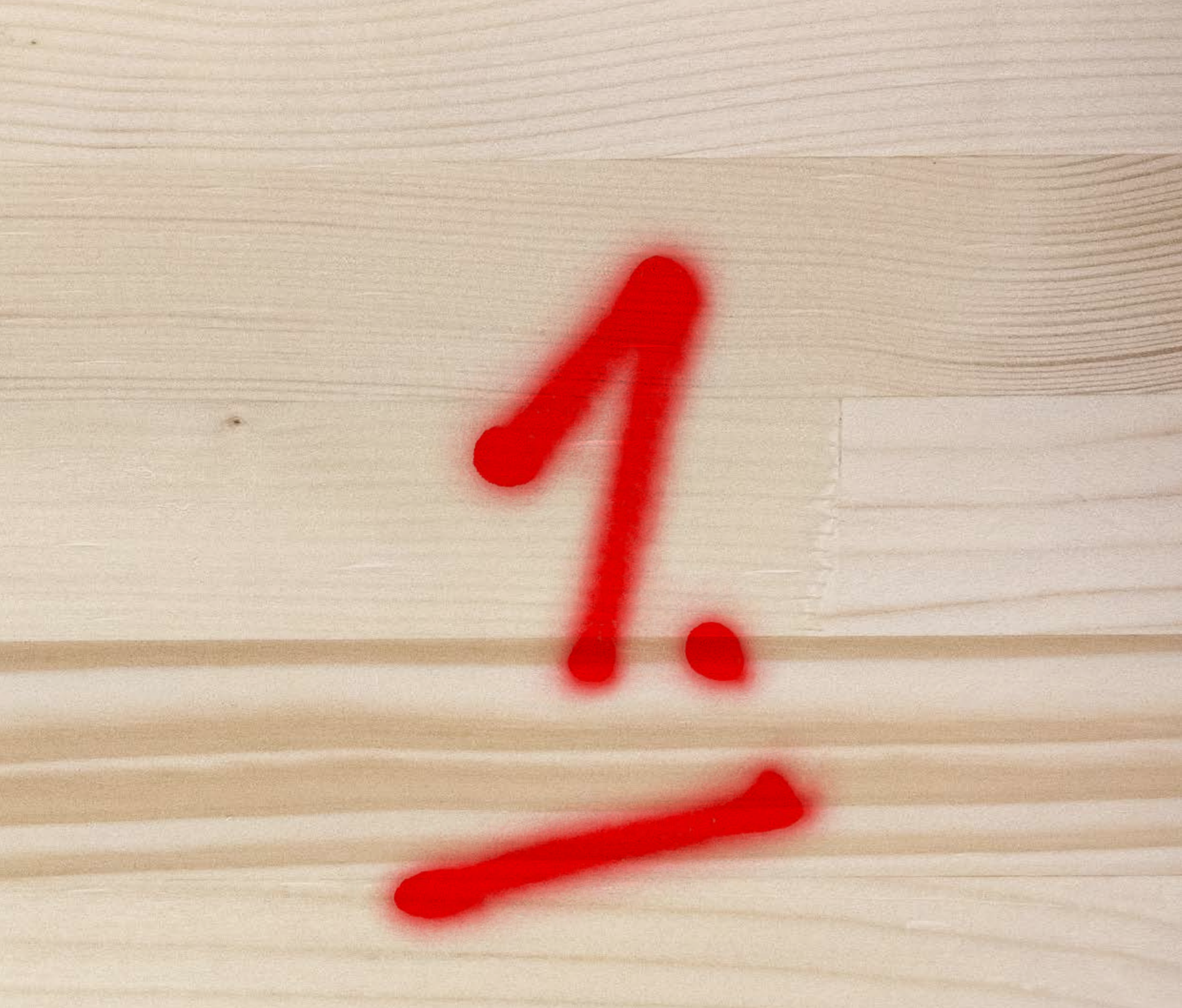
Our attitude is our greatest asset.

For us, sustainability is not a trend – it is an attitude.

As a developer, our greatest lever for reducing our carbon footprint is to use timber instead of steel and concrete wherever it makes sense to do so.
For this reason, we want to be one of the leading developers of timber construction projects in Europe.

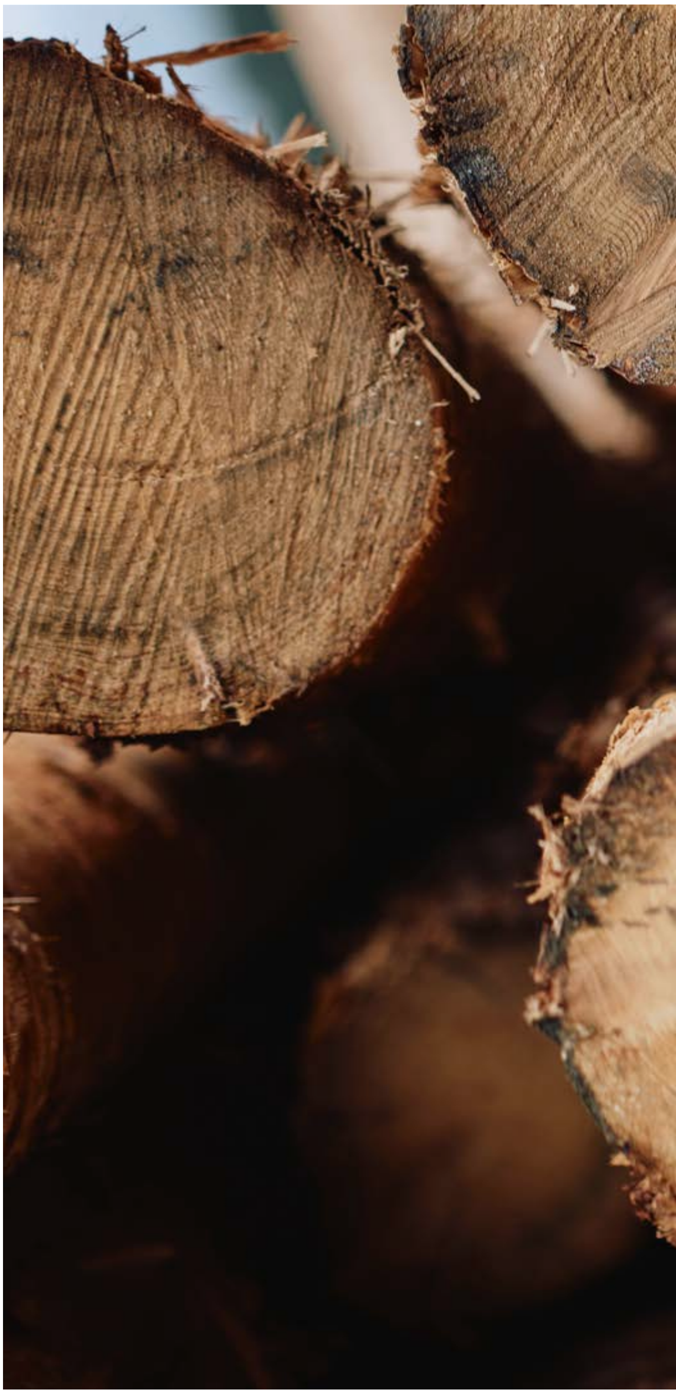
We are doing this not just for our investors, tenants and other stakeholders, but also for their children and grandchildren too.





For the environment.

By developing sustainable buildings, we keep our carbon footprint as small as possible, both during construction and also in operation. We do this by building with timber as a sustainable construction material, and by using renewable energies.



Material implications

Classic building construction has used mainly concrete and steel to date. The production of these alone accounts for six per cent of all CO_2 emissions worldwide. This is as much as global air, sea and rail transport put together. And it is here that we come in as a developer. The more we use renewable, carbon-binding wood, the more positive our environmental performance will be.

With UBM's focus on timber construction, we are optimising our projects in many ways: ecological materials, minimised site logistics, modular construction and energy-efficient operation all contribute to producing highly sustainable buildings. From initial design to construction, deconstruction and recycling, we protect resources, which in turn allows us to reduce our carbon footprint.

The human factor also plays its part – wood has a direct visual and tactile appeal unlike any other building material. It conveys warmth and security. It regulates room temperature and humidity and has excellent insulating properties. In this way, timber has a positive effect on our well-being.

New positioning for UBM
Expert, reliable, transparent – this mix of qualities once again proved to be a key competitive advantage for UBM during the Covid-19 pandemic. By focusing on timber construction, we reinvented and repositioned ourselves.

By opting for timber construction, we are taking on one of the greatest challenges of our time and going far beyond any marketing considerations. We use our decision-making scope as developers to make a very real contribution to reducing our carbon footprint. UBM's approach makes both ecological and economic sense, something that is to everyone's advantage. Reducing the strain on the environment addresses our acute sense of responsibility and we are sure that the benefits will be reaped by generations to come.

A detour to the woods
Our forests provide us with so much more than idyllic natural surroundings. In fact, they play a vital role in reducing CO_2 around the world in two different ways.
As around half of wood biomass is carbon, some 250 kilograms of carbon are bound in a cubic metre of timber weighing about 500 kilograms. When this is oxidised through burning or decomposition, four times the amount of CO_2 – i.e. a whole tonne – is released. So every tree trunk is a CO_2 store that protects the environment.

Forests also provide us with an ecologically sound and cost-effective construction material. Timber is produced without any fossil energy – all the energy it needs comes from the sun. Once felled, processed and used for building,

Wood as a resource
Each tree trunk is a large, climate-friendly carbon sink

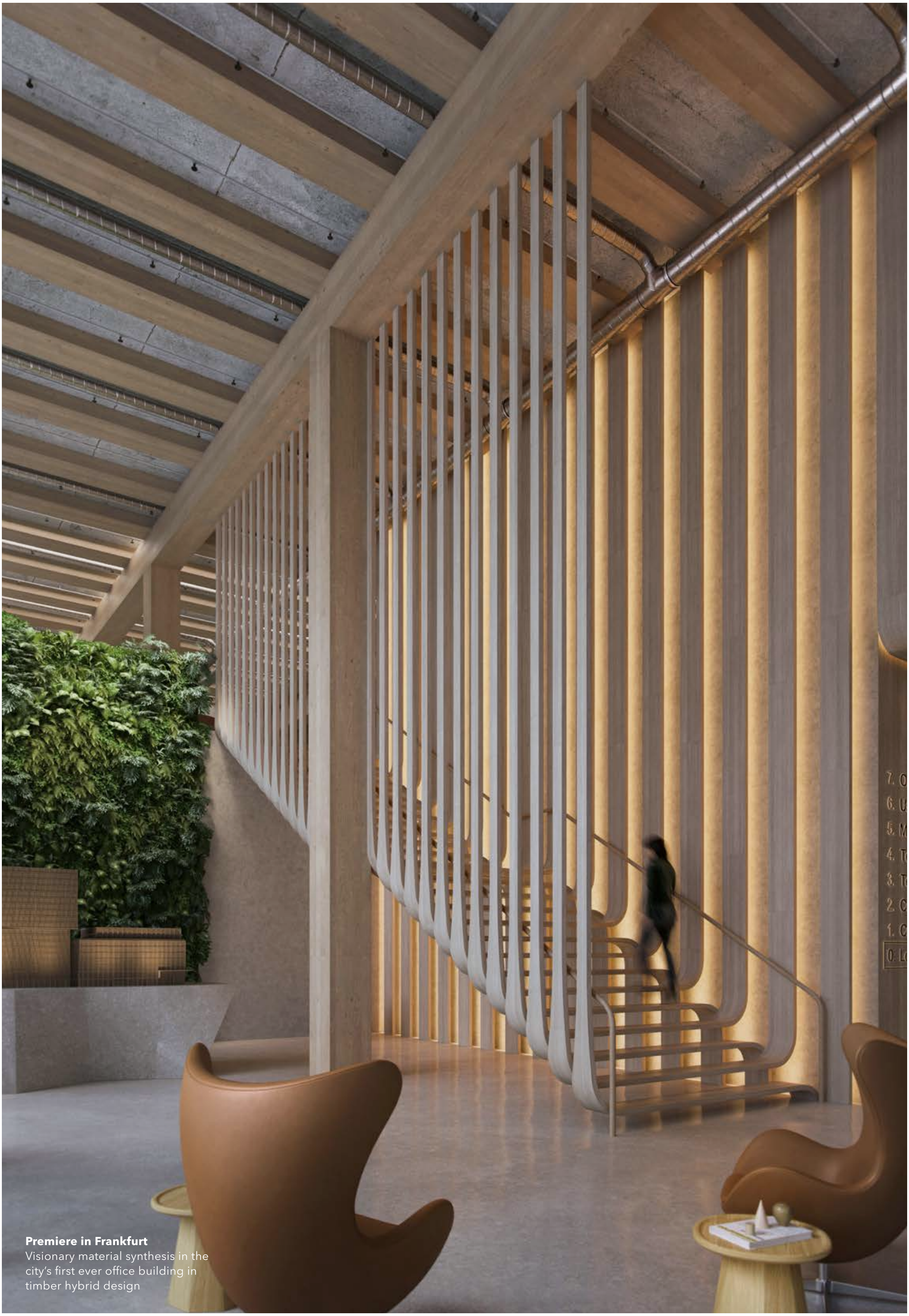
the timber continues to store CO_2 – and more CO_2 is also absorbed by the trees that are planted in their place.

We are effecting a "paradigm shift"

It makes sense to use renewable timber as a building material. But it's also more complex and challenging than it might first appear. Modern timber construction is based on a modular system with entirely prefabricated elements. These are produced industrially according to exact specifications, transported to the site and assembled there. This is extremely fast, quiet and clean. However, it does require meticulous preparation to ensure the entire construction fits together perfectly. In turn, this does away with the time-consuming subsequent adjustments usually associated with conventional mineral construction. As well as courage, this system change calls for maximum precision and even more forward-looking planning by everyone involved.

On the way to the top in Europe

UBM has been committed to timber construction since 2019 and has its sights set on being one of the leading names in Europe. This calls for strategic courage, resolute decision-making and superior technical expertise. Accordingly, we set up UBM's Timber Construction centre of expertise very quickly. With Bernhard Egert at the helm, we pool the knowledge of no fewer than five timber experts here. They play an active role at our timber construction sites in Austria and Germany and regularly meet to share their experiences.



Premiere in Frankfurt
Visionary material synthesis in the city's first ever office building in timber hybrid design

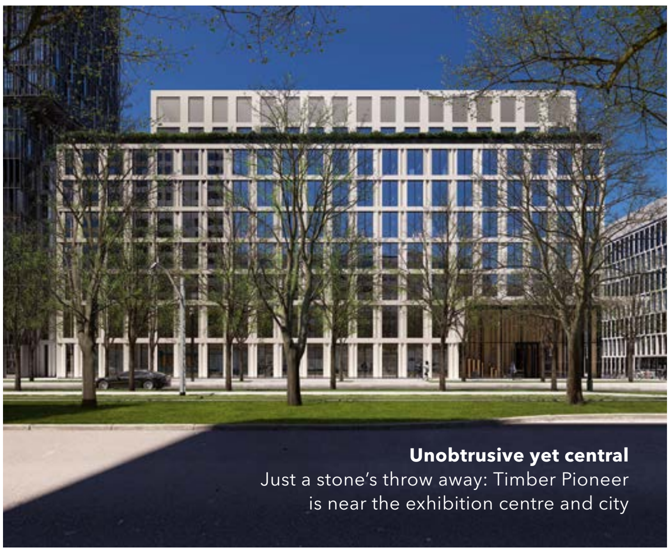
Timber Pioneer: A clear sign

UBM's eight-storey flagship project in Frankfurt shows the versatility and robustness of timber as a construction material. Timber Pioneer is being built in this banking and business city's prosperous Europaviertel district, with some 15,000 square metres of lettable space. It is Frankfurt's first ever timber hybrid office building, combining wood and concrete to impressive effect.

An elegant and constructive solution
The timber hybrid construction of Timber Pioneer consists of entirely prefabricated modules that are transported to the site and assembled there. For instance, the concrete elements are joined with glulam beams and supports to form a timber-concrete composite floor panel. This combination is not only able to withstand high static loads but is very resource-friendly too. Thanks to the renewable nature of timber and the efficient use of other construction materials, it was possible to build the entire shell for the office floors by climate-neutral means, i.e. without adding to the carbon footprint.

Cutting emissions unseen
Some 1,800 cubic metres of FSC-certified spruce is used in Timber Pioneer, meaning that as much as 1,800 tonnes of CO_2 is stored in the building over the long term. Even just producing this volume of cement would generate close to 1,100 tonnes of CO_2. The state-of-the-art timber hybrid buildings makes savings in other ways too. Transport costs are almost a third lower because the material weighs 70% less. The overall construction is 40% lighter, the construction time is halved because of prefabricated modules and the carbon footprint for the shell construction is reduced by an impressive 80%. Another advantage is that, because timber construction generally requires a lower wall thickness, we create up to 3% more useable floor space than with conventional building coverage of the same size.

Every detail contributes to the big picture
Timber Pioneer is environmentally conscious down to the last detail. For instance, it uses the latest smart technology for its heating, climate and lighting systems. The greenery in the inner courtyard and rooftop terrace improves the urban microclimate, producing a cooling effect that counters the heat islands that form in the summer. The good connections to public transport – once completed – and an e-mobility concept with sharing programmes and e-charging stations will also help reduce emissions.



Unobtrusive yet central
Just a stone's throw away: Timber Pioneer is near the exhibition centre and city

Prominent neighbours
The new, state-of-the-art head office of German newspaper FAZ is just next door

An exact fit
Prefabricated modules are assembled on-site

A reason to celebrate
The topping-out ceremony was just nine months after the building permit was issued

Digital preparation, precision assembly
During manufacturing, the individual components of Timber Pioneer were marked with QR codes, assigned their position in the construction and recorded in a digital system. This allowed the relatively small team to assemble them very easily. They put together the customised elements more quickly, quietly and cleanly than would have been possible with other materials, building some 1,000 square metres of shell in just a week. A remarkable performance of which we – all modesty aside – are really proud.

Robust structural engineering
The timber hybrid design can support eight storeys – and more

Topping out with a ceremony
UBM and Paulus Immobilien performed the topping-out ceremony for Timber Pioneer on 26 October 2022, a mere nine months after the building permit was granted. This made the main advantages of timber construction plain for everyone to see. For instance, that timber construction is statically sound even in higher buildings. In Frankfurt's Europaviertel district, it is also clear that timber construction cuts down on one very costly factor: time.

Deconstruction made easy
Timber hybrid buildings don't end their lifecycle reduced to rubble. As recyclable buildings, their structures are taken apart in exactly the same way as they were originally put together. The valuable materials are then removed in a clean, efficient and orderly way – already separated for further use.

Strategically on the same page
Timber Pioneer will be a textbook example of a green building for all of its service life, with environmentally friendly construction and energy-efficient operation. It will also house an innovative smart office that keeps all options open for tenants: from individual offices to open space concepts. Based on the enthusiastic feedback already being received about the design, it will also add to the Europaviertel's aesthetic. Our Timber Pioneer clearly sets itself apart with these three attributes. And it fits like a glove in UBM's strategy: *green. smart. and more.*


»We are
the first movers
in timber«

Bernhard Egert is one of 300 timber heroes at UBM Development. He is also one of Austria's most sought-after timber construction experts. His recruitment by UBM Development allows him to contribute his vast expertise in this field. Sitting out in the open air surrounded by autumn foliage, the nature-loving engineer talks about his background and where he feels timber construction is headed.

Even though the clouds are hanging low, the old forester's lodge loses none of its charm. Owned by the Wittgenstein Forest Administration, it is situated in a scenic clearing on the River Trauchbach, not far from the Lower Austrian district of Rohr im Gebirge. This forestry operation has been sustainably managed for many years, keeping clear-felling to small areas and making the forest fit for climate change.

Bernhard Egert is standing on the greyed wooden decking outside the house, trying to catch a glimpse of the Highland cattle bred here by the forest manager, his friend Dominik Bancalari. But up here in these idyllic surroundings, the good-natured, shaggy-haired animals are free to choose their own pastures to graze in.

This area around the eastern Alpine foothills has a special appeal for Egert. Depending on the season, he takes to the much-loved local mountains here either on a mountain bike along the authorised routes, or on cross-country skis. Our host Bancalari serves us black coffee while the sun breaks through the clouds, bathing the foliage all around in a glorious light.

Mr Egert, how does your background in timber construction benefit your work?

Firstly, I have an endless passion for wood as a natural construction material. I worked in construction for over 25 years, and the longer you are involved in something, the more diverse and interesting it becomes. I know the strengths and weaknesses of the material in construction, where it is a good choice and where it isn't. As well as my own experience, I have a large network of technical planners, architects and firms. This expertise and credibility helps me in my job representing UBM.

What was the main attraction behind switching to property developer UBM?

In construction, you can only build other people's ideas. Now I am on the other side, where of course I have more leverage. I've always seen multi-storey timber buildings as an opportunity for the sector, ⟶

1:
Looking resolute with wooden eyewear: Bernhard Egert has a passion for wood as a natural construction material.

2:
Loved by dogs: retrieving a stick.

3:
The engineer tries to catch a glimpse of the Highland cattle.

»Timber construction and sustainability are very important for coming generations in particular.«

Bernhard Egert

and the aim now is to press ahead with them, increase their visibility and ultimately take them to the cities as well. At UBM I am being given the opportunity to change things on a large scale. UBM is a pioneer in this area and I can be part of the current timber revolution.

How has timber as a construction material developed since the early days of your career?

Adhesive technologies have improved enormously, and cross-laminated timber ushered in a kind of market revolution in the early 2000s. It has long been possible to construct wide-span buildings using glulam timber. Cross-laminated timber made it possible to build higher more easily. There is a constant stream of new products being launched on the market with even better load capacities, such as BauBuche. We can expect lots of new developments here.

What about its competitiveness? Can timber hold its own among other construction materials?

This aspect has changed fundamentally in recent years as well. There is a very strong timber construction sector that manufactures products industrially – this makes them cheaper and, of course, more competitive compared with other construction materials. And production is much faster these days too.

Specialist expertise in timber construction engineering is currently very much in demand but not widely available. Why is that?

At the moment, there is competition for the best minds in the industry, including in planning and construction. There is still a great deal of catching up needed in training, and this is currently being accelerated by policy representatives from the timber industry, where I sit on various committees. We have now succeeded in establishing two new university chairs for timber construction – one in Innsbruck and one in Vienna. These will be sponsored in part by industry to provide new talent in this area.

Timber attracts more attention than any other construction topic. Why are so many people interested in wood?

Well, you might say it has sex appeal as a raw material. Timber construction and sustainability are very important for coming generations in particular, so other people are paying it more attention too. This is why there is growing expertise across the board – a kind of snowball effect.

You are on various specialist committees, even promoting timber construction outside your job. What is your incentive behind that?

If you're passionate about the material and the product, then of course it makes sense to get involved in these committees. I think I can motivate people and encourage them to get involved too. My feeling is that they also realise I'm genuinely interested in and committed to this issue. And then you get a lot back in return.

Austria, Germany and Switzerland are seen as the centre of timber construction expertise and are targeted by international architectural firms. But when it comes to implementing spectacular projects, the Scandinavians seem to have the upper hand. Why is this?

We have already had very large projects here, like HoHo in Vienna and Südkreuz in Berlin. But maybe the Nordic countries have an even stronger affinity with wood for historical reasons. It might also have something to do with the commercial structure, where things are really developing now. The four main players in the Austrian construction industry have realised the growing importance of timber construction and are establishing centres of expertise. So the entire sector is growing with the potential offered by the material. Some large Nordic building firms have already integrated timber construction to a greater degree and have more potential when it comes to implementing it. Apart from this, of course, public authorities also have a say when it comes to constructing large timber buildings. ⟶

Private investors are still more rooted in conventional building culture, but there are gradual signs of change here too.

What developments will we see in timber construction over the coming years?

There will be a shift towards multi-storey timber buildings, particularly for offices. Lots of projects are prototypes right now and the multi-layered structure in particular is very labour-intensive. Here, we will see a trend towards standardisation and automation, which will make timber construction a less expensive option in addition to all the ecological advantages it offers.

How do you rate the potential of timber for achieving greater urban density?

Timber construction has also shown very strong growth in this area in recent years. Modular construction reduces building time and construction site traffic as well as lessening the strain on the environment. Because of the low dead weight of wood, greater amounts can be built on the basic load-bearing structure. Especially in Vienna, which has relatively few multi-storey timber buildings, increasing the urban density of 1930s, 1950s and 1960 buildings is a promising market.

The dismantling of buildings is becoming increasingly important for the Sustainable Development Goals.

Timber construction is modular – it works by assembling prefabricated units. This means that it's easy to dismantle. And the more we move towards this kind of modular construction, the easier it becomes to dismantle buildings.

What role does UBM play in this whole trend towards timber construction?

A really major role – we are the first movers in this area. Timber construction is at the core of UBM's change in strategy towards *green. smart. and more.*, and we already have roughly 180,000 square metres of floor area in the project pipeline which will be built using timber. Needless to say, everyone in the company supports this way of thinking.

UBM has dedicated itself to timber hybrid construction. Will this change in any way?

Our job as the timber construction team is not just to use a standard system for each project but to find the ideal solution for each site and each asset class. Of course, we want to remain lean and to opt for certain


2


3

standard structures to reduce variability. But we haven't strictly committed ourselves to one system. Hybrid constructions use the strengths of the individual materials and combine them into efficient components with new characteristics. You can't achieve that with any single building material.

What challenges does sustainable construction present for developers?

The difference between many other flagship projects that are being built around the world at present is that we – as developers – also want and need to sell the projects at a profit. This calls for attractive, usable and flexible floor plans that will secure the best possible ratings in technical due diligence assessments by investors. Here, we need to strike a balance between efficient space utilisation and sustainable materials.

We have to find a coherent package that guarantees a long useful life while maintaining profitability.

Can we build our way out of the climate crisis with timber?

According to a recent study, people will continue to move to cities in great numbers over the next 50 years.
If we manage to construct these new buildings out of timber, we would cut out a significant proportion of the carbon emissions that would have been generated. The part we can play as developers is to build using timber, thereby replacing concrete and steel, which are the main causes of carbon emissions in the industry.

What role does forestry play in the climate crisis?

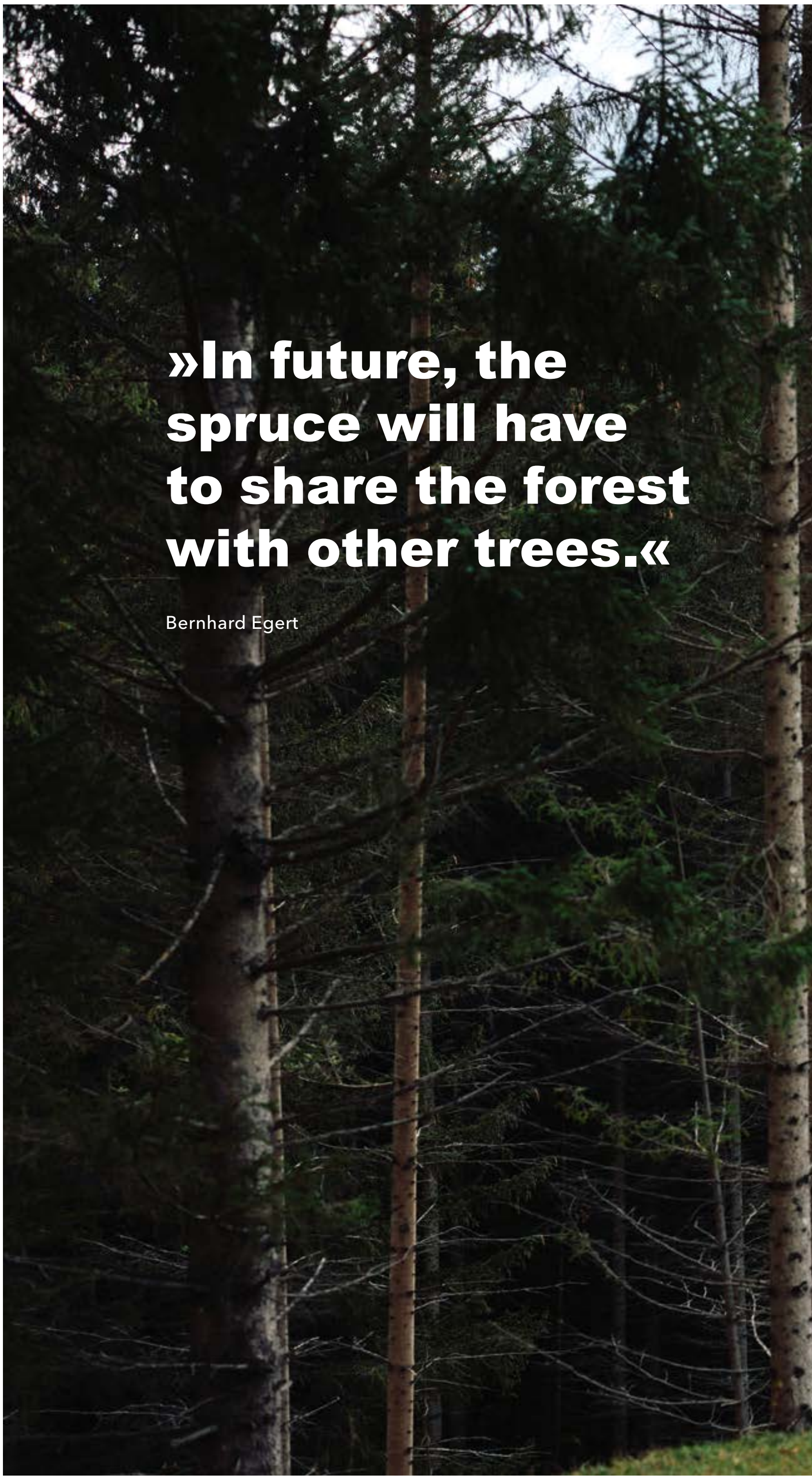
In this sector, it's clear that sustainable forestry is the ⟶

1:
Timber construction will have a hand in measures to fight climate change.

2:
A detailed talk on the wooden decking outside the old forester's lodge.

3:
Sustainable forestry is working to make the forests fit for climate change.

only
viable option, and that is already happening in our part of the world. In the past, however, the trend was very much towards monocultures for reasons of cost efficiency. In future, more mixed woodland will be needed – the spruce will have to share the forest with other trees. But there is enough wood there to allow us to reach our goal of constructing more timber buildings.



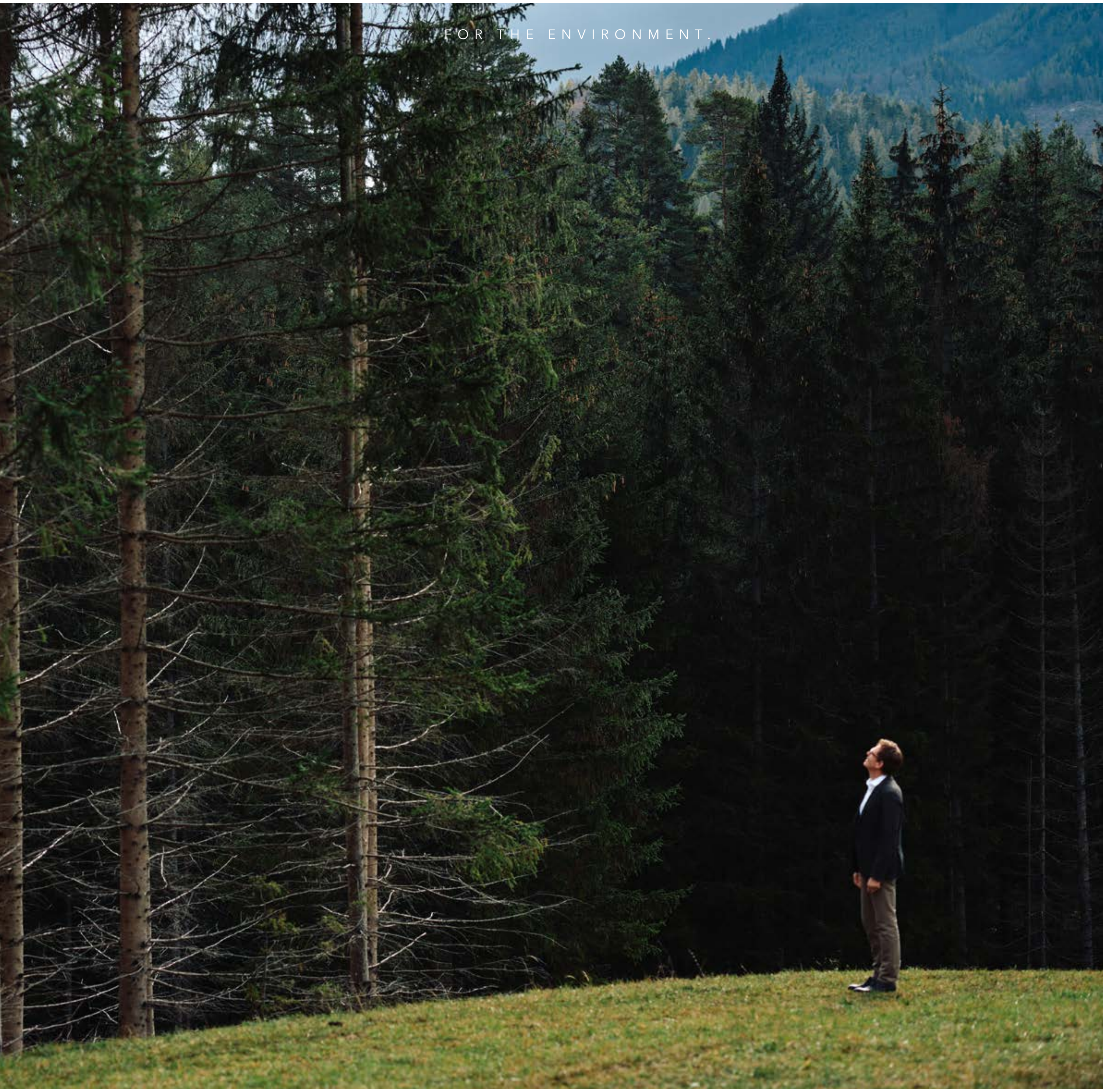
Global warming is making it increasingly difficult for trees in Northern Europe. Will the forests survive?

The forestry sector is conducting a lot of research to counter the increasing drought, the stress suffered by the trees, and the bark beetle infestation. Efforts are being made to introduce other types of spruce here that can cope better with drought. There will also be a regional shift in vegetation. The dry areas will lose some forest but at the same time the timberline will move further north.

In his book, forester and author Peter Wohlleben writes: "To fight climate change, it would be best to leave the forests alone." How do you see it?

If we were to put the forests out of use, this would effectively force the pace of rotting among the existing trees over the long term. The best thing to do is harvest healthy trees and plant lots of young trees, as we do in sustainable forestry. This keeps the cycle alive. By using timber as a construction material, the carbon remains locked in the wood for a long time. I know how serious the climate crisis is, but we shouldn't get overly pessimistic either. I remember when acid rain was an issue back in the 1980s and everyone was afraid that the forests would die. But measures were taken very quickly. The emissions went down, and five years later the forests had recovered.
We need to develop new ideas now as well, but the main thing is to implement the existing measures for combatting global warming much more resolutely.

In the face of increasingly extreme weather conditions, forests have – at least in Austria – still been growing



steadily since the 1960s.
That's right, there is still strong growth in terms of both space covered and volume. And the availability of the raw material is safeguarded in the medium to long term.

But globally, it's a different story. Are transnational measures required?

Yes, certainly. With the Green Deal, the EU took a very courageous step and committed itself to an exemplary programme. Unfortunately, there is no way of getting other international players – like Brazil and the Amazon regions – to commit too. I hope thinking will change here in the long term. The core of the problem is the different asset structures around the globe. Having a better spread of wealth throughout the world would also help to cut down on illegal logging.

Recently, there have been claims that timber construction is not at all as sustainable as everyone says, prompting a discussion of the carbon debt. How do you respond to this?

Yes, these interviews in major German-language newspapers are damaging to the ⟶

sector and
are especially making investors nervous about whether
they have backed the right horse. We are trying to counter this with scientifically substantiated studies and publications. The fact is that, in sustainable forestry, no carbon debt is created over the long term when trees are harvested.

What is the background to this debate?

As with organic vegetables, timber construction has become so popular that, unfortunately, it has spawned a kind of "battle for materials". Timber construction will never reach anything like the volume of concrete and steel buildings but will remain something of a niche product instead. At the moment, it is upping its market share by a few percent, due to the nature of the times and to sustainability. Of course it also makes sense to make cement and steel production less carbon-intensive, but there is no need for each side to bad-mouth the other. There is enough market for everyone and we should treat each other with respect.

Are the expert committees reacting to this too?

Yes, we are seeking dialogue and inviting the people in question to open panel discussions. As it turned out, a lot of what was said was taken very much out of context.

Does timber also feature in your private life? Do you live in a timber house?

Yes, I've been living in a timber house for 22 years. My wife is an architect and she designed it herself. The soft, tactile surfaces of the wood create a warm, feel-good atmosphere and the glass lets in plenty of light. We are very happy living there.

What kind of planet do you want for your children?

My children are already grown up, but the outlook for young people has undoubtedly changed to a certain degree. Our parents used to say: "If you work hard, you will do well and have a better life." At some point, this lost its currency. In the wake of the growing global insecurities, external motivators for the young generation have become much thinner on the ground. But especially in a somewhat bleaker world, it's a good idea to have a positive attitude towards life and when taking on new challenges. If each one of us tries to make a contribution to their immediate surroundings, this would bring about quite an impact overall. For example, I don't need to eat imported Argentine beef – instead, I regularly buy prime Highland beef from here in Rohr im Gebirge.

Interview:
Gertraud Gerst

Bernhard Egert

is 57 years old, an all-rounder in timber construction with experience as a master builder (conventional and timber), developer and court-appointed assessor. He graduated as an engineer from Vienna University of Technology and obtained an MBA from Vienna University of Economics and Business. Before he joined UBM Development AG as Head of Timber Construction and Green Building, Egert was managing director of Graf-Holztechnik and Rubner Holzbau, among other positions. As chairman of various expert committees within the Austrian Wood Industry Association, he has been making an active contribution to promoting timber construction for many years.

For the company.

In future, the EU Taxonomy and ESG will be directing massive flows of international finance to green companies and projects. Certifications and top ESG ratings confirm that we are ideally equipped for a green future.

Certifications: The key to commercial success

For UBM, the certifications for all of our buildings are far more than just a "stamp". Rather, we see them as a key validation of our green building work. This is because they use processes, methods and standards that are recognised throughout the industry to account for resources and emissions. Their criteria also factor in ESG and the EU Taxonomy requirements. In this way, certifications are essential "reference points" for our development work and an expression of our dedication at the same time.

High standards from planning to deconstruction
To guarantee the sustainable quality of our buildings, we follow the requirements of the relevant certifications in each phase of the project. These cover the entire cycle from urban quarter development and building components to climate resilience and climate neutrality. We even optimise future deconstruction in line with the relevant guidelines.

Certifications promote lasting values
Aside from the environmentally friendly aspect, certifications have a major influence on the profitability and "marketability" of our projects. For instance, they often lead to more favourable financing conditions and, in many cases, increase rental income and help our properties to retain their value. This means that certifications send a key signal to investors or buyers, and they are a clear reference point on the market.

Our pipeline to the future
We have a wide range of projects in our core markets in the pipeline for the next four years, worth over €2 billion in all. UBM is currently developing more than 3,300 apartments and around 200,000 square metres of office space. At the end of 2022, well over 100,000 square metres of these were being planned as timber hybrid constructions, with a further 100,000 square metres in the pipeline. So we are well on our way. The UBM roadmap provides a detailed view of the design and current status of pioneering UBM projects such as Timber Pioneer, Timber Factory, LeopoldQuartier, Arcus City and Timber Peak.

High standards included
UBM projects always integrate certifications and preservation into planning

BREEAM®

DGNB®
Deutsche Gesellschaft für Nachhaltiges Bauen e.V.
German Sustainable Building Council

U.S. GREEN BUILDING COUNCIL
LEED CERTIFIED
USGBC®

Timber Factory: Munich's first timber commercial campus

UBM is developing its Timber Factory on a 28,000 square-metre site in the Munich district of Moosach. Its size and versatility are unique features, and having an entire campus in timber hybrid construction makes the greatest contribution towards sustainability during building. As well as this, its top priority is minimising its operational carbon footprint.

A commercial campus for the future
With four buildings, there is an attractive mix of production facilities, an industrial complex, offices, laboratories and retail outlets. Located near the Meile Moosach shopping centre and Moosach train station, the new hotspot is both industrial and urban.

Campus with character
A shared forum for managers, artists and artisans

Perfectly judged usage mix
Making a mark in the district of Moosach

Munich city planners on board
Together with city planners and departments of the Bavarian state capital, UBM is developing a sustainable project with strong socio-economic synergies. This is because Timber Factory not only aims to bring together traditional businesses in the city area but also continues the modern campus feel there. Here, people from different worlds – from artisans to managers and artists – have a forum for meeting and sharing ideas and information.

Uncompromising sustainability
In concept and construction, the Timber Factory strictly adheres to the current DGNB sustainability principles, the KfW eligibility criteria and the EU Taxonomy requirements.

This means the project takes on board all three pillars of the ESG principle. The façade is to be made of timber – using this renewable raw material conveys right away the values incorporated by Timber Factory. In all buildings, our UBM smart standards ensure an efficient, intelligent operational management geared towards user health and well-being.

A vibrant mix of usage types

We are developing Timber Factory with a eye to the relevant usage types and fitting with surrounding buildings. The "rawer", more transport-intensive businesses are located near the railway line, combined with traditional office usage in each case. Along Baubergerstrasse, there are modern office buildings with restaurants and retail outlets, a vibrant mixture that is typical of Munich.

A space with added value

Based on its size, Timber Factory is a real campus with a natural appearance and a healthy mixture of quiet and busy areas. It will be a place for people to come together to relax or to talk business. Additional meeting points will include private areas such as individual rooftop gardens for tenants and users. Both in detail and overall, it is clear that Timber Factory will be a diverse and integrative neighbourhood that will create considerable added value for local people in particular and our environment in general.

True flagship project
Aiming high in every respect – with twelve storeys

Timber Peak: Top performance at Zollhafen Mainz

Our Timber Peak project not only distinctly increases the number of square metres devoted to timber hybrid design, but also takes it to new heights. Mainz's first timber hybrid high-rise is being built by UBM in a prime waterside location, over 40 metres high and with 9,500 square metres of gross floor space.

The innovative design by renowned firm Sacker Architekten includes floor-to-ceiling windows that flood the rooms with light. The flexible floor plans permit a variable use of office space. Continuing the practical design, the basement will be equipped with charging infrastructure for up to 41 electric cars. A spacious terrace on the fifth floor and a rooftop terrace above the twelfth floor offering spectacular panoramic views will round off the striking overall appearance.

Energy efficiency included

Our resource-friendly timber hybrid design for Timber Peak is also an important step towards carbon-optimised building construction and management. In addition, the smart building technology almost automatically fulfils future EU Taxonomy reporting requirements. For instance, the consumption values and energy efficiency data are systematically recorded and presented clearly.

For the building and its operation, we are planning DGNB Gold certification and an energy efficiency standard based on KfW 40 requirements. Among other things, these include covering at least 55% of heating and cooling energy through renewable energies, setting up a photovoltaic or wind power system, energy storage and ventilation systems with heat recovery.

Four sites for housing, shops and offices

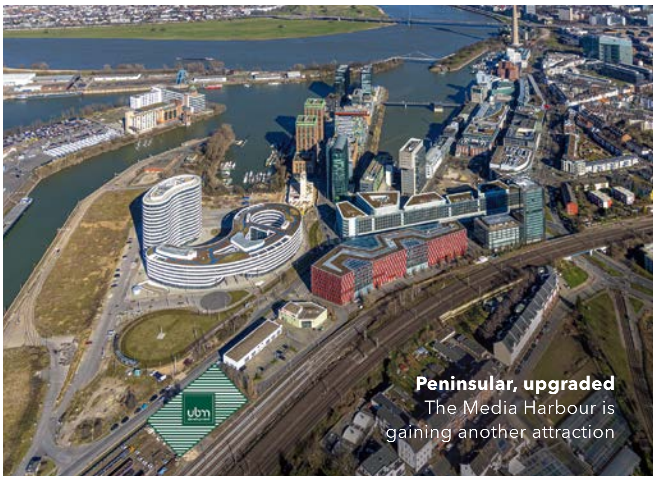
Very soon, work will begin on Timber Peak, the first of four sites acquired by UBM in March 2022. Construction is due to start at the end of 2023 and we expect it to be completed in early 2025. UBM is developing over 42,000 square metres at the former customs port Zollhafen Mainz; around 75% of this is intended for residential buildings, with 25% for commercial/office use.

On the water
Modern, prizewinning architecture in a unique location

Timber Port: UBM docks in Düsseldorf Media Harbour

UBM followed up its major acquisition at Zollhafen Mainz by purchasing a site in the prosperous Düsseldorf Media Harbour off market in September 2022. Here, an eight-storey timber hybrid office building will be built with at least 10,000 square metres of gross floor space. Underground, more than 4,000 square metres of gross floor space will provide 105 car parking spaces.

The Holzstrasse 12 site is located at the entrance to the planned expansion and gentrification of the Media Harbour on the Kesselstrasse peninsula. Opposite this site are the high-profile headquarters of travel portal Trivago. The Media Harbour is well known throughout Germany as a magnet for companies from media and communication, fashion and architecture, art and culture. Its hotels, restaurants, bars and clubs attract many visitors from Düsseldorf and the surrounding area.



Peninsular, upgraded
The Media Harbour is gaining another attraction

Arcus City: Rural and urban combined

UBM has established the Arcus City residential project in the fast-growing Prague district of Stodůlky. Here, in three stages, we will be constructing a modern, sustainably designed neighbourhood, with an innovative timber hybrid design for the Timber Praha buildings. A total of 278 apartments, ten single-family houses and five shopping malls will be built in green surroundings with fast transport connections to the city centre.

Impressive on every level
100 residential units have already been built in Arcus City since construction began at the end of 2020, with 178 more scheduled for completion by the

New district
8,607 square metres of living space, close to nature and environmentally friendly

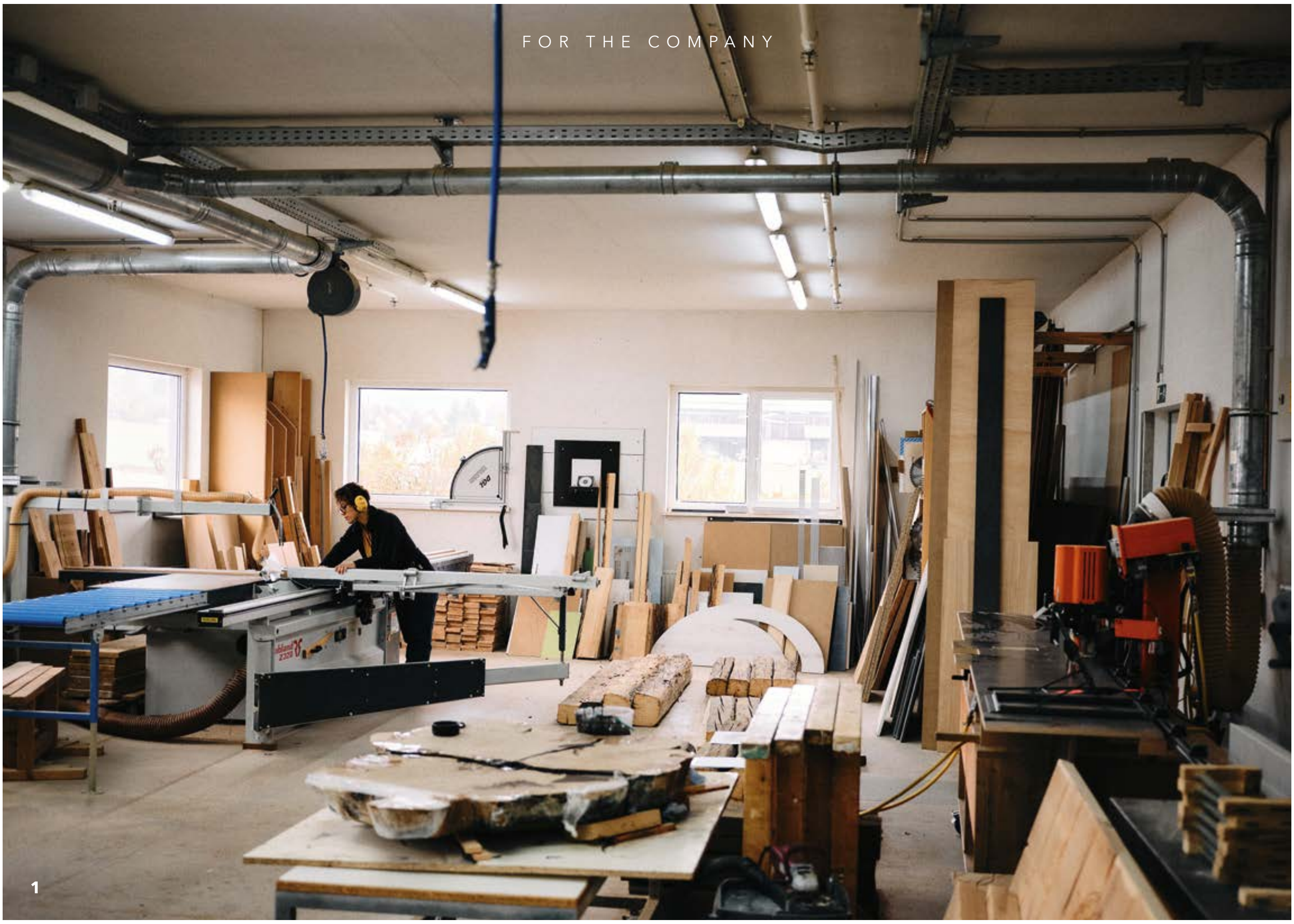
end of 2023. This means that UBM is creating 8,607 square metres of attractive housing, ranging from well-designed yet affordable apartments and welcoming single-family houses to luxury penthouses with upscale fittings.

Natural surroundings included
The new neighbourhood has a quiet, family-friendly atmosphere that is further enhanced by the green surroundings. At the same time, Arcus City has a perfect infrastructure with everything within easy reach – schools, kindergartens, supermarkets, restaurants, a post office and other shops. As well as this, it only takes 20 minutes to reach Prague city centre by bus and tram. The nearby "Řepora" biopark and "Prokopské a Dalejský údolí" nature reserve are ideal for sport and relaxation.

Sustainable design, energy-saving build
The Timber Praha section features architectural and technical innovations in the form of three timber hybrid residential blocks with 62 apartments, built using CLT panels. These are among the most robust and efficient materials for sustainable, low-carbon construction. The façades are based on a prefabricated frame system of wooden beams that can be built quickly and with minimal logistical effort. Sustainability and the environment are also central factors when it comes to operating the buildings. For instance, we have solar collectors and geothermal energy sources and make use of external shading and underfloor heating to create a constant indoor climate. And so Prague is now part of the international trend towards timber construction as well.

Career and craft

Katja Kammerer is one of 300 timber heroes at UBM Development. Some people see something going on and ask: "What's happening?". And then there are others who see something happening and simply get involved. Katja Kammerer is one of these latter people. This is what brought her to UBM in 2016, and then in 2022 to the helm of Timber Peak, as project manager of UBM's timber hybrid high-rise at former customs port Zollhofen Mainz.



1

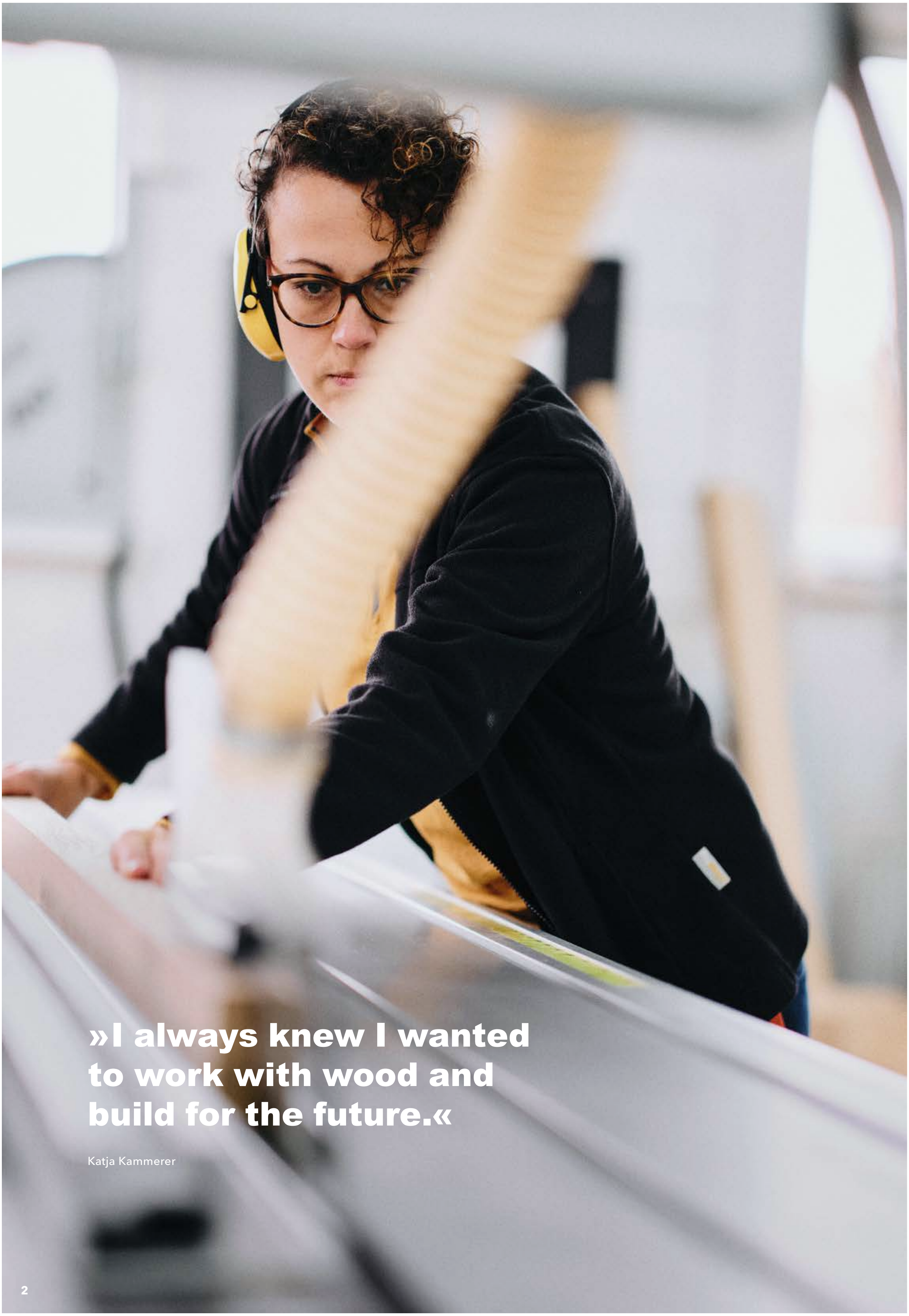
Katja Kammerer makes it easy for you. Even when she is not in her workshop, it is clear at first glance that you are talking to someone with a creative mind. She wears her dark hair short on the left, with curls coiling down over her right ear. This kind of haircut might look indecisive on others. Not so with the 38-year-old carpenter, interior designer and architect, who knows full well that you can shape nature while still giving it space. In its own way, the cut is therefore as straight as the wood with which she plans to make a headboard for her bed. And also as her journey through life.

"I always knew I wanted to work with wood and build for the future. I've always gone in that direction," she explains. It almost sounds as if she is apologising for the arrow-straight path that led her to UBM in 2016, where she became technical project manager of the first resource-friendly timber hybrid high-rise at Mainz former customs port in 2022. But all she did was bow to the inevitable, and turn her craft into her career. It was simply meant to be.

Katja Kammerer was born in 1984, a year that the Chinese zodiac associates with the element wood. Children born in this year are ⟶

1:
Working with wood – Timber Peak project manager Katja Kammerer regularly leaves office and building site behind her.

2:
Once learned, never forgotten: even though it's been a while since her carpentry training, Katja cuts the planks of oak like a true professional.



»I always knew I wanted to work with wood and build for the future.«

Katja Kammerer

»Project management is mainly about managing people.«

Katja Kammerer

supposed to be destined to make the world a little better with their actions and their innovative spirit – even if they constantly have to fend off the doubts of those around them.

Born into a down-to-earth family and raised in a small community in Lower Austria, Katja Kammerer knew nothing of this, of course. But she did have a strong sense of purpose. Rather than playing with dolls at kindergarten, she preferred to build things with wood, "because it smelled so good". She also felt it when she announced, after attending an open day at Mödling Technical School, that she wanted to train as a carpenter while studying for her school-leaving examinations – in spite of her mother's worries about her "losing a finger or two". She sensed it again when she was researching energy-efficient construction for the sub-Mediterranean zone during a work placement in Oman. And yet again when she followed up her bachelor's degree in Interior Design & 3D Design with another course on sustainable architecture and timber construction.

This paved the way for a career that would take her to the aptly named Timber Peak: 40 metres, 12 storeys and 9,500 square metres of gross floor area. However, she might never have had the opportunity if a colleague from her student days hadn't phoned to persuade her to move from Hufnagl Architekten to UBM seven years ago. "To begin with, I couldn't imagine ⟶

1:
A groove is cut in the wooden planks using a plate joiner for connection later on. The pieces of compressed wood chip are known as "biscuits".

2:
The workshop in Wiener Neustadt is heated with a wood-burning stove. But the wood also makes an excellent seat.

3:
Katja measures up. When finished, the headboard will be two metres long.

2

3

working client-side. But then I saw something happening at UBM and I wanted to be part of it!"

Before long, she was right in its midst. As well as leading the Interior team after her initial position as a project manager, she turned the Vienna head office into a best practice example for the New Work concept – with a pleasant atmosphere, modern art and a strong corporate identity. The UBM offices in Vienna's tenth district are not only a great place to work but also an ideal venue for holding company events and celebrating birthdays. This is excellent motivation for someone like Katja, who feels the need for everything she does to ultimately have a positive impact on people's lives.

It's difficult to say how many people have felt the beneficial effect of her work. And there are plenty who, unlike her UBM colleagues, have no idea who is responsible for the sense of well-being they perceive whenever they enter a particular building or room. Such as the guests who stay in the Mercure Katowice Centrum. This hotel was one of the projects that Katja Kammerer, as Head of Interior, was involved in from the initial planning to the final handover. "You could also say that I was responsible for the *more* before our corporate strategy *green. smart. and more.* even existed."

Things could have continued like this. But then Covid-19 put an abrupt end to UBM's journey as Europe's largest hotel developer. For a sector with a comparatively long-term and conventional planning horizon for its projects, it was as if things had folded overnight: "It felt as though UBM carried out its reorientation on becoming Europe's largest timber construction developer while I was watching a pair of crows raising its chicks in the sycamore tree in front of my office window at home during the first lockdown."

Since then, two further generations of crows have come into the world without Katja being there to witness it. She is back in the office. Or on the first morning flight to Frankfurt. She is such a regular visitor to the city that, when she lunches at her favourite Greek restaurant, she is greeted

1

2

with a hearty Austrian “Servus!”. And even though Timber Peak only exists on paper and construction work is not scheduled to begin until autumn 2023, preparations with her team and the authorities have been stepped up substantially since she took over as technical project manager last May: “This is a real back-to-the-roots project for me, where I can make use of everything I learnt about timber construction at technical college and university.” Now almost 40, she is the ideal age for this job – having experience, the physical strength needed on any construction site and, above all, empathy: “After all, project management is mainly about managing people. And you need to know the right way to talk to people.”

Her career has taught her the right way. But even she underestimated the sheer amount of talking involved: “Timber Peak will be the first timber hybrid high-rise building in Mainz, and indeed anywhere in Rhineland-Palatinate. When we submitted our plans, none of the relevant building authorities had ever dealt with this subject before.”

Sometimes Katja felt like a broken record when she had to explain again and again about the flagship project and how it can pave the way for carbon-optimised building construction and management. Naturally, they were enthusiastic about the state-of-the-art waterside architecture with flexible floor plans for a new kind ⟶

1:
The frame receives its finishing touches.

2:
Katja cuts a mitre joint on the strip of wood. The 45-degree angle produces a hidden edge.

3:
Adhesive holds the pieces of wood together. Until it has dried, a clamp secures the frame in place.

of office usage and spectacular views of the former customs port in Mainz. And they were clearly impressed by the planned gold certificate from the German Sustainable Building Council (DGNB). Needless to say, they welcomed the revival of the oldest building material in the world, because timber construction is the greatest lever for reducing carbon emissions caused by building work. And also the fact that truck transport is reduced by a factor of seven compared with conventional building sites – and that the construction time is shortened because many elements are prefabricated.

But… what about fire protection? This gave the building authorities a sleepless night or two. Can a timber high-rise really be safe?

"I've lost count of how many times we've had to explain that wooden buildings burn slowly and in a very controlled manner," says Katja. "In the case of an emergency, a timber construction – especially a hybrid one with a concrete core for the escape routes – is sometimes even safer and more plannable for evacuation than a steel construction." However, sometimes you need more than transparency and personal experience to overcome scepticism – a few words of confirmation from a fire service representative, for instance. "It was the fireman who finally convinced everyone that wood was nothing to be afraid of."
As with all timber pioneers, Katja has learnt to accept such scenes with good humour. And whenever it does get her down, she knows how to buoy her spirits again – by busying herself in the workshop. Needless to say, it's getting more and more difficult for her to find the time to make new furniture for her home: "But I try to fit it in regularly, it's a great way to unwind." After all, when she works with wood, she is not only working with her element. She is in her element.

Yes, it was definitely meant to be. And Katja Kammerer was indeed meant to build. Neither the headboard for her bed, nor Timber Peak, will be her last project…

Text:
Daniela Schuster

1:
The frame is ready. Later on, Katja will add padding, cover it with fabric, and fit two lamps.

Katja Kammerer

was born in Mödling, Austria, on 15 November 1984 and grew up in Hennersdorf, a village near Vienna with 1,500 residents.

She attended HTL Mödling, a technical college for interior and furniture design, where she trained as a carpenter besides taking her school-leaving examinations. Between 2004 and 2007, she studied at the New Design University St. Pölten, obtaining a BA in Interior Design & 3D Design. This was followed by a degree in architecture with a focus on sustainable architecture and timber construction, product and furniture design at Vienna University of Technology, which she completed in 2013. While still attending university, she began working as an architect at Hufnagl Architekten. In 2016, she joined UBM Development as a project manager, taking charge of the Interior Design department three years later. Since May 2022, she has been technical project manager for Timber Peak.

For the team.

In the current battle for talented professionals, only the most attractive employers end up with the best employees. Thanks to our unswerving focus on sustainability, we offer the purpose that not only young people are looking for in their careers.

Our outdoor office
The terrace at our UBM head office, open to new ideas on all sides

Wood sustains us all

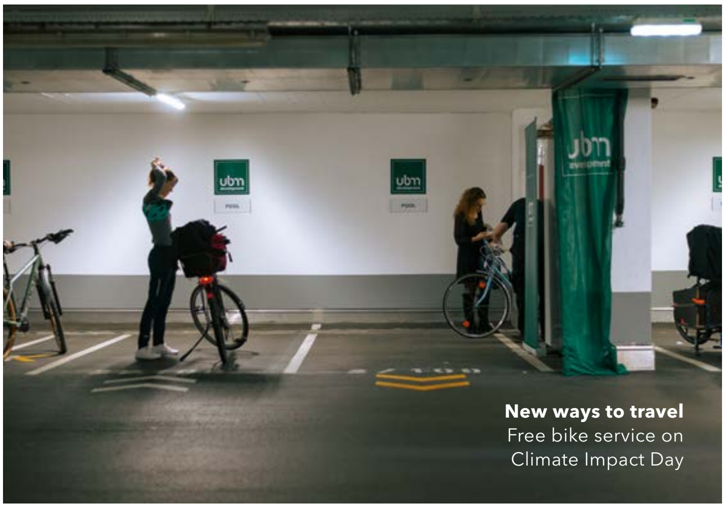
The fact that UBM primarily uses wood as a construction material makes a key contribution to a healthier eco-balance and energy performance for our projects. This benefits our environment, our investors, our buyers and our tenants. However, by focusing on timber construction, we are promoting something equally important at the same time: identification with our work and our company's image.

Purpose is the best motivation
If you know and feel the purpose of your work, you will be more motivated to put your heart and soul into it. This may sound like common sense, but if you examine it closely, you'll find that it's a very powerful statement. A study conducted by Kienbaum Consultants demonstrates that performance and identification are particularly high in purpose-driven companies. One in three salaried employees show a third more performance, while their loyalty and commitment are as much as two thirds higher. Both are clear competitive advantages. UBM's purpose is easy to define: we are using the greatest lever available to reduce our carbon footprint. Many factors play a role here. Our commitment to timber construction means that our attitude is very visible and can therefore be presented effectively.

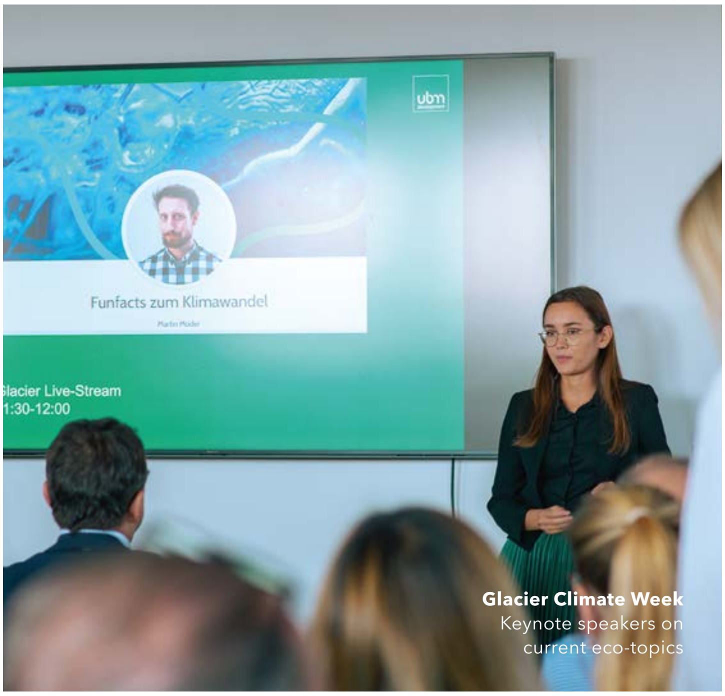
High potentials want relevance
UBM's involvement in timber construction has raised its profile considerably. In many ways. As an established developer, we are showing our agility and love of innovation once again. As an employer, we are conveying a meaningful vision for our employees. And in the fight for the most promising talent, we have credibility on our side. This is due to the goal we have set ourselves: to be Europe's leading timber construction developer. Not only is this an environmentally responsible approach to growth but it also attracts highly

UBM Welcome Day 2022
New colleagues meet up

Climate Impact Day 2022
Sustainability as an attitude



New ways to travel
Free bike service on
Climate Impact Day



Glacier Climate Week
Keynote speakers on
current eco-topics

trained young people to be part of our pioneering, environmentally relevant work.

Sustainability is our daily business

At UBM, sustainability is part of our DNA: from major international contracts to internal events. Both of these shape our everyday development work, our recruiting and our training. A prime example of this is Climate Impact Day. On 11 October 2022, all UBM employees spent the day finding out more about climate change and climate protection under the banner "Learn, act, connect". The programme ranged from a live stream for Glacier Climate Week with its high-calibre keynote speakers to internal UBM activities.

Welcome to UBM, welcome to the future

Here at UBM, we encourage ecological and social responsibility among our new employees right from the outset. At our Welcome Day 2022, for instance, 28 new colleagues from all national organisations came together at our Vienna headquarters. Here, all participants had the chance to make new contacts, exchange experiences and become acquainted with the UBM strategy – there were even talks and a quiz on sustainability, green building and timber construction. All UBM board members attended the Welcome Day 2022, a clear indication of just how seriously we take these first steps. After all, the future begins every day at UBM – and that is something that unites us all.

LeopoldQuartier: Energy-efficient operation at its best

Where geological, structural and location-specific factors permit, we also strive to make the operation of our buildings as energy-efficient as possible. We use ground-source heat pumps for heating, photovoltaic systems for solar energy, and intelligent control systems for heating, climate, lighting and lift systems. All these are environmentally friendly and minimise costs throughout the building's entire service life.

Carbon-neutral European premiere

The first timber hybrid urban quarter in Europe is an UBM project. The LeopoldQuartier on the banks of the Danube Canal in Vienna is an entirely timber hybrid construction. UBM is developing offices, apartments and serviced apartments amounting to a total of 75,000 square metres of gross floor space on the five sites in Vienna's second district, which


21,500 square metres of future
LeopoldQuartier Office, energy-efficient development and operation

Extensive and versatile
An innovative quarter in the heart of Vienna

together cover a total of three hectares. We are paying particular attention to energy efficiency and emission reduction for both the construction and operation of the individual buildings.

Our aim is to be able to operate the entire LeopoldQuartier carbon-free in the long term. To this end, we plan to use geothermal energy and photovoltaics to such an extent that 100% of our energy will come from renewable sources. In this way, the LeopoldQuartier avoids an estimated 330 tonnes of CO_2 that would have been released into our atmosphere every year using conventional solutions.

Energy from below
Construction work on the LeopoldQuartier already began at the end of 2022. Specialist firm Beyond Carbon Energy drilled 250 geothermal probes up to 150 metres deep throughout the grounds. This geothermal energy gives us all the power we need for heating and cooling. Every year, 4,800 MWh of heating and cooling energy will be generated here with zero CO_2 emissions.

The first element to be built is the ten-storey LeopoldQuartier Office. A larger building than Timber Pioneer, UBM's LeopoldQuartier Office will create 21,500 square metres of state-of-the-art office space with flexible floor plans, ideal room depth and maximum space efficiency. Construction is due to begin in the second quarter of 2023, and completion is scheduled for 2025.

Optimising our energy efficiency
Our sustainable energy concept will be completed, among other things, by the many spacious green areas and lush vegetation. This involved unsealing ground that had been sealed for the previous usage. The sophisticated e-mobility concept for the LeopoldQuartier, which is entirely car-free above ground, is also part of this thinking. There are e-charging stations at each of the 350 car parking spaces and a mobility point with e-cars, e-bicycles and e-scooters for sharing. All of these planned measures underline our commitment to smart, environmentally friendly solutions. And we expect them to yield us five certificates for sustainable construction. Needless to say, all buildings meet the strict EU Taxonomy and ESG requirements.

Timber construction has many decisive advantages

1. Timber is climate-friendly.
Every cubic metre of wood used in construction retains one tonne of CO_2 over the long term. This helps to avoid emissions generated from the production of CO_2-intensive building materials like steel and concrete.

2. Timber grows back.
Austria's forests alone produce a cubic metre of wood every second. One third of annual growth provides enough timber to meet the volume theoretically required to meet the country's entire construction needs for one year.

3. Timber is an economic factor.
Using wood as a construction material enhances its economic value. This benefits the approx. 300,000 people in Austria who work in the forestry and wood products industry.

4. Timber is innovative.
Cross-laminated timber is the best example here. This wood panel product consisting of several layers of wood laid crosswise and glued together is the key to the use of timber in multi-storey construction projects.

5. Timber can be shaped in many different ways.
Everything is possible in modern timber construction, from wide-span supporting structures to high-rise buildings. One of humanity's oldest construction materials is now synonymous with innovative architecture.

6. Timber arrives as prefabricated parts.
Modular construction with timber begins on the factory floor. Supporting pillars, walls, ceilings and whole rooms are prefabricated there. They are fitted together on-site within a very short time, reducing both noise and disturbance.

Timber Pioneer as an example
Stylish design: an energy-efficient office building that conserves resources can look this good

7. Timber has a high load capacity.
As components made of wood are lighter than their equivalents made of concrete, steel and brick, fewer load-bearing foundations are required. This saves space and money, and it is also attractive for loft conversions in cities.

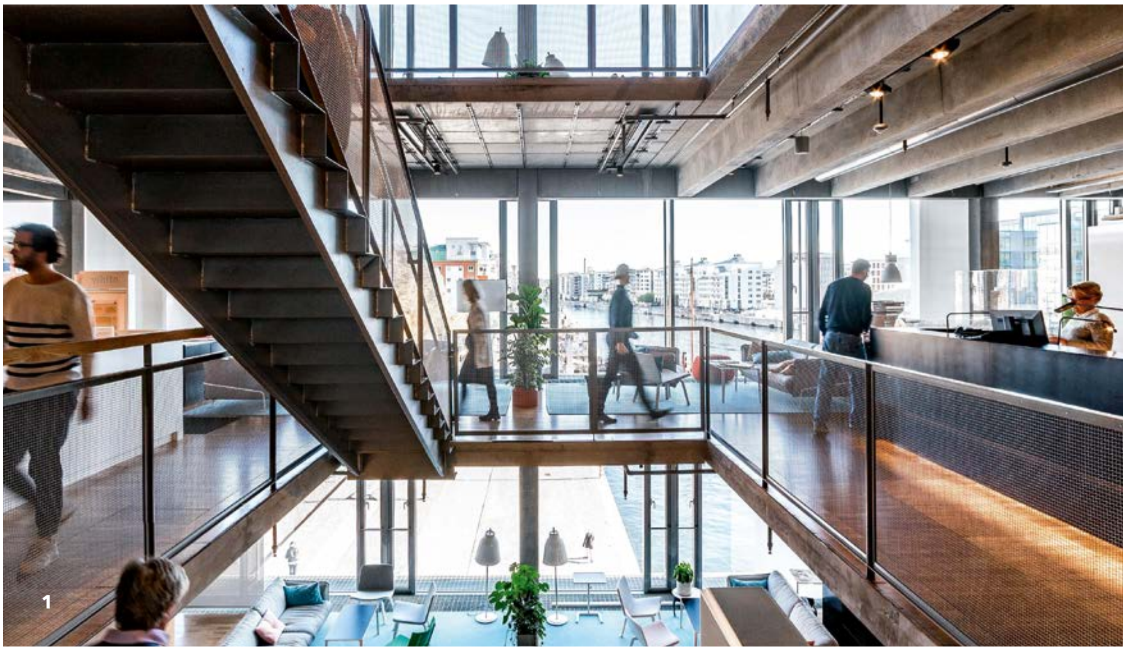
8. Timber is safe.
Wooden houses are at least as safe as houses that are made of other materials. This is because wood burns slowly and in a controlled manner. Under the charred layer it remains undamaged for a long time – and the load capacity therefore remains intact.

9. Timber feels good to the touch.
Wood creates a comfortably warm atmosphere at first glance. It can absorb and release moisture, and thus helps to ensure a naturally regulated indoor climate.

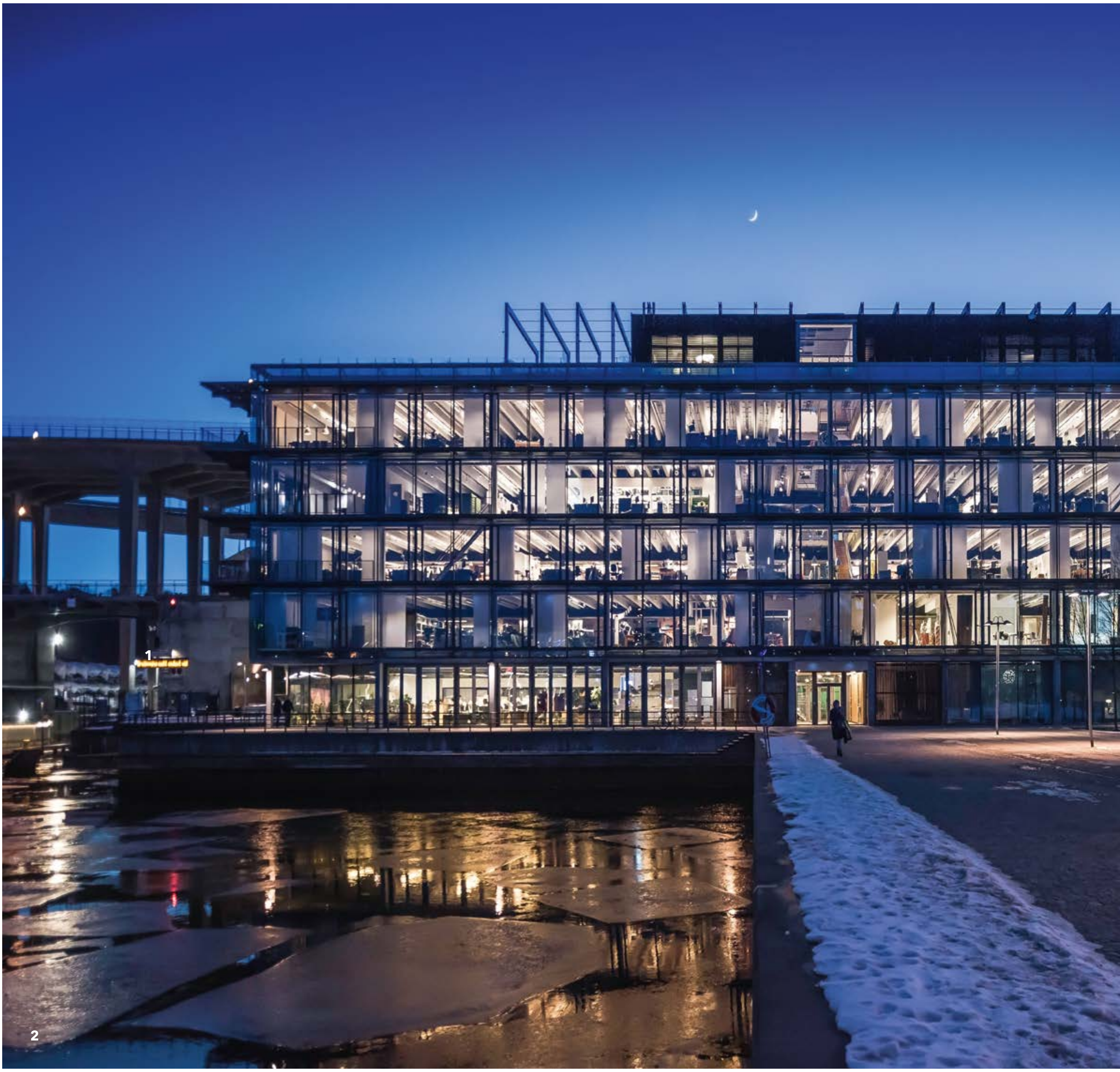
10. Timber produces no waste.
Wooden houses can be deconstructed simply and quickly. Many components remain in good condition. Any parts that are not re-used in construction can be completely recycled without too much trouble.

A human dimension

Ever since the construction of a pioneering timber high-rise in the far north of Sweden, these structures have been the talk of the industry. White Arkitekter is currently setting significantly higher standards for green building – aiming for climate neutrality by 2030.
We spoke to vice-CEO Carl Bäckstrand in Stockholm about the strategy behind this.



1



2

1:
White Arkitekter was established 72 years ago and has almost 800 employees.

2:
The head office is situated next to Hammarbyleden Canal, in southern Stockholm. Its innovative, low-energy office architecture was completed in 2003 and has won numerous prizes.

The largest construction site in Stockholm is currently found at a major city-centre location where the Södermalm islands meet the old town, Gamla Stan. The high site fence on both sides obscures the view of the water, arguably where the city is at its most beautiful. However, the locals know full well that the new view will be worth waiting for. Apart from the improved traffic measures and necessary adaptation to climate change, the extensive Slussen project will provide them with new space for recreation and relaxation. In this way, the rational connection between the two islands will be given a human component.

Playing a central role in the project is White Arkitekter. One of the oldest architectural firms in Sweden, it recently celebrated its 70th anniversary. The firm shot to international fame through its timber high-rise Sara Kulturhus, which won multiple awards. This is located in the northern city of Skellefteå and not only boasts a new cultural centre and hotel but is also a powerful symbol for the green industry that is based there.

The company employs just under 800 people at its head office in Stockholm, an office building that is still one of the most innovative and sustainable of its kind, even though it has been around for 20 years. Here, vice-CEO Carl Bäckstrand discusses the meaning of the untranslatable Swedish term lagom and why it is an integral part of his company's architecture. ⟶

What do the very first projects by White Arkitekter have in common with the most recent ones?

Sidney White, a Swedish-born architect with British roots, won a call for tender to build a housing estate in Örebro in 1951. This marked the beginning of White Arkitekter. The estate, Baronbackarna, was very experimental and innovative, and is still seen as a milestone in Swedish housing construction. It offered families sophisticated living concepts, good infrastructure and green, car-free courtyards. That was the post-war period in which the welfare state was developing, and the key areas of focus were housing, healthcare and education. Even though we have diversified quite a bit since then, these areas are still an important part of our core business. From an architectural perspective, the projects were very people-centred, as they still are today. The close relationship between architecture and nature has also remained, but today we have our own in-house landscape architects.

And what differences are there between projects then and now?

I'd say that things have become far more complex, in both design and construction. Although we strive for simplicity, the modern design process still needs to factor in many different materials. Even optimising daylight in a building depends on many different factors. One critical point ⟶

Sara Kulturhus
The 20-storey building in the Northern Sweden town of Skellefteå is regarded as a pioneering achievement in constructional timber design. Above the four base storeys, the tower contains a hotel that has contributed to the region's economic upswing.

that often leads to heated discussions with developers is construction density. Back in the 1950s, the projects were outside the city centres and there wasn't so much pressure on space. Today, we have to make sure that this pressure doesn't affect the quality of the outside areas. The relationship between built-up and undeveloped space and between people and nature has to be lagom, a Swedish word that is impossible to translate directly. "Well-balanced" comes closest.

Maybe "scaled down to a human dimension"?

Yes, that captures it well. People are at the centre of everything we do. However, climate research in recent years has shown how important it is to respect the limits of the planet. This concept comes from Johan Rockström, a Swedish scientist who now works at the Potsdam Institute for Climate Impact Research. If we exceed these limits, then people lose their livelihoods too. Today, we architects are responsible for expanding our perspective and taking these limits on board in our ideas and designs.

Ecological sustainability presumably wasn't talked about much in the 1970s.

There were initial ideas back then but these days things have become incredibly complex with specific measurements and calculations. Given the urgency of the current situation, we are now very focused on the sustainability of buildings. In the White Research Lab we operate our own research department that covers many disciplines. As well as environmental and energy experts, we have anthropologists analysing the social compatibility of building projects, for example. For more in-depth research, we join forces with European universities and organisations such as the Fraunhofer Institute.

Architectural firms generally have two or three founding partners, but White Arkitekter has 120 partners. Is that corporate democracy in action?

Our company belongs to its employees, so they really identify with it. Everyone who joins our company can buy shares from the first year onwards. You need to have a minimum number of shares to become a partner. There is also a limit on the number of shares you can buy, which ensures that the ownership structure remains broad. Part of the company's earnings is invested in research and other areas, and another part is paid out to everyone who has invested in the company. As far as management is concerned, we have the same structures as other companies. We have a CEO who runs the company and there is someone in charge in every office and every department.

Has this form of collective ownership proved successful?

Yes, one great advantage that we have seen over the years is the high level of adaptability at top management level. Decisions are taken by a majority of votes among partners. So if someone leaves the company, there are others with the same level of knowledge who can move up and take their place. It is also relatively easy for new members to be included in the group, which in turn makes it easier to broaden our expertise or move into new markets. This concept was very successful for White. Nowadays, there are more and more architectural firms – including many smaller ones – working as collectives.

White Arkitekter opened an office in Stuttgart mid-pandemic. What led to that?

In the 1970s, we were involved in development aid and built many schools and hospitals in Africa – this ended when the United Nations started to take a more multilateral approach. Around 15 years ago, we began to reposition ourselves internationally. Through our offices in other countries – currently in Oslo, London and Stuttgart – we want not only to move into new markets but also to share expertise and form strategic partnerships. Sustainability is one of our core competencies and we have seen that demand for this is very great in other countries. Of course, the fact that we have won a few competitions in Germany was also one of the reasons for opening an office in Stuttgart.

1:
Lindesberg Hälsocentrum
This establishment in southern Sweden consists of two buildings – a health centre and a residential block that are connected via a glass gallery.

2:
The Gallery of the Senses is a communal area and provides guests with a kind of indoor park.

Recently, White Arkitekter was awarded the contract for the New Medical Clinic (NMK) in Tübingen, Germany, much of which has been designed using timber construction. Isn't timber an obvious choice for healthcare buildings?

Even though studies have demonstrated the positive health impact of wood for quite some time, it has not been used very often as a construction material for hospitals. This trend is only just beginning now. Evaluation studies that we have carried out together with universities have shown that patient stays are shorter in psychiatric clinics that have lots of wooden surfaces in the rooms than they are in a conventional hospital environment. Apart from the feel-good factor associated with wood, faster recovery naturally reduces the cost strain on the healthcare system.

The expansion of the clinic in Tübingen is a huge project. What do you feel are the strengths and limitations of wood as a building material?

Using wood for buildings is a very good thing because we can expect carbon to remain locked ⟶

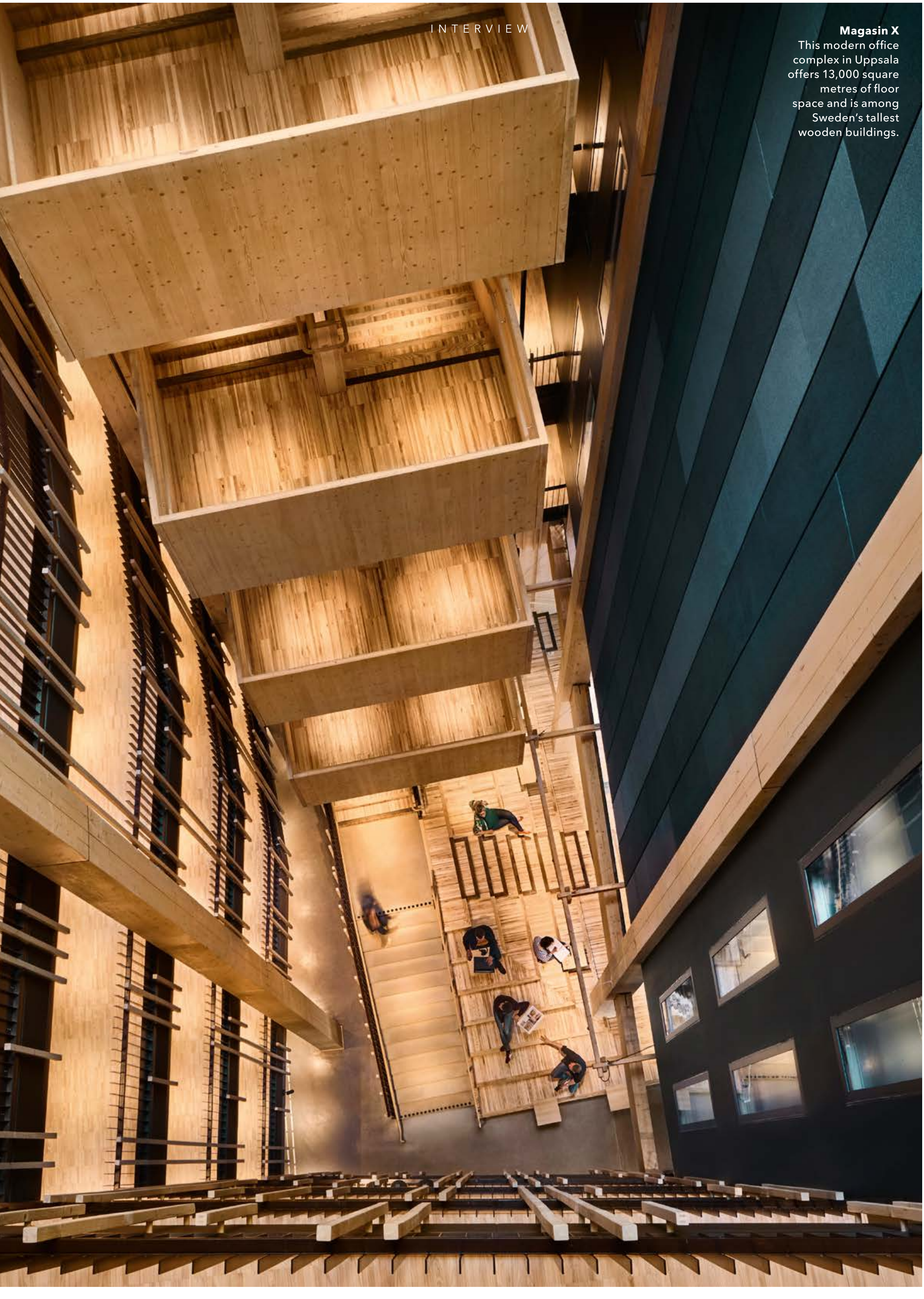
into wood for a long time. In this case, wood acts as a carbon sink, while other wood products like paper or biofuel release their carbon much more quickly. If forestry becomes even more sustainable in future through small-scale and selective logging, timber construction can have lasting positive changes on our industry and the built environment. However, we can't say that timber construction is the only way to achieve this. The wood should be used where conditions are ideal.

Like in the projecting blocks of the clinic building?

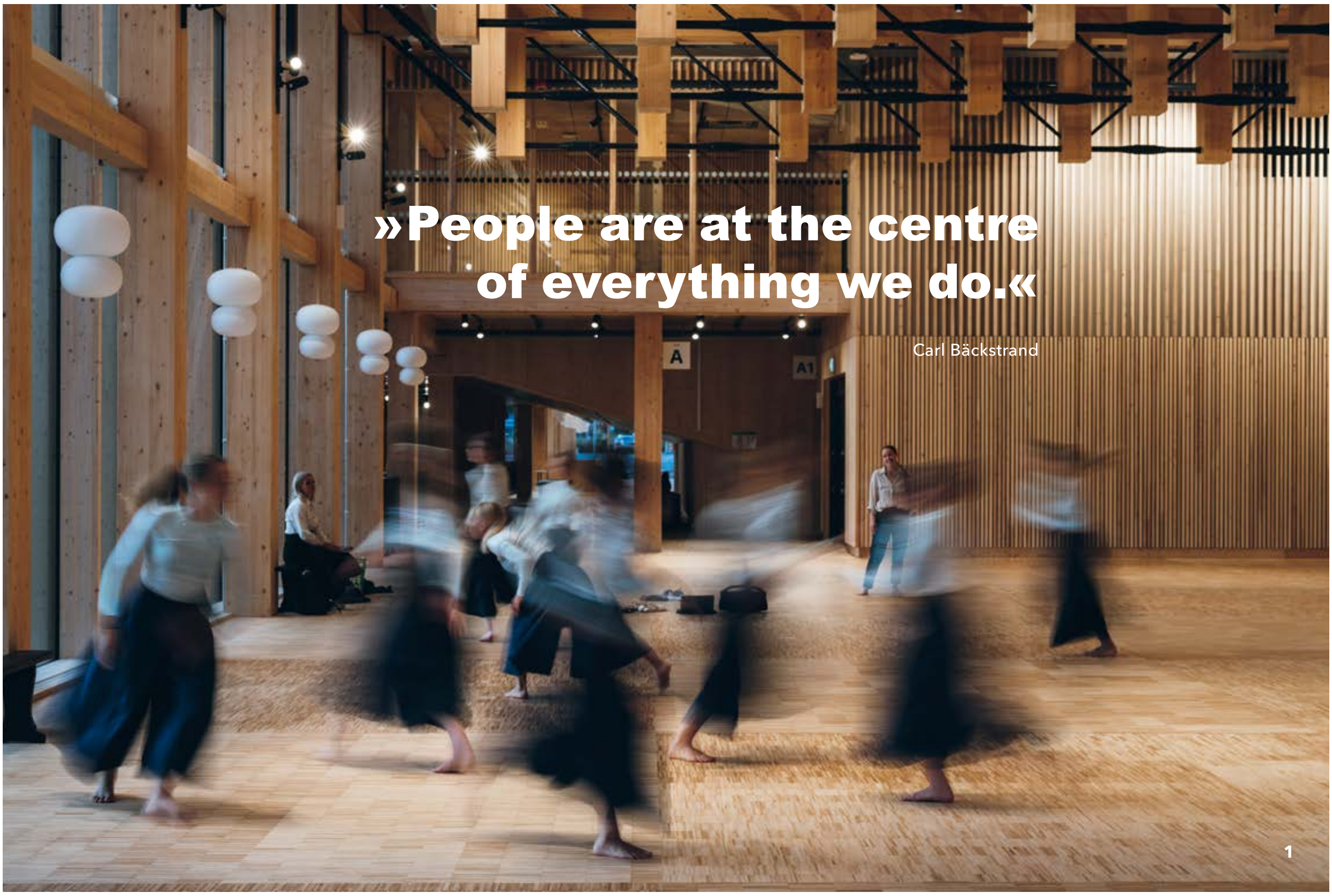
Exactly. Timber construction is ideal for these projecting elements. It means that we don't need any support columns set in the ground. The hilltop location is even more striking with the suspended blocks. We are working on this project together with German firm HPP Architekten and are benefiting from our mutual transfer of knowledge.

What is so unusual about your timber construction flagship project in Skellefteå, in Northern Sweden?

On the surface, of course, the fact that it's 80 metres high and made of wood. But there is much more to it than that. The city of Skellefteå is undergoing a transformation, especially since battery producer Northvolt set up there. With its large factory producing lithium-ion batteries ⟶



Magasin X
This modern office complex in Uppsala offers 13,000 square metres of floor space and is among Sweden's tallest wooden buildings.



»People are at the centre of everything we do.«

Carl Bäckstrand

1

for electric cars, the former mining town is establishing itself as a centre for green business. But the question was: how can Northvolt attract engineers from Germany and California to such a cold, dark place? This made it clear to them that the city needed a cultural centre that can offer people something. The integrated hotel would support the project financially.

Why timber construction?

Skellefteå is located in Sweden's lumber belt and has a solid, if slightly outdated timber industry. Our proposal to make the cultural centre a pilot project and a showcase for contemporary timber construction was a good fit with the city's concept. As well as boosting the regional timber industry. So we got the contract.

Whose idea was it to build it without a concrete core?

The close collaboration with the developer and timber construction specialist led to a series of innovations. For one, a new hybrid construction was developed whereby steel elements bear the load of the glulam beams, allowing a wide span. We wouldn't have ventured to build the lift shafts out of wood if Norwegian developer Hent hadn't pushed for it. They wanted to build the entire structure out of timber and said: "Let's give it a try."

The project generated great interest and won prizes even before it was built. What was it that made this building so successful?

The fact that Sara Kulturhus is more than just a building. It's part of the vision of a city, part of a new economic framework. That applies to all cultural buildings of this kind. Had we built a residential tower out of timber instead, it wouldn't have had the same impact. No visitors would have come just to see the architecture. Merely going into the large event hall, smelling the wood and knowing that absolutely everything here is made of wood – that's an eye-opening experience in itself.

Is this timber building becoming a kind of tourist attraction?

To a certain extent, the hotel is marketing sustainable design and hosting conferences on related subjects. But above all, it's a kind of figurehead for the new green industry, with considerable magnetism. A tour of Sara Kulturhus is an absolute must for business partners from all over the world who are staying at the hotel.

Where is timber architecture headed? What will we see in the next twenty years?

I really wish I could predict the future. But what I expect to see is more industrialisation in timber construction. Modular construction will increase, but this will not necessarily mean that all architecture will look the same. With the aid of digitalisation

1:
Sara Kulturhus
The wood for this pioneering cultural building is sourced from at most 60 km away.

2:
Magasin X
The aim of the office building was to generate the smallest possible ecological footprint.

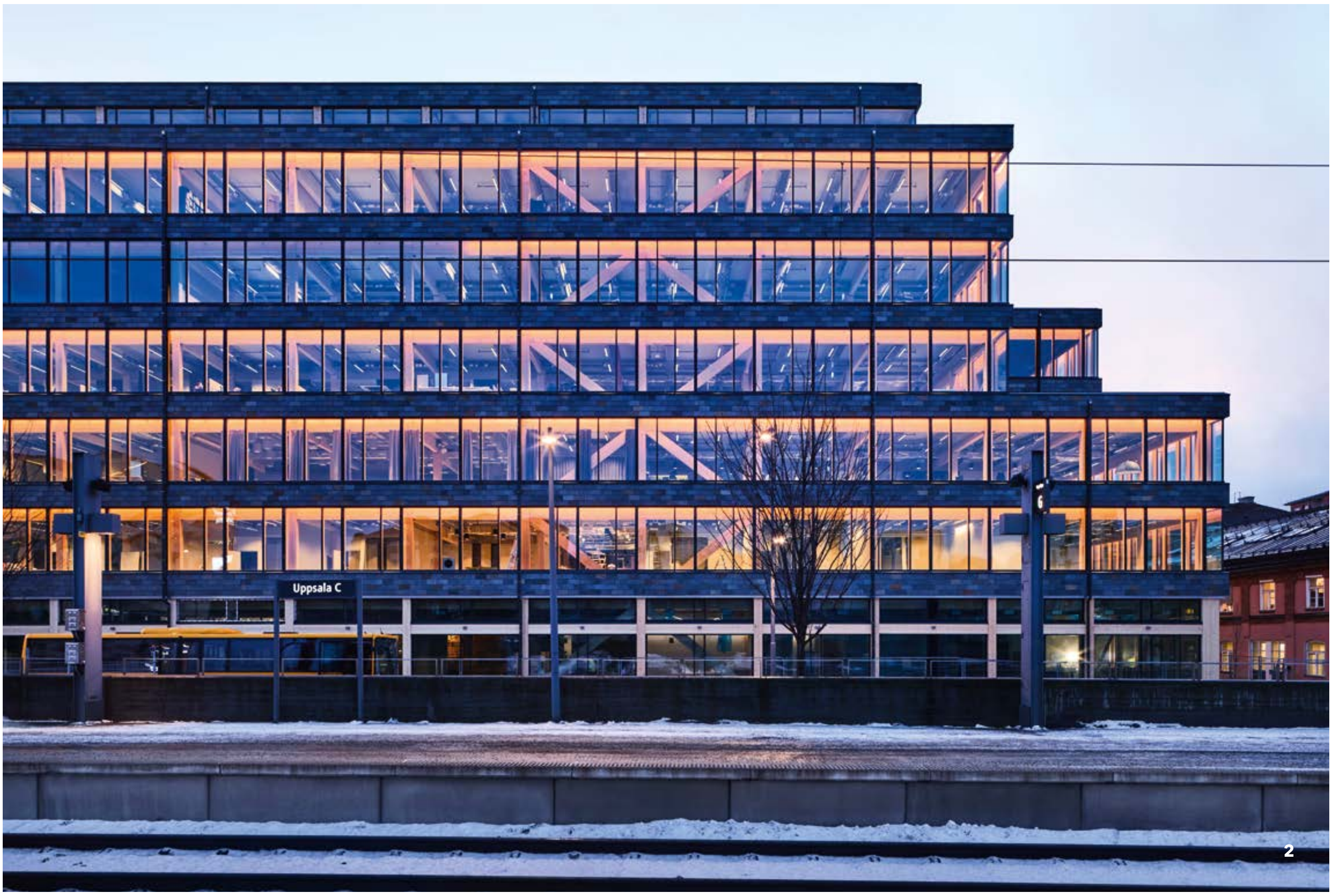
it will be possible to individualise a modular system in such a way that it creates a dynamic, authentic aesthetic. In this way, it will also be possible to adapt more effectively to the local context. Context is everything. Even if it were very cost-efficient, you can't just go around building with the same design everywhere. Digitalisation will enable us to make modular construction systems even more adaptable.

What challenges will architecture face as a result of circular construction?

As we can't rely on new buildings alone, the focus in future will be very much on maintaining and transforming existing buildings. Simply destroying the huge number of existing concrete structures would be an enormous waste. In future, the challenge will be to make these structures more sustainable and to add bio-based materials like wood to increase construction density.

Can the climate crisis also be an opportunity for architecture to make our world a better place?

Absolutely. Architecture can play an important role in the new order that lies ahead. It's not just about developing new technologies or switching from combustion engines to electric cars. It's about so much more. Ursula von der Leyen's New European Bauhaus initiative sums it up well: our living spaces need solutions that are a combination of aesthetics, inclusion and sustainability. In this way, the change that our system needs becomes a human project that everyone can identify with. Accordingly, architecture will play a central role in implementing the European Green Deal. ⟶



NCC head office
A well-lit atrium with sculptured staircases serves as the centrepiece of the new office building in Solna, where the Swedish construction company NCC has its head office.

Carl Bäckstrand

has held various positions in the management of White Arkitekter and is one of 120 corporate partners. Presently he is Deputy Chairman of the Management Board and CEO of White International, and he is therefore largely responsible for the company's strategic orientation. In this role, he has developed a management process model that supports the innovation and implementation of green ideas.

Your company has set itself the goal of being entirely carbon neutral by 2030. That sounds like quite a challenge.

The targets we set ourselves always involve putting ourselves under a certain amount of pressure and sharpening our focus. Since we set ourselves the target of attaining climate neutrality by 2030, our approach to projects has actually changed. In this way, we have begun to set the sustainability bar a little higher with every project. We don't want to reach the target just through green flagship projects – that wouldn't have such a great impact on society in general.

Are all clients on board?

It varies. Some customers have even higher requirements than we do. And there are those who can't be won over because they operate in very short cycles and don't think any further than the point at which they can make money. We turn down these kinds of projects as we simply cannot support them. But we are seeing that banks are putting more and more pressure on developers through the EU Taxonomy Regulation. These financial instruments are needed to bring about a fundamental shift here.

Why did you choose 2030? It's such a tight timeframe.

We set this target because we are working in an area with very long project times. If our goal is to attain net zero emissions by 2045, then the projects need to be climate-neutral from 2030 or 2035 because it takes time to implement this throughout the entire value chain as well. Behind this target is an extensive plan and specific roadmap. We need the large flagship buildings to create increased awareness, and leverage is achieved through quantity.

Interview:
Gertraud Gerst

UBM at a glance:

Focus
- Residential and office
- Major European cities
- *green. smart. and more.*

Pipeline
- € 2.1bn (proportional value over the next four years)
- Over 250,000 m² timber (hybrid) construction
- Around 90% of this total in Germany and Austria

Stock Exchange
- Prime Market listing on the Vienna Stock Exchange guarantees maximum transparency
- Top management (Executive Committee) invested with €5m
- Ortner and Strauss syndicate as core shareholder with roughly 39%

Track Record
- Reliable source of dividends
- Sustainable earnings growth over decades
- 150 years of corporate history

One of Europe’s leading developers in timber construction projects.

Q1

UBM makes major acquisition in the Zollhafen Mainz
Four building sites with over 42,000 m² of gross floor area in total are acquired in the former customs port, Zollhafen Mainz. Plans call for the realisation of roughly 75% residential units and 25% office/commercial facilities at this waterfront location.

Highlights 2022

Bernhard Egert appointed Head of Timber Construction at UBM
At the end of 2021, UBM establishes a competence centre with five experts to underscore its strategic focus on timber construction. UBM has set itself the goal of becoming Europe's largest developer of timber buildings.

UBM Development pays record dividend for 2021
The profitable sale of projects not realised by UBM helped to generate the second highest net profit in the company's nearly 150-year history at €43.7m. UBM's Management Board and Supervisory Board therefore ask the Annual General Meeting to approve a record dividend of €2.25 per share (2020: €2.20).

Q2

UBM sells alba
UBM Development sells its German project and construction management subsidiary, alba Bau | Projekt Management GmbH, to Currie & Brown, a global leader in asset management and construction consulting. alba generates nearly 90% of its business with third parties and its activities are not within UBM's new strategic focus.

UBM develops "Timber Peak", the first timber hybrid high-rise in Mainz
With a height of 40 metres, Timber Peak is the first timber hybrid high-rise in Mainz. On 12 storeys, the building has nearly 9,500 m² of gross floor area with flexible layouts for today's new office world – and spectacular views of the port.

UBM receives the Vienna Stock Exchange Award
On 14 June 2022, UBM Development is presented with the Vienna Stock Exchange's Sustainability Prize as the most sustainable industrial company in Austria. Since 2008 this award has been among the most important in the Austrian capital market. At the award ceremony in Palais Niederösterreich, UBM CEO Thomas G. Winkler emphasised: "Sustainability isn't a trend at UBM, but rather an attitude. The Vienna Stock Exchange Award is a fine recognition of that."

Q3

UBM awarded Platinum in the EcoVadis ESG rating
Gold from the first evaluation in 2021 is followed by Platinum, the highest EcoVadis rating, for UBM Development in 2022. That places UBM among the top one per cent of the 100,000 companies ranked by EcoVadis worldwide.

Zoning permit for LeopoldQuartier
On 18 October, Vienna City Council approves the long-awaited new land use and zoning plan for the LeopoldQuartier. This means UBM Development can now start the realisation of this quarter along Vienna's Danube Canal.

Q4

Climate Impact Day
In October 2022 UBM invited all employees to a focus day on climate change and climate protection under the banner "Learn, act, connect!". The varied programme included a live stream with high-profile keynote speakers and numerous internal UBM activities, such as a fast-paced mobility challenge with bicycles, detailed insights into ESG and green projects at UBM, a climate quiz, and informative workshops on how to avoid and separate waste and also on biodiversity. In keeping with the focus on climate protection, the Climate Impact Day was rounded off with a vegetarian lunch.

CDP rating
At its first ever CDP assessment, UBM is awarded a rating of B for its commitment to fighting climate change. In 2022 UBM participates voluntarily in CDP reporting on data relevant to climate protection and therefore provides its stakeholders with transparent information on its climate protection strategy and measures for the reduction of CO2 emissions. CDP is considered the gold standard of environmental reporting around the world, with the most comprehensive dataset on environment impact, risks and opportunities for companies and cities.

Share

Stock exchange developments

The international stock markets were still driven by the positive effects of Covid-19-related catch-up processes in the first half of 2022, but this momentum was slowed substantially during the second half-year by the war in Ukraine, high energy prices and escalating inflation combined with rising interest rates. The all-time high reached in late 2021 ended with a worldwide decline in share prices that was followed by volatility and a negative trend until modest recovery took hold towards the end of the year. The global economy is currently confronted with significant challenges. Russia's acts of war in Ukraine and the resulting sharp rise in energy and food prices, inflation that has proven to be much more persistent than expected, and the reactions of individual central banks with strong interest rate hikes have weakened confidence and fuelled uncertainty on the financial markets. The MSCI World Index also felt the effects of these share price declines and closed 2022 with a minus of 19.71%.

The US Federal Reserve carried out a series of seven interest rate hikes in 2022 in answer to the rising inflation, which resulted in a key interest rate of 4.25 to 4.50% in January 2023. The Dow Jones Industrial Index lost 8.81% during the reporting year, while the S&P 500 fell by an even stronger 19.87%. With declining share prices, developments on the European markets matched the international trend. The EURO STOXX 50 ended the year with a minus of 10.64%.

The German DAX index ended the reporting year with weaker performance in European comparison and a minus of 12.34%. The ATX briefly held steady at the previous year's all-time high but was unable to disengage from the international trend triggered by the Ukraine war and also weakened towards the end of February. Although a slight recovery set in at year-end, the ATX closed 2022 with a year-on-year minus of 18.75%.

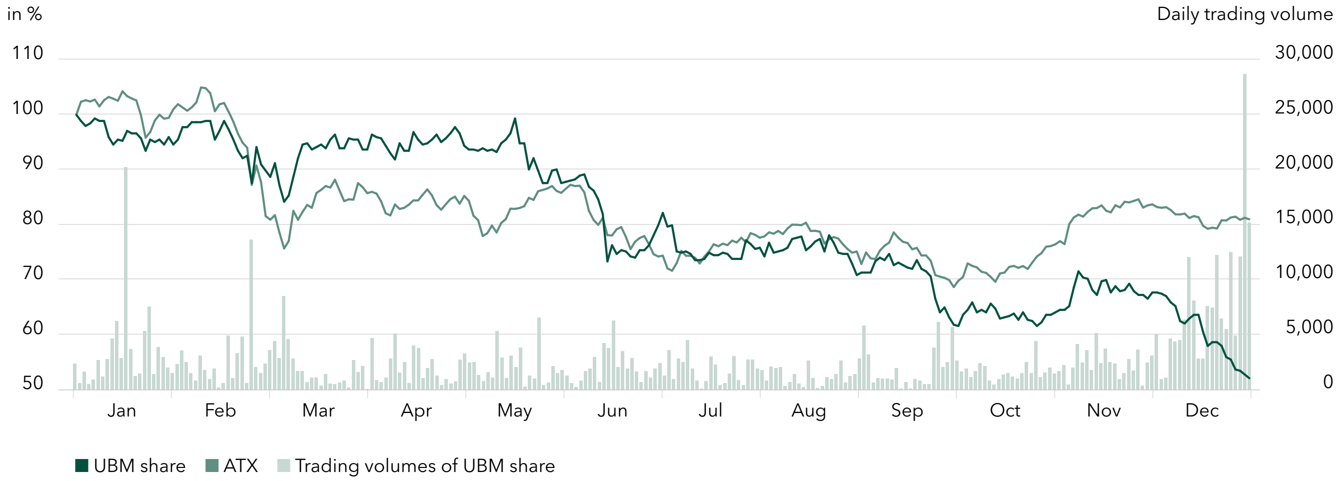
Development of the UBM share

The UBM share started 2022 on an optimistic note and reached the annual high of €44.0 on 3 January. Positive results at the beginning of the year were followed by a drop to €42.0 by mid-January and slight improvement to €42.2 Against the backdrop of these developments, the UBM share moved sidewards during February, March and April and closed the month of April at €43.0. A decline in May resulted in a closing share price of €39.6. The share price weakened successively during the summer months to €34.3 at the end of June, €33.6 at the end of July and €31.1 at the end of August. This downward trend continued during September, with the share trading below €30 for the first time in 2022 and at €27.0 by the end of the month. A slight increase to €27.9 was visible at the end of October and to €29.7 at the end of November. The final month of the year brought further losses, and the UBM share closed the year with an annual low of €22.8 and a decline of 47% since the end of December 2021. UBM's market capitalisation totalled €170.4m at year-end 2022.

The average daily stock exchange trading volume in UBM shares equalled 2,652 shares from January to December 2022 (2021: 2,955) and the turnover amounted to 676,170 shares.

The UBM share has been listed on the Vienna Stock Exchange since 10 April 1873. On 22 August 2016, the share entered the Prime Market, the top segment of the Vienna Stock Exchange with the highest transparency standards. The share is also included in the IATX real estate stock index.

Performance of the UBM share vs. ATX and trading volumes 2022



Key share data - UBM share

(in €)	2022	2021	2020
Price at year-end	22.8	43.30	35.80
Year high	44.0	45.90	50.00
Year low	22.8	34.50	23.60
Earnings per share[1]	2.25	4.50	4.39
Dividend per share	1.10[2]	2.25	2.20
Dividend yield (in %)[3]	4.8%	5.2%	6.1%
Payout ratio (in %)[4]	48.9%	50.0%	50.2%
Market capitalisation (in €m as of 31 Dec)	170.4	323.5	267.5
Price-earnings ratio	10.1	9.6	8.2
Number of shares (weighted average)	7,472,180	7,472,180	7,472,180

1 Earnings per share after the deduction of hybrid capital interest
2 Subject to the approval of the Annual General Meeting
3 Based on the price at the end of the year
4 Dividend in relation to earnings per share after deduction of hybrid capital interest

Analyst coverage

The following investment firms regularly published estimates and analyses of UBM in 2022: Erste Group, NuWays by Hauck & Aufhäuser, M.M. Warburg & CO, Raiffeisen Bank Int. and SRC Research. All five investment houses issued buy-recommendations for the UBM share at the end of December, whereby the target price for the UBM share equals €39.78 based on the analysts' consensus.

Shareholder structure

The share capital of UBM Development AG totalled € 52,305,260.00 as of 31 December 2022 and is divided into 7,472,180 shares. The syndicate comprising IGO Industries and the Strauss Group continued to hold 38.8% of the shares outstanding at year-end 2022. In addition, IGO Industries held 7% of UBM outside the syndicate. A further 5.0% were held by Jochen Dickinger, a private investor. Free float comprised 49.2% of the shares and included the 3.9% of the shares held by the Management and Supervisory Boards. Most of the other free float was held by investors in Austria (74%) and Germany (13%). Shareholders in other European countries held roughly 12%, and 2% were attributable to other investors.

Dividend policy

UBM relies on a reliable dividend policy that is based on continuity and reflects the company's future earning power. The dividend payment was approved and the necessary authorisation was passed by the Annual General Meeting during the first half of 2022. The exact dividend recommendation is, as a rule, announced together with the presentation of results for the financial year. UBM is recommending the distribution of a dividend of €1.10 per share for the 2022 financial year (2021: €2.25), which represents a payout ratio of 48.9% (2021: 50%). The company wants its shareholders to participate in the better-than-expected development of business during the reporting year. Based on the closing price of €22.80 as of 31 December 2022, the dividend yield equalled 4.8%.

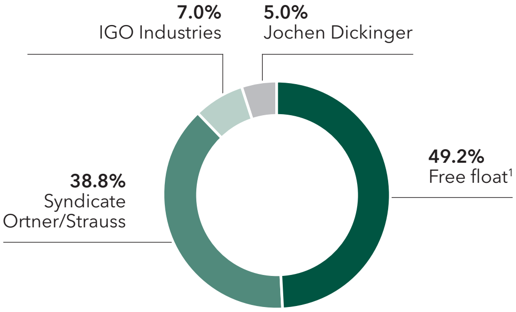
Bonds

UBM had the following instruments outstanding as of 31 December 2022: three bonds and two hybrid bonds as well as five promissory note loans and bearer bonds under Austrian law. In June 2022, UBM repaid the hybrid capital of €25.3m to PORR AG. The UBM bond 2017 (UBM bond 2017-2022) was redeemed in October 2022. No new bonds were issued during the reporting year.

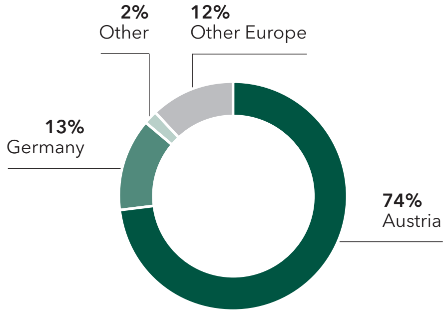
Investor Relations

Continuous dialogue as well as transparent and timely information represent the core of UBM's communications strategy, which is designed to enable all investors to form a fair and realistic picture of the company. This also applies, in particular, during a difficult market environment. UBM's investor relations activities are focused not only on contacts with existing investors, but also on the acquisition of new long-term investors. In previous years, UBM took part in numerous meetings with investors and analysts in the major European financial centres and also attended major international investment conferences. Virtual meetings replaced nearly all of these traditional get-togethers in the first half of 2022, and the press conference on 2021 results as well as the 141st Annual General Meeting were also held as virtual events. UBM reports regularly on its business performance in quarterly telephone conferences with analysts, institutional investors and banks as well as through press releases and social media.

Shareholder structure (in %)



Free float – geographical split (in %)[2]



[1] Incl.shares held by the Management and Supervisory Board (3.9%) – Thomas G. Winkler 75,000 shares, Martin Löcker 15,786 shares, Patric Thate 10,000 shares, Martina Maly-Gärtner 1,200 shares
[2] Geographical split excl. 3.9% Management Board and Supervisory Board

Bonds 2023

Bond	Term	Nominal (in €m)	Coupon	Interest Payment Date
3.125 % sustainability-linked UBM Bond	2021-2026	150.0	3.125%	21.5.
2.750% UBM Bond	2019-2025	120.0	2.75%	13.11.
3.125% UBM Bond	2018-2023	120.0	3.125%	16.11.
Bearer bond	2021-2026	3.0	3.00%	2.2.
Bearer bond	2021-2026	4.0	3.00%	30.3.
Bearer bond	2021-2025	0.5	3.00%	17.12.
Bearer bond	2020-2025	21.5	3.00%	17.12.
Promissory note loans	2020-2025	30.0	3.00%	17.12.
5.50 % sustainability-linked Hybrid Bond	unlimited maturity	100.0	5.50%	18.6.
5.50% Hybrid Bond	unlimited maturity	52.9	5.50%	1.3.

Financial Calendar 2023

Record Date – Annual General Meeting	9.5.2023
142th Annual General Meeting, Vienna	19.5.2023
Ex-Dividend	24.5.2023
Dividend record date	25.5.2023
Publication Q1 Report 2023	25.5.2023
Dividend payout day	30.5.2023
Publication Half-Year Report 2023	31.8.2023
Publication Q3 Report 2023	23.11.2023


ALTUNTOP
mateco

Corporate Governance Report

Supervisory Board Report

The 2022 financial year was not easy but, all the same, it was a successful period for UBM with after-tax profit of €27m. UBM made excellent progress towards its strategic goal of becoming the leading developer of timber construction projects in Europe. The timber hybrid pipeline has grown to more than 250,000 m² in a very short time. A stable financial position with an equity ratio of over 34% and liquid funds of €323m lead the Supervisory Board to look to the future with optimism.

The Supervisory Board was informed by the Management Board, regularly and in detail, on the progress made in implementing the corporate strategy. The company's strategic orientation was also continuously evaluated and discussed with the Management Board. All necessary resolutions were examined extensively and passed unanimously. In these respects, the Supervisory Board actively accompanied and supported the company's development within the scope of its assigned responsibilities. In accordance with Section 81 of the Austrian Stock Corporation Act, the Management Board provided the Supervisory Board with regular written and verbal reports that contained timely and extensive information on the development of business and the financial position of the Group and its investments, on issues related to employees and planning, and on investment and acquisition projects. The Management Board also discussed the corporate strategy, future business policies and risk management with the Supervisory Board.

The Supervisory Board held five meetings in 2022 at which the necessary resolutions were passed. The approvals were obtained for transactions which require the consent of the Supervisory Board according to Section 95 Para. 5 of the Stock Corporation Act; in urgent cases, the decisions were taken by written vote. The average attendance at the Supervisory Board meetings equalled 90%.

The ESG Committee, which was created in 2021, held two meetings during 2022. Discussions with the Management Board at the meeting on 17 April covered the auditor's report on the voluntary review of the ESG report for 2021, the latest developments in the areas of taxonomy and the Corporate Sustainability Reporting Directive (CSRD) as well as current and future measures and goals. The agenda for the meeting on 30 November 2022 included a report by the Management Board on recent developments in taxonomy and CSRD issues as well as UBM's progress in the area of ESG (timber construction, ESG cockpit, ESG ratings, project certification, anti-discrimination guideline, social events). The members of the ESG Committee are Iris Ortner (Chairwoman), Susanne Weiss (Deputy Chairwoman), Birgit Wagner and Anke Duchow.

The Nomination Committee did not meet in 2022 as there were no issues requiring action.

The Remuneration Committee held two meetings in 2022. The meeting on 23 March included the determination of the annual bonus for the Management Board members as well as the approval of the remuneration report and a proposal to the 141st Annual General Meeting to amend the remuneration policy. The meeting on 22 September approved an index adjustment to the annual maximum total remuneration (fixed and variable remuneration) for the members of the Management Board.

The Audit Committee met five times during the 2022 financial year. The first meeting was held on 21 February without the Management Board in accordance with Rule 81a of the Austrian Code of Corporate Governance and concentrated on the audit schedule, audit focal points and communication between the auditor and the Audit Committee. In the meeting on 23 March, the auditor reported on the status of the audit of the separate and consolidated financial statements as of 31 December 2021. The meeting of the Audit Committee on 7 April included the auditor and covered the evaluation of and preparations for the approval of the separate and consolidated financial statements for 2021. At this same meeting, the Audit Committee also discussed the selection of an auditor for the separate and consolidated financial statements as of 31 December 2022, the audit schedule for 2022, the report by the Management Board on related party transactions in 2021 and risk management. The Audit Committee meeting on 22 September 2022 was also attended by the auditor and dealt, among others, with

the report by the Management Board on the effectiveness of the internal control system, the internal audit system and risk management (fraud) as well as compliance (corruption) in the sense of C-Rules 18 and 18a of the Austrian Code of Corporate Governance and planning for the audit of the separate and consolidated financial statements. The last meeting of the year was held on 1 December and covered the report by the Management Board on the effectiveness of risk management.

The separate financial statements of UBM Development AG as of 31 December 2022, including the notes and the management report, and the consolidated financial statements as of 31 December 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS), as applied in the EU, together with the Group management report, were audited by BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. The audit, which was based on the company's bookkeeping and records as well as explanations and documentation provided by the Management Board, indicated that the bookkeeping and the separate and consolidated financial statements comply with legal regulations and provide no grounds for material objections. The management reports for the company and the Group agree with the separate and consolidated financial statements. The above-mentioned auditor therefore issued an unqualified audit opinion for the separate and consolidated financial statements of the 2022 financial year.

All documents related to the financial statements, the corporate governance report, the proposal by the Management Board for the use of profits and the auditor's report were discussed in detail by the Audit Committee together with the auditors on 11 April 2023 and submitted to the Supervisory Board. Following extensive discussion and examination, the Audit Committee and the Supervisory Board approved the annual financial statements as of 31 December 2022, the management report, the corporate governance report and the Management Board's proposal for the use of profits. The separate financial statements as of 31 December 2022 are therefore considered approved. In addition, the Audit Committee and the Supervisory Board approved the consolidated financial statements for 2022, which were prepared in accordance with IFRS, and the Group management report.

The Supervisory Board agrees with the proposal by the Management Board for the use of profits. The agenda for the Annual General Meeting, which will vote on the use of profits for the 2022 financial year, will therefore include a proposal for the payment of a €1.10 dividend per share.

The Supervisory Board would like to thank UBM's customers and shareholders for their confidence in and commitment to the company, and also commend the Management Board and the many women and men who work for UBM Development for their tireless efforts and exceptional performance during the past year.

With my best wishes,

Karl-Heinz Strauss, MBA, FRICS
Chairman of the Supervisory Board

Vienna, April 2023

Governance

Commitment to the Austrian Code of Corporate Governance

UBM Development AG views corporate governance as a comprehensive concept within the framework of responsible and transparent management as well as the related system of wide-ranging controls. The Management Board and Supervisory Board work closely together in the interests of the company and its employees to continuously evaluate and coordinate the strategic orientation of the UBM Group. An ongoing dialogue with the relevant interest groups builds trust and creates the basis for sustainable growth in the future. One of UBM's top priorities is to develop and improve its standards for responsible and sustainable corporate management.

The Management Board and Supervisory Board issued a joint formal declaration in August 2016 which commits the UBM Group to compliance with the Austrian Code of Corporate Governance. Section 267b of the Austrian Commercial Code requires UBM, as a listed parent company whose shares are traded on a regulated market, to produce a consolidated corporate governance report as defined in Section 1 (2) of the Austrian Stock Exchange Act of 2018. As the UBM Group does not have any listed subsidiaries, the necessary disclosures are limited to the information required by Section 243c of the Austrian Commercial Code and included in the appropriate sections of this corporate governance report. UBM shares have been listed in the Prime Market, the premium segment of the Vienna Stock Exchange since 22 August 2016. This listing formally commits UBM to adherence with increased standards for transparency, quality and publication. UBM is committed to compliance with the behavioural rules defined by the Austrian Code of Corporate Governance – with reference to the deviations listed below in the comply or explain catalogue – and sees the code as a key precondition for responsible corporate management. The latest version of the Austrian Code of Corporate Governance, as issued by the Austrian Working Group for Corporate Governance, is available to the general public on the organisation's website under www.corporate-governance.at.

This corporate governance report is published as part of the annual report and is available on the Group's website under www.ubm-development.com, in the submenu Investor Relations/Financial Reports or under Corporate Governance. In accordance with C-Rule 36 of the Austrian Code of Corporate Governance, the Supervisory Board also conducted a self-evaluation during 2022. The questionnaire used for the evaluation addressed, in particular, the efficiency of the Supervisory Board, its organisation and its working procedures. The findings were evaluated and discussed by the Supervisory Board.

Comply or explain catalogue

C-Rule 27: In accordance with C-Rule 27 of the Austrian Code of Corporate Governance, the company's current remuneration policy states that the remuneration for each of the Management Board members must include fixed and variable components as required by the applicable legal regulations. The variable, performance-based remuneration components are designed to reflect shareholders' interests in the positive development of the company and increase the Management Board's motivation to take actions which lead to the sustainable, long-term and risk-aware optimisation of Group results. Annual variable remuneration is dependent on the attainment of parameters set by the Supervisory Board, which are based on financial or non-financial criteria or a combination of both. The inclusion of non-financial criteria is not mandatory for determining the amount of variable remuneration in order to support the objectiveness, transparency and plausibility of remuneration. The remuneration policy does not include the possibility of demanding the payback of variable remuneration components ("clawback") because this is not required by law and because civil law provides sufficient grounds for the right to claim the return of payments which were based on obviously false data.

C-Rule 27a: The contracts with the Management Board members, prior to the implementation of the current remuneration policy, follow the legal regulations in effect at that time and, therefore, do not include a specific provision that would limit severance compensation for the premature termination of their function without good cause to more than twice the total annual remuneration and a maximum of the remaining contract term. Moreover, these contracts currently do not specify that severance payments will not be made when a Management Board contract is terminated prematurely with good cause. The Management Board contracts do not contain any provisions which would require consideration of the circumstances under which a member leaves the company and the economic position of the company in the event of premature resignation. Compliance with C-Rule 27a of the Austria Corporate Governance Code was not yet in the foreground when the existing Management Board contracts were concluded. C-Rule 27a of the Austrian Code of Corporate Governance was implemented for the first time in 2021 in preparing the employment contract for the fourth member of the Management Board.

C-Rule 38: The job profile and procedure for appointing Management Board members are established on a case-by-case basis. The Supervisory Board defines a job profile when a Management Board position is to be filled, whereby particular attention is paid to the individual candidates' qualifications, experience and industry knowledge. A formally defined appointment procedure and general job profile are not used in the interests of the company because this could exclude candidates from appointments to the Management Board in spite of their exceptional qualifications and outstanding industry knowledge.

C-Rule 39: The establishment of an emergency committee appears to be unnecessary in view of the homogenous business activities of UBM Development AG and the comparatively low number of Supervisory Board members. Circular resolutions are used in urgent cases.

C-Rule 49: In line with legal regulations and L-Rule 48 of the Austrian Code of Corporate Governance, the Supervisory Board is required to approve all contracts with its members which commit these persons to performing a service for the company or a subsidiary outside their activities on the Supervisory Board for compensation that exceeds an immaterial value. The company does not, however, publish the related details for operational and confidentiality reasons. Moreover, the notes to the consolidated financial statements of UBM Development AG include disclosures on related party transactions; these disclosures cover the remuneration for services by companies in which a Supervisory Board member holds a position on a corporate body and/or an investment outside his or her activities on the Supervisory Board of UBM Development AG.

C-Rule 83: UBM Development AG arranged for an evaluation of the effectiveness of risk management by an auditor who is not also responsible for auditing the annual financial statements. This decision is intended to award two separate audit contracts covering different subjects to different experts. The dual control principle is further strengthened, above all through the independence of the auditor. A tender process led to the selection of PwC Wirtschaftsprüfung GmbH as the best bidder, and this firm was subsequently commissioned to evaluate the risk management system.

Members of the Management Board

Thomas G. Winkler was born in Salzburg, Austria, in 1963. He completed his law degree at Salzburg University, Austria, in 1985, and graduated as Master of Laws (LL.M.) in 1987 from the University of Cape Town, South Africa. After graduating, he started his career at Erste Bank AG (formerly: Girozentrale); from 1990 he was an authorised signatory, head of Investor Relations and Corporate Spokesperson at Maculan Holding AG. From 1996 to 1998 he served as Vice President, Head of Special Projects at Magna (Europe) Holding AG. He was Head of Investor Relations at Deutsche Telekom AG in Bonn from 1998 to 2001 before moving to T-Mobile International AG & Co. KG, where he was responsible for finance as a member of the Executive Board. Mr. Winkler worked as a freelance consultant in London from 2007 to 2009. He was CFO of Lenzing AG from 2010 to 2013 and additionally served on the Supervisory Board of ÖIAG Österreichische Industrieholding AG from 2012 to 2015, finally as Deputy Chairman. He was also Chairman of the Audit Committee and an independent member of the Supervisory Board of Bashneft JSOC, Russia, up to April 2015. From 2014 to the end of 2021 he served as a Senior Advisory Board Member at Minsait, Spain. Thomas G. Winkler was appointed Chairman of the Management Board of UBM Development AG on 1 June 2016. As the Chairman of the Management Board and CEO, he is responsible for Strategy, Investor Relations & Communications, Transactions & Market Research, Legal & Compliance, Human Resources and Mergers & Acquisitions.

Martin Löcker was born in Leoben, Austria, in 1976. He graduated in industrial engineering and construction from the Technical University in Graz, Austria, in 2000 and subsequently received a postgraduate degree in real estate economics from the European Business School in Munich, Germany, in 2005. He joined the PORR Group and its subsidiary UBM AG in 2001 where he was responsible for projects in Austria, France and Germany. Since 2007 he has held management positions at UBM AG and UBM Development Deutschland GmbH (formerly: Münchner Grund). He has been a member of the Management Board since 1 March 2009. In accordance with the rules of procedure for the Management Board, Martin Löcker is responsible for Project Acquisition Controlling, Project Operational Controlling, CSR & Work Safety, Quality Management, Green Building, Timber Construction and Technical Competences.

Patric Thate was born in Bergisch Gladbach, Germany, in 1973. After studying economics at Wuppertal and Nottingham Universities, he started his career at Deutsche Telekom in Bonn during 1999, where he held various management positions in finance until the end of 2010. He was then responsible for finance at Lenzing AG, Austria, as Vice President Global Finance until 2015. Patric Thate was also substantially involved in major international capital market transactions, including the Re-IPO of Lenzing AG. In his most recent position, he served as Head of Finance and a member of the Executive Committee of UBM Development AG. He was appointed CFO of UBM on 1 July 2017, where he is responsible for Financial Controlling & Reporting, Accounting & Consolidation, Treasury, Tax and IT.

Martina Maly-Gärtner was born in Vienna, Austria, in 1975 and gained hotel management operating experience at the beginning of her career with well-known international hotel chains in America, the Near East and Europe. She then served for eight years as the Vienna managing director for Michaeler & Partner, a tourism consulting and hotel development company focused on Europe. Her international professional activities since 2018 included responsibility as COO for the hotel portfolio and strategy development of Arabella Hospitality, which is headquartered in Germany. She was appointed to the Management Board of UBM Development AG as COO on 1 September 2021. In accordance with the rules of procedure for the Management Board, Martina Maly-Gärtner, MRICS, is responsible for Hotel Operations, Human Resources, Work Safety and Insurance.

Management Board

The Management Board must have between two and six members as defined in Section 6 of the Statutes and had four members in 2022. The Supervisory Board can designate one member as chairman and one member as deputy chairman of the Management Board. If one member is appointed as chairman of the Management Board, he or she casts the deciding vote in the event of a tie. The members of the Management Board are appointed by the Supervisory Board for a maximum term of five years, whereby the renewal or extension of this appointment (in each case, for a maximum of five years) is permitted. The Supervisory Board can dismiss a member of the Management Board before the end of his or her term in office for an important reason, i.e. for a serious breach of duty or if the Annual General Meeting passes a vote of no confidence in the Management Board member. The Management Board is required to conduct its business activities in line with the rules defined by the Austrian Stock Corporation Act, the Statutes, other laws and the rules of procedure. The Supervisory Board is responsible for determining the assignment of Management Board responsibilities while, at the same time, maintaining the overall responsibility of the Management Board. The Management Board requires the prior approval of the Supervisory Board before entering into the transactions listed in Section 95 Para. 5 of the Austrian Stock Corporation Act (current version). To the extent permitted by Section 95 Para. 5 of the Austrian Stock Corporation Act, the Supervisory Board sets monetary limits for transactions which do not require its approval. The Supervisory Board is also entitled to add additional transactions to the list of legally defined cases which require its approval (Section 95 Para. 5 of the Austrian Stock Corporation Act). The Supervisory Board is required to issue appropriate rules of procedure for the Management Board, and the Management Board must report regularly to the Supervisory Board on its activities.

Activities on behalf of the company must represent the principal occupation for the members of the Management Board. They must manage the company's business with the care of responsible and conscientious managers and in accordance with the interests of shareholders, the staff and the general public. The members of the Management Board may not take on any other employment without the approval of the Supervisory Board and may not take on an executive function in any companies that are not part of the UBM Group.

UBM is represented by two Management Board members, or by one Management Board member together with one authorised signatory. The company can also be represented by two authorised signatories, with certain legal restrictions. Any deputy Management Board members have the same rights of representation as regular Management Board members.

The following table lists the Management Board members, their dates of birth, their positions, the date of their initial appointment and the expected end of their term in office.

Supervisory Board positions or comparable functions in Austrian or foreign companies (which are not included in the financial statements):
None of the Management Board members serve on a supervisory board or hold a comparable function in an Austrian or foreign company (that is not included in the financial statements).

Members of the Management Board

Name	Date of birth	Position	Member since	Appointed until
Thomas G. Winkler	24.6.1963	Chairman of the Management Board	1.6.2016	20.4.2026
Martin Löcker	13.3.1976	Management Board	1.3.2009	20.4.2026
Patric Thate	25.5.1973	Management Board	1.7.2017	20.4.2026
Martina Maly-Gärtner	3.1.1975	Management Board	1.9.2021	30.4.2026

Executive and non-executive board positions in material subsidiaries:
The Management Board members Thomas G. Winkler, Martina Maly-Gärtner, Patric Thate and Martin Löcker have executive functions in individual project companies, but do not hold any executive or supervisory board positions in material subsidiaries.

Supervisory Board

The UBM Supervisory Board is composed of members elected by the Annual General Meeting. In addition, the Works Council is authorised by Section 110 Para. 1 of the Austrian Labour Constitutional Act to delegate a specific number of members to the Supervisory Board. Section 9 of the Statutes states that the Supervisory Board must have a minimum of three and a maximum of 12 members elected by the Annual General Meeting. In 2022, the Supervisory Board had eight members elected by the Annual General Meeting plus four additional members designated by the Works Council as employee representatives.

The members of the Supervisory Board are elected up to the end of the Annual General Meeting which votes on the release from liability of the Supervisory Board for the fourth financial year after their election unless the Annual General Meeting specifies a shorter term for one or all of the elected members; the financial year in which the Supervisory Board member is elected does not count towards this term. The re-election of a board member is permitted, also for retiring members. If an elected Supervisory Board member retires before the end of his or her term, a substitute must only be elected at the next Annual General Meeting. However, an Extraordinary General Meeting must be held within six weeks to elect a substitute if the number of Supervisory Board members falls below three. A substitute member is elected for the remaining term of the former Supervisory Board member, unless decided otherwise by the Annual General Meeting.

The Annual General Meeting can recall a Supervisory Board member before the end of his or her term with a resolution based on a simple majority of the votes cast. Any member of the Supervisory Board can resign, without due cause, by notifying the chairperson of the Supervisory Board in writing, subject to a notice period of 21 days. This notice period can be shortened by the chairperson of the Supervisory Board, or a deputy in the event the chairperson resigns.

A substitute member can be elected concurrently with a regular Supervisory Board member, whereby the substitute would fill the seat effective immediately if the Supervisory Board member retires before the end of his or her term. If multiple substitutes are elected, the order in which they are to replace a retiring Supervisory Board member must be determined. A substitute member can also be elected for multiple Supervisory Board members to fill a seat on the Supervisory Board if any of these members steps down prematurely. The term of office of a substitute member ends with the election of a successor to the former Supervisory Board member or, at the latest, with the end of the term of the former Supervisory Board member. If the term of office of a substitute member ends because a successor to a former Supervisory Board member has been elected, the substitute member can still serve as a substitute for the other Supervisory Board members he or she has been chosen to represent.

The Supervisory Board elects a chairperson and one or more deputies from among its members each year at a meeting held after the Annual General Meeting. If there are two deputies, the order in which they are to substitute for the chairperson must be determined. Their terms of office end with the next Annual General Meeting. A replacement must be elected immediately if the chairperson or one of the elected deputies resigns. If, in this election, no candidate receives a simple majority of the vote cast, a run-off must be held between the persons who received the most votes. If the run-off results in a tie, lots will be drawn to decide the election. If the chairperson or one of the elected deputies resigns, the Supervisory Board must immediately hold a new election to appoint a successor. The chairperson and deputies can resign at any time by notifying the Supervisory Board in writing and in keeping with a 14-day notice period; however, they are not required to resign from the Supervisory Board at the same time.

Every deputy chairperson has the same rights and responsibilities as the chairperson he or she represents. This also applies to casting the decisive vote for resolutions and in elections. If the chairperson and his deputies are prevented from carrying out their duties, this obligation passes to the oldest Supervisory Board member (in terms of age) for the duration of the impairment. Declarations of intent by the Supervisory Board and its committees must be submitted by the chairperson of the Supervisory Board, or by his deputy if he or she is incapacitated.

The Supervisory Board issues rules of procedure in line with the responsibilities defined by law and the Statutes. Resolutions by the Supervisory Board on its rules of procedure require a simple majority of the members elected by the Annual General Meeting and must also comply with the general requirements for resolutions.

The Supervisory Board can form committees from among its members. Their responsibilities and powers as well as their general rules of procedure are determined by the Supervisory Board. The authority to take decisions can also be delegated to the committees, which can be established as permanent bodies or for individual tasks. The employee representatives on the Supervisory Board are entitled to designate voting members to the committees based on the ratio specified by Section 110 Para. 1 of the Austrian Labour Constitutional Act. This does not apply to meetings and voting which involve relationships between the company and the Management Board members, with the exception of resolutions on the appointment or recall of a Management Board member as well as resolutions to grant options in company shares.

The Supervisory Board passes resolutions in its regular meetings. These meetings are to be held as often as required by the interests of the company and at least once each quarter. Five regular Supervisory Board meetings were held in 2022. The chairperson determines the form of the meeting, the way in which resolutions are passed outside of meetings and the procedure for counting votes. The Management Board members attend all meetings of the Supervisory Board and its committees, unless otherwise decided by the person chairing the meeting.

A member of the Supervisory Board can designate another member in writing to represent him or her at a meeting. A member represented in this way is not included in determining the quorum for the meeting. The right to chair the meeting cannot be delegated. A member who is unable to attend a meeting of the Supervisory Board or its committees is entitled to submit his or her vote on individual agenda items in writing through another board or committee member.

The Supervisory Board is considered to have a quorum when all members have been correctly invited to attend and when at least three members, including the chairperson or a deputy, participate in the decision-making process. A topic of negotiation which is not on the agenda can only be ruled on by the Supervisory Board if all members are present or represented and no member objects. The Supervisory Board passes its resolutions by simple majority of the votes cast, whereby abstentions are not counted as votes. In the case of a tie – also in elections – the chairperson casts the deciding vote. A deputy representing the chairperson is also entitled to cast the deciding vote on resolutions and in elections; this also applies to committee chairpersons.

Members of the Supervisory Board

Name	Date of birth	Position	Member since	Appointed until
Karl-Heinz Strauss[1]	27.11.1960	Chairman	14.4.2011	AGM 2024
Iris Ortner[2]	31.8.1974	Deputy Chair	14.4.2011	AGM 2024
Susanne Weiss[3]	15.4.1961	Member	15.1.2015	AGM 2024
Klaus Ortner[4]	26.6.1944	Member	15.1.2015	AGM 2024
Ludwig Steinbauer[3]	26.10.1965	Member	15.1.2015	AGM 2024
Paul Unterluggauer	28.4.1967	Member	15.1.2015	AGM 2024
Bernhard Vanas[3]	10.7.1954	Member	15.1.2015	AGM 2024
Birgit Wagner[3]	9.1.1972	Member	29.5.2019	AGM 2024
Anke Duchow	19.1.1968	Member	27.5.2019	n/a[5]
Martin Mann	14.2.1972	Member	30.6.2016	n/a[5]
Hannes Muster	28.11.1967	Member	30.6.2016	n/a[5]
Günter Schnötzinger	20.8.1973	Member	30.6.2016	n/a[5]

1 Karl-Heinz Strauss was Deputy Chairman of the Supervisory Board from 27 February 2013 until 18 September 2014 and has been Chairman since 18 September 2014
2 Iris Ortner has been Deputy Chairwoman of the Supervisory Board since 18 September 2014 and previously served as a member of the Supervisory Board from 2 July 2003 to 5 May 2010
3 Independent member who does not hold more than 10% of the shares (C-Rule 54)
4 Klaus Ortner was previously a member of the Supervisory Board from 18 March 2000 to 14 May 2014
5 Appointed by the Works Council on 30 June 2016 as well as on 27 May 2019 in accordance with Section 110 Paragraph 1 of the Austrian Labour Constitutional Act

Composition of the Supervisory Board

The above table shows the members elected to the Supervisory Board in 2019 together with their date of birth, their position, the date of their initial appointment to the Supervisory Board and the expected end of their term. As of 31 December 2022, the members of UBM's Supervisory Board held additional positions on supervisory boards or exercised comparable functions in Austrian and foreign companies (that are not included in the consolidated financial statements). These positions are listed in the table on page 106.

Criteria for independence

C-Rule 53 of the Austrian Code of Corporate Governance requires the majority of the Supervisory Board members elected by the Annual General Meeting or appointed by shareholders in line with the Statutes to be independent of the company and its Management Board. A Supervisory Board member is considered to be independent if he or she does not have any business or personal relationships with the company or its Management Board which would constitute a material conflict of interests and could therefore influence the member's behaviour.

These principles form the basis for the independence criteria established by the UBM Supervisory Board, which are available for review by the general public on the UBM website:

a) The Supervisory Board member did not serve as a member of the Management Board or key employee of UBM or one of its subsidiaries during the past five years.

b) The Supervisory Board member does not at the present time or did not during the past year have any business relationships with UBM or one of its subsidiaries in a scope material for that member. The same applies to relationships with companies in which a member of the Supervisory Board has a considerable economic interest, but does not apply to functions in UBM corporate bodies; knowledge of Group issues and the mere exercise of activities as a management board member or managing director by a Supervisory Board member do not, as a rule, lead to the involved company being viewed as a "company in which a member of the Supervisory Board has a considerable economic interest" as long as circumstances do not give rise to speculation that the Supervisory Board member gains a direct personal benefit from a business transaction with these companies. The approval of individual transactions by the Supervisory Board pursuant to L-Rule 48 does not automatically lead to classification as not independent.

c) The Supervisory Board member did not serve as an auditor of UBM or as a shareholder or employee of the company that audited UBM during the past three years.

d) The Supervisory Board member is not a member of the management board of another company in which a member of the UBM Management Board serves on that supervisory board.

e) The Supervisory Board member has not served on the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who are shareholders with a direct investment in the company or who represent the interests of such shareholders.

f) The Supervisory Board member is not a close family member (direct offspring, spouse, life partner, parent, uncle, aunt, sibling, niece, nephew) of a member of the UBM Management Board or a person to whom any of the aforementioned items (a to e) items apply.

In accordance with these criteria, the following Supervisory Board members have declared themselves to be independent: Karl-Heinz Strauss (Chairman), Birgit Wagner, Ludwig Steinbauer, Bernhard Vanas and Susanne Weiss.

Additional functions of the Supervisory Board members

Name	Company	Function
Karl-Heinz Strauss	PORR Bau GmbH PORR GmbH & Co. KGaA PORR SUISSE AG	Chairman of the Supervisory Board Chairman of the Supervisory Board President of the Administrative Board
Iris Ortner	ELIN GmbH PORR AG[1] OEBAG Lichtensteinische Landesbank (Österreich) AG TKT Engineering Sp. z.o.o. (Poland) Blue Code International AG (Switzerland)	Chairwoman of the Supervisory Board Supervisory Board member Supervisory Board member Supervisory Board member Deputy Chairwoman of the Supervisory Board Supervisory Board member
Susanne Weiss	ROFA AG PORR AG[1] Wacker Chemie AG[1] Spielvereinigung Unterhaching Fußball GmbH & Co. KGaA	Chairwoman of the Supervisory Board Supervisory Board member Supervisory Board member Supervisory Board member
Klaus Ortner	ELIN GmbH PORR AG[1]	Supervisory Board member Deputy Chairman of the Supervisory Board
Ludwig Steinbauer	Klinikum Austria Gesundheitsgruppe GmbH	Supervisory Board member
Paul Unterluggauer	ELIN GmbH	Deputy Chairman of the Supervisory Board
Bernhard Vanas	PORR AG[1] Wolfgang Denzel Holding AG Bankhaus Denzel AG Wolfgang Denzel AG Wolfgang Denzel Auto AG	Supervisory Board member Supervisory Board member Supervisory Board member Supervisory Board member Supervisory Board member
Birgit Wagner	–	–
Anke Duchow	–	–
Martin Mann	–	–
Hannes Muster	–	–
Günter Schnötzinger	–	–

[1] Listed

Committees

The Statutes allow the Supervisory Board to establish committees from among its members. To support and ensure the efficient handling of complex issues, the Audit Committee, Nomination Committee and Remuneration Committee were active in 2022 as was the ESG Committee which was established on 25 February 2021.

Audit Committee: The responsibilities of the Audit Committee include (i) monitoring the accounting process and issuing recommendations or suggestions to ensure its reliability; (ii) monitoring the effectiveness of the Group's internal control system, internal audit system (where appropriate) and risk management system; (iii) monitoring the auditing of the separate and consolidated financial statements under consideration of the findings and conclusions in the reports published by the Regulatory Authority on Auditors in accordance with Section 4 Para. 2 (12) of the Supervision of Auditors Act (APAG); (iv) assessing and monitoring the independence of the chartered auditors, in particular as regards any additional services they may have provided for UBM; (v) reporting to the Supervisory Board on the results of the audit, stating how the audit contributed to the reliability of financial reporting and the role played by the Audit Committee in this process; (vi) assessing the annual financial statements and preparing their approval, evaluating the proposal for the use of profit, the management report and the corporate governance report, and reporting on the audit findings to the Supervisory Board; (vii) examining the consolidated financial statements, the Group management report and the consolidated corporate governance report as well as reporting to the Supervisory Board on the audit findings; and (viii) conducting the procedures for the selection of the auditor under consideration of the appropriateness of the fee and preparing the Supervisory Board's recommendation for the appointment of the auditor.

The Audit Committee met five times during the 2022 financial year. The first meeting of the Audit Committee during the reporting year was held on 21 February 2022 without the Management Board in accordance with Rule 81a of the Austrian Code of Corporate Governance and concentrated on the audit schedule, audit focal points and communication between the auditor and the Audit Committee. In the meeting on 23 March, the auditor reported on the status of the audit of the separate and consolidated financial statements as of 31 December 2021. The meeting on 7 April 2022 included the auditor and covered the evaluation of and preparations for the approval of the separate and consolidated financial statements for 2021. At this same meeting, the Supervisory Board dealt with the selection of an auditor for the separate and consolidated financial statements as of 31 December 2022, the audit schedule for 2022 and the reports by the Management Board on related party transactions in 2021 and risk management.

The Audit Committee meeting on 22 September 2022 was also attended by the auditor and dealt, among others, with the report by the Management Board on the effectiveness of the internal control system, the internal audit system and risk management (fraud) as well as compliance (corruption) in the sense of C-Rules 18 and 18a of the Austrian Code of Corporate Governance and planning for the audit of the separate and consolidated financial statements. The last meeting of the reporting year was held on 1 December and dealt with the report by the Management Board on the functioning of risk management. The members of the Audit Committee are Karl-Heinz Strauss (Chairman), Iris Ortner, Bernhard Vanas (financial expert) and Susanne Weiss.

Nomination Committee: The responsibilities of this committee are as follows: (i) to prepare appointments to the Management Board, including succession planning: in advance of an appointment to Management Board, the Nomination Committee defines a profile for the position, which also reflects the corporate strategy and state of the company, and prepares the decision for the full Supervisory Board; (ii) to recommend candidates for positions on the Supervisory Board when seats become available: the Nomination Committee is involved in planning for appointments to the Supervisory Board. It proposes candidates for positions on the Supervisory Board; after approval by the full Supervisory Board, these recommendations are presented to the Annual General Meeting for a decision. Recommendations for appointments to the Supervisory Board must be based on the qualifications and personal skills of the members and be selected to achieve a balance of specialists in line with UBM's structure and business. Appropriate consideration must also be given to diversity with regard to gender, age and internationality. Persons who have been convicted of a crime which questions their professional reliability are excluded from recommendations for appointments to the Supervisory Board.

The Nomination Committee did not meet in 2022 as there were no issues requiring action. The members of this committee are Karl-Heinz Strauss (Chairman), Iris Ortner and Susanne Weiss.

Remuneration Committee: This committee is responsible for the following duties in connection with the current remuneration policy and in accordance with applicable legal regulations: (i) matters related to the remuneration of the Management Board members and the content of the employment contracts with these persons, in particular, the definition and implementation of the underlying principles for the remuneration of the Management Board members and the criteria for the variable remuneration components in line with C-Rules 27 (above all, the preparation of a catalogue for the variable remuneration components), 27a and 28 of the Austrian Code of Corporate Governance; (ii) evaluating the remuneration policy for the Management Board members at regular intervals; (iii) approving the assumption of sideline activities by the Management Board members.

The Remuneration Committee held two meetings during the reporting year. Consultations at the meeting on 23 March 2022 included the determination of the annual bonus for the members of the Management Board as well as the approval of the remuneration report and a proposal to the 141st Annual General Meeting to amend the remuneration policy. The meeting on 22 September approved an index adjustment to the annual maximum total remuneration (fixed and variable remuneration) for the members of the Management Board. The members of the Remuneration Committee are Karl-Heinz Strauss (Chairman), Iris Ortner and Susanne Weiss (remuneration expert).

ESG Committee: The activities of the ESG Committee include the analysis of sustainability criteria and social responsibility concepts in corporate processes – in particular, identifying the most important environmental, social and governance factors (ESG) that are determined by the company's sector affiliation and business model and subject to regional influence. ESG focuses on including the factors which result from a company's influence on or through the environment (ecological), society and corporate governance. The ESG Committee is also responsible for overseeing and supporting actions in line with the ESG catalogue of measures with clear assignment of responsibilities at Management Board and Supervisory Board levels. It also monitors and evaluates the implemented ESG measures – above all, the impact of procurement and development processes on ecosystems, on the use of resources, on the direct and indirect neighbourhood, and on good corporate management.

The ESG Committee met twice in 2022. Discussions with the Management Board at the meeting on 17 May covered the auditor's report on the voluntary review of the ESG report for 2021, the latest developments in the areas of taxonomy and the Corporate Sustainability Reporting Directive (CSRD) as well as current and future measures and goals. The agenda for the meeting on 30 November 2022 included a report by the Management Board on recent developments in taxonomy and CSRD issues as well as UBM's progress in the area of ESG (timber construction, ESG cockpit, ESG ratings, project certification, anti-discrimination guideline, social events). The members of the ESG Committee are Iris Ortner (Chairwoman), Susanne Weiss (Deputy Chairwoman), Birgit Wagner and Anke Duchow.

Support for women

UBM is reinforcing its efforts to increase the share of women in its organisation. In comparison with other companies in the real estate sector, the UBM Group had a positive standing with 24 women in key positions (Supervisory Board, managing directors, authorised signatories and key staff at UBM Development AG and its subsidiaries) as of 31 December 2022 (31 December 2021: 24). As a company that believes in sustainable operations, UBM places high priority on socially relevant topics that include equal opportunities in the workplace. Activities to achieve and maintain equal opportunities are focused, in particular, on the identification of suitable female candidates when managers and staff are recruited. Seventy-four new employees were hired during 2022: 41 women and 33 men (excluding hotel employees). There are no salary differences between men and women who perform the same activity and have the same qualifications. Women are specifically addressed in job advertisements. In order to support the work-life balance, the company offers flexible working hours through a flexi-time system.

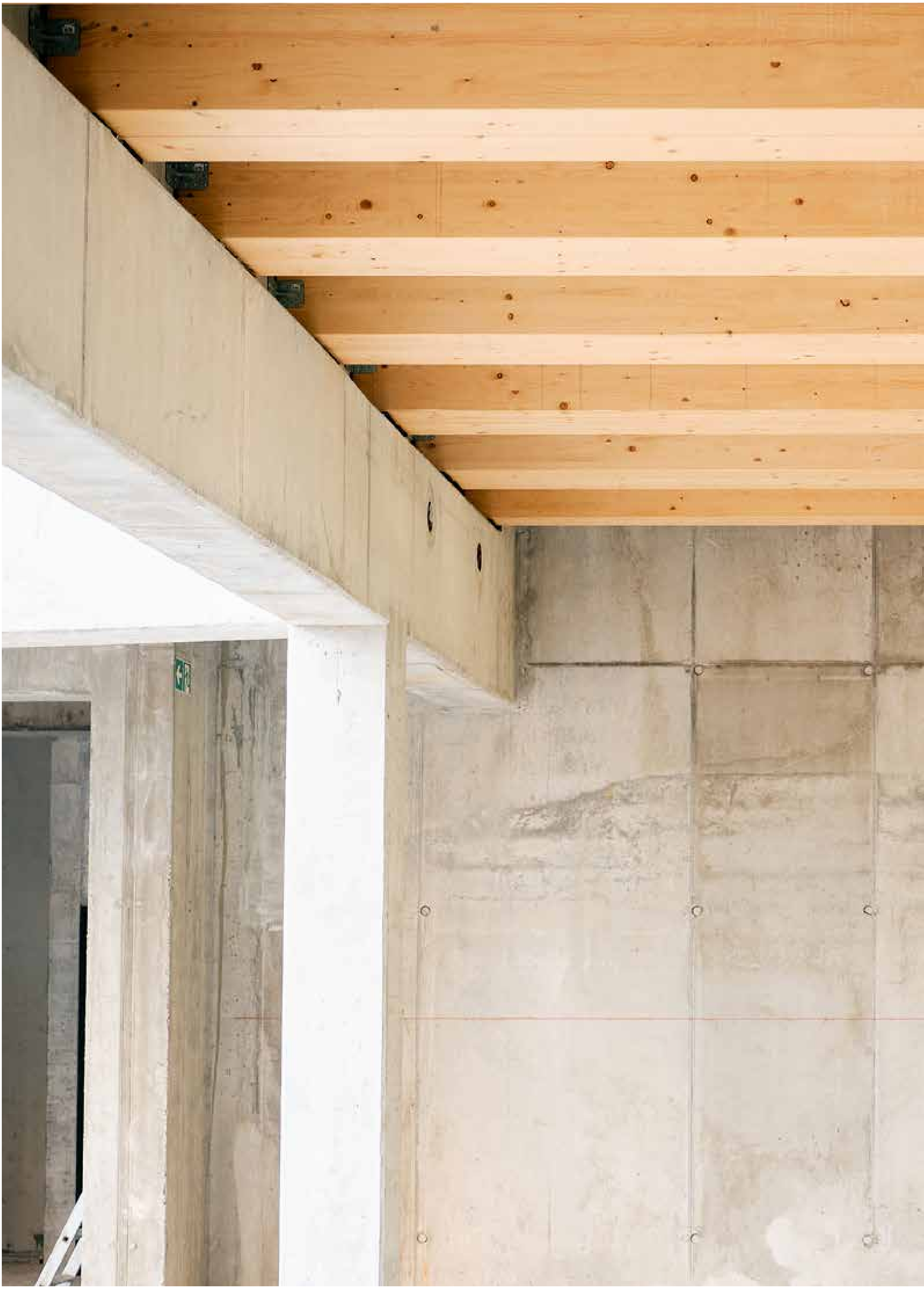
UBM is proactively and sustainably committed to a working environment free of discrimination and a culture of mutual respect and appreciation among all employees. The company treats all employees equally – regardless of gender, social background, sexual orientation, nationality, religion or age. Any form of discrimination is categorically opposed.

Diversity concept in connection with appointments to the Management Board and Supervisory Board

With regard to the composition of the Management and Supervisory Boards, the Supervisory Board does not follow a specific diversity concept. UBM is increasing its efforts to raise the percentage of women in the overall workforce and in management positions. Moreover, employees – regardless of their function and hierarchical level – are never discriminated against because of their gender, social background, sexual orientation, nationality, religion or age. The Supervisory Board therefore views the establishment of diversity targets for control bodies to be neither expedient nor useful. Education and professional experience play a significant role because a person under consideration for a Supervisory Board position must be capable of optimally performing his or her duties. These preconditions are not defined in advance in an abstract manner but evaluated on a case-by-case basis. Consequently, the expertise and specific requirements for the respective employment situation are the only deciding factors in preparing proposals for the Annual General Meeting. The Supervisory Board also believes these same principles apply to the composition of the Management Board.

Remuneration

Information on the remuneration of the Management Board and Supervisory Board is provided in the remuneration report which will be presented at the 142nd Annual General Meeting in 2023.



Group Management Report

Group Management Report

The general economic environment in 2022

Global economic trends

The effects of the recession in 2020 and the Covid-19 pandemic in 2021 were followed by massive challenges for the world's economy in 2022. Russia's ongoing war against Ukraine and the resulting sharp rise in energy and food prices, the global fight against inflation and the recurrence of the Covid-19 pandemic in China were the determining factors for the world's economy in 2022. A first quarter forecast by the International Monetary Fund (IMF) placed global growth for the year at 4.4%, compared with an estimate of 5.9% in the previous year. The slowdown caused by the war in Ukraine led to a downward revision of this forecast to 3.6% in the second quarter. Worldwide growth was further weakened by the continuation of the war in Ukraine and the resulting inflation. The IMF reduced its forecast for the year to 3.2% in the third quarter, while growth for the full 12 months of 2022 is projected to be minimally higher at 3.4% (IMF).[1]

The European economy was extremely resistant, with IMF forecasts pointing to an estimated increase of 3.7% in 2022. For the eurozone, this represents a substantial decline of 1.8% compared with the previous year but, in view of the global trend, can be seen as a sign of stability. The unemployment rate equalled 6.6% in December 2022 (ECB). The inflation rate for 2022 was clearly higher than the previous year (2021: 5.0%) at 9.2% in December (ECB) and is still far above the ECB's stated target of 2.0%.[2]

Events surrounding the Ukraine war are clouding the forecasts for growth. Projections by the IMF show an increase of 2.9% for the global economy and 0.7% for the eurozone in 2023. However, an escalation of the war cannot be excluded – in spite of these forecasts – and that remains a major weak point because the consequences for Europe are particularly severe. Gas prices in Europe have been lower than expected because storage facilities are now sufficiently filled to make shortages unlikely this winter. However, refilling these facilities for the coming winter will create a challenge in view of the sharp drop in gas flows from Russia. The war in Ukraine and the related sanctions, which are intended to force Russia to end its hostilities, have divided the world and intensified geopolitical tensions. The steadily rising food and fuel prices could lead to greater social unrest, while ongoing tensions on the labour market could be reflected in unexpectedly strong wage increases. In conclusion, a further surge in inflation is possible due to the higher-than-expected increase in oil, gas and food prices caused by the war in Ukraine.[3]

Developments in Germany and Austria

The German economy was faced with a GDP decline to 1.9% in 2022 (IMF) from the 2.6% growth recorded in the previous year. Austria, in contrast, generated strong growth in 2022 despite the effects of the war in Ukraine and high inflation. A December forecast by the Austrian National Bank showed an increase of 4.9% for the reporting year. According to the Austrian National Bank, the unemployment rate fell from 8.0% to 6.3% in 2022. Inflation rose to 8.6% for the year, which is the highest rate measured since the start of the currency union.[4,5]

[1] IMF: World Economic Outlook – January, April and July 2022, January 2023
[2] ECB: Economic Bulletin Issue 1– February 2023
[3] IMF: World Economic Outlook – January 2023
[4] IMF: World Economic Outlook – January 2023
[5] Austrian National Bank: Konjunktur aktuell – January 2023

Developments in CEE

The economies of the EU Member States in Central, Eastern and South-Eastern Europe remained stable but inflation in these regions also rose to a long-term high. The Austrian National Bank reported average growth of 5.2% and 4.4%, respectively, for Poland and the Czech Republic in 2022.[1]

Developments on the real estate markets

Europe

The effects of the war in Ukraine, rising inflation, higher interest rates and concerns over economic growth were also visible on the European real estate market in 2022. The first quarter of 2022 was weathered well despite the Russian invasion of Ukraine in February, and the investment volume on the European real estate market rose by 11% year-on-year. The remaining ten months brought a decline with a minus of 19% in the second quarter and 37% in the third quarter. For the year 2022, the transaction volume across Europe had fallen to €291.5bn (2021: €340.2bn) in a decline of 14.3% compared with the previous year. High inflation and rising interest rates fuelled uncertainty over transaction prices and raised concerns over the further growth of the economy which, in turn, had a negative effect on the transaction volumes in all sectors. A total of €59.3bn were invested in residential properties and €58.8bn in industrial properties during 2022. With a total transaction volume of €97.1bn, the office asset class regained its standing as investors' first choice. The investment volume declined by 17% compared with the previous year, but the residential asset class recorded an increase of 44% during this same period. The transaction volume in the hotel segment declined by 16% year-on-year to €14.3bn. The forecasts for 2023 are still influenced by major concerns over the economic growth and uncertainty over the development of the real estate market.[2]

[1] Austrian National Bank: Konjunktur aktuell – January 2023
[2] Real Capital Analytics: Europe Capital Trends – April, July and October 2022, January 2023

Downturn in Germany

Germany experienced a trend reversal in 2022. The country closed 2021 for the fourth year in succession as the number one on the European market and set a European record with a transaction volume of €110.6bn. By the end of 2022, the transaction volume had fallen by 44.3% year-on-year. This sharp drop is explained by the war in Ukraine and the massive effects which substantially exceeded the European average. Properties with a total value of €62.9bn changed hands in 2022.[3]

The transaction volume on the commercial property market fell by 16.7% to €50.6bn in 2022 (2021: €58.8bn). Gross prime yields in the office segment turned positive and nearly reached the past 10-year average with 3.4% at year-end. Average prime rents in the six top cities ranged from €28.9/m² in Cologne to €48.0/m² in Frankfurt. Take-up in the office segment rose by 3% year-on-year to roughly 3m m².[2,4,5]

The hotel asset class recorded the second best quarterly results since the start of the pandemic with portfolio transactions of €231m in the final quarter of 2022. Results at this level towards the end of the reporting year can be seen as a sign of market recovery. An investment volume of €806m – or 55% less than the previous year – was registered at the most important hotel locations in 2022. The total hotel investment volume represents the lowest value in the last ten years.[6]

The residential property investment market in Germany was noticeably more reserved than in previous years due to rising interest rates and high inflation. Investments in larger apartment portfolios declined by 39% year on-year to €31.1bn at the end of December (2021: €51bn). As the previous year's record volume was driven by the takeover of Deutsche Wohnen by Vonovia, a comparison with the long-term average is more effective: Results for 2022 were roughly one third lower than this value. German investors were responsible for nearly €21bn

[3] Savills: Investmentmarkt Deutschland – January 2023
[4] Savills: Investmentmarkt Deutschland – January 2023
[5] Savills: Top-6-Büromärkte – January 2023
[6] BNP Paribas: Hotel-Investmentmarkt Deutschland – Q4 2022

of this volume and 69% of the transaction volume. The seven top cities continued to form the investment hotspots on the residential investment market with 47% of the national transaction volume. Approximately €6.18bn were invested in the seven top German cities during 2022. Berlin led the list, not only in 2021 but also in 2022 with a transaction volume of €3 bn.[7]

Solid investment year in Austria

The volume on the investment market in Austria totalled approximately €4.1bn in 2022, for a decline of approximately 5% compared with the previous year (2021: €4.3bn). Investors continued to focus on the residential, office and logistics asset classes – nearly three quarters of the invested capital is directed to these three segments, each of which recorded a volume increase over 2021. The residential segment remained the strongest asset class with investments of roughly €1.6bn, or roughly 39% of the total investment volume, in 2022. The conclusion of transactions, especially forward transactions, has become more difficult since the second half of 2022 due to the lack of security in financing, interest rates and construction costs as well as the longer lead times with their accompanying risks. Efforts to minimise these risks are visible in the growing interest on the part of investors in standing assets. The nearly 15,400 housing units scheduled for completion in Vienna during 2023 generally reflect the prior year level but a slight decline is expected in 2024.

Hotel performance has recently improved, in spite of the high inflation. The effects of inflation – in both hotel operations and guest behaviour – were noticeable throughout 2022 and led to a divergence between supply and demand. Operators are faced with rising energy and personnel costs, while guests are less willing and able to accept these increases. Vienna's hotels have clearly recovered from the pandemic and the related restrictions: October 2022 topped the pre-crisis level and set a new record in the average daily rate (ADR) at €129. Budget/economy hotels and serviced apartments, in particular, are receiving increased interest on the part of investors. Roughly 1,200 hotel rooms and 330 serviced apartments are scheduled to come on the market in 2023. In Vienna, there is a clear trend towards mixed-use buildings.

The office asset class was, similar to the previous year, negatively influenced by a limited supply of space and low level of completions combined with a low vacancy rate of 3.9%. The take-up in Vienna amounted to 170,000m^2 in 2022, for a slight increase of 0.6% over the previous year (2021: 169,000m^2). Rental prices in Vienna were stable, but higher prices were recorded at good and prime locations. Prime rents in Vienna rose by 3.8% to €27.00/m^2/month in 2022. An upward potential in rental prices is expected in 2023 due to the growing requirements for ESG-compatible offices and the related increase in the demand for modern, flexibly designed space. Completions are only projected to increase again beginning in 2024: A total of 130,000m^2 were completed in 2022 but only 42,000m^2 are expected to enter the market in 2024, and the pipeline for 2022 reflected a historical low of 40,000m^2.[8]

[7] BNP Paribas: Wohn-Investmentmarkt Deutschland – Q4 2022

[8] CBRE: Österreich Real Estate Market Outlook – 2023

Developments in CEE

The investment volume in the CEE core countries – Poland, Czech Republic, Slovakia, Romania and Hungary – totalled approximately €10.9bn in 2022 (2021: €11.0bn). Poland again ranked first with 55% of the transaction volume, while the transaction volume in the Czech Republic was higher year-on-year at €1.7bn (2021: €1.64bn). Despite an increase in financing costs and a weakening global economy, 2022 was a fairly active year for investments in Poland. This sound development in Poland was, however, contrasted by the negative effects of inflation and the energy crisis in the Czech Republic.[9]

[9] JLL: CEE Investment Market 2022 Summary

Business performance

UBM Development generated Total Output of €390.7m in 2022, compared with €471.0m in the previous year. Of this total, €263.6m represent revenue from property sales. The largest contributions came from the two core markets, Germany and Austria, with the forward sold F.A.Z. Tower in Frankfurt and sales from the Siebenbrunnengasse project in Vienna. Total Output for the reporting year was also influenced by the progress of construction on previously sold real estate projects which is recognised in revenue and earnings over time in accordance with the percentage of completion and realisation. In this category, positive contributions to Total Output were made by residential construction projects like the Kaufmannshof (Zollhafen Mainz), Gmunder Höfe (Munich), Arcus City (Prague) and Rankencity (Graz). Business performance in the Other segment was influenced primarily by the strategic divestment of the German project and construction management subsidiary, alba Bau | Projekt Management GmbH, as well as the sale of building rights for three sites in Vienna's first district and the sale of the CTB Tower in Berlin.

Total Output in the **Germany segment** rose from €161.7m in the previous year to €166.1m. A major component of Total Output in 2022 resulted from the forward sale of the Kaufmannshof residential and office project in Zollhafen Mainz and the sale of the Central Tower Berlin (CTB). A positive contribution was also made by the forward-sold F.A.Z. Tower, which is accounted for according to the percentage of completion. The closing of the micro-apartment project in Potsdam with 126 micro-apartments also contributed to Total Output in 2022.

The **Austria segment** reported a decline in Total Output from €197.2m to €112.2m in 2022. Total Output in this segment was generated for the most part by the residential business and consisted chiefly of sales from the Siebenbrunnengasse residential and office project in Vienna's fifth district. The sale of the German project and construction management subsidiary, alba Bau | Projekt Management GmbH, a former subsidiary of UBM Österreich, also contributed to Total Output. alba generated nearly 90% of its business with third parties. Its activities no longer corresponded to UBM's new strategic focus, and the company was therefore sold to Currie & Brown, a leader in asset management and construction consulting.

Total Output in the **Poland segment** declined from €78.9m in 2021 to €46.3m in 2022. Business performance is based on the hotel operations in Katowice and Krakw, the rental of the Poleczki Business Park and various services.

The **Other Markets segment** reported a near doubling of Total Output from €33.2m in the previous year to €66.1m. This segment consisted primarily of projects in the Czech Republic. Total Output was positively influenced by the Arcus City residential project in Prague, which is accounted for according to the percentage of completion, and by the Andaz Prague, a hotel that opened in 2022.

Total Output by region

in €m	1-12/2022	1-12/2021	Change
Germany	166.1	161.7	2.7%
Austria	112.2	197.2	-43.1%
Poland	46.3	78.9	-41.3%
Other markets	66.1	33.2	99.1%
Total	**390.7**	**471.0**	**-17.0%**

Total Output in the **Residential segment** fell by 24.4% to €145.8m in 2022 (2021: €193.0m). The progress of construction for previously sold projects in Germany, Austria and the Czech Republic was responsible for most of Total Output in the reporting year. Included here is the Kaufmannshof project in Zollhafen Mainz, a micro-quarter in sustainable architecture with 45 apartments and five townhouses. A positive contribution to Total Output was also made by the Arcus City project in the centre of Prague: It comprises three construction phases, whereby phase 1 was started in 2021 and phase 2 in the third quarter of 2022. Other important contributions were made by the Siebenbrunnengasse project in Vienna, where 165 apartments were sold during the past two years, and the Potsdam am Kanal project as well as the Rankencity project in Graz and the Flösserhöfe in Mainz.

The **Office segment** generated Total Output of €77.6m in 2022 (2021: €102.7m). Total Output for the reporting year resulted, above all, from the forward sold F.A.Z. Tower in Frankfurt, which serves as the new headquarters for the Frankfurter Allgemeine Zeitung (F.A.Z.). The sale of offices in the Siebenbrunnengasse in Vienna's fifth district also made a positive contribution to Total Output.

Total Output in the **Hotel segment** declined from €72.6m to €57.1m in 2022. The low level of Total Output in this segment is attributable to the strategic reorientation of UBM Development in connection with the Covid-19 pandemic. No hotel projects are currently under development, but ongoing hotel operations contributed to Total Output. The Andaz Prague, a luxury hotel located in the former "Sugar Palace", opened in 2022, and additional contributions were made by ongoing operations at the Polish hotels in Katowice and Krakw.

Total Output in the **Other segment** rose by 27.2% to €68.8m in 2022 (2021: €54.1m). It was generated primarily by the sale of the CTB high-rise and the sale of the alba subsidiary.

In the **Service segment**, Total Output equalled €41.4m in 2022 (2021: €48.6m). A major component resulted from the provision of services for various projects in Austria and Germany. This position also includes charges for management services and intragroup allocations.

Total Output by asset class

in €m	1-12/2022	1-12/2021	Change
Residential	145.8	193.0	-24.5%
Office	77.6	102.7	-24.4%
Hotel	57.1	72.6	-21.3%
Other	68.8	54.1	27.2%
Service	41.4	48.6	-14.8%
Total	**390.7**	**471.0**	**-17.0%**

Financial performance indicators

Business development and earnings

The core activities of the UBM Group revolve around the project-based real estate business. The revenue reported on the income statement can be subject to strong fluctuations because these projects are developed over a period of several years. Real estate projects are recognised as of the signing date based on the progress of construction and realisation (percentage of completion, PoC). The sale of properties through share deals and the development and sale of projects within the framework of equity-accounted investments are still 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 declined by €76.9m to €390.7m in 2022 (2021: €471.0m), above all due to lower contributions from fully consolidated projects. Important contributions to Total Output were provided primarily by the Siebenbrunnengasse, F.A.Z. Tower and Mainz Kaufmannshof projects. A positive contrasting factor was the increase in revenue from property sales. Revenue as reported on the consolidated income statement fell by 51.9% to €133.9m (2021: €278.3m). The revenue growth in 2021 was supported chiefly by property sales in Germany and Austria and by the progress of construction on previously sold, fully consolidated real estate projects, while revenue in 2022 resulted mainly from lower contributions from fully consolidated real estate projects. The largest contributions to revenue were made by residential projects like the Siebenbrunnen in Austria and the Arcus City in the Czech Republic.

The profit from companies accounted for at equity amounted to €25.4m (2021: €36.0m). At-equity results were based, above all, on ongoing forward sold real estate projects like the F.A.Z. Tower in Frankfurt, CTB in Berlin and the Kaufmannshof residential and office project in Zollhafen Mainz.

The income from fair value adjustments to investment property totalled €25.5m, compared with €11.6m in 2021. The fair value adjustments are related primarily to a major project in Vienna, following the receipt of the zoning permit from the municipal authority in 2022. Fair value adjustments in the previous year involved an office project in Munich that was sold during 2021. The expenses from fair value adjustments amounted to €4.6m in 2022 and were recognised, in particular, to ubm hotels. In 2022, the expenses from fair value adjustments totalled €6.6m.

Other operating income amounted to €12.7m in 2022 and included, among others, foreign exchange gains, income from space and land rentals, income from the release of provisions and various other positions. In the previous year, other operating income equalled €11.8m. Other operating expenses rose from €31.1m to €32.6m, above all due to foreign exchange losses and legal and consulting fees. This position also includes administrative costs, travel expenses, advertising costs and office operating costs as well as charges and duties.

The cost of materials and other related production services declined from €141.4m in the previous year to €86.9m. These expenses consist largely of material costs for the construction of fully consolidated 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. The cost of materials fell by 38.5% during the reporting period.

Income of €3.0m was recorded in 2022 for changes in the portfolio related to residential property inventories and other IAS 2 properties. In the previous year, this position involved expenses of €45.9m. The decline in changes in the portfolio is attributable to increased sales activities for residential projects classified as inventories.

Personnel expenses were €0.5m higher than the previous year at €37.3m (2021: €36.8m). The number of employees in the companies included in the consolidated financial statements totalled 292 as of 31 December 2022 (31 December 2021: 355). This year-on-year decline resulted from the sale of the German project and construction management subsidiary alba Bau | Projekt Management GmbH, which had 75 employees and a 20% share of the total UBM workforce.

EBITDA fell by 48.5% to €39.2m in 2022 (2021: €75.9m). The most important effects in 2022 included sales from the Siebenbrunnengasse residential and office project, the sale of the CTB Tower project in Berlin and fair value adjustments to a large-scale project in Vienna.

Depreciation and amortisation rose by 103.8% over the previous year to €5.3m in 2022 (2021: €2.6m) and, as a result, EBIT declined by €39.4m to €33.9m (2021: €73.3m). Financial income rose from €14.0m in 2021 to €23.4m due to the sale of the German project and construction management subsidiary alba Bau | Projekt Management GmbH. There were no material deviations in financial costs during 2022 or 2021.

EBT amounted to €31.5m in 2022, which represents a year-on-year decline of €28.6m or 47.6% (2021: €60.1m). Tax expense equalled €4.3m, compared with €16.4m in 2021, and reflected a tax rate of 13.8% (2021: 27.3%). The lower tax rate in the reporting year resulted from the tax effects of equity-accounted results and the sale of alba Bau | Projekt Management GmbH.

Profit for the period (net profit after tax) totalled €27.1m, compared with €43.7m in 2021. Net profit attributable to the shareholders of the parent company amounted to €16.8m in 2022 (2021: €33.6m). Beginning with the 2020 financial year, the calculation of net profit attributable to the shareholders of the parent company was changed to include a deduction for the share attributable to the hybrid capital holders. The share attributable to the hybrid capital holders rose from €8.6m to €9.1m during the reporting year. The resulting earnings per share declined from €4.50 to €2.25 in 2022.

Identification of an error by the Austrian Financial Reporting Enforcement Panel

UBM acquired a commercially used property as a development project through a wholly owned project company in 2018 and classified this asset as investment property in accordance with IAS 40. Measurement as of 31 December 2019 led to a fair value of roughly €69m, a price that was only slightly higher than the acquisition cost. In the second quarter of 2020, 40% of the shares in the originally fully consolidated project company were sold to a third party. This transaction and the resulting at-equity valuation led to a new fair value of approximately €141m for the property based on the purchase contract and to the recognition of deferred taxes on the revaluation. A routine focal point audit by the Austrian Financial Reporting Enforcement Panel ("Österreichische Prüfstelle für Rechnungslegung", OePR) resulted in the identification of an error in the annual financial statements as of 31 December 2020, according to which the contractual risk for the expected process to obtain building rights for the property and the early development stage of the project were not sufficiently reflected in the fair value measurement of the property. The recognised fair value should have been €39m lower, which influenced the acquisition cost for the initial recognition of the at-equity investment in the project company and led to a correction of roughly €27m to equity in 2020 as an adjustment for the disproportionate recognition of deferred taxes. The restatement of the balance sheet for 2020 led to new starting positions on the balance sheet for 2021 and the balance sheet for 2022. This error correction is shown on a three-column balance sheet in the notes with an appropriately restated opening balance sheet. The correction of this error had no effect on the consolidated income statement or the consolidated cash flow statement.

Asset and financial position

Total assets recorded by the UBM Group amounted to €1,451.8m as of 31 December 2022 and were €16.0m lower than on 31 December 2021 (€1,467.8m). This decline resulted primarily from repayment of the hybrid capital.

Non-current assets declined by €23.1m to €790.6m at year-end 2022. Property, plant and equipment totalled €12.2m as of 31 December 2022 and were slightly lower than the €12.9m reported as of 31 December 2021. This position consists primarily of capitalised rights of use from leases.

The carrying amount of investment property declined by €31.8m to €391.7m as of 31 December 2022. In contrast, the investments in equity-accounted companies increased by €8.1m over the previous year to €180.8m. Project financing was €1.3m lower at €180.9m.

Current assets totalled €661.2m at the end of 2022, for an increase of €7.1m over year-end 2021 which resulted mainly from a substantially higher balance of real estate inventories. Cash and cash equivalents declined by €100.4m, among others due to prepayments for projects in Germany, the hybrid capital, the UBM bond 2017-2022 and dividends. As of 31 December 2022, cash and cash equivalents equalled €322.9m.

Real estate inventories totalled €259.3m at the end of December 2022 (31 December 2021: €133.1m). The increase resulted, among others, from the acquisition of a large-scale project in Mainz. This position includes miscellaneous inventories as well as specific residential properties under development which are designated for sale. Trade receivables declined from €60.6m at the end of 2021 to €49.5m as of 31 December 2022. 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 totalled €501.4m as of 31 December 2022 (31 December 2021: €524.0m). The decline is explained, above all, by the dividend payment and by the repayment of profit participation rights which are classified under equity. The dividend payment of €16.8m was made on 23 May 2022. The equity ratio equalled 34.5% at year-end 2022 and remained within the 30–35% target range (31 December 2021: 35.7%).

Bond liabilities (current and non-current) amounted to €446.7m at the end of December 2022 and were €79.8m lower than the previous year (31 December 2021: €526.5m). In November 2022, €80.9m of the UBM bond 2017-2022 was repaid.

Trade payables declined from €50.1m at year-end 2021 to €46.9m as of 31 December 2022 and consisted mainly of outstanding payments for subcontractor service. Other financial liabilities (current and non-current) decreased from €33.4m as of 31 December 2021 to €25.5m as of 31 December 2022. Deferred taxes and current taxes payable increased to €20.1m (2021: €18.9m). Financial liabilities (current and non-current) rose by €98.7m to €398.3m.

Net debt totalled €500.2m at year-end 2022 (31 December 2021: €381.0m). This indicator includes current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents. The increase resulted, above all, from distributions from equity-accounted companies, the sale of subsidiaries and a higher balance of financial liabilities as support for investments.

Cash flow

Operating cash flow declined from €48.2m to €13.2m. The fair value adjustments included in profit for the reporting year were excluded from operating cash flow because of their non-cash character. The substantial year-on-year difference resulted from an increase in dividends from equity-accounted companies in the previous year, whose timing was influenced by sales and by the respective partners.

Cash flow from operating activities totalled €–70.7m, compared with €–45.7m in the previous year. Cash flow was increased by a reduction of €27.0m in receivables, but reduced by an increase of €72.0m in inventories and by interest payments of €23.9m. These amounts include cash inflows of €7.9m from the sale of real estate inventories. The additions to real estate inventories totalled €72.1m, and the additions to receivables from real estate inventory sales equalled €11.3m, while the cash inflows from real estate receivables equalled €20.7m.

Cash flow from investing activities amounted to €8.4m in 2022, compared with €69.1m in 2021. Investments in project financing amounted to €81.3m, and investments in property, plant and equipment, investment property and financial assets equalled €38.2m. Contrasting factors included cash inflows of €77.7m from the repayment of project financing and €10.1m from the sale of consolidated companies.

Cash flow from financing activities amounted to €37,9m in 2022 (2021: €152.4m). New borrowings totalled €133.8m, while €37.1m of loans and €25.3m of hybrid capital were repaid during the reporting period. In addition, dividends and hybrid bond interest of €27.4m were paid in 2022.

Outlook

The forecasts for global growth in 2023 range from 2.2% (OECD) to 2.9% (International Monetary Fund, IMF) and reflect the weakness caused by the ongoing war in Ukraine and the resulting sharp rise in inflation. The European Central Bank (ECB) has been fighting inflation in the eurozone with an increase in interest rates since July 2022, but there are still no signs of a trend reversal. Based on the recent upward revisions in the inflationary outlook, further increases in interest rates can be expected.[1,2,3]

UBM views these 2023 forecasts as too optimistic and sees a turning point for the real estate market, especially in the development sector. The high equity ratio of 34.4% and solid liquidity situation represent strategically important building blocks for the necessary reserves, not only to manage negative variances but also to take advantage of potential opportunities. Our internal management with its focus on cash flow successfully held UBM's liquidity at a high level in 2022: Our cash and cash equivalents totalled €323.0m as of 31 December 2022. We were able to repay the €25m hybrid capital and redeem the €80.9m bond 2017–2022 from a position of financial strength and also completed roughly €80m of acquisitions in Mainz and Düsseldorf.

The future profitability of UBM is safeguarded above and beyond the earnings contributions from the current €2.1bn pipeline. Excellent progress was also made during the past year on the company's strategic transformation to become the leading developer of timber construction projects in Europe. In the second half of 2022, UBM received the zoning permit for the LeopoldQuartier in Vienna. It will become Europe's first urban quarter in timber hybrid construction and leads to expectations of profitable sale proceeds in the coming years. A significant share of UBM's timber hybrid pipeline consists of over 250,000m^2 in timber hybrid construction.

A frequently asked question is whether today's global economic problems will not upstage the trend towards sustainability, but UBM is convinced that the current situation will reinforce this trend. All existing ESG ratings by internationally recognised agencies like ISS ESG and EcoVadis improved in 2022 – and UBM's goal is to remain an industry leader in 2023. UBM's ESG report was audited by an independent chartered accountant for the second year in succession, despite the fact that the company is not even required to prepare a report.

The investment market remains in a state of shock. In the current phase, it is impossible to estimate when the market will again be ready for transactions. UBM does not expect any major transactions before the second half of 2023 and has also postponed planned transactions in recent quarters. The future is largely dependent on office customers and their readiness to sign longer-term leases. This was the case at our Timber Pioneer in Frankfurt, where we recently acquired an anchor tenant.

High inflation, rising interest rates and increasing construction costs will accompany us throughout the entire year. Market recovery up to a pre-turning point level is not expected in the short term. However, properties like the ones we develop will still be in demand. UBM's focus on green building and smart offices in major cities like Vienna, Munich and Frankfurt also makes us optimistic for the future.

Market developments remain volatile and difficult to estimate. For this reason, UBM must refrain from issuing any guidance and limit comments to its extremely solid financial position with equity of half a billion euros.

[1] IMF: World Economic Outlook - January 2023
[2] Austrian National Bank: Konjunktur aktuell - January 2023
[3] ECB: Geldpolitische Beschlüsse - Press Release December 2022

Risk report

The principal business activity of UBM Development AG and its operating subsidiaries and investments involves the development of real estate projects in selected European countries. This business model exposes the UBM Group to a variety of risks. At the same time, diversification – meaning an active presence in different countries and asset classes – supports the distribution and reduction of risk because changes do not normally take place at the same time or in all markets. Diversification, as a risk management tool, also creates opportunities to give preference to one asset class over another or to expand or reduce the focus on individual assets classes, countries and markets.

UBM's risk management is responsible for monitoring and controlling the related risks, whereby any changes in risk positions are actively addressed.

General goals of UBM risk management

- To create a risk culture in UBM
- To identify risks at an early point in time and allow for the implementation of countermeasures
- To create a uniform view of risks with strict evaluation and documentation
- To protect the company's assets (e.g. property, capital, image)
- To meet (payment) obligations at all times
- To ensure full compliance with legal regulations at all times
- To safeguard annual results

Material risks

The material risks for UBM arise from project development as the core business activity and include operating risks as well as macroeconomic risks. Accordingly, risks are subdivided into the following main categories: real estate acquisition, project calculation, planning and project financing, construction and quality, operations (asset management) – realisation (transactions) – general business risks (supporting and commercial processes) and macroeconomic and other risks.

UBM has many years of experience in the early identification, analysis, assessment, monitoring and control of risks within its business model. The company monitors all material risks that could have a significant impact on its operating performance and on its asset, earnings and financial position.

Risk Management System (RMS) Measures in 2022

1. Risk identification and analysis/risk system

UBM reassesses the individual risks in its value chain annually by way of a risk inventory which is based on the comprehensive identification and analysis of risks from 2016. The risk system undergoes an external evaluation each year and is adapted, where necessary, to reflect the current situation.

A catalogue of ESG risks was also prepared in 2021. This process included the identification and qualitative assessment of the following risks (relevant scope of influence from "ESG"):

- Change in regulations – price trends (E)
- Ground contamination, direct negative influence on plants and animals (E)
- Price trends for sustainable building materials (E)
- Incorrect use of materials (technical aspects, durability, recycling, renaturation) (E)
- Users' acceptance of the implemented measures (E)
- Employees' lack of motivation & satisfaction (S)
- Lack of highly qualified personnel on the labour market (S)
- Changes in the legal system & standards (laws, norms, standards) (S)
- Climate change and its social consequences (G)
- Data theft (G)

2. Risk assessment
The assessment is based on a description of the risks as well as an estimate of the probability of occurrence and the potential extent of damages caused by events that could lead annual results and cash flows to deviate from forecasts. The Management Board prepares this estimate with the assistance of local experts and is supported by regular status and project reports from the country managing directors and by calculation models. This assessment takes place every six months to allow the company to react quickly to possible changes in the individual risk positions.

The evaluation includes an analysis of the potential damages and probability of occurrence for each risk. The results are presented on a risk map, which provides a clear overview of the greatest individual risks for UBM.

High priority is given to the continued development of risk management at UBM. Based on the risk inventory, the individual risks were aggregated for the first time in 2020 to create an overall risk indicator in the form of a "value at risk". In addition, risk management's control function was significantly improved by defining the risk appetite at the corporate level and linking this to the company's risk-bearing capacity.

In addition to the earnings-oriented viewpoint (VaR = Value at Risk), a cash flow-oriented analysis (CFaR = Cash Flow at Risk) was prepared for the first time in 2022.

3. Risk documentation
The results are summarised in a report which serves as the basis for the subsequent prioritising and management of risks. This report is submitted to the Supervisory Board twice each year.

4. Risk control and monitoring
UBM's first step for controlling risks is top-down. It involves the preparation of work instructions and guidelines, followed by communication throughout the Group. Responsibilities are assigned by management to the individual risk owners. In a bottom-up process, the risk owners report to the Management Board as required.

5. Risk management
Risk management is handled in project teams, at the departmental level or directly by the Management Board depending on the importance.

This structured approach is embedded in the RMS as a continuous process.

Risk categories
UBM's most important individual risks were aggregated in seven main risk categories.

1. Real estate acquisition risks: The direct/indirect risks connected with the purchase of real estate include the interpretation of zoning regulations, third-party rights (neighbours, easements, etc.), the timeliness of the land register, the length of time needed to secure a building permit, incomplete information on potentially hazardous areas (land register), undocumented contamination, protective legislation (heritage protection, tree stocks, protected areas), more difficult development and/or access, unknown wells, groundwater, emissions, etc. Other relevant issues involve market entry risks, country risks, political risks, and competition and market environment risks.

These risks are minimised by the operating subsidiaries' knowledge of their respective region and competitive environment, their know-how and established local market networks as well as by standardised due diligence and acquisition processes.

2. Project calculation and planning risks: The assessment is based on a description of the risks as well as an estimate of the probability of occurrence and the potential extent of damages caused by events that could lead annual results and cash flows to deviate from forecasts. The Management Board prepares this estimate with the assistance of local experts and is supported by regular status and project reports from the country managing directors and by calculation models. This assessment takes place every six months to allow the company to react quickly to possible changes in the individual risk positions.

The evaluation includes an analysis of the potential damages and probability of occurrence for each risk. The results are presented on a risk map, which provides a clear overview of the greatest individual risks for UBM.

High priority is given to the continued development of risk management at UBM. Based on the risk inventory, the individual risks were aggregated for the first time in 2020 to create an overall risk indicator in the form of a "value at risk". In addition, risk management's control function was significantly improved by defining the risk appetite at the corporate level and linking this to the company's risk-bearing capacity.

In addition to the earnings-oriented viewpoint (VaR = Value at Risk), a cash flow-oriented analysis (CFaR = Cash Flow at Risk) was prepared for the first time in 2022.

3. Construction and quality risks: The focus of monitoring in this project phase shifts to the risks associated with procurement and selling prices, current and future rent levels, project financing and interest rates as well as market viability and third-party usage. Internal and external experts develop the necessary fundamentals for decisions by the Management Board. Planning security is improved by many years of experience in all aspects of project development.

4. Operating risks: The operation of a property together with office rentals or hotel leasing is connected with a variety of risks. In particular, the assessment process covers the tenant's credit standing (creditworthiness, security of rental income), cluster risk (loss of an important major tenant), vacancy risk, maintenance risk (regular checks, maintenance, servicing, repairs, subsequent technical investments), and facility management risks (insufficient processes for debt collection and payment reminders, inadequate invoicing of operating costs).

In order to protect the value of a property, a wide range of experts from UBM's subsidiaries and specialist departments or external firms are involved during the operating phase to ensure the steady generation of planned revenues and to protect the technical quality of the buildings over the long term.

5. Distribution, realisation and sale risks: A differentiation is made between the marketing risks associated with the sale of condominiums, realisation risks (rental risks for first-time letting) and the risks connected with the sale of entire properties. Rental price risk is relevant for these categories because a reduction in rental income has a direct impact on the company's revenue and, in the event of a sale, on the realisable purchase price. Valuation risks are also involved because the sale of a property at a market price (realisable sale price) below the respective carrying amount can lead to write-downs.

UBM's activities at the beginning of each development project include the specialist departments together with separate rental and transaction teams which rely on their wide-ranging expertise in the calculation and determination of rental and selling prices. Continuous contact with major customers, market expertise (for example, knowledge of the buyer's yield expectations) and the identification of the optimal selling time ensure that the product is optimally placed on the market. Additional support is provided by the experts in the legal department and external consultants to ensure the optimal design of the entire realisation and sale process.

6. General business risks: Included here, in particular, are personnel risks (staffing, turnover, human error, internal fraud, etc.), IT risks (hardware, software, data loss, hacking, espionage, etc.), commercial risks (liquidity risk, tax risks, financial penalties, etc.) as well as legal risks (compliance risks, compensation, general contractual and insurance risks, the legal environment, etc.). These risks are monitored by the respective specialist departments and communicated to the Management Board as required.

7. Macroeconomic and other risks: These risks include the development of the economy (inflation, unemployment, purchasing power, etc.), interest rate risk, exchange rate risk and force majeure risks (natural disasters, fire, strikes, war, terror, pandemics). They are continuously monitored by the responsible Management Board members in close cooperation with the staff units.

8. ESG risks: See section 1. under Risk Report.

Additional risks
Information on the risks associated with financial instruments is provided in note 45. "Notes on financial instruments" in the consolidated financial statements.

Risks connected with the economic environment and the war in Ukraine

General situation

The geopolitical tensions which have existed between the Russian Federation and Ukraine since 2014 escalated at the beginning of 2022. Diplomatic relations were broken off following the recognition of the separatist regions of Luhansk and Donetsk by Russia and, on 24 February 2022, Russian President Vladimir Putin launched a war of aggression against Ukraine which continues today. The sanctions imposed by the western community of nations against Russia have been gradually expanded and brought diplomatic relations, economic trade and capital transactions between the west and Russia to a virtual standstill. The European Union and the USA have also provided Ukraine with wide-ranging military assistance.

The medium- and long-term geopolitical and economic effects of the war are still impossible to reliably estimate. It is now assumed that global growth, especially in Europe, will be substantially slowed, and limited trading by the oil and gas industry will continue to result in volatile prices for the industrial sector and consumers. Against this backdrop, a steady, high level of inflation cannot be excluded over the coming years.

This conflict leads to the identification of the following risks for UBM's business model:

- Country and geopolitical uncertainty in UBM's markets
- Risks in connection with financing and capital market transactions
- Operating risks due to a more negative economic outlook

Impact on UBM's business model

Even though UBM is not directly engaged in the countries involved in the war (this commitment ended in 2021), the future course of this military conflict can have an influence on the countries bordering Ukraine. The geographical and cultural proximity to its Ukrainian neighbour creates a risk that the Polish market – where UBM acts as both a real estate developer and hotel operator – will suffer from the current crisis. This risk has, however, not materialised to date.

The sanctions and, in particular, the exclusion of major Russian banks from the SWIFT system creates wide-ranging uncertainties and risks for the capital markets and their participants. Payment transactions and trading with Russian companies and state-owned businesses have not only effectively come to a standstill, but Russian and European banks have been adversely affected by their close connections. This can have negative consequences for customers due to more restrictive lending policies by commercial banks and could influence the financing for UBM's project business. Moreover, the capital market climate for the issue of bonds and other debt instruments by non-rated companies is expected to remain difficult. This can have an effect on UBM's corporate financing and interest burden, which will increase substantially as interest rates rise. However, the flat repayment profile for 2023 and high level of liquidity provide a sufficient buffer. Interest rate trends and the yields on alternative investments also represent a general risk for real estate sales. The historic interest rate steps taken by the ECB to curb inflation could weaken the demand for properties. However, the speed of these central bank adjustments is expected to slow after inflation has reached its peak in the EU. The risk of an EU-wide recession failed to materialise in 2022, but the economic outlook remains clouded over the short and medium term due to the sharp rise in interest rates.

These developments have led to a wait-and-see attitude on the part of investors which, in turn, has had a substantial negative effect on the real estate transaction market. We assume the yields required by investors will increase by country and asset class after real estate transaction volumes normalise because of the growing attractiveness of fixed-interest financial products. If the current market trends and the war in Ukraine do not trigger a long-term structural change in consumer behaviour and rental income in Europe, it is likely that an expected supply shortage (numerous development projects were suspended or not started by other market participants in 2022) will produce a demand overhang over the medium term which will support UBM's asset classes. Since real estate is generally considered a safe asset class, concerns over continuing inflation could also increase the demand for real estate.

Based on the uncertain economic environment and the war in Ukraine, the foreign exchange risk connected with the Polish złoty and Czech koruna is expected to remain high in 2022. These exchange rates are also subject to high volatility, and opportunities for hedging are regularly evaluated for their economic relevance.

Internal Control System

The main objectives of UBM's Internal Control System (ICS) are to verify compliance with business policies and defined goals, to safeguard the company's assets, to ensure the reliability of accounting and reporting, to guarantee the effectiveness and efficiency of operating processes as well as the timely identification of risks and the reliable assessment of potential risks, to confirm compliance with statutory and legal provisions and to support the efficient use of resources and cost savings.

In addition to the internal controls which represent an integral part of core processes, UBM has installed commercial and technical controlling units which report directly to the Management Board. Commercial controlling monitors current business developments for deviations from target figures and ensures that the necessary information is communicated to management in the event of differences. Technical controlling supervises the ongoing realisation of projects with regard to schedules, construction costs, the progress of construction and all processes relevant to the technical implementation. Its regular reports provide management with the basis for any measures required to meet the agreed goals.

In addition to legal requirements, UBM has developed numerous rules and process flows. The roles and responsibilities within the processes are clearly assigned, and control mechanisms are regularly adapted to reflect changing conditions. The related procedures and rules provide employees with appropriate tools for performing their duties and support the efficient design of processes and controls. These types of work instructions, guidelines and models create transparency, facilitate communication and documentation, help to create efficient work processes, and allow for effective controls.

UBM has therefore taken the necessary precautions to ensure compliance with both legal and internal guidelines and allow for the fast identification and correction of potential weaknesses in operating and organisational processes.

In the accounting area, uniform accounting and valuation rules ensure that financial reporting is correct and informative. Reliable and accurate bookkeeping and accounting are ensured by the clear separation of functions and control measures such as plausibility tests, regular control activities and invoice approval procedures, together with the dual-control principle.

This systematic control management ensures that accounting processes in the UBM Group are consistent with national and international accounting standards as well as internal guidelines.

As part of the internal control system, the Audit Committee is responsible for monitoring accounting procedures and financial reporting on behalf of the Supervisory Board.

Internal Audit

The internal audit department was established to provide independent and objective audit and consulting services within the UBM Group. Its work is based on internal audit rules, which establish its legitimation outside the company, and the internal audit manual, which specifies the tasks, competencies and responsibilities within UBM. In accordance with C-Rule 18 of the Austrian Code of Corporate Governance, this department reports directly to the full Management Board. Internal audit reviews corporate processes and the effectiveness of internal controls and contributes to their improvement. It also carries out ad-hoc audits as required by order of the Management Board.

The findings and recommendations in the audit reports lead to the development of specific measures for improvement. The implementation of these measures was monitored by internal audit to ensure the realisation of the improvements on schedule. Individual audit procedures were supported by external consultants on a project-related basis.

Furthermore, internal audit serves as an advisor to the Management Board. Its integrated perspective and knowledge of the company allow it to highlight constructive ways to improve the effectiveness, efficiency and profitability of processes.

The annual audit plan was completed, and there were no special ad-hoc audits in 2022.

Disclosures acc. to Section 243a of the Austrian Commercial Code as of 31 December 2022

1. Composition of capitals
Share capital comprised 7,472,180 zero par value shares as of 31 December 2022, each of which represents an equal investment in the total share capital of €52,305,260.00. As of that date, all 7,472,180 shares were outstanding. All shares carry the same legal rights and obligations, in particular the right to vote which is exercised based on the number of shares held. The company's share capital is fully paid in. In accordance with Section 5 Para. 3 of the Statutes and Section 10 Para. 2 of the Austrian Stock Corporation Act, these bearer shares must be securitised in one or more global certificates and deposited at a collective securities depository in accordance with Section 1 Para. 3 of the Austrian Securities Deposit Act or at a comparable foreign institution. Section 4 Para. 5(b) of the Statutes also stipulates that the share capital may be conditionally increased in accordance with Section 159 Para. 2 (1) of the Austrian Stock Corporation Act up to a nominal amount of €2,241,654.00 through the issue of up to 747,218 new, ordinary, zero par bearer shares for issue to the holders of convertible bonds (conditional capital increase).

2. Limitations on voting rights or the transfer of shares
A syndicate agreement is in place between the Strauss Group and IGO Industries. The Management Board has no knowledge of the content of this agreement. The syndicate members are required to vote in line with all resolutions passed by the syndicate, and a reciprocal purchase right is in effect.

3. Direct or indirect investment
The following shareholders held a direct or indirect interest amounting to at least ten per cent of the share capital as of 31 December 2022: Ortner & Strauss Syndicate 38.84% (of which IGO Industries holds 27.62% and the Strauss Group 11.22%).

4. The company has no shares **with special control rights.**

5. UBM Development AG has no **employee participation models** under which employees do not exercise voting rights directly.

The Long-Term Incentive Programme 2017 (LTIP) was approved by the Annual General Meeting on 23 May 2017 and by the UBM Supervisory Board on 23 May 2017. Item 6 of the LTIP terms and conditions specifies that every stock option entitles the holder to subscribe to shares in the company after the end of the respective periods defined in the terms and conditions, provided the specified preconditions are met. The applicable strike price is defined in item 6.3 of the terms and conditions as the unweighted average of the closing price of the company's share on the Vienna Stock Exchange during the period from 24 May 2017 (inclusive) to 21 June 2017 (inclusive). Based on this definition, the strike price for exercising the share options under the LTIP was set at €36.33 per share.

The Annual General Meeting on 27 May 2021 approved the continuation and extension of the LTIP. This approval included the introduction of two additional exercise windows, namely during the period from 1 September 2022 to 26 October 2022 (exercise window 3) and from 1 September 2023 to 26 October 2023 (exercise window 4).

6. Provisions on the composition of the Management Board and Supervisory Board and on amendments to the Statutes
In accordance with Section 6 Para. 1 of the Statutes, the Management Board consists of between two and six members as determined by the Supervisory Board. The Supervisory Board may appoint deputies to the Management Board within these limits according to Section 6 Para. 2 of the Statutes. Section 6 Para. 3 of the Statutes authorises the Supervisory Board to designate one member as chairperson and one member as deputy chairperson of the Management Board. Any deputy Management Board members have the same powers of representation as the regular Management Board members as defined by Section 8 Para. 3 of the Statutes.

In accordance with Section 9 Para. 1 of the Statutes, the Supervisory Board must have a minimum of three and a maximum of twelve members elected by the Annual General Meeting. Section 9 Para. 8 of the Statutes permits the election of a substitute member concurrent with the election of a Supervisory Board member, whereby the substitute would fill the seat effective immediately if the Supervisory Board member retires before the end of his/her term. If multiple substitute members are elected, the order in which they are to replace a retiring Supervisory Board member must be determined. A substitute member can also be elected for multiple Supervisory Board members to fill a seat on the Supervisory Board if any of these members steps down prematurely. The term of office of a substitute member ends with the election of a successor to the former Supervisory Board member or, at the latest, with the end of the term of the former Supervisory Board member. If the term of office of a substitute member ends because a successor to a former Supervisory Board member has been elected, the substitute member can still serve as a substitute for the other Supervisory Board members he or she has been chosen to represent. In accordance with Section 9 Para. 2 of the Statutes, the Annual General Meeting can approve a shorter term of office than legally stipulated for individual elected Supervisory Board members or all of the elected members. If an elected Supervisory Board member retires before the end of his or her term, Section 9 Para. 6 of the Statutes does not require the election of a substitute before the next Annual General Meeting. However, an Extraordinary General Meeting must be held within six weeks to elect a substitute if the number of Supervisory Board members falls below three. In accordance with Section 9 Para. 4 of the Statutes, the Annual General Meeting can rescind the appointment of a Supervisory Board member before the end of his or her term with a resolution based on a simple majority of the votes cast.

Section 19 Para. 1 of the Statutes determines the voting process at the Annual General Meeting: Resolutions are passed with a simple majority of the votes cast, unless otherwise required by legal regulations, and, in cases where a majority of share capital is required, resolutions are passed with a simple majority of the share capital represented at the time of voting. From the legal viewpoint of the Management Board, this provision of the Statutes reduces the majority of at least three quarters of share capital represented at the time of voting, which is generally required by the Austrian Stock Corporation Act for amendments to the Statutes, to a simple majority of share capital unless voting involves a change in the corporate purpose.

7. Authority of the Management Board members

Section 4 Para. 4 of the Statutes authorises the Management Board as of 31 December 2022 to increase share capital by up to €2,241,654.00, with the approval of the Supervisory Board, 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 in multiple tranches, through indirect subscription rights pursuant to Section 153 Para. 6 of the Austrian Stock Corporation Act and through the exclusion of subscription rights (authorised capital). Furthermore, the Management Board is authorised to determine the issue price, issue conditions, subscription ratio and other details with the approval of the Supervisory Board. This authorisation by the Annual General Meeting on 16 May 2022 is valid for five years beginning on the date of recording in the company register, i.e. up to 9 June 2027. The subscription rights of shareholders to the new shares issued from authorised capital are excluded if and to the extent that the exercise of this authorisation (authorised capital) involves the issue of shares in exchange for cash under greenshoe options connected with the placement of new shares in 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.

As of 31 December 2022 and in accordance with Section 4 Para. 5(b) of the Statutes, the Management Board is authorised to determine the remaining details for the conditional capital increase and its implementation with the approval of the Supervisory Board, in particular the details of the issue and the conversion procedure for the convertible bonds, the issue price and the exchange or conversion ratio. The Supervisory Board is authorised to pass resolutions on amendments to the Statutes arising from the issue of shares from conditional capital. The issue price and conversion ratio are to be determined on the basis of recognised actuarial methods and the company's share price using an accepted pricing procedure. If the terms and conditions for the issue of convertible bonds include a conversion obligation, the contingent capital will also be used to meet this conversion obligation.

Section 4 Para. 6 of the Statutes authorises the Management Board, in accordance with Section 159 Para. 2 (3) of the Austrian Stock Corporation Act, to conditionally increase the company's share capital with the approval of the Supervisory Board, also in multiple tranches, by up to €1,678,920.00 through the issue of up to 559,640 new ordinary zero par bearer shares. These new shares are intended to service the stock options granted to employees, key managers and members of the Management Board of the company and its subsidiaries within the framework of the Long-Term Incentive Programme 2017 and within the framework of the continuation and extension of the Long-Term Incentive Programme 2017 (including the modification of plan conditions in 2017) which was approved by the Annual General Meeting on 27 May 2021. This authorisation by the Annual General Meeting on 27 May 2021 is valid for five years beginning on the date of recording in the company register, i.e. up to 9 July 2026. The strike price was set at €36.33. The Supervisory Board was authorised to pass resolutions on amendments to the Statutes arising from the conditional capital increase.

8. Significant agreements

A bond (partial debentures) with a total nominal value of €150,000,000.00 was issued in October 2017 (term: 2017-2022). The issuer made an exchange offer at the same time, which gave the bondholders an opportunity to exchange their securities for the UBM bond 2021–2026. This offer led to the exchange of €68,897,500.00 from the bond issued in 2017 for UBM 2021 partial debentures. The remaining partial debentures from the UBM bond 2017–2022 were redeemed on 11 October 2022.

A bond (partial debentures) with a total nominal value of €75,000,000.00 (term: 2018–2023) was issued in November 2018. It included an offer to investors to exchange the UBM bond 2014–2019 for the UBM bond 2018–2023 as well as a cash subscription offer. Partial debentures from the bond issued in 2014 with a total nominal value of €24,630,500.00 were exchanged for 2018 UBM partial debentures, while the cash subscription involved the issue of partial debentures with a total nominal value of €50,369,500.00.

A bond (partial debentures) with a total nominal value of €120,000,000.00 and a six-year term (2019–2025) was issued in October/November 2019; it included an offer to invest ors to exchange the UBM bond 2015–2020 for the UBM bond 2019–2025 as well as a cash subscription offer. Partial debentures from the bond issued in 2015 with a total nominal value of €25,164,000.00 were exchanged for 2019 UBM partial debentures, while the cash subscription involved the issue of partial debentures with a total nominal value of €94,836,000.00.

A bearer bond (UBM bond 2020–2025) with a total nominal value of €21,500,000.00 was issued in December 2020. The bearer bond issued in November 2016 (term: 2016-2021) with a total nominal value of €18,500,000.00 was extended to December 2025 at an amount of €10,500,00.00 and an additional €11,000,000.00 were newly arranged.

A bond (partial debentures) with a total nominal value of €150,000,000.00 and a five-year term (2021–2026) was issued in May 2021. It was accompanied by an exchange offer which gave the bondholders an opportunity to exchange their securities for the UBM bond 2021–2026 as well as a cash subscription offer. (Information on the exchange of the bond issued in 2017 is provided above.) The exchange offer resulted in the exchange of €68,897,500.00 for 2021 UBM partial debentures, and the cash subscription led to the issue of partial debentures totalling €81,102,500.00.

The bond (partial debentures) issued in May 2021, which has a total nominal amount of €150,000,000.00 and a five-year term (2021–2026), is a sustainability-linked bond. That means the repayment amount can exceed 100% of the nominal value if UBM's ESG rating deteriorates during the bond's term.

The terms and conditions for these bonds include, above all, the following stipulation: If there is a change of control in the sense of a takeover (respectively, the attainment of a direct controlling interest in the issuer as defined in the Austrian Takeover Act with the legal consequence of a mandatory offer by a natural person or legal entity who/which did not hold any, or any controlling, interest when the bond was issued; i.e. a change of control event as defined in the bond terms and conditions), and this change of control leads to a deterioration of the issuer's credit rating, and the issuer is unable to produce proof of its credit standing within 60 days of the announcement of the change of control, every bondholder is entitled to call his or her partial debentures and demand immediate repayment at the nominal amount together with accrued interest up to the repayment date.

Moreover, the company concluded contracts for promissory note loans with a total nominal value of €32,000,000.00 in November 2016 (which were extended by €20,500,000.00 up to December 2025). Further promissory note loans with a total nominal value of €9,500,000.00 were concluded in December 2020. These contracts include a termination right in the event of a change of control which leads to (i) a significant impairment of the company's ability to meet its obligations from the respective loan agreement or (ii) a breach of legally binding regulations by the respective lender. (In this context, a change of control means the acquisition of a direct controlling interest in the company pursuant to the Austrian Takeover Act with the legal consequence of a mandatory offer by a natural or legal person who did not hold an interest in the company when the respective loan agreement was concluded.) According to the December 2020 contracts for the promissory note loans, the bondholders are only entitled to call their partial debentures and demand immediate repayment, together with accrued interest up to the repayment date, if this change of control leads to a deterioration of the issuer's credit rating, and the issuer is unable to produce proof of its credit standing within 60 days of the announcement of the change of control.

A €7,000,000.00 bearer bond (term: 2021–2025) and a further €500,000.00m bearer bond (term: 2021–2025) were issued in the first quarter of 2021. In the second quarter of 2021, a deeply subordinated sustainability-linked bond (hybrid bond) with a total nominal value of €100,000,000.00 was issued. Almost 50% of the hybrid bond from 2018 was repurchased ahead of schedule and thus extended until 2026. The remaining balances of a promissory note loan and a bearer bond (term: 2016–2021) were repaid in December 2021.

There are no other significant agreements as defined by Section 243a (8) of the Austrian Commercial Code.

9. There are no **compensation agreements** in the sense of Section 243a (9) of the Austrian Commercial Code.

10. Other information
Branch offices
UBM Development AG maintains the following branch offices which are recorded in the company register: Styria (Thalerhofstrasse 88, 8141 Unterpremstätten) and Tyrol (Porr-Strasse 1, 6175 Kematen).

Non-financial information in accordance with the Austrian Sustainability and Diversity Improvement Act
UBM Development AG prepares a separate non-financial report which meets the requirements of Section 267a of the Austrian Commercial Code.

Environmental concerns
The real estate and construction sector is, from the global viewpoint, the most CO_2- and energy-intensive sector. It is, consequently, clear that ecological aspects play a key role in all our decisions. Our commitment to timber construction, the special attention we give to renewable energies and energy efficiency as well as our focus on green building certification are an expression of this conviction.

With the timber construction & green building department, UBM has established a competence centre with five experts to underscore the strategic importance of timber construction. It supports and monitors the operational implementation of green building processes. New national and European requirements are evaluated and implemented at project level in agreement with the *green. smart. and more.* strategy. This department also coordinates the evaluation and organisation of building certification for development projects by external partners. Project managers are responsible for the operational implementation of the green building strategy in development projects. The implementation of the green building strategy in standing assets and at Group locations is the responsibility of UBM's asset managers.

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

Our activities concentrate on the following areas:

- Energy efficiency, renewable energies and CO_2 emissions
- Durability and recyclability of materials
- Ground sealing, climate change and biodiversity
- Refurbishment and revitalisation
- Healthy building materials and the quality of life

We measure our locations based on their footprint
In addition to our development projects, we want to make our own business operations more sustainable. Our goal in this area is to steadily reduce our ecological footprint. Relevant activities to reach this goal involve energy consumption and emissions. The efficient use of water and correct waste management are also important issues for UBM and are internally managed and reported.

Fewer standing assets
The strategic focus of UBM's business activities involves the development and sale of properties. Accordingly, the number of standing assets has been steadily reduced since 2015. UBM also takes action to support sustainability in these properties – here, the key issue is whether the properties are rented and UBM therefore only has an indirect influence on energy consumption and emissions, for example through the use of energy-saving lighting or efficient heating and cooling solutions.

Further information on environmental concerns can be found in UBM Development's ESG Report 2022.

Employees

The average number of employees at UBM Development was 330 (previous year: 343).

Sustainable management is in no way limited to environmental aspects. It also covers a company's social responsibility, in other words the impact of its actions on society.

This also includes fair and responsible interaction with our employees in our direct sphere of influence. The women and men who work for UBM are an important factor for our long term success and essential for the positive development of our company. In this connection, we have defined the following focus areas:

- Attractive employer and training & education
- Diversity and equal opportunities
- Health and occupational safety

At Management Board level, the COO is responsible for personnel-related issues which are centrally combined under human resources. The head of human resources meets regularly with the COO to discuss developments in this area. Targets, measures and the strategic focus are defined together with the Management Board and communicated to the organisation. The human resources team also includes an HR business partner who implements human resources measures together with local management in agreement with the HR strategy.

With our values – competent. consequent. transparent. – we create a working climate in which each person feels included, authorised and called upon to make a personal contribution. We encourage our employees to be proactive through short decision paths and flat hierarchies.

The design of our working environment reflects our strict compliance with the national and international rules and requirements in the markets where we are active. We also base our actions on agreements that include the Universal Declaration of Human Rights, the United Nations Guidelines and the international labour standards set by the International Labour Organisation. Our activities exceed minimum standards. This commitment is anchored in our codes of conduct (ethics code and code of conduct for business partners).

Specially planned training and continuing education programmes are a fixed part of human resources development at UBM. The basis is formed by an annual appraisal meeting, which includes an agreement on focus topics and specific training measures together with the responsible supervisor. UBM actively offers numerous educational opportunities ranging from internal workshops and idea competitions to external training programmes, but also encourages and supports the independent development of its employees.

Further information on employee concerns can be found in UBM Development's ESG Report 2022.

Corporate Governance Report
This report is part of the annual report and can be downloaded under www.ubm-development.com, submenu Investor Relations/Financial reports or Corporate Governance.

Research and development
The company has no research or development activities.

Vienna, 4 April 2023

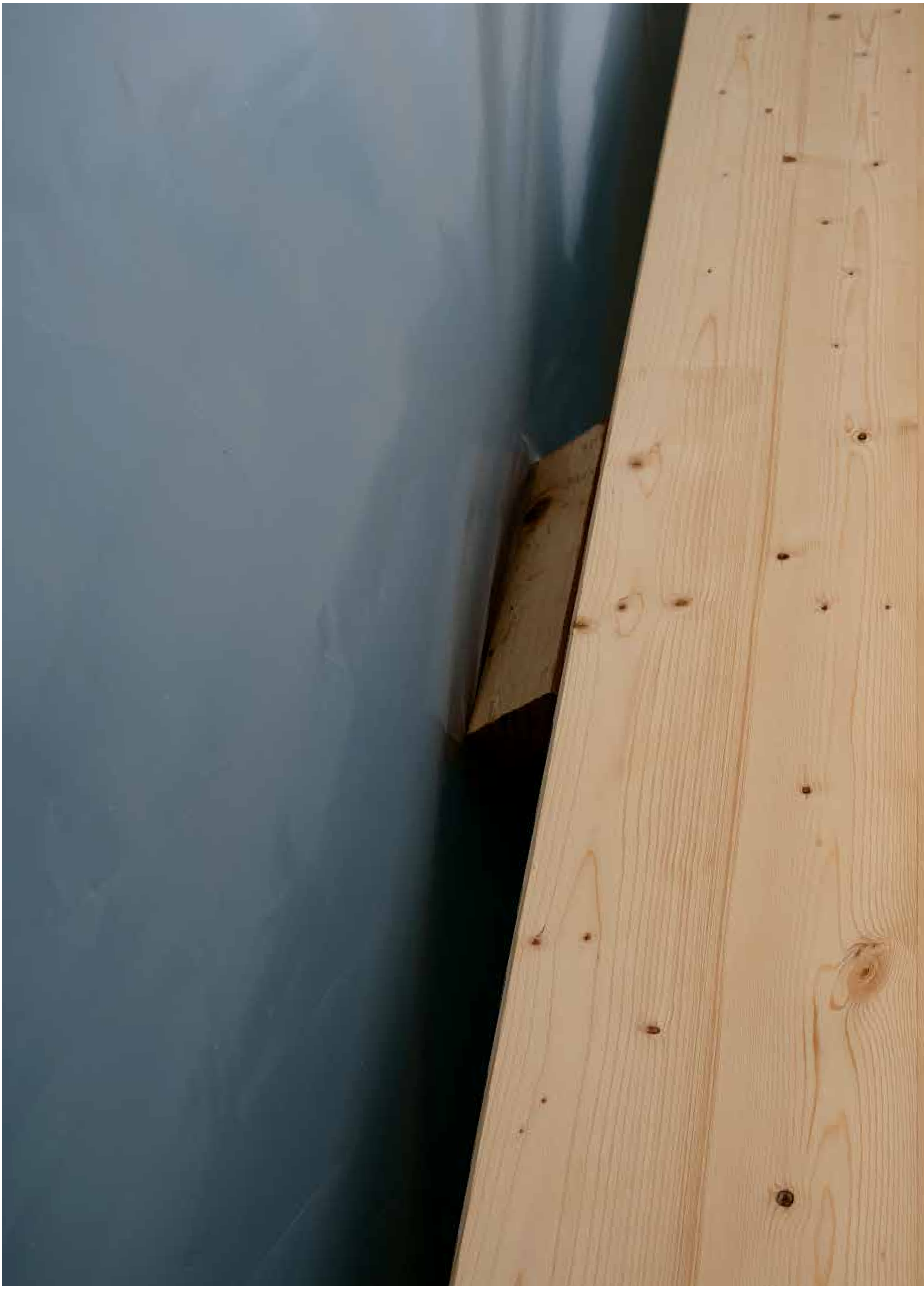
The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO



Consolidated Financial Statements

Consolidated Income Statement
for the 2022 Financial Year

in T€	Notes	2022	2021
Revenue	(9)	133,944	278,313
Changes in the portfolio	(9)	2,965	–45,874
Share of profit/loss from companies accounted for at equity	(22)	25,396	36,003
Income from fair value adjustments to investment property	(21)	25,454	11,568
Other operating income	(10)	12,740	11,767
Cost of materials and other related production services	(11)	–86,858	–141,421
Personnel expenses	(12)	–37,255	–36,807
Expenses from fair value adjustments to investment property	(21)	–4,619	–6,550
Other operating expenses	(13)	–32,594	–31,070
EBITDA		**39,173**	**75,929**
Depreciation and amortisation	(14)	–5,266	–2,627
EBIT		**33,907**	**73,302**
Financial income	(15)	23,442	14,040
Financial costs	(16)	–25,899	–27,203
EBT		**31,450**	**60,139**
Income tax expenses	(17)	–4,338	–16,428
Profit for the year (net profit)		**27,112**	**43,711**
of which: attributable to shareholders of the parent		16,790	33,625
of which: attributable to holder of hybrid capital		9,076	8,590
of which: attributable to non-controlling interests		1,246	1,496
Basic earnings per share (in €)	**(18)**	**2.25**	**4.50**
Diluted earnings per share (in €)	**(18)**	**2.25**	**4.50**

Consolidated Statement of Comprehensive Income
for the 2022 Financial Year

in T€	Notes	2022	2021
Profit for the year (net profit)		**27,112**	**43,711**
Other comprehensive income			
Remeasurement of defined benefit obligations	(35)	1,364	518
Income tax expense (income) on other comprehensive income		–428	–131
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)		**936**	**387**
Currency translation differences		593	–1,036
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)		**593**	**–1,036**
Other comprehensive income of the year		**1,529**	**–649**
Total comprehensive income of the year		**28,641**	**43,062**
of which: attributable to shareholders of the parent		18,297	32,977
of which: attributable to holder of hybrid capital		9,076	8,590
of which: attributable to non-controlling interests		1,268	1,495

Consolidated Statement of Financial Position
as of 31 December 2022

in T€	Notes	2022	31 December 2021 restated	1 January 2021 restated
Assets				
Non-current assets				
Intangible assets	(19)	1,636	4,004	3,024
Property, plant and equipment	(20)	12,155	12,900	11,596
Investment property	(21)	391,725	423,488	407,147
Investments in companies accounted for at equity	(22)	180,762	172,683	156,863
Project financing	(23)	180,885	179,636	208,375
Other financial assets	(24)	10,217	11,628	11,520
Financial assets	(27)	3,877	3,615	4,066
Deferred tax assets	(30)	9,339	5,734	11,445
		790,596	**813,688**	**814,036**
Current assets				
Inventories	(25)	259,297	133,091	121,880
Trade receivables	(26)	49,494	60,550	127,945
Financial assets	(27)	19,741	20,409	22,036
Other receivables and assets	(28)	9,774	16,784	12,286
Cash and cash equivalents	(29)	322,929	423,312	247,209
		661,235	**654,146**	**531,356**
Assets total		**1,451,831**	**1,467,834**	**1,345,392**
Equity and liabilities				
Equity				
Share capital	(31, 32)	52,305	22,417	22,417
Capital reserves	(33)	98,954	98,954	98,954
Other reserves	(33)	188,224	214,191	200,137
Hybrid capital	(34)	156,395	183,244	130,330
Equity attributable to shareholders of the parent		**495,878**	**518,806**	**451,838**
Equity attributable to non-controlling interests		5,571	5,156	4,404
		501,449	**523,962**	**456,242**
Non-current liabilities				
Provisions	(35)	7,537	9,061	8,772
Bonds and promissory note loans	(36)	326,653	445,994	437,047
Financial liabilities	(37)	268,982	215,417	248,641
Other financial liabilities	(39)	1,845	2,251	1,573
Deferred tax liabilities	(30)	8,909	5,528	8,016
		613,926	**678,251**	**704,049**
Current liabilities				
Provisions	(35)	1,805	430	2,102
Bonds and promissory note loans	(36)	120,049	80,504	19,457
Financial liabilities	(37)	129,357	84,191	41,943
Trade payables	(38)	46,947	50,109	76,959
Other financial liabilities	(39)	23,657	31,169	30,503
Other liabilities	(40)	3,480	5,842	3,302
Taxes payable	(41)	11,161	13,376	10,835
		336,456	**265,621**	**185,101**
Equity and liabilities total		**1,451,831**	**1,467,834**	**1,345,392**

Consolidated Cash Flow Statement
for the 2022 Financial Year

in T€	2022	2021
Profit for the year	27,112	43,711
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	-14,194	-857
Interest income/expense	11,965	14,062
Income from companies accounted for at equity	-25,396	-36,003
Dividends from companies accounted for at equity	11,998	18,770
Decrease in long-term provisions	-85	-1,332
Deferred income tax	1,792	9,880
Operating cash flow	**13,192**	**48,231**
Increase in short-term provisions	1,375	140
Decrease/Increase in tax provisions	-2,015	2,543
Losses/Gains on the disposal of assets	-5,782	-14,240
Increase in inventories	-71,980	-10,165
Decrease/Increase in receivables	26,962	-33,021
Decrease in payables (excluding banks)	-10,659	-14,664
Interest received	798	463
Interest paid	-23,857	-22,729
Other non-cash transactions	1,222	-2,270
Cash flow from operating activities	**-70,744**	**-45,712**
Proceeds from the sale of property, plant and equipment and investment property	26,589	60,939
Proceeds from the sale of financial assets	13,961	9,982
Proceeds from the repayment of project financing	77,732	85,538
Investments in intangible assets	-487	-1,053
Investments in property, plant and equipment and investment property	-32,238	-60,631
Investments in financial assets	-5,968	-10,879
Investments in project financing	-81,301	-50,771
Proceeds from the sale of consolidated companies less cash and cash equivalents acquired	10,081	36,009
Payments made for the purchase of subsidiaries less cash and cash equivalents acquired	-	-
Cash flow from investing activities	**8,369**	**69,134**
Dividends	-27,407	-24,233
Dividends paid to non-controlling interests	-854	-1,020
Proceeds to non-controlling interests	-	73
Proceeds from note loan	-	7,000
Repayment of note loan	-	-11,500
Proceeds from bonds	-	81,602
Repayment of bonds	-81,103	-8,000
Increase in loans and other financing	133,829	240,596
Repayment of loans and other financing	-37,054	-179,244
Increase in hybrid capital	-	98,246
Repayment of mezzanine capital	-25,330	-48,395
Acquisition of non-controlling interests	-	-328
Repurchase of equity-settled share options	-	-2,395
Cash flow from financing activities	**-37,919**	**152,402**
Cash flow from operating activities	**-70,744**	**-45,712**
Cash flow from investing activities	**8,369**	**69,134**
Cash flow from financing activities	**-37,919**	**152,402**
Change in cash and cash equivalents	**-100,294**	**175,824**
Cash and cash equivalents at 1 Jan	423,312	247,209
Currency translation differences	-89	279
Cash and cash equivalents at 31 Dec	**322,929**	**423,312**
Taxes paid	4,561	4,005

Consolidated Statement of Changes in Equity

for the 2022 Financial Year

in T€	Share capital	Capital reserves	Remeasurement of defined benefit obligations	Currency translation reserve
Balance as of 31 December 2020	22,417	98,954	–3,749	2,110
Error correction pursuant IAS 8.42	-	-	-	-
Balance as of 1 January 2021 restated	**22,417**	**98,954**	**–3,749**	**2,110**
Total profit/loss for the year	-	-	-	424
Other comprehensive income	-	-	387	–1,038
Total comprehensive income for the year	-	-	387	–614
Dividend	-	-	-	-
Proceeds from other shareholders of subsidiaries	-	-	-	-
Cash settlement of share options	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Changes in non-controlling interests	-	-	-	-
Balance as of 31 December 2021	**22,417**	**98,954**	**–3,362**	**1,496**
Total profit/loss for the year	-	-	-	141
Other comprehensive income	-	-	936	594
Total comprehensive income for the year	-	-	936	735
Dividend	-	-	-	-
Proceeds from other shareholders of subsidiaries	-	-	-	-
Capital increase	29,888	-	-	-
Cash settlement of share options	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Changes in non-controlling interests	-	-	-	-
Balance as of 31 December 2022	**52,305**	**98,954**	**–2,426**	**2,231**

Other reserves	Hybrid capital	Equity attributable to equity holders of the parent	Non-controlling interests	Total
228,405	130,330	478,467	4,404	482,871
–26,629	-	–26,629	-	–26,629
201,776	**130,330**	**451,838**	**4,404**	**456,242**
33,201	8,590	42,215	1,496	43,711
3	-	–648	–1	–649
33,204	8,590	41,567	1,495	43,062
–16,439	–7,794	–24,233	–1,020	–25,253
-	-	-	73	73
–2,395	-	–2,395	-	–2,395
2,272	-	2,272	-	2,272
–1,829	52,118	50,289	-	50,289
–532	-	–532	204	–328
216,057	**183,244**	**518,806**	**5,156**	**523,962**
16,649	9,076	25,866	1,246	27,112
–23	-	1,507	22	1,529
16,626	9,076	27,373	1,268	28,641
–16,812	–10,595	–27,407	–854	–28,261
-	-	-	-	-
–29,888	-	-	-	-
-	-	-	-	-
2,437	-	2,437	-	2,437
-	–25,330	–25,330	-	–25,330
–1	-	–1	1	-
188,419	**156,395**	**495,878**	**5,571**	**501,449**

Notes to the Consolidated 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, Austria, 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.

The consolidated financial statements were prepared in accordance with Section 245a of the Austrian Commercial Code ("Unternehmensgesetzbuch") and in agreement with 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 issued by the International Financial Reporting Interpretations Committee (IFRIC).

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 respective national currency. Amounts are reported in thousands of euros (T€) and rounded using the compensated summation method. The reporting year corresponds to the calendar year and ends on 31 December 2022.

2. Scope of consolidation

The consolidated financial statements include UBM as well as 57 (2021: 69) domestic subsidiaries and 75 (2021: 80) foreign subsidiaries. Two companies were initially included in UBM's consolidated financial statements during the reporting year following their founding (see note 2.1.).

Two companies were sold, five were merged and 12 were deconsolidated following their liquidation. The sale price of T€10,582 was paid in cash. The assets and liabilities over which control was lost comprise the following:

in T€	2022
Intangible assets	2
Property, plant and equipment	764
Other financial assets	7
Deferred tax assets	399
Current assets	
Trade receivables	1,490
Financial assets	130
Other receivables and current assets	201
Cash and cash equivalents	2,183
Non-current liabilities	
Provisions	465
Financial liabilities	334
Deferred tax liabilities	397
Current liabilities	
Financial liabilities	352
Trade payables	171
Other financial liabilities	551
Other liabilities	655
Tax payables	200

In addition, 27 (2021: 24) domestic and 21 (2021: 24) foreign associated companies and joint ventures were accounted for at equity. Four companies were added during the reporting year following their acquisition, and two companies were founded. Five companies were deconsolidated following their liquidation or merger, and one company was sold.

UBM is entitled to the majority of voting rights in 21 (2021: 23) subsidiaries but does not exercise control over these companies because of specific rules defined by the respective partnership agreements. These companies are accounted for as joint ventures.

2.1. Initial consolidations

The following companies were initially included through full consolidation in 2022 (see the list of investments for the capital share):

Due to new foundations	Date of initial consolidation
Gartenau Immobilien GmbH & Co KG	22.9.2022
Georg-Mooseder-Straße GmbH & Co. KG	21.11.2022

3. Significant accounting policies

Business combinations are accounted for based on the acquisition method. This method requires the measurement of the assets acquired and the liabilities and contingent liabilities assumed at their fair value as of the acquisition date. Any difference between the acquisition cost and the attributable proportion of the acquired net assets at fair value is recognised as goodwill. This goodwill is not written off or reduced through scheduled amortisation but is tested for impairment at least once each year.

All accounts receivable and payable between consolidated companies are eliminated during the consolidation of liabilities. Intragroup income and expenses are offset during the consolidation of income and expenses. Interim profits or losses from intragroup deliveries are eliminated if the related amounts are material and the respective assets are still included in the consolidated financial statements.

Shares in the net assets of fully consolidated subsidiaries which are not attributable to UBM are reported separately as part of equity under “non-controlling interests”.

4. Accounting and valuation methods

Measurement principles
The annual financial statements of all companies included in the consolidated financial statements are prepared according to standardised accounting and measurement methods. The valuation methods were applied consistently, apart from the newly applied standards.

Currency translation
The companies included in the consolidated financial statements prepare their annual financial statements in their respective functional currencies, whereby the functional currency represents the relevant currency for each company's business activities.

The items in the consolidated statement of financial position are translated at the average exchange rate at the end of the financial year, while income statement items are translated at the average annual exchange rate for the financial year (as an arithmetic mean of all end-of-month quotations). Differences resulting from currency translation are recognised directly in equity and transferred to profit or loss when the business operations are derecognised.

The following key exchange rates were used for the inclusion and translation of foreign subsidiaries::

	Mean exchange rate as of 31 Dec 2022	Average annual exchange rate
PLN	4.6808	4.6842
CZK	24.1160	24.5620

	Mean exchange rate as of 31 Dec 2021	Average annual exchange rate
PLN	4.5994	4.5775
CZK	24.8600	25.6483

In connection with the acquisition of companies, any adjustments to the carrying amounts of the acquired assets, assumed liabilities and contingent liabilities to reflect fair value as of the acquisition date or, respectively, goodwill, are treated as assets or liabilities of the acquired subsidiary and are therefore subject to currency translation.

Exchange rate gains or losses on transactions by consolidated companies in a currency other than the functional currency are recognised in profit or loss. Monetary items not denominated in the functional currency of the consolidated companies are translated at the average exchange rate in effect at the end of the reporting period.

Intangibel assets are capitalised at their acquisition cost and amortised on a straight-line basis over the expected useful life. The amortisation rates range from 10.00% to 50.00% (2021: 10.00% to 50.00%).

The amortisation recognised during the reporting year is reported on the income statement under "depreciation and amortisation".

The identification of impairment leads to the write-down of the involved intangible asset to its recoverable amount, which represents the higher of fair value less selling costs or the value in use. If the reasons for impairment cease to exist, the impairment loss is reversed at an amount equal to the increase in value, but up to a maximum of the carrying amount which would have resulted from the application of scheduled amortisation to the original acquisition or production cost.

Goodwill is recorded as an asset in accordance with IFRS 3 and tested at least once a year for impairment in accordance with IAS 36. Any impairment is recognised immediately in profit or loss, and a subsequent reversal is not permitted.

Property, plant and equipment are carried at their acquisition cost, including any ancillary expenses less reductions in this cost, or at production cost. The carrying amount reflects the deduction of accumulated depreciation and the straight-line depreciation recorded for the reporting year. The following depreciation rates are used:

	2022	2021
Buildings	1.50 to 33.33	1.50 to 33.33
Technical equipment and machinery	4.00 to 50.00	4.00 to 50.00
Other facilities, fixtures and office equipment	4.00 to 50.00	4.00 to 50.00

The identification of impairment leads to the write-down of the involved item of property, plant or equipment to its recoverable amount, which represents the higher of fair value less selling costs or the value in use. If the reasons for impairment cease to exist, the impairment loss is reversed at an amount equal to the increase in value, but up to a maximum of the carrying amount which would have resulted from the application of scheduled depreciation to the original acquisition or production cost. Major renovation is capitalised, while ongoing maintenance, repairs and minor renovation are expensed as incurred.

Rights of use to property, plant and equipment acquired through leases are capitalised at the present value of future lease payments and amortised over the term of the lease or at the indicated amortisation rates on a straight-line basis.

Low-value assets are written off in full in the year of purchase because they are immaterial for the consolidated financial statements.

Assets under construction, including buildings which are to be used for operational purposes or whose use has not yet been established, are accounted for at acquisition or manufacturing cost less any applicable impairment losses.

The borrowing costs for qualifying assets are included in the acquisition or production cost. For investment properties sold through forward deals, the capitalisation of borrowing costs ends on the date of the related agreement. Depreciation on these assets begins with their completion or the attainment of operational status. Interest totalling T€1,946 was capitalised for properties in 2022 (2021: T€4,649). Information on the rate for financing costs is provided in note 37.

Investment property is real estate that is held to generate rental income and/or for value appreciation. It includes office and commercial buildings that are not used for internal business purposes as well as residential buildings and undeveloped land. These assets are carried at their fair value, and any gains or losses from changes in this fair value are recognised in profit or loss of the applicable period. Buildings under construction are accounted for at acquisition or production cost if fair value cannot be reliably determined or at fair value as generally determined by the residual value method.

The fair value of investment property is based on appraisals by independent experts, on the present value of the estimated future cash flows expected from the use of the property or on the amounts realised in comparable transactions.

The rights of use to investment property acquired through leases are capitalised at the present value of the future lease payments and measured at fair value in subsequent periods.

The sales comparison approach or cost approach was used to establish the fair value of **properties carried as real estate inventories**, , which are intended for sale immediately after completion and whose market value can be determined based on comparable transactions. In accordance with accounting standards, the carrying amount is only adjusted to reflect fair value if this latter value is lower. The applied parameters are defined by the external appraisers together with the local project developers and reflect the size, age and condition of the buildings as well as country-specific circumstances.

Non-current assets held for sale represent properties that are available for immediate sale in their current condition and whose sale is considered highly probable. These properties are measured at the lower of the carrying amount and net realisable value. Investment property is carried at fair value. The probability of sale is evaluated quarterly, and the resulting reclassifications are reported in the notes under the development of property, plant and equipment and investment property.

Investments in companies accounted for at equity are recognised at acquisition cost, which is allocated between the proportional share of the acquired net assets at fair value and any applicable goodwill. The carrying amount is increased or decreased annually by the proportional share of annual profit or loss, dividends received and other changes to equity. Goodwill is not subject to scheduled amortisation but is tested for impairment in accordance with IAS 36 once each year or when circumstances point to a possible decline in value. If the recoverable amount falls below the carrying amount, the difference is written off.

Deferred taxes are recognised to reflect temporary differences between the values of assets and liabilities in the consolidated financial statements, on the one hand, and the values for tax purposes, on the other hand, at the amount of the expected future tax expense or tax relief. In addition, deferred tax assets are recognised for future asset benefits arising from tax loss carryforwards if realisation is sufficiently certain. Exceptions to this comprehensive recognition of deferred taxes are the differences arising from goodwill which is not deductible for tax purposes.

The calculation of deferred taxes is based on the applicable income tax rate in the respective country. The Austrian eco-social tax reform which was enacted in 2022 provides for a gradual reduction in the corporate tax rate from 25.00% to 23.00% (2023: 24.00%, beginning in 2024: 23.00%). The calculation for UBM Development AG and the Austrian subsidiaries included in the consolidated financial statements was therefore based on a tax rate of 23% instead of 25%.

Share-based remuneration includes an option for settlement in equity instruments or in cash, whereby the respective fair value is recognised under personnel expenses over the vesting period. The Long-Term Incentive Programme (LTIP) was reported under capital reserves up to year-end 2021. Since the previous LTIP programme was settled in cash during 2021 and cash settlement is also assumed in the future, the options issued and granted in 2021 are reported under personnel expenses. The number of options granted is reassessed and the fair value of the options is revalued at the end of every reporting period.

The **provisions for severance payments, pensions and anniversary bonuses** were calculated in accordance with IAS 19 based on the projected unit credit method with the application of the AVÖ 2018-P Generation Life Table, whereby an actuarial valuation is performed as of every reporting date. The calculation parameters included an interest rate of 3% (2021: 1%) for

Austria and Germany as well as salary increases of 3.37% and 3.70% (2021: 2.38%) per year in Austria. The calculation of the provisions for severance payments and anniversary bonuses in Austria also included deductions for employee turnover based on statistical data within a range of 0.00% to 13.20% (2021: 0.00% to 10.50%); for anniversary bonuses in Germany, the range equalled 0.00% to 16.65% (2021: 0.00% to 10.60%). The retirement age assumed for the Austrian companies represents the earliest possible retirement age permitted by law following the 2004 pension reform (corridor pension), also taking all transitional arrangements into account; for German companies, the legal retirement age is used. The calculation of the provisions for Austria is based on the AVÖ 2018-P – Pagler & Pagler Mortality Table, while the 2018 G Mortality Table Guidelines issued by Klaus Heubeck are used for Germany.

Actuarial gains and losses on severance payments and pensions are recognised in full in other comprehensive income, while the actuarial gains and losses on anniversary bonuses are included in profit or loss for the period. Service costs are reported as part of personnel expenses, and interest expense is recorded under financial costs.

Other provisions cover all identifiable risks and uncertain obligations. They are recognised at the amount that will presumably be required to settle the underlying obligation.

Lease liabilities are measured at the present value of future lease payments, whereby discounting is based on the interest rate underlying the lease. If this rate cannot be determined, the Group's incremental borrowing rate for the applicable term is used.

Financial instruments

Financial instruments that fall under the scope of application of IFRS 9 are assigned to valuation categories based on the underlying business model and the characteristics of the contractually agreed cash flows. Financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost or fair value, depending on the valuation category.

For financial instruments carried at amortised cost or at fair value through other comprehensive income (FVTOCI), the loss allowance is based on the expected credit loss model. This procedure involves the creation of a risk provision equal to the 12-month expected loss (Level 1) on the initial recognition date. In the event of a significant deterioration in the credit risk, the lifetime expected loss must be calculated (Level 2). Objective evidence of impairment results in reclassification to Level 3.

UBM applies the simplified approach provided by IFRS 9.5.5.15 to trade receivables, contractual assets and leasing receivables and measures the loss allowance in line with the lifetime expected loss. All available information is used to evaluate the expected credit loss, including historical data as well as forward-looking information. In general, external credit ratings are not available for financial instruments. The expected credit loss equals the product of the expected net claim to the financial instrument, the period-based probability of default and the loss on actual default.

The general impairment model is applied to project financing. Due to the absence of external credit evaluations, credit risk is monitored according to the development of key indicators, e.g. the loan-to-value ratio or collection period.

Trade receivables, project financing and other financial assets were recognised at amortised cost. No allowances for expected credit losses were recognised in 2022 because neither the historical nor the forecast data indicated any loss rates.

The investments in unconsolidated subsidiaries and other investments reported under **other financial assets** are measured at fair value through profit or loss (FVTPL), which is generally determined with valuation procedures like the discounted cash flow method.

Securities are classified as FVTPL and measured at fair value. If these securities represent debt instruments and consist solely of interest and principal payments, they are carried at amortised cost. **Liabilities** are carried at amortised cost in accordance with the effective interest method. **Derivative financial instruments** are recognised at fair value through profit or loss (FVTPL). The UBM Group has not entered into any hedges.

Revenue from contracts with customers

Revenue is reported after the deduction of value added taxes, rebates and other sales-based taxes. The recognition of revenue is based on the transaction type as follows:

The revenue from investment properties that are sold after completion is recognised at a point in time after the material risks and rewards are transferred. The revenue from investment properties is recognised over time when the sale takes place through a forward deal during construction and the company has a legal entitlement to payment for previously provided performance as well as no alternative use for the asset. Revenue from the sale of apartments is recognised over time for units that are sold before completion and for which the company has a legal entitlement to payment for previously provided performance as well as no alternative use for the assets. Revenue from the sale of completed apartments is recognised at a point in time. The rental income and income from hotel operations is recognised over time. The income from invoiced construction services is also recognised over time.

The recognition of revenue over time is based on the progress of construction (percentage of completion, POC method). The percentage of completion represents the previously provided performance as a per cent of the total contract performance. For revenue from real estate, this indicator is calculated as the investment costs incurred to date in relation to the total investment costs for the respective project. The identified performance is recognised, after the deduction of prepayments by customers, as a **contract asset** under trade receivables or, if the prepayments exceed the previously provided performance, as a **contract liability** under other liabilities. If the total costs for a contract are expected to exceed the related revenue, the expected loss is recognised in full and immediately at an amount equal to the costs required to fulfil the contract. The costs for contract extensions are capitalised and amortised over the project term unless they represent costs which would not have been incurred if the contract had not been received.

Interest income and expenses are accrued in line with the outstanding balance of the respective loan and the applicable interest rate.

Dividend income from financial investments is recognised when a legal entitlement arises**.**

A **lease** represents an agreement under that the lessor provides the lessee with a contractual right to control an identified asset for a defined period in return for consideration. The UBM Group acts as a lessee, above all, in connection with office properties and one property which is sublet. There are numerous individual contracts with comparatively low annual rental payments, fixed and open-ended terms, and agreed termination rights. Leases are presented on the statement of financial position as rights of use and corresponding lease liabilities. The lease payments are allocated into an interest and a principal component. The finance costs are recognised to profit or loss over the lease term to produce a periodic cost of interest on the remaining balance of the liability. The rights of use are amortised on a straight-line basis over the shorter of the useful life and the lease term. Lease payments are measured by applying a country-specific incremental borrowing rate, i.e. the interest rate which the Group would have to pay to borrow funds to purchase an asset of comparable value under comparable conditions in a similar economic environment. Payments for short term leases and leases of low-value assets are expensed as incurred. Short term leases are defined as leases with a term of up to 12 months. The UBM Group also serves as a lessor to a limited extent. These leases usually involve office space, and the related contracts qualify for classification as operating leases. The rental income from these leases is reported under other operating income.

5. Discretionary judgment and major sources of estimation uncertainty

The preparation of annual financial statements invariably involves the use of estimates and assumptions by management for the amount and recognition of assets and liabilities as well as income and expenses and the disclosures on contingent liabilities. The major assumptions and sources of estimation uncertainty as defined in IAS 1.125 ff are related to the following:

Determining the fair value of real estate: Fair value generally equals the present value of the realisable rental income. Any change in the estimated future realisable rental income or the expected return on alternative investments will also lead to a change in the fair value of the involved property. The capitalisation rate (2022: 2.75% to 7.00%; 2021: 2.30% to 7.30%) represents the average market rate of return on the property. One criterion for the selection of the capitalisation rate is the general and specific risk for the return on the property.

Most of the investment property was valued in accordance with internationally recognised earnings methodology in 2022, in particular the Term and Reversion approach (see note 21 for additional details on the valuation method and the value of investment property).

The residual value method was used to value the real estate under development (assets under construction – IAS 40). Under this method, the future income is estimated by the appraisers – provided there has been no pre-letting activity – in consultation with the project developers. The budgeted completion costs, including an appropriate developer margin, are deducted from this income. The remainder represents the fair value of the properties under development.

The following sensitivity analysis shows the impact of changes in key parameters on the fair value of investment property:

Portfolio property

	Carrying amount as of 31 Dec 2022	**175,520**		**Carrying amount as of 31 Dec 2021**	**175,537**	
	Adjustment to long-term rent			Adjustment to long-term rent		
	0.00%	10.00%	-10.00%	0.00%	10.00%	-10.00%
Adjustment to yield						
0.00%	-	16,198	–13,805	-	18,090	–11,626
0.50%	–9,112	–4,396	–20,177	–7,111	–2,565	–18,037
-0.50%	13,478	26,692	–9,604	15,460	–7,485	–7,485

in T€

Development projects

	Carrying amount as of 31 Dec 2022	**216,205**	**Carrying amount as of 31 Dec 2021**	**247,951**
Developer profit	-5.00%	5.00%	-5.00%	5.00%
	23,806	–22,054	24,299	–31,852
Adjustment to yield	-0.50%	0.50%	-0.50%	0.50%
	46,236	–38,054	43,475	–44,437
Adjustment to construction costs	10.00%	-10.00%	10.00%	-10.00%
	–27,474	28,826	–35,515	27,403
Adjustment to rental income	-10.00%	10.00%	-10.00%	10.00%
	–32,105	38,051	–60,341	51,899

The classification as investment property (IAS 40) or inventories (IAS 2) is based on the following considerations: Projects that are held to generate rental income or for value appreciation are classified as investment property. Inventories comprise real estate that, in advance, is intended for resale. Properties which are sold before completion and for which UBM has no alternative use as well as a legal entitlement to payment for previous performance are accounted for as contract assets in accordance with IFRS 15.

Properties (inventories) held for sale: The sales comparison approach or cost approach was used to determine the fair value of properties for which comparable market transactions were available. This applies primarily to real estate held as current assets (residential buildings) that is intended for immediate sale after completion. In accordance with accounting standards, the carrying amount is only adjusted to reflect a lower fair value. The external appraisers define the parameters together with the local project developers based on the size, age and condition of the buildings as well as country-specific considerations. Information on the carrying amounts and the potential impact of impairment is provided in note 25.

Provisions: The valuation of the provisions for severance payments, pension and anniversary bonus provisions is based on parameters that include discount factors, salary increases and/or employee turnover. Changes in these parameters can lead to higher or lower provisions, personnel expenses and interest costs. Other provisions are based on estimates for the likelihood of an event occurring and the probability of an outflow of funds. Changes in these estimates or the occurrence of an event previously considered unlikely can have a significant impact on the Group's financial performance.

Sensitivity analysis of provisions for pensions: The following actuarial assumptions were considered relevant and the following margins were applied: Discount rate +/-0.25 %, pension trend +/-0.25 %, life expectancy +/-1 year.

The sensitivity analysis of life expectancy was based on a shift in the average life expectancy for all candidates in the respective plan.

The following table shows the differences to the recorded amounts as a relative deviation:

	Interest +0.25%	Interest -0.25%
	liquid	liquid
Pension DBO	-2.30%	2.40%

	Pension trend +0.25%	Pension trend -0.25%
	liquid	liquid
Pension DBO	2.40%	-2.30%

	Life expectancy +1 year	Life expectancy -1 year
	liquid	liquid
Pension DBO	4.90%	-4.90%

Sensitivity analysis of the provision for severance payments: The following actuarial assumptions were considered material and the following margins were applied: Discount rate +/-0.25%, salary trend +/-0.25%, employee turnover +/-0.50% up to 25th year of service, life expectancy +/-1 year.

The sensitivity analysis of life expectancy was based on a shift in the average life expectancy for all candidates in the respective plan.

The following table shows the differences to the recorded amounts as a relative deviation:

	Interest +0.25%	Interest -0.25%	Salary trend +0.25%	Salary trend -0.25%
Severance payments DBO	-1.76%	1.82%	1.79%	-1.75%

	Fluctuation +0.50% until 25th year of service	Fluctuation -0.50% until 25th year of service	Life expectancy +1 year	Life expectancy -1 year
Severance payments DBO	-0.07%	0.07%	0.05%	-0.06%

Project financing: UBM, as the parent company, grants loans to its equity-accounted entities and subsidiaries. These loans serve as financing for the equity share of real estate projects. They are subject to interest at normal market rates and are payable after the project is sold.

The actual amounts realised in the future could differ from the estimates and assumptions depending on the success of the individual projects. Information on the carrying amounts and possible impact of impairment is provided in note 23.

6. New and revised accounting standards

6.1. Standards applied for the first time in the reporting year

The UBM Group applied the following standards for the first time as of 1 January 2022. The changes had no material effects on the Group.

Changes to standards and interpretations

New or revised standard	Date of publication by IASB	Date of adoption into EU	Date of initial application
Amendments to IFRS 3: Reference to the Conceptual Framework 2018	14.5.2020	28.6.2021	1.1.2022
Amendments to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract	14.5.2020	28.6.2021	1.1.2022
Amendments to IAS 16: Property, Plant & Equipment: Proceeds before Intended Use	14.5.2020	28.6.2021	1.1.2022
Annual Improvements to IFRSs 2018–2020 Cycle	14.5.2020	28.6.2021	1.1.2022

6.2. New accounting standards that have not yet been applied

The following standards and interpretations were published before the preparation of these consolidated financial statements but did not require mandatory application for the reporting year and were not applied prematurely. These new standards have no material effects on the UBM Group.

New standards and interpretations adopted by the European Union

New or revised standard	Date of publication by IASB	Date of adoption into EU	Date of initial application
IFRS 17 – Insurance Contracts	18.5.2017	19.11.2021	1.1.2023
Amendments to IFRS 17: Insurance Contracts	25.6.2020	19.11.2021	1.1.2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	12.2.2021	2.3.2022	1.1.2023
Amendments to IAS 8: Definition of Accounting Estimates	12.2.2021	2.3.2022	1.1.2023
Amendments to IAS 12: Deferred tax related to Assets and Liabilities arising from a Single Transaction	7.5.2021	11.8.2022	1.1.2023
Initial application of IFRS 17 and IFRS 9 – Comparative information	9.12.2021	8.9.2022	1.1.2023

New standards and interpretations not yet adopted by the European Union

New or revised standard	Date of publication by IASB	Date of adoption into EU law	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	–	1.1.2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	22.9.2022	–	1.1.2024
Amendments to IAS 1: Non-Current Liabilities with Covenants	31.10.2022	–	1.1.2024

7. Correction of an error

Adjustments resulting from an audit by the Austrian Financial Reporting Enforcement Panel
A focal point audit by the Austrian Financial Reporting Enforcement Panel ("Österreichische Prüfstelle für Rechnungslegung", OePR) selected the consolidated financial statements as of 31 December 2020 and the related Group management report as well as the half-year financial reports as of 30 June 2020 and 30 June 2021 for an audit pursuant to Section 2 Para. 1 no. 2 of the Austrian Accounting Control Act (audit without particular cause).

In connection with this audit, the OePR identified a violation of IAS 40 and IFRS 13 in connection with the fair value measurement of a property. The resulting correction was included in the consolidated financial statements as of 31 December 2022 in accordance with IAS 8.41. The violation was based on the following:

A subsidiary of UBM Development AG acquired a commercially used property in 2018 and classified this asset as investment property in accordance with IAS 40 at a fair value of €69.0m. In the second quarter of 2020, a 40.00% share of the project company which owned the property was sold to a third party. The resulting shareholder contract led to the at-equity valuation of the investment.

The share purchase agreement includes several clauses that address the risk associated with the expected process to obtain building rights for the property. The sale of the shares in the project company also involved a new measurement at fair value which resulted in a €141.2m revaluation of the property. The determination of fair value did not adequately reflect the risk associated with obtaining the required building rights. This contradicts IAS 40.53 and IAS 40.53A, which require the reliable measurement of fair value. The failure to observe the contract clauses that address the risk associated with obtaining the building rights violates IFRS 13.9 and IFRS 13.24. Including the part of the contract which, in accordance with IFRS 13, can be seen as the transaction price leads to a fair value that is €39.1m lower. This amount represents a measurement error which influenced the acquisition costs for the initial recognition of the at-equity investment and the outstanding purchase price receivable in the consolidated financial statements.

The effects of the restatement on the statement of financial position are as follows::

in T€	1 January 2021	Adjustment	1 January 2021 restated
Assets			
Non-current assets			
Investments in companies accounted for at equity	167,811	-10,948	156,863
Current assets			
Financial assets	37,717	-15,681	22,036
Equity and liabilities			
Equity			
Other reserves	226,766	-26,629	200,137

The correction of the error in accordance with IAS 8 had no effect on the consolidated income statement and, consequently, no effect on earnings per share or the consolidated cash flow statement for the reporting year or comparative period.

8. Effects of the risks arising from the war in Ukraine as well as climate risks and Covid-19

Risks arising from the war in Ukraine
Even though UBM is not directly engaged in the countries involved in the war (this commitment ended in 2021), the future course of this military conflict can have an influence on the countries bordering Ukraine. The geographical and cultural proximity to its Ukrainian neighbour creates a risk that the Polish market – where UBM acts as both a real estate developer and hotel operator – will suffer from the current crisis. This risk has, however, not materialised to date.

The sanctions and, in particular, the exclusion of major Russian banks from the SWIFT system creates wide-ranging uncertainties and risks for the capital markets and their participants. Payment transactions and trading with Russian companies and state-owned businesses have not only effectively come to a standstill, but Russian and European banks have been adversely affected by their close connections. This can have negative consequences for customers due to more restrictive lending policies by commercial banks and could influence the financing for UBM's project business. Moreover, the capital market climate for the issue of bonds and other debt instruments by non-rated companies is expected to remain difficult. This can have an effect on UBM's corporate financing and interest burden, which will increase substantially as interest rates rise. However, the flat repayment profile for 2023 and high level of liquidity provide a sufficient buffer.

Interest rate trends and the yields on alternative investments also represent a general risk for real estate sales. The historic interest rate steps taken by the ECB to curb inflation could weaken the demand for properties. However, the speed of these central bank adjustments is expected to slow after inflation has reached its peak in the EU. The risk of an EU-wide recession failed to materialise in 2022, but the economic outlook remains clouded over the short and medium term due to the sharp rise in interest rates.

These developments have led to a wait-and-see attitude on the part of investors which, in turn, has had a substantial negative effect on the real estate transaction market. We assume the yields required by investors will increase by country and asset class after real estate transaction volumes normalise because of the growing attractiveness of fixed-interest financial products. If the current market trends and the war in Ukraine do not trigger a long-term structural change in consumer behaviour and rental income in Europe, it is likely that an expected supply shortage (numerous development projects were suspended or not started by other market participants in 2022) will produce a demand overhang over the medium term which will support UBM's asset classes. Since real estate is generally considered a safe asset class, concerns over continuing inflation could also increase the demand for real estate.

Climate crisis
Environmental risks and their impact are becoming increasingly important for the planning and realisation of development projects. One of the greatest challenges for real estate developers is to prevent or minimise the negative effects of their activities on the environment. Economic success and sustainable project development represent an area of tension but go hand in hand at UBM: Sustainable management is the basis for economic success – and economic success is the basis for sustainable management. The goal is to reduce environmental risks and, at the same time, identify and utilise business opportunities for UBM in this field. A scenario was developed for each sustainability issue as part of the materiality analysis. Specific measures are described in greater detail in the ESG Report for 2022.

Real estate developers like UBM have a powerful lever to make a valuable, positive contribution in the area of energy and emissions: Possible actions involve renewable energies (geothermal power, the installation of photovoltaic or solar energy equipment, inclusion in the planning phase of subsequent refitting and options for the expansion of renewable energy carriers), energy-efficient building shells and technology, low-energy and low-emission building materials (e.g. timber) and the integration of mobility concepts (e.g. e-charging stations).

Through the development of new projects, UBM creates urgently needed living space for society. These projects support the global agenda and place high value on environmentally friendly, resource-conserving and future-oriented construction methods. The carbon footprint of a property can be substantially reduced, both during construction and in later building operations. UBM focuses on low-emission building materials, energy-efficient building design, and the use of renewable energies. The commitment to and investments in timber construction are important because of their significant, inherent capability to reduce the carbon footprint. Every cubic metre of wood stores one tonne of CO_2 over the long term, while the production of cement and steel is energy-intensive and results in CO_2 emissions. The production of the concrete and steel frequently used in building construction is responsible for no less than six per cent of all CO_2 emissions worldwide. Consequently, UBM evaluates the possible use of the renewable material timber, with its carbon-capturing properties, for every project.

Covid-19

Covid-19 was first diagnosed in Austria during February 2020. Three years later, the Austrian government announced the termination of the last countermeasures as well as the formal end of the pandemic in this country on 30 June 2023. That represents the expiration of all Covid-19 crisis measures. The illness remains, but is no longer relevant for UBM's business model.

9. Revenue

The UBM Group recorded revenue of T€133,944 in 2022 (2021: T€278,313). This position included the proceeds from the sale of properties, rental income, income from the hotel business, construction services invoiced for UBM's projects and other revenue from ordinary business activities.

The following table shows Total Output for the UBM Group based on internal reporting by region. The amounts include, in particular, the proportional share of output from equity-accounted companies and subsidiaries which are not included through full consolidation.

in T€	2022	2021
Regions		
Germany	166,108	161,697
Austria	112,206	197,204
Poland	46,331	78,880
Other markets	66,074	33,171
Total Output Group	**390,719**	**470,952**
Less revenue from companies accounted for at equity, subsidiaries and joint ventures	–253,810	–238,513
Plus/less changes in the portfolio	–2,965	45,874
Revenue	**133,944**	**278,313**

The following table shows the classification of revenue by major category and the timing of revenue recognition as well as the reconciliation to segment reporting:

	Germany	Austria	Poland	Other markets	Group
in T€	**1-12/2022**	**1-12/2022**	**1-12/2022**	**1-12/2022**	**1-12/2022**
Revenue					
Residential	6,342	25,035	4,438	20,544	56,359
Office	1,059	25,578	8,202	-	34,839
Hotel	-	-	-	3,043	3,043
Other	4,213	1,586	3,630	44	9,473
Service	7,592	5,891	1,597	15,150	30,230
Revenue	**19,206**	**58,090**	**17,867**	**38,781**	**133,944**
Recognition over time	-	1,617	4,324	19,864	25,805
Recognition at a point in time	19,206	56,473	13,543	18,917	108,139
Revenue	**19,206**	**58,090**	**17,867**	**38,781**	**133,944**

	Germany	Austria	Poland	Other markets	Group
in T€	**1-12/2021**	**1-12/2021**	**1-12/2021**	**1-12/2021**	**1-12/2021**
Revenue					
Residential	17,467	72,588	5,334	15,062	110,451
Office	29,279	6,540	6,036	341	42,196
Hotel	-	-	32,131	650	32,781
Other	13,508	32,164	3,017	18	48,707
Service	13,092	4,239	1,035	25,812	44,178
Revenue	**73,346**	**115,531**	**47,553**	**41,883**	**278,313**
Recognition over time	-	68,484	5,321	8,150	81,955
Recognition at a point in time	73,346	47,047	42,232	33,733	196,358
Revenue	**73,346**	**115,531**	**47,553**	**41,883**	**278,313**

Revenue is classified as follows:

in T€	**2022**	**2021**
Revenue from contracts with customers	120,734	264,726
Revenue from rentals	13,210	13,587
Total	**133,944**	**278,313**

10. Other operating income

in T€	2022	2021
Income from the release of provisions	70	1,020
Staff cost allocations	308	545
Exchange rate gains	3,342	6,245
Rental of space and land	46	490
Miscellaneous	8,974	3,467
Total	**12,740**	**11,767**

11. Cost of materials and other related production services

in T€	2022	2021
Expenses for raw materials and supplies and for purchased goods	-31,048	-55,281
Expenses for purchased services	-55,810	-86,140
Total	**-86,858**	**-141,421**

The disposals of carrying amounts from properties sold are included under the cost of materials and other related production services as part of the expenses for raw materials, supplies and purchased goods. These disposals totalled T€26,180 in 2022 (2021: T€48,041).

12. Personnel expenses

in T€	2022	2021
Salaries and wages	-32,055	-30,686
Social welfare expenses	-4,880	-5,675
Expenses for severance payments and pensions	-320	-446
Total	**-37,255**	**-36,807**

The expenses for severance compensation and pensions include the current service cost and expenses for defined contribution obligations. The related interest expense is reported under final costs.

Personnel expenses include T€290 (2021: T€173) from the Long-Term Incentive Programme (LTIP).

13. Other operating expenses

The major other operating expenses are classified as follows:

in T€	2022	2021
Office operations	–5,661	–8,680
Advertising	–2,717	–1,612
Legal and consultancy services	–9,171	–4,651
Depreciation/Impairment of current real estate assets	–1,420	–918
Exchange rate losses	–3,694	–3,710
Taxes, contributions and charges	–1,578	–2,663
Bank charges	–1,770	–1,051
Management fee	–1,087	–4,104
Miscellaneous	–5,496	–3,681
Total	**–32,594**	**–31,070**

Miscellaneous other operating expenses consist primarily of other third-party services, travel expenses, duties and fees.

14. Depreciation and amortisation

The scheduled amortisation of intangible assets totalled T€196 (2021: T€67), and the scheduled depreciation of property, plant and equipment amounted to T€2,412 (2021: T€2,560). In addition, goodwill of T€2,658 in UBM Development Deutschland GmbH (formerly Münchner Grund Immobilien Bauträger AG) was written off in full during the reporting year.

15. Financial income

in T€	2022	2021
Income from investments	1,246	-
of which: from affiliates	1,246	-
Interest and similar income	13,762	12,397
of which: from project financing for companies accounted for at equity and subsidiaries	12,650	11,924
of which: from affiliates	-	-
Income from the disposal and reversal of impairment to financial assets	8,434	1,643
Total	**23,442**	**14,040**

16. Financial costs

in T€	2022	2021
Interest and similar expenditure relating to bonds and promissory note loans	–17,096	–19,443
Interest and similar expenses for other financial liabilities	-6,719	–2,814
Other interest and similar expenses	–1,911	–1,052
Expenses for other financial assets	–173	–3,894
of which: depreciation, amortisation and impairment	–27	–2,795
Total	**–25,899**	**–27,203**

17. Income tax expense

This item comprises the taxes on income and earnings paid or owed in the individual countries, the tax charge allocated by the non-Group parties in an investment joint venture pursuant to Section 9 of the Austrian Corporate Tax Act, and deferred taxes.

The calculation is based on the tax rates defined by the tax laws currently in effect or substantively enacted, which are expected to apply on the probable realisation date.

in T€	2022	2021
Actual tax expense	2,546	6,548
Deferred tax expense/income	1,792	9,880
Tax expense (+)/income (–)	**4,338**	**16,428**

The reconciliation of tax expense resulting from the application of the Austrian corporate tax rate of 25.00% to actual tax expense is shown below:

in T€	2022	2021
Profit before income tax	31,450	60,139
Theoretical tax expense (+)/income (–)	7,863	15,035
Differences in tax rates	3,891	2,534
Tax effect of non-deductible expenses and tax-exempt income	153	955
Income/Expenses from companies accounted for at equity	-8,900	-8,327
Changes in deferred tax assets not recognised for loss carryforwards	-	7,657
Effect of changes in tax rates	57	-5
Tax expenses (+)/income (–) related to other periods	1,351	–1,656
Other differences	–77	235
Income tax expenses	**4,338**	**16,428**

In addition to the tax expense recognised in the consolidated income statement, the tax effect from the expenses and income included under other comprehensive income was also recognised in other comprehensive income. The amount recognised in other comprehensive income equalled T€-428 (2021: T€-131) and was related primarily to the tax effect from the remeasurement of defined benefit obligations.

18. Earnings per share

Earnings per share are calculated by dividing the proportional share of annual profit attributable to the shareholders of the parent by the weighted average number of shares issued.

	2022	2021
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	25,866	42,216
Less interest on hybrid capital (in T€)	–9,076	–8,590
Proportion of profit for the period attributable to shareholders of the parent (in T€)	16,790	33,626
Weighted average number of shares issued	7,472,180	7,472,180
Basic earnings per share = diluted earnings per share (in €)	**2.25**	**4.50**

The restatement resulting from the error correction in accordance with IAS 8.42 had no effect on earnings per share for the reporting period or comparative period.

19. Intangible assets

in T€	Concessions, licences and similar rights	Goodwill	Payments on account and assets under construction	Total
Acquisition and production costs				
Balance as of 1 Jan 2021	766	3,840	-	4,606
Additions	-	-	1,053	1,053
Disposals	–155	-	-	–155
Reclassifications	–250	-	225	–25
Currency adjustments	8	-	-	8
Balance as of 31 Dec 2021	369	3,840	1,278	5,487
Additions/Disposals through changes in the scope of consolidation	–46	-	-	–46
Additions	295	-	192	487
Disposals	–12	–3,840	-	–3,852
Reclassifications	1,278	-	–1,278	-
Currency adjustments	4	-	-	4
Balance as of 31 Dec 2022	1,888	-	192	2,080
Accumulated amortisation and impairment				
Balance as of 1 Jan 2021	400	1,182	-	1,582
Additions (scheduled amortisation)	67	-	-	67
Disposals	–145	-	-	–145
Reclassifications	–25	-	-	–25
Currency adjustments	4	-	-	4
Balance as of 31 Dec 2021	301	1,182	-	1,483
Additions/disposals through changes in the scope of consolidation	–44	-	-	–44
Additions (scheduled amortisation)	196	2,658	-	2,854
Disposals	–12	–3,840	-	–3,852
Currency adjustments	3	-	-	3
Balance as of 31 Dec 2022	444	-	-	444
Carrying amounts – balance as of 31 Dec 2021	**68**	**2,658**	**1,278**	**4,004**
Carrying amounts – balance as of 31 Dec 2022	**1,444**	**-**	**192**	**1,636**

The above table only includes the intangible assets with a finite useful life. Information on the useful lives and amortisation, depreciation and impairment is provided in the section on "Accounting and valuation methods".

Scheduled depreciation and amortisation are reported on the income statement under "Depreciation and amortisation".

Impairment testing involves comparing the total carrying amount of the assets in each cash-generating unit (CGU) to which goodwill was allocated with the applicable recoverable amount. The UBM Group defines the individual consolidated company as the cash-generating unit. Goodwill is allocated to the CGU "UBM Development Deutschland GmbH" (formerly: Münchner Grund Immobilien Bauträger AG).

The recoverable amount corresponds to the value in use. The cash flows were derived from forecasts for the period from 2023 to 2025 which were prepared by the Management Board and valid at the time of impairment testing. Discounting was based on a specific cost of capital of 8.4% (2020: 5.99%). UBM Development Deutschland GmbH will not acquire any further projects, and the projects currently in progress are scheduled for completion by 2025. UBM Invest Deutschland GmbH, which was founded on 22 September 2017, serves as the successor company.

The goodwill of T€2,658 in UBM Development Deutschland GmbH (formerly: Münchner Grund Immobilien Bauträger AG) was written off in full during 2022.

20. Property, plant and equipment

in T€	Land, land rights and buildings including buildings on leasehold land and assets under construction	Right-of-use assets: land and buildings	Technical equipment and machinery	Other facilities, fixtures and office equipment	Right-of-use assets: Technical equipment and machinery; other equipment and office equipment	Payments on account and assets under construction	Total
Acquisition and manufacturing costs and revaluation							
Balance as of 1 Jan 2021	1,146	10,010	1,058	4,948	1,795	-	18,957
Additions	219	2,478	-	991	278	78	4,044
Disposals	–152	–491	–207	–2,098	–285	-	–3,233
Reclassifications	-	-	-	–3	-	-	–3
Currency adjustments	7	10	4	14	2	-	37
Balance as of 31 Dec 2021	1,220	12,007	855	3,852	1,790	78	19,802
Additions/Disposals through changes in the scope of consolidation	–78	–675	-	–290	–542	-	–1,585
Additions	559	1,156	-	929	133	31	2,808
Disposals	–176	–733	–48	–1,173	–426	-	–2,556
Reclassifications	78	-	-	-	-	–78	-
Currency adjustments	6	2	–5	3	–7	-	–1
Balance as of 31 Dec 2022	1,609	11,757	802	3,321	948	31	18,468
Accumulated depreciation and impairment							
Balance as of 1 Jan 2021	191	2,346	606	3,390	828	-	7,361
Additions (scheduled depreciation)	74	1,333	93	604	456	-	2,560
Disposals	-	–491	–174	–2,086	–284	-	–3,035
Reclassifications	-	-	-	–3	-	-	–3
Currency adjustments	-	7	3	9	-	-	19
Balance as of 31 Dec 2021	265	3,195	528	1,914	1,000	-	6,902
Additions/Disposals through changes in the scope of consolidation	–57	–176	-	–223	–366	-	–822
Additions (scheduled depreciation)	144	1,368	77	500	323	-	2,412
Disposals	–53	–733	–34	–924	–426	-	–2,170
Currency adjustments	1	–3	–4	-	–3	-	–9
Balance as of 31 Dec 2022	300	3,651	567	1,267	528	-	6,313
Carrying amounts – balance as of 31 Dec 2021	**955**	**8,812**	**327**	**1,938**	**790**	**78**	**12,900**
Carrying amounts – balance as of 31 Dec 2022	**1,309**	**8,106**	**235**	**2,054**	**420**	**31**	**12,155**

Any impairment recognised in profit or loss is reported together with scheduled depreciation and amortisation under "Depreciation and amortisation", while any reversals of impairment recognised in profit or loss on assets subject to prior impairment are included in the income statement under "Other operating income". The carrying amount of property, plant and equipment pledged as collateral as of 31 December 2022 amounted to T€0 (2021: T€0). Property, plant and equipment with a carrying amount of T€0 (2021: T€0) are subject to restrictions on disposal.

Leases
The following amounts were recorded in connection with leases:

in T€	2022	2021
Interest expense on the lease liability	–1,055	–992
Short-term lease expense	–1,190	–1,266
Adjustments to fair value	–369	–340
Total cash outflows from leases	1,855	1,794

The terms of the leases range from three to 15 years for operating properties and from two to five years for movables. The investment property represents a lease with a term ending in 2054.

A number of the leases for property and movables include extension options. These options are included in the calculation of the lease liability when there is sufficient certainty that they will be exercised.

The exercise prices of options for the takeover of the related asset at the end of the lease term are only recognised when there is sufficient certainty that the purchase options will be exercised. Variable lease payments that are linked to indexes, e.g. net operating profit, are measured with the applicable index as of the delivery date. A reassessment is made if a significant event occurs or if there are material changes in circumstances. Any non-lease components are separated and not included in the rate.

A maturity analysis of the lease liabilities is provided in notes 37 and 45.

21. Investment property

The carrying amounts of investment property correspond to the respective fair value and developed as follows:

in T€	Investment properties	Right-of-use assets: Investment properties	Total
Carrying amounts			
Balance as of 1 Jan 2021	395,773	11,374	407,147
Additions	59,343	-	59,343
Disposals	–19,074	-	–19,074
Reclassification IFRS 15	–29,000	-	–29,000
Reclassification from/to real estate inventories	–983	-	–983
Currency adjustments	1,037	-	1,037
Adjustments to fair value	5,358	–340	5,018
Balance as of 31 Dec 2021	**412,454**	**11,034**	**423,488**
Additions	30,727	1,353	32,080
Disposals	–30,063	-	–30,063
Reclassification from/to real estate inventories	–54,226	-	–54,226
Currency adjustments	–389	-	–389
Adjustments to fair value	21,204	–369	20,835
Balance as of 31 Dec 2022	**379,707**	**12,018**	**391,725**

Reconciliation for Level 3 valuations:

2022 in T€	Austria			
	Office	Other	Residential	Land bank
Carrying amount at start of financial year	**30,471**	**125,074**	**970**	**4,589**
Currency adjustments	-	-	-	-
Additions from property purchases	-	-	-	-
Additions in existing properties	10,031	3,809	-	-
Reclassification from/to property, plant and equipment and real estate inventories	91,236	–127,823	-	-
Disposals	–27,289	-	–768	–260
Net gains/losses from fair value adjustments [1]	23,171	–873	-	–20
Carrying amount at end of financial year	**127,620**	**187**	**202**	**4,309**

[1] The net income from fair value adjustments consists of revaluation gains of T€25,454 and revaluation losses of T€–4,250.

2021 in T€	Austria			
	Office	Other	Residential	Land bank
Carrying amount at start of financial year	**46,589**	**123,182**	**1,038**	**4,776**
Currency adjustments	-	-	-	-
Additions from property purchases	-	-	-	-
Additions in existing properties	1,066	4,519	-	-
Reclassification IFRS 15	-	-	-	-
Reclassification from/to property, plant and equipment and real estate inventories	-	-	-	-
Disposals	–17,160	–1,114	–68	–165
Net gains/losses from fair value adjustments [1]	–24	–1,513	-	–22
Carrying amount at end of financial year	**30,471**	**125,074**	**970**	**4,589**

[1] The net income from fair value adjustments consists of revaluation gains of T€11,569 and revaluation losses of T€–6,210.

Germany		Poland			Other markets			
Office	Land bank	Office	Other	Hotel	Residential	Hotel	Land bank	Total
72,460	**1,427**	**51,617**	**32,059**	**6,441**	**7,760**	**71,300**	**8,286**	**412,454**
-	-	-61	-557	-111	96	-	244	-389
11,391	-	-	-	-	-	-	-	11,391
2,757	-	336	499	627	-	708	569	19,336
-9,826	-	-	43	-	-7,856	-	-	-54,226
-	-	-	-	-	-	-1,746	-	-30,063
-1,020	703	1,033	-	-612	-	-	-1,178	21,204
75,762	**2,130**	**52,925**	**32,044**	**6,345**	**-**	**70,262**	**7,921**	**379,707**

Germany		Poland			Other markets			
Office	Land bank	Office	Other	Hotel	Residential	Hotel	Land bank	Total
48,852	**1,427**	**51,424**	**32,243**	**16,700**	**7,182**	**54,904**	**7,456**	**395,773**
-	-	-	110	104	395	-	428	1,037
30,835	-	-	-	-	-	-	-	30,835
1,583	-	180	201	522	724	19,311	402	28,508
-29,000	-	-	-	-	-	-	-	-29,000
9,876	-	-	-	-10,859	-	-	-	-983
-	-	-	-	-26	-541	-	-	-19,074
10,314	-	13	-495	-	-	-2,915	-	5,358
72,460	**1,427**	**51,617**	**32,059**	**6,441**	**7,760**	**71,300**	**8,286**	**412,454**

Fair value of land and buildings
The fair value of properties is determined according to a revolving cycle. An internal valuation team establishes the fair value of properties which are not appraised externally. Discussions concerning the parameters used to determine fair value (Level 3) include the participation of operational project developers, the Management Board and the valuation team.

The fair values of all properties with a carrying amount over T€1,000 – including the properties held by non-controlling interests which flow into the consolidated financial statements – were established by external appraisers in 2022. These external appraisals covered investment property with a total carrying amount of T€376,702 (2021: T€399,396).

Fair value was generally determined by capital earnings methods in 2022 and 2021. The most frequently used method was the term and reversion approach, an internationally recognised real estate valuation technique. The term and reversion approach separates the expected future cash flows into two distinct, independent areas. This separation is necessary for rented properties because the calculations required for the period up to the expiration of the rental agreements in effect on the valuation date – the so-called "term" – differ from the calculations for the period after the end of these rental agreements – the so-called "reversion" (subsequent rentals).

Term (contract term) – The present value of the net income generated during the contract term is calculated. This present value is not a perpetual yield, but merely a temporary yield which ends with the expiration of the rental agreement.

Reversion (adjustment period) – The net income for the reversion (market rent beginning with the subsequent rental agreement), including a vacancy period, is capitalised with a normal market interest rate as a perpetual yield. The resulting amount is not discounted separately but included in the selection of the capitalisation rate. Any structural vacancies are reflected in a separate reduction.

The selection of the capitalisation rate for the term and revision method reflects current market conditions. In accordance with this estimate, an investor expects a certain return on the respective property. This forms the basis for the selection of an appropriate capitalisation rate for the property in the term and the reversion.

The selection of the interest rate includes factors like the market potential, vacancy rate and other risks connected with the property.

Real estate under development (assets under construction – IAS 40) was measured according to the residual value method. Under this method, the related income is estimated by the appraisers – provided there has been no pre-letting activity – in consultation with the project developers. The budgeted costs for completion, including an appropriate developer margin, are deducted from this income, and the remainder represents the fair value of the properties under development.

The following table shows the allocation under the fair value hierarchy, the valuation method and quantitative information for the non-observable inputs used in valuation.

The various levels of the fair value hierarchy are defined as follows:

- Quoted (non-adjusted prices) in active markets for identical assets or liabilities (Level 1)
- Input factors that differ from the quoted market prices in Level 1, which are either indirectly observable (i.e. as a price) or directly observable (i.e. derived from the price (Level 2)
- Input factors that are based on unobservable market data for the assets or liabilities (Level 3)

Property type: Investment property	Segment	Fair value hierarchy	Fair value in T€ as of 31 Dec 2022	Range of non-observable inputs			
				Valuation method	Capitalisation rate in %	Rent in € per m²/ sale price in € per m²	Maintenance in €/m² or %
Office	Austria	Level 3	11,784	CE	6-6.5	4.75-9.84	1.25€/m²
Office	Austria	Level 3	1,198	CE	3.50	5.50-8.71	16.50%
Office	Austria	Level 3	59,521	Residual	3.90	19.50	14.00€/m²
Residential	Austria	Level 3	31,799	CV/Residual	4.25	8,000.00	
Residential	Austria	Level 3	23,494	Residual	4.40	1,034.00	10.00€/m²
Land bank	Austria	Level 3	4,522	CV			
Office	Germany	Level 3	31,585	CE/Residual	2.75-3	18.00-26.00	4% bzw. 3.00-5.00€/m²
Office	Germany	Level 3	16,468	CE/Residual	2.97	23.00	10.00€/m²
Office	Germany	Level 3	16,318	CE/Residual	3.63	20.63	10.00€/m²
Office	Germany	Level 3	11,391	Residual	4.25	4,730.00	
Land bank	Germany	Level 3	2,130	CV			
Office	Poland	Level 3	40,746	CE	7.00	6.66-15.37	8.00€/m²
Other	Poland	Level 3	27,120	CE	6.51	21.00	3.04€/m²
Other	Poland	Level 3	4,924	CE/Residual	4.1-6.63	9.00-11.00	5.00-7.00€/m²
Hotel	Poland	Level 3	6,345	ResidualDCF	2.9-5	774.00/room	7.00-12.00€/m²
Land bank	Poland	Level 2	12,179	CV			
Office	Other markets	Level 3	7,921	CE/Residual	6.11-6.12	5.00-7.00	3.00-3.15€/m²
Hotel	Other markets	Level 3	70,262	DCF/CV	4.75	1,060/room	8.00€/m²

Property type: Investment property	Segment	Fair value hierarchy	Fair value in T€ as of 31 Dec 2021	Range of non-observable inputs			
				Valuation method	Capitalisation rate in %	Rent in € per m²/ sale price in € per m²	Maintenance in €/m² or %
Office	Austria	Level 3	1,223	CE	3.50	5.50-8.71	16.50%
Office	Austria	Level 3	17,641	CE	4.50	2.06-16.86	14.00€/m²
Office	Austria	Level 3	11,607	CE	3.25-4.25	4.54-6.55	8.86€/m²
Other	Austria	Level 3	186	CE			
Other	Austria	Level 3	124,888	CE/ Residual/CV	2.50-4.75	16.50; 6,200.00; 820.00/Apt.	6.00-12.00€/m²
Residential	Austria	Level 2	970	CV			
Land bank	Austria	Level 2	4,589	CV			
Office	Germany	Level 3	14,960	CE/Residual	3.69	18.50	4.50%
Office	Germany	Level 3	17,065	CE/Residual	2.30	19.50	10.00€/m²
Office	Germany	Level 3	9,600	CE/Residual	2.50	6,000.00-7,500.00	
Office	Germany	Level 3	30,835	Residual	2.75	8.00-24.00	4.00%
Land bank	Germany	Level 2	1,427	CV			
Office	Poland	Level 3	51,617	DCF	7.20-7.30	6.00-15.00	8.00-10.00€/m²
Other	Poland	Level 3	27,600	CE	5.22	3.25-33.50	3.03€/m²
Other	Poland	Level 3	4,459	CE/Residual	6.84-6.87	4.00-11.00	3.00€/m²
Hotel	Poland	Level 3	6,441	Residual/DCF	2.96-4.75	710.00/room	7.00-12.00€/m²
Residential	Other markets	Level 3	7,760	CE/Residual	5.78	7.50-11.50; 4,150.00	3.00€/m²
Hotel	Other markets	Level 3	71,300	DCF/CV	5.00	1,060.00/room	1.50%
Land bank	Other markets	Level 3	8,286	CE/Residual	5.95-5.97	4.00-6.00	2.50€/m²

CE = capitalised earnings, CV = comparative value, TR = term reversion, DCF = discounted cash flow

The impact of non-observable input factors on fair value

- Rent: The higher the price per m², the higher the fair value.
- Maintenance: The higher the discount for maintenance costs, the lower the fair value.
- Capitalisation rate: The lower the capitalisation rate, the higher the fair value.

Contractual obligations for the acquisition or construction of investment property amounted to T€9,771 (2021: T€8,763). In addition, investment properties with a total carrying amount of T€309,417 (2021: T€326,717) were pledged as collateral.

The rental income from rented investment properties totalled T€11,514 in 2022 (2021: T€7,993), and the related operating expenses amounted to T€1,370 (2021: T€1,408). The operating expenses for investment property that did not generate any rental income during the reporting period amounted to T€4 (2021: T€6).

22. Investments in companies accounted for at equity

The disclosures required by IFRS 12 were made for associates and joint ventures that are classified as material by the UBM Group based on quality or quantity. Information on the capital share and country is provided in the list of investments.

Associates

2022 in T€

Company	**Palais Hansen GmbH**	**CAMG Zollhafen HI IV V GmbH & Co. KG**
Asset class	**Hotel**	**Residential**
Development status	**Portfolio**	**Development**
Revenue	3,952	46,752
Profit/Loss for the year	1,235	9,855
of which depreciation, amortisation and impairment	-	-
of which interest expense	–1,166	–1,709
of which tax expense	–884	–761
Total comprehensive income	**1,235**	**9,855**
Non-current assets	107,000	30,714
Current assets	3,106	29,083
of which cash and cash equivalents	1,669	11,162
Non-current liabilities	49,910	8,886
of which non-current financial liabilities	42,629	8,886
Current liabilities	2,479	48,952
of which current financial liabilities	-	22,005
Net assets	57,717	1,959
Group share of net assets as of 1 Jan 2022	**18,962**	**-**
Group share of total comprehensive income	414	4,642
Dividends received/paid	-	–1,126
Group share of net assets as of 31 Dec 2022	19,376	919
Loss transfer from previous years	-	–2,597
Carrying amount of companies accounted for at equity as of 31 Dec 2022	**19,376**	**919**
Write-downs project financing current/non-current	**-**	**-**

2021 in T€

Company	**Palais Hansen GmbH**	**CAMG Zollhafen HI IV V GmbH & Co. KG**
Asset class	**Hotel**	**Residential**
Development status	**Portfolio**	**Development**
Revenue	3,207	-
Profit/Loss for the year	1,995	–3,040
of which depreciation, amortisation and impairment	-3,300	-
of which interest expense	–1,338	–1,434
of which tax expense	–1,293	-
Total comprehensive income	**1,995**	**–3,040**
Non-current assets	107,000	44,286
Current assets	3,185	1,437
of which cash and cash equivalents	1,790	407
Non-current liabilities	51,345	27,926
of which non-current financial liabilities	44,943	27,926
Current liabilities	2,359	23,333
of which current financial liabilities	-	21,209
Net assets	56,481	–5,536
Group share of net assets as of 1 Jan 2021	**18,292**	**-**
Group share of total comprehensive income	670	-
Group share of net assets as of 31 Dec 2021	18,962	–2,597
Non-transferred losses from previous years	-	–2,597
Carrying amount of companies accounted for at equity as of 31 Dec 2021	**18,962**	**-**
Write-downs project financing current/non-current	**-**	**-**

The proportional share of unrecognised losses from associates totalled T€0 in 2022 (2021: T€1,171), and the accumulated amount equalled T€0 as of 31 December 2022 (2021: T€2,597).

Joint ventures
The following joint ventures are project companies that are involved in the development and sale of properties in various European countries. These companies are accounted for at equity.

2022 in T€

Company	**W 3 AG**	**Jochberg Errichtungs KG**	**Obersendlinger KG**	**UBM hotels Management GmbH**
Asset class	**Other**	**Hotel**	**Residential**	**Hotel**
Development status	**Portfolio**	**Portfolio**	**Development**	**Portfolio**
Revenue	4,528	1,372	204,900	66,127
Profit/Loss for the year	13,660	2,354	21,195	-11,226
of which depreciation, amortisation and impairment	-	-1,782	-	-18,409
of which interest expense	-569	-540	-	-15,757
of which tax expense	-950	-	-7,410	565
Total comprehensive income	**13,660**	**2,354**	**21,195**	**-11,226**
Non-current assets	76,900	44,022	-	352,934
Current assets	1,206	65	251,621	20,722
of which cash and cash equivalents	948	-	48,446	8,425
Non-current liabilities	39,053	20,642	-	396,799
of which non-current financial liabilities	34,421	19,353	-	367,055
Current liabilities	2,107	203	232,975	34,196
of which current financial liabilities	1,173	-	-	-
Net assets	36,946	23,242	18,646	-57,339
Group share of net assets as of 1 Jan 2022	**18,629**	**10,443**	**9,234**	**-**
Currency translation differences as of 1 Jan 2022	-	-	-	-
Additions/Disposals	-	-	30	-
Group share of total comprehensive income	10,928	1,177	5,977	-5,613
Non-transferred losses from previous years	-	-	-	-
Dividends received/paid	-	-	-9,982	-
Group share of net assets as of 31 Dec 2022	29,557	11,620	5,259	-5,613
Carrying amount of companies accounted for at equity as of 31 Dec 2022	**29,557**	**11,621**	**5,258**	**-**
Write-downs project financing current/non-current	**-**	**-**	**-**	**-5,613**

FWUBM Management GmbH	Baubergerstraße KG	Sugar Palace Propco sro	Sugar Palace Opco sro	PGE Europa-viertel GmbH
Other	Office	Hotel	Hotel	Office
Development	Development	Development	Development	Development
23,489	924	483	6,844	358
7,151	723	–7,543	–1,964	4,232
-	-	–1,652	-	-
-980	–1,938	–5,300	-	-
–4,222	-85	-	-	-
7,151	**723**	**–7,543**	**–1,964**	**4,232**
61,775	122,153	132,779	-	76,871
8,964	1,028	1,896	2,921	195,018
7,521	895	756	1,924	739
32,260	74,046	143,073	3,034	184,681
32,260	74,046	135,764	-	184,681
7,597	215	980	2,628	58,142
-			-	-
30,882	48,920	–9,378	–2,740	29,066
11,865	**28,918**	**-**	**-**	**18,601**
-	-	-	–19	-
-	-	-	-	-
3,576	434	–5,657	–1,473	3,170
-	-	-	-592	-
-	-	-	-	-
15,441	29,352	–5,657	–2,084	21,771
15,441	**29,352**	**-**	**-**	**21,770**
-	**-**	**–5,725**	**–2,056**	**-**

2021 restated in T€

Company	**W 3 AG**	**Jochberg Errichtungs KG**	**Anders Wohnen GmbH**	**Obersendlinger KG**	**UBM hotels Management GmbH**
Asset class	**Other**	**Hotel**	**Residential**	**Residential**	**Hotel**
Development status	**Portfolio**	**Portfolio**	**Development**	**Development**	**Portfolio**
Revenue	3,615	1,372	56,437	62,778	22,645
Profit/Loss for the year	1,688	–1,342	24,350	12,989	–8,232
of which depreciation, amortisation and impairment	-	–1,782	-	-	–12,150
of which interest expense	–566	–540	–31	-	–12,047
of which tax expense	–510	-	–7,545	–5,817	–509
Total comprehensive income	**1,688**	**–1,342**	**24,350**	**12,989**	**–8,232**
Non-current assets	73,300	42,337	-	-	271,722
Current assets	1,734	401	38,714	175,402	24,803
of which cash and cash equivalents	1,733	-	29,578	17,917	12,247
Non-current liabilities	50,251	21,817	-	-	293,200
of which non-current financial liabilities	50,074	21,817	-	-	293,152
Current liabilities	1,497	34	11,143	142,660	50,002
of which current financial liabilities	1,164	-	-	-	7,645
Net assets	23,286	20,887	27,571	32,742	–46,677
Group share of net assets as of 1 Jan 2021	**17,278**	**11,114**	**14,013**	**5,571**	**-**
Identification of error by OePR	-	-	-	-	-
Currency translation differences as of 1 Jan 2021	-	-	-	-	-
Additions/Disposals	-	-	-	-	-
Group share of total comprehensive income	1,351	–671	11,445	3,663	–4,116
Dividends received/paid	-	-	–12,500	-	-
Group share of net assets as of 31 Dec 2021	18,629	10,443	12,958	9,234	–4,116
Carrying amount of companies accounted for at equity as of 31 Dec 2021	**18,629**	**10,443**	**12,958**	**9,234**	**-**
Write-downs project financing current/non-current	**-**	**-**	**-**	**-**	**–4,369**

FWUBM Management GmbH	Baubergerstraße KG	Sugar Palace Propco sro	Sugar Palace Opco sro	PGE Europa-viertel GmbH
Other	**Office**	**Hotel**	**Hotel**	**Office**
Development	**Development**	**Development**	**Development**	**Development**
7,930	924	28	87	58,059
4,056	22	190	-789	8,735
-565	-	-1,582	-9	-
-1,109	-2,801	-2,152	-	-
-2,257	-	-	-	-3,918
4,056	**22**	**190**	**-789**	**8,735**
67,689	152,803	118,690	-	48,233
3,696	143	10,707	90	138,049
2,587	94	2,345	42	873
42,860	82,121	127,914	669	155,857
42,860	67,960	120,843	669	127,064
4,795	4,382	3,108	236	5,591
2,261	-	-	-	-
23,730	66,443	-1,625	-815	24,834
9,837	**32,890**	**-**	**-**	**12,058**
-	-10,948	-	-	-
-	-	-142	-	-
-	6,963	-	-	-
2,028	13	142	-592	6,543
-	-	-	-	-
11,865	28,918	-	-592	18,601
11,865	**28,918**	**-**	**-**	**18,601**
-	**-**	**-1,295**	**-**	**-**

Information on immaterial joint ventures:

in T€	2022	2021
Carrying amount of shares in joint ventures as of 31 Dec	47,468	32,125
Group share of		
Profit for the year	7,821	15,527
Total comprehensive income	**7,821**	**15,527**

The proportional share of unrecognised losses from joint ventures totalled T€497 in 2022 (2021: T€1,979), and the accumulated amount equalled T€1,415 as of 31 December 2022 (2021: T€2,297).

There were no significant restrictions on the access to assets as of 31 December 2022. Information on the obligations arising from contingent liabilities for companies accounted for at equity is provided in note 42.

Information on the correction of an error in accordance with IAS 8 is provided in note 7.

23. Project financing

in T€	2022	2021
Project financing for other investments	12	3
Project financing for companies accounted for at equity	180,873	179,633
Total	**180,885**	**179,636**

Losses of T€14,969 from equity-accounted companies were recognised as part of the net investment in connection with measurement in 2022 (2021: T€4,146).

The maturity of the project financing is tied to the sale of the respective property. Consequently, there are no overdue amounts.

24. Other financial assets

in T€	2022	2021
Investments in unconsolidated subsidiaries	448	1,723
Other investments	190	229
Securities (fvtpl)	858	955
Securities (amortised cost)	8,721	8,721
Total	**10,217**	**11,628**

The securities carried at fair value through profit or loss consist primarily of fixed-interest instruments. They are not subject to any restrictions on disposal. Since the carrying amount of the investments does not differ materially from the fair value, they are measured at acquisition cost.

25. Inventories

Inventories comprise the following positions:

in T€	2022	2021
Properties intended for sale		
under development	221,750	96,752
standing assets	35,438	36,332
Other real estate inventories	23	7
Advance payments made	2,086	-
Total	**259,297**	**133,091**

Inventories with a carrying amount of T€183,172 (2021: T€79,799) are pledged as collateral for liabilities.

The carrying amount of the inventories recognised at fair value amounts to T€12,350 (2021: T€10,318). Valuation allowances of T€1,420 were recognised in 2022 (2021: T€922).

26. Trade receivables

Contract assets
The following table shows the construction contracts valued according to the percentage of completion method at year-end 2022 and 2021:

in T€	2022	2021
Contract assets	48,594	110,086
Less attributable advance payments received	-25,590	-74,455
Total	**23,004**	**35,631**

The proportional contract value capitalised according to the percentage of completion as of 31 December 2022 is contrasted by contract costs of T€46,517 (2021: T€100,663). Therefore, the partial profit recognised on these contracts and included in revenue equals T€2,077 (2021: T€9,423).

The contract assets developed as follows during the reporting year:

Increases through:

- Progress on real estate projects sold through forward sales
- Progress on project management contracts
- Reclassification of investment property and inventories which were sold through forward sales and are not yet completed

Reductions through:

- Properties completed and transferred
- Prepayments received for properties under construction and project management
- Final invoicing of project management contracts

	2022	2021
Contract assets		
Balance as of 1 Jan	35,631	100,489
Additions	43,231	123,672
Disposals	-104,890	-145,575
Currency adjustments	167	840
Payments received	48,865	-43,795
Balance as of 31 Dec	**23,004**	**35,631**

Composition and maturity terms of trade receivables:

in T€	2022	2021
Receivables from third parties	3,993	4,971
Receivables from unconsolidated subsidiaries and other investments	3,524	1,578
Receivables from companies accounted for at equity	18,973	18,370
Total	**26,490**	**24,919**

Of the receivables due from third parties, T€1,514 (2021: T€3,172) are not overdue and T€2,479 (2021: T€1,799) are overdue less than one year. All other receivables due from unconsolidated subsidiaries, other investments and companies accounted for at equity are not yet due.

Age structure of receivables due from third parties:

in T€	Carrying amount as of 31 Dec 2022	Of which not overdue at closing date	Of which overdue at closing date in the following time periods: Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Receivables from third parties	3,993	1,514	266	1,011	466	736	-

in T€	Carrying amount as of 31 Dec 2021	Of which not overdue at closing date	Of which overdue at closing date in the following time periods: Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Receivables from third parties	4,971	3,172	682	340	405	372	-

The payment terms for forward deals call for payment at the time of transfer. The payment terms for the sale of apartments are regulated by local laws. Payment is made when a specific part of the agreed performance has been completed (e.g. completion of the shell construction).

As a rule, the payments for construction services generally follow a payment schedule. The return consideration represents the pre-defined construction services.

27. Financial assets

in T€	31.12.2022	Remaining term > 1 year	31 Dec 2021 restated	Remaining term > 1 year
Other	23,618	3,877	24,024	3,615
Total	**23,618**	**3,877**	**24,024**	**3,615**

Other financial assets consist primarily of purchase price receivables from the sale of shares in companies as well as receivables from facility management and miscellaneous originated loans.

Information on the correction of an error in accordance with IAS 8 is provided in note 7.

28. Other receivables and assets

in T€	31.12.2022	Remaining term > 1 year	31.12.2021	Remaining term > 1 year
Receivables from taxes	9,596	-	11,190	-
Other	178	-	5,594	-
Total	**9,774**	**-**	**16,784**	**-**

29. Cash and cash equivalents

Cash and cash equivalents include cash at banks of T€322,924 (2021: T€423,290) and cash in hand of T€5 (2021: T€22).

30. Deferred taxes

Temporary differences between the amounts recognised in the IFRS consolidated financial statements and the respective values for tax purposes had the following effect on deferred taxes as reported in the statement of financial position:

	2022		2021	
in T€	Assets	Liabilities	Assets	Liabilities
Investment property, other valuation differences	2,523	11,214	6,560	8,328
Property, plant and equipment	4	574	13	2,069
Financial assets and liabilities	9,598	3,132	7,595	3,803
PoC method	-	5,648	1	4,294
Provisions	817	421	1,016	1,088
Tax loss carryforwards	8,477	-	4,603	-
Miscellaneous	-	-	-	-
Offsetting	–12,080	–12,080	–14,054	–14,054
Deferred taxes	**9,339**	**8,909**	**5,734**	**5,528**
Net deferred taxes	**-**	**–430**	**-**	**–206**

Deferred tax assets from loss carryforwards are recognised to the extent they can probably be offset against future taxable profits. The loss carryforwards not recognised as of 31 December 2022 amounted to T€93,059 (2021: T€24,875). Of this total, T€68,522 (2021: T€20,847) cannot expire and the remaining T€24,537 (2021: T€4,028) will expire within five to nine years. Foreign losses of T€0 were utilised in Austria during 2022 (2021: T€8).

31. Equity

Share capital	Number 31 Dec 2022	€ 31 Dec 2022	Number 31 Dec 2021	€ 31 Dec 2021
Ordinary bearer shares	7,472,180	52,305,260	7,472,180	22,416,540

Share capital totals €52,305,260 (2021: €22,416,540) and is divided into 7,472,180 (2021: 7,472,180) zero par value shares. Each bearer share represents €7 (2021: €3) of share capital.

Every ordinary share has an equal right to participate in profits, including liquidation profits, and is entitled to one vote at the Annual General Meeting.

A resolution on 16 May 2022 increased share capital through the transfer of internal funds from €22,416,540.00 by €29,888,720.00 to €52,305,260.00 based on the conversion of other reserves (voluntary reserves) of €29,888,720.00 as reported in the annual financial statements as of 31 December 2021 without the issue of new shares (capital adjustment in accordance with the Austrian Capital Adjustment Act). The Statutes were adjusted accordingly under Section 4 Para. 1 (Amount of Share Capital).

32. Authorised capital, conditional capital and treasury shares

The following resolutions were passed at the 141st Annual General Meeting on 16 May 2022:

Resolution revoking the existing authorisation of the Management Board in accordance with Section 4 Para. 4 of the Statutes (authorised capital 2017) and the concurrent approval of a new authorisation for the Management Board in accordance with Section 169 of the Austrian Stock Corporation Act in connection with Section 4 Para. 4 of the Statutes to increase the company's share capital, with the approval of the Supervisory Board, by up to € 2,241,654.00, also in several tranches, by the issue of up to 747,218 new ordinary zero par value bearer shares in exchange for cash and/or contributions in kind, also under the possible exclusion of subscription rights. Authorisation of the Management Board to determine the issue price, terms and conditions, the subscription ratio and all other details in agreement with the Supervisory Board (authorised capital 2022). Resolution to amend Section 4 Para. 4 of the Statutes accordingly and authorisation of the Supervisory Board to approve changes to the Statutes resulting from the issue of shares from authorised capital 2022, whereby the subscription right for greenshoe options connected with the issue of shares in exchange for cash contributions is excluded.

Resolution over a conditional capital increase in accordance with Section 159 Para. 2 (1) of the Austrian Stock Corporation Act of up to € 2,241,654.00 through the issue of up to 747,218 new ordinary zero par value bearer shares, under the exclusion of subscription rights, for issue to the holders of convertible bonds and determination of the requirements pursuant to Section 160 Para. 2 of the Austrian Stock Corporation Act. Authorisation of the Management Board to determine the remaining details for the conditional capital increase and its implementation with the approval of the Supervisory Board, in particular the details of the issue and conversion procedure for the convertible bonds, the possibility of mandatory conversion, the amount of the issue and the exchange or conversion ratio. Resolutions on the amendment of the Statutes through the addition of a new Para. 5b under Section 4, and authorisation of the Supervisory Board to approve amendments to the Statutes arising from the issue of shares from conditional capital.

Resolution in accordance with Section 174 Para. 2 of the Austrian Stock Corporation Act authorising the Management Board, with the consent of the Supervisory Board, to issue convertible bonds, also in several tranches, which carry an exchange or subscription right to the purchase of up to 747,218 new bearer shares with a proportional share of up to € 2,241,654.00 in share capital. Authorisation of the Management Board to determine all other conditions for the issue and conversion procedure of the convertible bonds as well as the issue amount and the exchange or conversion ratio. The subscription rights of shareholders are excluded. The issue terms can include a provision for mandatory conversion at the end of the term or at another point in time in addition to or in place of a subscription or exchange right. The exchange or subscription right can be serviced by conditional capital or by treasury shares or by a combination of conditional capital and treasury shares. The price of the convertible bonds is to be determined by recognised financial methods through a recognised price-finding procedure.

The following resolutions were passed at the 140th Annual General Meeting on 27 May 2021:

The Management Board was also authorised, pursuant to Section 159 Para. 3 of the Austrian Stock Corporation Act in connection with Section 4 Para. 6 of the Statutes, to increase the company's share capital, with the approval of the Supervisory Board, by up to €1,678,920.00, also in several tranches, through the issue of up to 559,640 new ordinary zero par value bearer shares to service the stock options granted to employees, key managers and members of the Management Board of the company and its subsidiaries within the framework of the continuation and extension of the Long-Term Incentive Programme 2017 (including the adjustment of the plan terms defined in 2017) which was approved by the Annual General Meeting on 27 May 2021. This authorisation is valid until 9 July 2026. The issue price for the shares was set at the unweighted average of the closing price of the UBM share (ISIN AT0000815402) on the Vienna Stock Exchange during the period from 24 May 2017 (inclusive) to 21 June 2017 (inclusive). The Supervisory Board was authorised to approve amendments to the Statutes resulting from the use of this approved conditional capital increase by the Management Board, and Section 4 Para. 6 of the Statutes was amended accordingly.

The Annual General Meeting on 27 May 2021 also approved the continuation and extension of the Long-Term Incentive Programme 2017 (LTIP) under which stock options are granted to the members of the Management Board.

A total of 375,130 stock options were granted after the defined commitment period from 22 June 2017 to 21 July 2017, and a further 22,500 stock options were granted during 2018 and 2019. Stock options totalling 100,220 expired due to the resignation of key employees. The stock options existing as of 31 December 2020 were settled in cash during exercise window 2 (1 September 2021 to 26 October 2021); the newly granted options (60,175 options) were measured at fair value and reported under employee-related obligations as cash settlement is also expected in the future.

Development of the stock options originally classified as equity-settled:

Number of share options	2022	2021
Balances as of 1 Jan	**-**	**297,410**
Options granted	-	-
Options forfeited	-	-
Options exercised	-	–297,410
Balance as of 31 Dec	**-**	**-**

The following resolutions were also passed at the 140th Annual General Meeting on 27 May 2021:

The Management Board was authorised in accordance with Section 65 Para. 1 Nos. 4 and 8 as well as Paras. 1a and 1b of the Austrian Stock Corporation Act to repurchase the company's shares up to the legally allowed limit of 10% of share capital, including previously repurchased shares, during a 30-month period beginning on the date the resolution was passed. The compensation for these purchases may not be lower than €3.00 and not higher than 10% above the average, unweighted market price on the ten stock exchange trading days prior to the transaction. The shares can be repurchased over the stock exchange, through a public offering or in another legally admissible, expedient manner, above all through off-market transactions or from individual shareholders who are willing to sell (negotiated purchase) and also under the exclusion of the proportional sale rights that can result from this type of purchase (reverse exclusion of subscription rights).

The Management Board was also authorised to determine the respective repurchase conditions, whereby the related resolution of the Management Board and resulting share buyback programme, including its duration, must be published in accordance with legal regulations. The authorisation can be used in whole or in part, also in multiple tranches and in pursuit of one or more objectives by the company, by a subsidiary (Section 189a of the Austrian Commercial Code) or by third parties for the account of the company. Trading in treasury shares is excluded as an objective of the repurchase programme.

The Management Board was also authorised to sell or use treasury shares in another manner than over the stock exchange or through a public offering, in agreement with the Supervisory Board, for a period of five years beginning on the date the resolution was passed. This authorisation can be used in whole or in part, also in multiple tranches and in pursuit of one or more objectives. The proportional purchase rights of shareholders in connection with the sale or use in another manner than over the stock exchange or through a public offering were excluded (exclusion of subscription rights).

Moreover, the Management Board was authorised to withdraw treasury shares without a further resolution of the Annual General Meeting, in agreement with the Supervisory Board. The Supervisory Board was authorised to pass resolutions on amendments to the Statutes arising from the withdrawal of treasury shares.

33. Reserves

The capital reserves resulted from the capital increases and capital adjustments carried out in previous years as well as time-barred claims to dividends. These reserves include T€98,954 (2021: T€98,954) which are appropriated and may only be released, to the extent free reserves are not available for coverage, to offset an accumulated loss which would otherwise be reported in UBM's annual financial statements.

Other reserves comprise the following: the reserve from the translation of subsidiaries' foreign currency financial statements (currency translation reserve), the reserve for the remeasurement of defined benefit obligations, UBM's retained earnings including the statutory reserve and the untaxed reserves after the deduction of deferred taxes, the retained earnings of subsidiaries since their acquisition and the effects from the adjustment of the annual financial statements of companies included in the consolidated financial statements to the accounting and measurement methods applied to the consolidated financial statements.

Net profit of T€8,256 (2021: T€16,850) is available for distribution to UBM's shareholders. In addition, voluntary reserves, which totalled T€37,798 as of 31 December 2022 (2021: T€62,507) can be released in following periods. The total balance of T€46,054 (2021: T€79,357) includes T€2,178 (2021: T€2,703) from the recognition of deferred tax assets, which are blocked from distribution.

Dividends totalling €16,812,405, or €2.25 per share, were distributed to UBM's shareholders in 2022 from net profit for the 2021 financial year. The Management Board recommends the distribution of a dividend of €1.10 per common share, for a total of €8,219,398, from net profit for the 2022 financial year.

Equity interests that are not held by UBM or a Group company are reported under non-controlling interests.

Other (voluntary) reserves declined by T€29,889 from T€62,507 through conversion to share capital without the issue of new shares. This conversion was accompanied by an addition of T€5,180 (2021: T€2,350).

Information on the correction of an error in accordance with IAS 8 is provided in note 7.

34. Hybrid capital and hybrid

UBM repaid the full balance of the €25.3m hybrid capital to PORR AG in June 2022.

On 22 February 2018, UBM issued a deeply subordinated bond (hybrid bond) with a total volume of €100m and an annual coupon of 5.50%. The bond has an unlimited term with an early repayment option for the issuer after five years.

On 18 June 2021, UBM issued a deeply subordinated sustainability-linked bond (hybrid bond) with a total volume of €100m and an annual coupon of 5.50%. The interest rate is tied to a specific ESG rating. The bond has an unlimited term with an early repayment option for the issuer after five years. A nominal value of €47.1m from the hybrid bond 2018 was redeemed at the same time through an exchange offer.

The hybrid bond is classified as an equity instrument because the payments – interest as well as principal – must only be made under certain conditions whose occurrence can be caused or prevented by UBM and the Group can therefore permanently prevent payments. Interest payments, less any tax effects, and profit distributions are recorded directly in equity as a deduction.

35. Provisions

in T€	Severance payments	Pensions	Anniversary bonuses	Buildings	Rental guarantees	Other	Total
Balance as of 1 Jan 2022	1,806	2,322	260	184	3,439	1,480	9,491
Currency adjustments	–1	-	-	-	-	-	–1
Initial consolidation/ deconsolidation	-	–114	-	-	-	-	–114
Additions	86	19	–4	564	-	5,724	6,389
OCI additions	–190	–822	-	-	-	-	–1,012
OCI additions	-	–352	-	-	-	-	–352
Amounts used	–203	–88	–24	–101	–1,885	–2,688	–4,989
Amounts reversed	-	-	-	-	-	–70	–70
Balance as of 31 Dec 2022	**1,498**	**965**	**232**	**647**	**1,554**	**4,446**	**9,342**
of which non-current	1,498	965	232	632	1,554	2,656	7,537
of which current	-	-	-	15	-	1,790	1,805

in T€	Severance payments	Pensions	Anniversary bonuses	Buildings	Rental guarantees	Other	Total
Balance as of 1 Jan 2021	1,836	2,762	265	338	1,332	4,341	10,874
Additions	79	11	2	10	2,124	994	3,220
OCI additions	–109	–409	-	-	-	-	–518
Amounts used	-	–42	–7	-	–17	–1,488	–1,554
Amounts reversed	-	-	-	–164	-	–2,367	–2,531
Balance as of 31 Dec 2021	**1,806**	**2,322**	**260**	**184**	**3,439**	**1,480**	**9,491**
of which non-current	1,806	2,322	260	154	3,439	1,080	9,061
of which current	-	-	-	30	-	400	430

Collective agreements require UBM and its subsidiaries to pay their employees in Austria and Germany anniversary bonuses after a certain number of years with the company. The provision for anniversary bonuses was determined in accordance with the provisions of IAS 19. Information on the actuarial assumptions underlying these calculations is provided in the section on "Accounting and valuation methods".

The provisions for buildings involve obligations from guarantees. The category "Other" includes provisions for impending losses and outstanding obligations from the acquisition of undeveloped land. The provisions for rental guarantees and impending losses are based on estimates for the settlement of claims in one to two years.

Pension plans

Defined benefit plans

Provisions for severance compensation were recognised for salaried and wage employees who have claims to severance payments pursuant to the Austrian Salaried Employee Act, the Austrian Wage Employees Severance Payment Act or individual company agreements. Salaried employees whose employment is subject to Austrian law are entitled to severance compensation if employment began prior to 1 January 2003 and has continued for a specific period and, in any event, if the employment relationship is terminated because the employee reaches the statutory retirement age. The amount of the severance payment depends on the remuneration at the time of termination and the length of employment. These employee claims are therefore accounted for as claims under defined benefit pension plans but are not covered by plan assets.

The provisions for severance payments developed as follows:

in T€	2022	2021
Present value of severance obligations (DBO) as of 1 Jan	1,806	1,836
Currency adjustments	–1	-
Current service cost	69	72
Interest expense	17	7
Severance payments	–203	-
Actuarial gains(–)/losses(+)	–190	–109
of which demographic gains/losses	38	-
of which financial gains/losses	–70	–62
of which gains/losses from experience-based adjustments	–158	–47
Present value of severance obligations (DBO) as of 31 Dec	**1,498**	**1,806**

in T€	2022	2021
Current service cost (entitlements)	69	72
Interest expense	17	7
Severance costs (recognised in profit and loss for the period)	**86**	**79**
Severance costs (recognised in comprehensive income for the period)	**–190**	**–109**

UBM concluded a group insurance contract to finance these severance payment claims. The related coverage capital equalled T€1,714 as of 31 December 2022 (2021: T€1,623).

Information on the actuarial assumptions underlying the calculation is provided in the section on “Accounting and valuation methods”. Current service costs of T€51 and interest expense of T€39 are planned for the 2023 financial year.

Pension commitments in the UBM Group only involve former members of the Management Board. As a rule, these pension commitments are individual defined benefit commitments. The amount of the pension entitlement is dependent on the person’s number of years of service with the company.

Provision for pensions:

Reconciliation of pension obligations to the provision:

in T€	2022	2021
Present value of obligations covered by fund assets	3,187	4,097
Fair value of plan assets	–2,222	–2,324
Net value of obligations covered by fund assets	**965**	**1,773**
Present value of obligations not covered by fund assets	-	549
Carrying amount of provision as of 31 Dec	**965**	**2,322**

The pension provisions developed as follows:

in T€	2022	2021
Present value of pension obligations (DBO) as of 1 Jan	4,645	5,188
Reclassification	–465	-
Interest expense	43	20
Pension payments	–234	–255
Actuarial gains(–)/losses(+)	–802	–308
of which demographic gains/losses	-	-
of which financial gains/losses	–757	–314
of which gains/losses from experience-based adjustments	–45	6
Present value of pension obligations (DBO) as of 31 Dec	**3,187**	**4,645**

The obligations from the direct pension commitments are covered in part by insurance contracts concluded with WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group. To guarantee the pension entitlements of the insured employees from these corporate pension commitments, the claims from the insurance agreements have been pledged in favour of the insured employees. The pension plan reinsurance is held in an independent department of the cover pool for life insurance as defined in Section 20 Paragraph 2 (1) in connection with Section 78 of the Austrian Insurance Supervision Act.

The receivables of T€2,222 (2021: T€2,324) from reinsurance represent plan assets as defined in IAS 19 and were netted out against the present value of the pension obligations.

Development of plan assets:

in T€	2022	2021
Fair value of plan assets as of 1 Jan	2,324	2,426
Interest income	24	10
Payouts (benefit payments)	–146	–213
Actuarial gains(+)/losses(–)	20	101
Fair value of plan assets as of 31 Dec	**2,222**	**2,324**

Pension costs (net):

in T€	2022	2021
Interest expense	43	10
Pension costs (recognised in profit/loss for the period)	**43**	**10**
Pension costs (recognised in comprehensive income for the period)	**-822**	**–408**

Information on the actuarial assumptions underlying the calculation is provided in the section on "Accounting and valuation methods". Current service costs of T€0 and interest expense of T€92 are planned for the 2023 financial year.

The actuarial gains and losses related to severance and pension provisions in 2022 and 2021 consist primarily of experience-based adjustments.

According to WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, the part of plan assets under its management is invested as follows:

Structure of capital investments in classic cover pool in %	2022	2021
Fixed-interest securities	96.00	58.00
Shares, supplementary/mezzanine/participation capital	2.00	2.00
Investment funds	-	27.00
Affiliated and associated companies	-	4.00
Loans	1.00	6.00
Properties	-	2.00
Bank deposits	1.00	1.00
Total	**100.00**	**100.00**

The following table shows the average duration of the individual obligations:

	Maturity profile – DBO			DBO	Maturity profile – Cash			Cash
	1-5 years	6-10 years	10+ years	Duration	1-5 years	6-10 years	10+ years	Duration
Pensions	996	839	1,351	9.74	1,071	1,044	2,229	11.35
Severance payments	579	881	346	7.18	627	1,235	702	8.59

Defined contribution plans
Employees do not earn any entitlements for severance compensation from their respective employer if their employment relationship is subject to Austrian law and commenced after 31 December 2002. For these employees, contributions equal to 1.53% of the wage or salary are made to an employee welfare fund. These contributions amounted to T€220 in 2022 (2021: T€238). Contributions totalling T€11 (2021: T€10) were made to a pension fund on behalf of three Management Board members.

The UBM Group employees in Austria, Germany, Czech Republic, Poland and Hungary also belong to their respective national pension schemes, which are usually funded on a contribution basis. The Group is only required to make contributions based on the respective salary/wage as they become due. There is no legal or actual obligation to provide benefits.

36. Bonds and promissory note loans

in T€	2022	2021
Balance as of 1 Jan	**526,498**	**456,504**
Issue	-	88,602
Repayment	-81,103	-19,500
Redemption	-15,789	-18,551
Effective interest rate	17,096	19,443
Balance as of 31 Dec	**446,702**	**526,498**

On 11 October 2022, UBM redeemed a five-year corporate bond (UBM bond 2017–2022) with a total volume of €81.1m and an annual coupon of 3.250%.

37. Financial liabilities

2022 in T€	Average effective interest rate in %	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	Of which secured by collateral
Borrowings and overdrafts from banks subject to interest at variable rates	4.14	317,104	126,876	190,228	-	317,104
Borrowings and overdrafts from banks subject to interest at fixed rates	3.93	46,475	-	46,475	-	46,475
Borrowings from other lenders subject to interest at fixed rates	2.23	12,884	750	3,000	9,134	-
Lease obligations subject to interest at variable rates	3.93	21,876	1,731	4,654	15,491	-
Total		**398,339**	**129,357**	**244,357**	**24,625**	**363,579**

2021 in T€	Average effective interest rate in %	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	Of which secured by collateral
Borrowings and overdrafts from banks subject to interest at variable rates	1.89	247,209	78,644	168,565	-	247,209
Borrowings and overdrafts from banks subject to interest at fixed rates	1.95	17,000	3,000	14,000	-	17,000
Borrowings from other lenders subject to interest at fixed rates	2.23	13,625	750	3,000	9,875	-
Lease obligations subject to interest at variable rates	3.57	21,774	1,797	5,166	14,811	-
Total		**299,608**	**84,191**	**190,731**	**24,686**	**264,209**

The following table shows the minimum lease payments for liabilities arising from leases of buildings and automobiles:

	2022			2021		
in T€	Nominal value	Discount	Present value	Nominal value	Discount	Present value
Due within 1 year	2,710	979	1,731	2,698	901	1,797
Due within 1 to 5 years	7,942	3,288	4,654	8,408	3,242	5,166
Due after more than 5 years	24,380	8,889	15,491	23,530	8,719	14,811
Total	**35,032**	**13,156**	**21,876**	**34,636**	**12,862**	**21,774**

The Group's obligations from finance leases are secured by the lessor's retention of title to the leased assets.

38. Trade payables

in T€	2022	2021
Payables to third parties	46,947	50,109
Total	**46,947**	**50,109**

The above liabilities are due during the following year.

39. Other financial liabilities

2022 in T€	Total	Remaining term			Of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Payables to unconsolidated subsidiaries	94	94	-	-	-
Payables to companies accounted for at equity	2,572	2,572	-	-	-
Payables to other investments	5,735	5,735	-	-	-
Payables related to interest on bonds	4,042	4,042	-	-	-
Payables to staff	9,058	9,058	-	-	-
Miscellaneous	4,001	2,156	895	950	-
Total	**25,502**	**23,657**	**895**	**950**	**-**

2021 in T€	Total	Remaining term			Of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Payables to unconsolidated subsidiaries	2,680	2,680	-	-	-
Payables to companies accounted for at equity	9,455	9,455	-	-	-
Payables to other investments	4,292	4,292	-	-	-
Payables related to interest on bonds	4,635	4,635	-	-	-
Payables to staff	7,960	7,960	-	-	-
Miscellaneous	4,398	2,147	1,215	1,036	-
Total	**33,420**	**31,169**	**1,215**	**1,036**	**-**

The Annual General Meeting on 27 May 2021 approved the continuation and extension of the Long-Term Incentive Programme 2017 (LTIP) under which stock options are granted to the members of the Management Board and certain managers.

The stock options outstanding as of 31 December 2020 were settled in cash during exercise window 2 (1 September 2021 to 26 October 2021). The newly issued options (60,175 options) were measured at fair value and reported under employee-related obligations because cash settlement is expected in the future.

The approved continuation and extension of the LTIP also included the introduction of two additional exercise windows from 1 September 2022 to 26 October 2022 (exercise window 3) and from 1 September 2023 to 26 October 2023 (exercise window 4).

The fair value equalled T€463 as of 31 December 2022 and is remeasured as of every balance sheet date. A valuation was not carried out in 2022 because the related amounts are immaterial.

Development of the stock options originally classified as cash-settled:

Number of share options	2022	2021
Balances as of 1 Jan	**60,175**	**-**
Options granted	-	60,175
Options forfeited	-	-
Options exercised	-	-
Balance as of 31 Dec	**60,175**	**60,175**

40. Other liabilities

2022 in T€	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	Of which secured by collateral
Tax liabilities	2,674	2,674	-	-	-
Social security liabilities	384	384	-	-	-
Advanced payments received	412	412	-	-	-
Miscellaneous	10	10	-	-	-
Total	**3,480**	**3,480**	**-**	**-**	**-**

2021 in T€	Total	Remaining term < 1 year	Remaining term > 1 year < 5 years	Remaining term > 5 years	Of which secured by collateral
Tax liabilities	330	330	-	-	-
Social security liabilities	472	472	-	-	-
Advanced payments received	5,040	5,040	-	-	-
Total	**5,842**	**5,842**	**-**	**-**	**-**

41. Tax liabilities

Advance payments amounting to T€1,188 (2021: T€782) on corporate tax were offset against the related payment obligations, similar to the practice followed in previous years.

42. Contingent liabilities and guarantees

This position includes loan guarantees and guarantee declarations of T€135,674 (2021: T€160,656) for equity-accounted companies. These guarantees are not expected to be used.

Collateral provided
Project financing generally involves the provision of collateral by individual Group companies as security for loans and borrowings. Financing normally takes place at the individual project level, and each company is responsible for the respective debt service. Various types of security are available to the lenders as collateral for loans and borrowings, which can be drawn on to satisfy any loans or borrowings that are called. The pledges can involve the following collateral:

- Mortgages on properties
- Pledges of shares in the project company
- Pledges of rents receivable

The conditions, type and scope of the securities are agreed individually (for each project company) and are tied to the project volume and the amount and term of the loans and borrowings.

Information on pledges of investment property is provided in note 21, while information on pledges of real estate inventories is provided in note 25.

43. 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 for the UBM Group. The reconciliation of segment assets and liabilities involves, in particular, the elimination of intragroup receivables and liabilities.

Internal reporting is based on the IFRS amounts, which are generally adjusted for intragroup sales. UBM generates substantial revenue through the sale of real estate projects as part of its business activities but is not dependent on individual customers.

in T€	Germany 2022	Germany 2021 restated	Austria 2022	Austria 2021
Total Output				
Residential	69,407	63,085	35,818	102,120
Office	40,732	62,906	25,582	22,361
Hotel	14,038	15,957	6,225	13,792
Other	37,522	5,686	28,651	46,246
Service	4,409	14,063	15,930	12,685
Total Output	**166,108**	**161,697**	**112,206**	**197,204**
Less revenue from associates and companies of minor importance and from performance companies	–146,834	–93,946	–53,232	–113,837
Changes in the portfolio	–68	5,595	–884	32,164
Revenue	**19,206**	**73,346**	**58,090**	**115,531**
Residential	11,641	10,035	13,433	5,469
Office	2,650	16,316	9,300	1,407
Hotel	6,496	2,634	–1,760	–12
Other	–6,325	4,682	18,527	10,961
Service	–2,469	1,144	2,332	9,115
Total EBT	**11,993**	**34,811**	**41,832**	**26,940**
of which: earnings from associates	19,342	21,924	15,556	13,946
Depreciation, amortisation and impairment	–3,456	–956	–1,228	–1,054
Interest income	5,627	4,566	7,965	7,830
Interest expense	–2,660	–964	–19,824	–20,889
Segment assets as of 31 Dec	**632,287**	**495,050**	**1,752,298**	**1,834,209**
of which: intangible assets, property, plant and equipment, and investment property	79,667	79,569	154,769	182,080
of which: associates	62,663	77,696	112,591	89,231
Segment liabilities as of 31 Dec	**510,663**	**377,616**	**1,093,097**	**999,805**
Investments in non-current assets and investment property	**14,461**	**34,936**	**17,156**	**7,321**
Staff	**99**	**123**	**142**	**137**

Poland		Other markets		Reconciliation		Group	
2022	2021	2022	2021	2022	2021	2022	2021 restated
3,917	5,198	36,697	22,555	-	-	145,839	192,958
11,290	11,149	-	6,237	-	-	77,604	102,653
21,151	40,496	15,641	2,332	-	-	57,055	72,577
2,641	2,199	-	-	-	-	68,814	54,131
7,332	19,838	13,736	2,047	-	-	41,407	48,633
46,331	**78,880**	**66,074**	**33,171**	**-**	**-**	**390,719**	**470,952**
-26,226	-35,311	-27,518	4,581	-	-	-253,810	-238,513
-2,238	3,984	225	4,131	-	-	-2,965	45,874
17,867	**47,553**	**38,781**	**41,883**	**-**	**-**	**133,944**	**278,313**
-5,559	-3,786	2,840	2,462	-	-	22,355	14,180
-1,024	1,903	-41	-1,592	-	-	10,885	18,034
-121	5,795	-11,739	-3,369	-	-	-7,124	5,048
-2,016	-1,605	-1,580	-213	-	-	8,606	13,825
-835	168	-2,300	-1,375	-	-	-3,272	9,052
-9,555	**2,475**	**-12,820**	**-4,087**	**-**	**-**	**31,450**	**60,139**
-2,845	-578	-6,657	711	-	-	25,396	36,003
-262	-301	-320	-316	-	-	-5,266	-2,627
170	-	-	-	-	-	13,762	12,396
-1,119	-1,151	-2,123	-305	-	-	-25,726	-23,309
157,201	**164,084**	**196,838**	**185,328**	**-1,286,793**	**-1,210,837**	**1,451,831**	**1,467,834**
91,875	90,895	79,205	87,848	-	-	405,516	440,392
3,677	5,752	1,831	4	-	-	180,762	172,683
227,449	**211,485**	**212,394**	**165,338**	**-1,093,221**	**-810,372**	**950,382**	**943,872**
1,537	**1,365**	**2,219**	**20,819**	**-**	**-**	**35,373**	**64,441**
43	**39**	**46**	**44**	**-**	**-**	**330**	**343**

The following information is based on the countries in which the Group operates.

in T€	Revenue by customer base 2022	Revenue by customer base 2021
Austria	**58,090**	**115,531**
Germany	19,206	73,346
Poland	17,867	47,553
Other foreign	38,781	41,883
Total foreign	**75,854**	**162,782**
Total segments	**133,944**	**278,313**

Information on the correction of an error in accordance with IAS 8 is provided in note 7.

44. Notes to the cash flow statement

The cash flow statement reports cash flows classified by operating, investing and financing activities. Cash flow from operating activities is derived according to the indirect method. The components of cash and cash equivalents consist entirely of cash on hand and at banks over which the Group has free disposal and correspond to cash and cash equivalents as reported on the statement of financial position.

Cash flow from operating activities includes interest and dividends received as well as interest paid. In contrast, dividends paid are included under cash flow from financing activities.

The reconciliation of changes in cash flow from financing activities is as follows:

in T€	Financial liabilities	Lease obligations	Derivates	Bonds and promissory note loans	Total
Balance as of 31 Dec 2021	**277,834**	**21,774**	**-**	**526,498**	**826,106**
Cash flows (cash changes)	98,629	–1,855	-	–81,103	15,671
Non-cash changes					
Sales/Acquisitions of companies	-	–675	-	-	–675
Additions	-	2,642	-	-	2,642
Exchange rate effects	-	–10	-	-	–10
Accrued interest	-	-	-	1,307	1,307
Balance as of 31 Dec 2022	**376,463**	**21,876**	**-**	**446,702**	**845,041**

in T€	Financial liabilities	Lease obligations	Derivates	Bonds and promissory note loans	Total
Balance as of 31 Dec 2020	**269,777**	**20,807**	**-**	**456,504**	**747,088**
Cash flows (cash changes)	63,146	–1,794	-	69,102	130,454
Non-cash changes					
Sales/Acquisitions of companies	–55,107	-	-	-	–55,107
Additions	-	2,756	-	-	2,756
Exchange rate effects	18	5	-	-	23
Accrued interest	-	-	-	892	892
Balance as of 31 Dec 2021	**277,834**	**21,774**	**-**	**526,498**	**826,106**

The "total" column in the above table represents the total amount of current and non-current financial liabilities.

45. Notes on financial instruments

Capital risk management

The goal of capital management in the UBM Group is to maximise the return on investments by optimising the ratio of equity and debt.

Equity totalled €501.4m as of 31 December 2022 (31 December 2021: €524.0m). This decline resulted primarily from the dividend payment and the repayment of the profit participation rights which are recorded under equity. The dividend of €16.0m was paid on 23 May 2022. The equity ratio equalled 34.5% at the end of December 2022 and remained within the target range of 30–35% (31 December 2021: 35.7%).

Gearing

The capital structure is monitored regularly by the Group's risk management.

Gearing at year-end 2022 and 2021 is calculated as follows:

in T€	31.12.2022	31 Dec 2021 restated
Debt[1]	823,165	804,332
Cash and cash equivalents	-322,929	-423,312
Net debt	**500,236**	**381,020**
Equity	**501,449**	**523,962**
Net debt to equity	99.76%	72.72%

[1] Debt is defined as the sum of non-current and current bonds and non-current and current financial liabilities excl. lease obligations

Net debt totalled €500.2m as of 31 December 2022 (2021: €381.0m), which represents an increase of 31.29%.

The overriding strategic objective is to protect UBM's long-term financing capacity through promissory note loans and bonds..

Information on the correction of an error in accordance with IAS 8 is provided in note 7.

Goals and methods of financial risk management
Primary financial assets consist, above all, of investments in companies accounted for at equity, project financing and other financial assets, and trade receivables. Primary financial liabilities include bonds and other financial liabilities as well as trade payables.

Interest rate risk
Interest rate risk is defined as the risk of an increase in interest expense or a reduction in interest income. For UBM, this risk arises almost exclusively from a potential increase in the interest rates on variable interest financial liabilities, especially in the long-term range.

An analysis of the floating interest rate position, which equalled T€-117,824 as of 31 December 2022 (2021: T€-128,561) shows the following sensitivities under scenarios with an increase of 0.25 PP and 0.50 PP in interest rates. The extent of the increase in interest rates was derived from the average daily change in interest rates for the 3-month and 6-month EURIBOR in 2022. The interest rate range equalled 10 BP based on a probability of 67.00% and 47 BP based on a probability of 99.00%. The simulated impact on the interest rate positions is as follows:

in T€	Interest balance for the year 2023	Interest balance (p. a.) with straight-line extrapolation from 2024
At interest rate rise of 25 BP	134	299
At interest rate rise of 50 BP	267	598

The receivables from project financing are compounded at a rate that reflects the refinancing rate for the UBM Group. A change of 50 BP would increase interest income for 2023 by T€904 (2021: T€898).

Credit risk
Credit risk represents the risk of losses caused by the default of a business partner who is no longer able to meet contractual payment obligations. It comprises default and country risks as well as any deterioration in the borrowers' credit standing. The credit risk for the real estate business arises from rental obligations. The default of a tenant and the resulting loss of rental payments reduce the present value of the respective real estate project. This risk is taken into account at project level through expert opinions.

The risk related to receivables from customers can be classified as marginal due to the broad diversification and ongoing credit assessments. Information on project financing is provided in the following table on accumulated impairment losses for project financing.

The risk of default on the other primary financial instruments reported under assets in the statement of financial position is also considered low because the contract parties are financial institutions and other debtors with excellent credit ratings. The carrying amount of the financial assets represents the maximum risk of default. The identification of default risks on financial assets leads to the recognition of appropriate valuation allowances. No such allowances were recorded in 2022.

Foreign exchange risk
Interest and foreign currency risks are evaluated regularly by risk management. Market analyses and forecasts by well-known financial service providers are analysed and management is informed by regular reports.

The foreign exchange risk in the UBM Group is treated as transaction-oriented and results from property development financing.

The foreign currency risks resulting from intragroup financing transactions and/or from loan financing for project companies were simulated as of 31 December 2022 to estimate the possible risks from changes in foreign exchange rates:

FX position in T€	Local currency	FX position in local currency in thousands	VAR[1] in T€
–81,907	CZK	582,611	2,164
–1,988	HRK	264	11
–130,935	PLN	131,248	5,180

[1] VAR = Value At Risk at a one-sided 99% confidence interval; this corresponds to a standard deviation of 2.3 over a time period of ten days. Any correlations between currency pairs are not included.

The simulated loss at a probability of 99.00% over a period of ten days equals a maximum of €7.4m (2021: €4.2m).

Hedging of foreign currency risks
The UBM Group held currency futures of CZK7.3m as of 31 December 2022 (2021: CZK0.0m) which were concluded to hedge loans financed in CZK.

Changes in the fair value of currency futures led to the recognition of a T€6 gain to profit or loss in 2022 (2021: expenses of T€213).

Liquidity risk

		Undiscounted payment flows		
2022 in T€	**Average interest rate**	**2023**	**2024–2027**	**from 2028**
Bonds and promissory note loans at fixed interest rates	0.00%	208,767	469,670	-
Borrowings and overdrafts from banks at variable interest rates	0.00%	139,647	202,332	-
Borrowings and overdrafts from banks at fixed interest rates	3.93%	1,948	50,480	-
Payables to other lenders at fixed interest rates	2.23%	1,163	4,398	9,730
Lease obligations at variable interest rates	0.00%	2,710	7,942	24,380
Trade payables	interest-free	46,947	-	-
Other financial liabilities	interest-free	23,657	895	950

		Undiscounted payment flows		
2021 in T€	**Average interest rate**	**2022**	**2023-2026**	**from 2027**
Bonds and promissory note loans at fixed interest rates	0.00%	108,824	411,040	267,397
Borrowings and overdrafts from banks at variable interest rates	1.83%	81,661	173,108	-
Borrowings and overdrafts from banks at fixed interest rates	1.95%	3,292	14,073	-
Payables to other lenders at fixed interest rates	2.23%	1,196	4,523	10,788
Lease obligations at variable interest rates	3.34%	2,698	8,408	23,530
Trade payables	interest-free	50,109	-	-
Other financial liabilities	interest-free	31,169	1,215	1,036

Liquidity risk represents the risk of being able to access funds at any time to settle existing liabilities. UBM defines precise financial forecasts as a key instrument for managing liquidity risk. These forecasts are prepared by every operating company and consolidated centrally. They are used to determine the requirements for financing and bank credit lines.

Credit financing is primarily related to real estate projects in progress whose development is not at risk from the current point of view.

Working capital financing is managed by UBM's corporate treasury unit. Companies with surplus funds make these funds available to companies that need liquidity. This reduces the volume of third-party financing and optimises net interest. It also minimises the risk that sufficient liquidity reserves may not be available to settle financial obligations on time.

In addition to previously contracted project financing, UBM had available credit lines of T€7,000 at its disposal as of 31 December 2022 (2021: T€7,000). Liquidity risk, in total, is therefore considered to be minimal.

Other price risks
The risk of price changes consists primarily of fluctuations in the market interest rate and market prices as well as changes in exchange rates.

UBM minimises the price risk related to rental income by generally indexing its rental agreements. All other service contracts are also indexed. The remaining price risk for the UBM Group is immaterial.

Carrying amounts, valuation and fair value

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2022	Measurement in acc. with IFRS 9: (Amortised) cost	Measurement in acc. with IFRS 9: Fair value (other comprehen-sive income)	Measurement in acc. with IFRS 9: Fair value (through profit or loss)	Fair value hierarchy	Fair value as of 31 Dec 2022
Assets							
Project financing at variable interest rates	Amortised Cost	180,885	180,885	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,375
Other financial assets	FVTPL	638	-	-	638	Level 3	638
Other financial assets	FVTPL	858	-	-	858	Level 1	858
Trade receivables	Amortised Cost	26,490	26,490	-	-	-	-
Financial assets	Amortised Cost	23,618	23,618	-	-	-	-
Cash and cash equivalents	–	322,929	322,929	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	446,702	446,702	-	-	Level 1	432,983
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	317,104	317,104	-	-	–	-
at fixed interest rates	Amortised Cost	46,475	46,475	-	-	Level 3	44,271
Other loans and borrowings							
at fixed interest rates	Amortised Cost	12,884	12,884	-	-	Level 3	10,947
Lease liabilities	–	21,876	21,876	-	-	–	-
Trade payables	Amortised Cost	46,947	46,947	-	-	–	-
Other financial liabilities	Amortised Cost	25,502	25,502	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	239,714	239,714	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	1,496	-	-	1,496	-	-
Cash and cash equivalents	–	322,929	322,929	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	895,614	895,614	-	-	-	-

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2021 restated	Measurement in acc. with IFRS 9 (Amortised) cost	Fair value (other comprehen-sive income)	Fair value (through profit or loss)	Fair value hierarchy	Fair value as of 31 Dec 2021
Assets							
Project financing at variable interest rates	Amortised Cost	179,636	179,636	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	10,199
Other financial assets	FVTPL	1,952	-	-	1,952	Level 3	1,952
Other financial assets	FVTPL	955	-	-	955	Level 1	955
Trade receivables	Amortised Cost	24,919	24,919	-	-	-	-
Financial assets	Amortised Cost	24,024	24,024	-	-	-	-
Cash and cash equivalents	–	423,312	423,312	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	526,498	526,498	-	-	Level 1	537,293
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	247,209	247,209	-	-	–	-
at fixed interest rates	Amortised Cost	17,000	17,000	-	-	Level 3	17,299
Other loans and borrowings							
at fixed interest rates	Amortised Cost	13,625	13,625	-	-	Level 3	15,484
Lease liabilities	–	21,774	21,774	-	-	–	-
Trade payables	Amortised Cost	50,109	50,109	-	-	–	-
Other financial liabilities	Amortised Cost	33,420	33,420	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	237,300	237,300	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	2,907	-	-	2,907	-	-
Cash and cash equivalents	–	423,312	423,312	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	887,861	887,861	-	-	-	-

The carrying amount of financial instruments represents a reasonable approximation of fair value, as defined in IFRS 7.29, apart from the following items in 2022: financial assets classified at amortised cost, fixed-interest bonds and promissory note loans (fair value hierarchy level 1), fixed-interest liabilities due to financial institutions (fair value hierarchy level 3) and other fixed-interest financial liabilities (fair value hierarchy level 3).

The fair value measurement of bonds is based on the prevailing market prices. Liabilities from bank loans and overdrafts and other financial assets were valued according to the discounted cash flow method, whereby the zero-coupon yield curve published by Reuters as of 31 December 2022 was used to discount the cash flows.

Information on the correction of an error in accordance with IAS 8 is provided in note 7.

Net income by measurement category

in T€	From interest	From dividends	From subsequent measurement	Net income 2022
Financial assets at amortised cost	13,493	-	–14,969	–1,476
Financial assets at fair value through profit or loss (FVTPL)	7	2,496	–1,348	1,155
Financial liabilities at amortised cost	–24,634	-	–352	–24,986

in T€	From interest	From dividends	From subsequent measurement	Net income 2021
Financial assets at amortised cost	12,135	-	–4,146	7,989
Financial assets at fair value through profit or loss (FVTPL)	175	-	60	235
Financial liabilities at amortised cost	–22,299	-	2,535	–19,764

in T€	2022	2021
Accumulated write-downs project financing		
Balance as of 1 Jan	23,025	22,979
Amortisation and impairment	14,969	4,146
Appreciation	-	-
Use	-	–4,100
Balance as of 31 Dec	**37,994**	**23,025**

46. Average number of employees

	2022	2021
Salaried and wage employees		
Domestic	142	137
Foreign	188	206
Total staff	**330**	**343**
of which salaried employees	330	343
of which wage employees	-	-
Total fully consolidated	**330**	**343**

47. Related party disclosures

Transactions between Group companies included in the consolidated financial statements were eliminated during the consolidation and are not discussed further. Transactions between Group companies and their equity-accounted companies are related primarily to project development and construction management as well as originated loans and the related interest charges, and are disclosed in the following analysis:

in T€ Companies accounted for at equity	Sale of goods and services		Purchase of goods and services		Receivables		Liabilities	
	2022	2021	2022	2021	2022	2021	2022	2021
Joint ventures	49,569	55,798	655	865	194,205	188,035	1,744	8,639
of which: from financing	11,386	11,234	379	284	176,431	169,665	-	-
Associated companies	1,780	1,170	11	4	5,641	9,968	828	816
of which: from financing	563	1,144	11	4	4,442	9,968	-	-

Transactions with related parties

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

Transactions in 2022 between companies included in the UBM Group's consolidated financial statements and member companies of the PORR Group are related primarily to construction service.

UBM repaid the full balance of the €25.3m hybrid capital to PORR AG on 10 June 2022.

Interest totalling T€2,186 on the hybrid capital was paid to PORR AG in 2022 (2021: T€1,520).

	Sale of goods and services		Purchase of goods and services		Receivables		Liabilities	
in T€	2022	2021	2022	2021	2022	2021	2022	2021
PORR Group	2,756	2,010	10,849	15,914	31	856	3,461	1,892
of which: from financing	-	2	-	2	-	-	-	-
IGO Industries	-	22	170	4,085	-	-	60	119
Strauss Group	38	-	-	-	-	-	-	-
Other	-	-	342	333	-	-	-	-

48. Events after the end of the reporting year and other disclosures

The Management Board of UBM compiled these consolidated financial statements and released them to the Supervisory Board on 4 April 2023. The Supervisory Board is responsible for reviewing the consolidated financial statements and stating or withholding its approval.

UBM redeemed the outstanding balance of €52.9m from the hybrid bond 2018, a deeply subordinated bond, prematurely after five years on 24 February 2023.

49. Other disclosures

The fees charged by the auditor include T€101 (2021: T€92) for the audit of the consolidated financial statements, T€26 (2021: T€85) for other assurance services and T€82 (2021: T€77) for miscellaneous services. The miscellaneous services consist primarily of other consulting activities. The other consulting activities cover the review of the half-year financial statements and audit work for subsidiaries.

50. Executive Bodies

The following table shows the remuneration of the members of UBM's Executive Board and Supervisory Board by category:

in T€	Management Board remuneration, fixed	Management Board remuneration, variable[1]	Non-cash benefits	Pension fund/ Severance payments	Total 2022
Management Board remuneration 2022					
Thomas G. Winkler	540	360	12	14	926
Martin Löcker	360	240	12	20	632
Patric Thate	360	240	8	10	618
Martina Maly-Gärtner	360	240	12	7	619
Total	**1,620**	**1,080**	**44**	**51**	**2,795**
of which: short-term benefits due	1,620	1,080	44	-	2,744
of which: compensation related to the termination of the Management Board employment contract	-	-	-	51	51
Supervisory Board remuneration 2022	**-**	**-**	**-**	**-**	**352**

[1] Expected variable remuneration for 2022, payable in 2023

in T€	Management Board remuneration, fixed	Management Board remuneration, variable[1]	Special bonus	Cash compensation LTIP	Non-cash benefits	Pension fund/ Severance payments	Total 2021
Management Board remuneration 2021							
Thomas G. Winkler	540	360	-	1,010	12	29	1,951
Martin Löcker	360	240	20	495	14	28	1,157
Patric Thate	360	240	40	404	13	16	1,073
Martina Maly-Gärtner	120	80	-	-	4	1	205
Total	**1,380**	**920**	**60**	**1,909**	**43**	**74**	**4,386**
of which: short-term benefits due	1,380	920	60	1,909	43	-	4,312
of which: compensation related to the termination of the Management Board employment contract	-	-	-	-	-	74	74
Supervisory Board remuneration 2021	**-**	**-**	**-**	**-**	**-**	**-**	**350**

[1] Expected variable remuneration for 2021, payable in 2022
[2] Since 01 September 2021

The above payments do not include additions to the provision for pensions for former members of the Management Board.

A provision of T€811 (2021: T€1,098), after deduction of the available securities coverage, exists for pension payments to a former Management Board member.

There are no provisions for severance payments to former or current Management Board members.

No loans or advances were granted to members of the Management Board.

The expenses for the LTIP included T€112 (2021: T€70) for the members of the Management Board.

Members of the Management Board:
Thomas G. Winkler, Chairman
Martin Löcker
Patric Thate
Martina Maly-Gärtner

Members of the Supervisory Board:
Karl-Heinz Strauss, FRICS, Chairman
Iris Ortner, Deputy Chairwoman
Susanne Weiss
Klaus Ortner
Ludwig Steinbauer
Paul Unterluggauer
Bernhard Vanas
Birgit Wagner
Martin Mann
Hannes Muster
Günter Schnötzinger
Anke Duchow

Vienna, 4 April 2023

The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Investments

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
Subsidiaries									
"Athos" Bauplanungs- und Errichtungsgesellschaft m.b.H. in Liqu.	AT	EUR	Vienna				90.00	100.00	V
"UBM 1" Liegenschaftsverwertung Gesellschaft m.b.H.	AT	EUR	Vienna	100.00	100.00	V	100.00	100.00	V
Aiglhof Projektentwicklungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Ariadne Bauplanungs- und Baugesellschaft m.b.H. in Liqu.	AT	EUR	Vienna				100.00	100.00	V
Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH in Liqu.	AT	EUR	Unterpremstätten, Premstätten municipality				0.00	100.00	V
BMU Beta Liegenschaftsverwertung GmbH	AT	EUR	Vienna	50.00	100.00	V	50.00	100.00	V
CM Wohnungsentwicklungs GmbH	AT	EUR	Vienna				94.00	100.00	V
Donauhof Immobilien GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	90.60	V
Donauhof Management GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	90.00	V
Dorfschmiede St. Johann Immobilien GmbH	AT	EUR	Vienna	90.00	100.00	V	90.00	100.00	V
Gartenau Immobilien GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V			
Gartenauer Platz 7 GmbH & Co KG (vorm.: LQ Epsilon KG)	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Emiko Beteiligungsverwaltungs GmbH	AT	EUR	Vienna	0.00	100.00	U	0.00	100.00	U
EPS Dike West-IBC GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS Haagerfeldstraße – Business.Hof Leonding 2 Errichtungs- und Verwertungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS Höhenstraße Immobilien GmbH	AT	EUR	Kematen in Tyrol	0.00	100.00	V	0.00	100.00	V
EPS Immobilienmanagement GmbH	AT	EUR	Kematen in Tyrol	0.00	100.00	U	0.00	100.00	U
EPS Immobilienmanagement "Schützenwirt" GmbH & CO KG	AT	EUR	Innsbruck	0.00	100.00	V	0.00	100.00	V
EPS MARIANNE-HAINISCH-GASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS MARIANNE-HAINISCH-GASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS Office Franzosengraben GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
EPS Office Franzosengraben GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS RINNBÖCKSTRASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS RINNBÖCKSTRASSE – LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS Welser Straße 17 – Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
EPS Welser Straße 17 – Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Gepal Beteiligungsverwaltungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Gevas Beteiligungsverwaltungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Golera Beteiligungsverwaltungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
GORPO Projektentwicklungs- und Errichtungs-GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Gospela Beteiligungsverwaltungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
IBC Business Center Entwicklungs- und Errichtungs-GmbH	AT	EUR	Unterpremstätten, Premstätten municipality	0.00	100.00	V	0.00	100.00	V
Impulszentrum Telekom Betriebs GmbH	AT	EUR	Unterpremstätten, Premstätten municipality				30.00	100.00	V
Jandl Baugesellschaft m.b.H.	AT	EUR	Unterpremstätten, Premstätten municipality				0.00	100.00	V
Logistikpark Ailecgasse GmbH	AT	EUR	Vienna	100.00	100.00	V	100.00	100.00	V
LQ Immobilien Alpha GmbH & Co KG	AT	EUR	Vienna				0.00	100.00	V
LQ Immobilien Beta GmbH & Co KG	AT	EUR	Vienna				0.00	100.00	V
LQ Immobilien Delta GmbH & Co KG	AT	EUR	Vienna				0.00	100.00	V
LQ Immobilien Gamma GmbH & Co KG	AT	EUR	Vienna				0.00	100.00	V
LQ Timber-A GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
LQ Timber-B-One GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
LQ Timber-B-Two GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
LQ Timber-C GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
LQ Timber-D GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
MBU Liegenschaftsverwertung Gesellschaft m.b.H.	AT	EUR	Vienna	90.00	100.00	V	90.00	100.00	V
MLSP Absberggasse Immobilien GmbH & Co KG	AT	EUR	Vienna				0.00	100.00	V
ML-ZENTRAL Liegenschaftsverwaltungs GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
MySky Verwertungs GmbH & Co. OG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
PII LBS 43 GmbH in Liqu.	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Porr - living Solutions GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Projekt Ost - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG	AT	EUR	Unterpremstätten, Premstätten municipality				0.00	100.00	V
QBC Epsilon SP Immomanagement GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
QBC Immobilien GmbH & Co Epsilon KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Rainbergstraße – Immobilienprojektentwicklungs GmbH in Liqu.	AT	EUR	Vienna	99.00	100.00	V	99.00	100.00	V
RBK Wohnbau Projektentwicklung GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Sabimo Immobilien GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Sabimo Monte Laa Bauplatz 2 GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
SFZ Freizeitbetriebs-GmbH & Co KG	AT	EUR	Unterpremstätten, Premstätten municipality	0.00	100.00	V	0.00	100.00	V
SFZ Immobilien GmbH	AT	EUR	Unterpremstätten, Premstätten municipality	0.00	100.00	U	0.00	100.00	U
SFZ Immobilien GmbH & Co KG	AT	EUR	Unterpremstätten, Premstätten municipality	0.00	100.00	V	0.00	100.00	V
Siebenbrunnengasse 21 GmbH & Co OG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
SP Graumanngasse 8–10 Immobilien GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
St. Peter-Straße 14–16 Liegenschaftsverwertung Ges.m.b.H.	AT	EUR	Vienna				50.00	100.00	V
sternbrauerei-riedenburg revitalisierung gmbh in Liqu.	AT	EUR	Vienna	99.00	99.00	V	99.00	99.00	V
UBM - Satteins Immobilien GmbH	AT	EUR	Kematen in Tirol	0.00	100.00	V	0.00	100.00	V

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
UBM BBH Entwicklungs-GmbH & Co KG	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
UBM Beteiligungsmanagement GmbH	AT	EUR	Vienna	100.00	100.00	V	100.00	100.00	V
UBM Development Österreich GmbH	AT	EUR	Vienna	99.96	100.00	V	99.96	100.00	V
UBM Kirchberg Immobilien GmbH	AT	EUR	Kematen in Tyrol	0.00	100.00	V	0.00	100.00	V
WA Bad Häring Immobilien GmbH	AT	EUR	Kematen in Tyrol	0.00	100.00	V	0.00	100.00	V
WA Kufstein Salurnerstraße Immobilien GmbH	AT	EUR	Kematen in Tyrol	0.00	100.00	V	0.00	100.00	V
WA Terfens-Roan Immobilien GmbH	AT	EUR	Kematen in Tyrol	0.00	100.00	V	0.00	100.00	V
WLB Projekt Laaer Berg Liegenschaftsverwertungs- und Beteiligungs-GmbH	AT	EUR	Vienna	0.00	100.00	V	0.00	100.00	V
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 4 "blau" Projekt-OG	AT	EUR	Vienna	0.00	100.00	U	0.00	100.00	U
ANDOVIEN INVESTMENTS LIMITED	CY	EUR	Limassol	100.00	100.00	V	100.00	100.00	V
DICTYSATE INVESTMENTS LIMITED	CY	EUR	Limassol	100.00	100.00	V	100.00	100.00	V
AC Offices Klicperova s.r.o.	CZ	CZK	Prague	0.36	100.00	V	0.36	100.00	V
Astrid Garden Residences s.r.o.	CZ	CZK	Prague	20.00	100.00	V	20.00	100.00	V
Immo Future 6 – Crossing Point Smichov s.r.o.	CZ	CZK	Prague	20.00	100.00	V	20.00	100.00	V
Na Záhonech a.s.	CZ	CZK	Prague	30.12	100.00	V	30.12	100.00	V
TOSAN park a.s.	CZ	CZK	Prague	100.00	100.00	V	100.00	100.00	V
UBM - Bohemia 2 s.r.o.	CZ	CZK	Prague	100.00	100.00	V	100.00	100.00	V
UBM Development Czechia s.r.o.	CZ	CZK	Prague	100.00	100.00	V	100.00	100.00	V
UBM Stodůlky 1 s.r.o.	CZ	CZK	Prague	0.00	100.00	V	0.00	100.00	V
UBM Stodůlky s.r.o.	CZ	CZK	Prague	0.00	100.00	V	0.00	100.00	V
ALBA BauProjektManagement GmbH	DE	EUR	Oberhaching				0.00	100.00	V
Arena Boulevard GmbH & Co. KG i.L.	DE	EUR	Berlin	0.00	94.00	V	0.00	94.00	V
Arena Boulevard Verwaltungs GmbH i.L.	DE	EUR	Berlin	0.00	100.00	U	0.00	100.00	U
BERMUC Hotelerrichtungs GmbH	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
Blitz 01–815 GmbH i.L.	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
City Objekte München GmbH	DE	EUR	Munich	0.00	90.00	V	0.00	90.00	V

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
Colmarer Straße GmbH & Co. KG	DE	EUR	Berlin	0.00	100.00	V	0.00	100.00	V
Colmarer Straße Verwaltungs GmbH	DE	EUR	Berlin	0.00	100.00	U	0.00	100.00	U
Frauentorgraben GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
Friendsfactory Projekte GmbH i.L.	DE	EUR	Munich	0.00	55.00	V	0.00	55.00	V
GeMoBau Gesellschaft für modernes Bauen mbH i.L.	DE	EUR	Berlin	0.00	94.00	U	0.00	94.00	U
Georg-Mooseder-Straße GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V			
Georg-Mooseder-Straße Verwaltungs GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
Holzstraße GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
Holzstraße Verwaltungs GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
IU Liquidations AG i.L.	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
Kaiserleipromenade GmbH & Co. KG	DE	EUR	Berlin	0.00	100.00	V	0.00	100.00	V
Kühnehöfe Hamburg GmbH & Co. KG	DE	EUR	Munich	0.00	62.99	V	0.00	62.99	V
Kühnehöfe Hamburg Komplementär GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
Levelingstraße GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
Levelingstraße Verwaltungs GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
Mainz Zollhafen Hotel GmbH & Co. KG	DE	EUR	Berlin	0.00	100.00	V	0.00	100.00	V
Mainz Zollhafen Verwaltungs GmbH	DE	EUR	Berlin	0.00	100.00	U	0.00	100.00	U
Max-Dohrn-Straße GmbH & Co. KG	DE	EUR	Berlin	0.00	100.00	V	0.00	100.00	V
MG Brehmstrasse BT C GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
MG Projekt-Sendling GmbH	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
MG-Brehmstrasse BT C GmbH	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
MG-Brehmstrasse BT C Komplementär GmbH	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
MG-Dornach Bestandsgebäude GmbH	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
MGO I Development GmbH & Co.KG	DE	EUR	Berlin	0.00	100.00	V	0.00	100.00	V
MGO II Development GmbH & Co. KG	DE	EUR	Berlin	0.00	100.00	V	0.00	100.00	V
Münchner Grund Riem GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
MZ Zollhafen Verwaltungs GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
Oben Borgfelde Projekt GmbH & Co. KG	DE	EUR	Berlin	0.00	100.00	V	0.00	100.00	V

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
Oben Borgfelde Verwaltungs GmbH	DE	EUR	Berlin	0.00	100.00	U	0.00	100.00	U
Pelkovenstraße GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
PELKOVENSTRASSE Objekt GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
Schloßhotel Tutzing GmbH	DE	EUR	Starnberg	0.00	100.00	V	0.00	94.00	V
SIL Realinvest GmbH	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
SONUS City GmbH & Co. KG	DE	EUR	Berlin	0.00	84.00	V	0.00	84.00	V
SONUS City Verwaltungs GmbH	DE	EUR	Berlin	0.00	100.00	U	0.00	100.00	U
SONUS II Verwaltungs GmbH	DE	EUR	Berlin	0.00	100.00	U	0.00	100.00	U
St.-Veit-Straße GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
St.-Veit-Straße Verwaltungs GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
Stadtgrund Bauträger GmbH	DE	EUR	Berlin	100.00	100.00	V	100.00	100.00	V
Top Office Munich GmbH i.L.	DE	EUR	Grünwald, Munich municipality	0.00	100.00	V	0.00	100.00	V
UBM Development Deutschland GmbH	DE	EUR	Munich	94.00	94.00	V	94.00	94.00	V
UBM Holding Deutschland GmbH	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
UBM Invest Deutschland GmbH	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
UBM Leuchtenbergring GmbH	DE	EUR	Munich	100.00	100.00	V	100.00	100.00	V
Unterbibergerstrasse GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
Unterbibergerstrasse Verwaltung GmbH	DE	EUR	Munich	0.00	100.00	U	0.00	100.00	U
ZH Hafenblick I GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
ZH Hafenspitze GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
ZH Molenkopf GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
ZH Rheinwiesen II GmbH & Co. KG	DE	EUR	Munich	0.00	100.00	V	0.00	100.00	V
Sitnica drustvo s ogranicenom odgovornoscu za usluge	HR	HRK	Samobor	83.89	100.00	V	83.89	100.00	V
UBM Development Hungary Korlátolt Felegösségü Társaság v.a.	HU	HUF	Budapest				100.00	100.00	V
UBM Development Netherlands B.V.	NL	EUR	Amsterdam	100.00	100.00	V	100.00	100.00	V
UBM Kneuterdijk B.V.	NL	EUR	Amsterdam	0.00	100.00	V	0.00	100.00	V
"UBM Residence Park Zakopianka" Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Krakw	100.00	100.00	V	100.00	100.00	V
Bartycka Real Estate Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
FMZ Gdynia Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	70.30	100.00	V	70.30	100.00	V
FMZ Sosnowiec Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Ligustria 12 Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Oaza Kampinos Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
PBP IT-Services spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Poleczki Development Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Poleczki Lisbon Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Poleczki Madrid Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Poleczki Parking House Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Poplar Company Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw				0.00	100.00	V
UBM Development Polska Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	100.00	100.00	V	100.00	100.00	V
UBM GREEN DEVELOPMENT SPÓLKA Z OGRANICZONA ODPOWIEDZIALNOSCIA	PL	PLN	Warsaw	100.00	100.00	V	100.00	100.00	V
UBM Riwiera 2 Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
UBM RIWIERA 2 Spólka z ograniczona odpowiedzialnoscia BIS Spólka komandytowa	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
UBM Riwiera 2 Spólka z ograniczona odpowiedzialnoscia Spólka komandytowa	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
UBM Zielone Tarasy Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Krakw	100.00	100.00	V	100.00	100.00	V
Yavin BIS Sp. z o.o. SK	PL	PLN	Warsaw	0.00	100.00	V	0.00	100.00	V
Yavin BIS Spolka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	99.00	V
Yavin Holding Spolka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	100.00	V	0.00	99.00	V
UBM Development Romania s.r.l.	RO	RON	Bucharest	99.15	100.00	V	99.15	100.00	V

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
UBM Development Slovakia s.r.o.	SK	EUR	Bratislava	100.00	100.00	V	100.00	100.00	V
UBM Koliba s.r.o.	SK	EUR	Bratislava	100.00	100.00	V	100.00	100.00	V
Associated companies									
Palais Hansen Immobilienentwicklung GmbH	AT	EUR	Vienna	0.00	33.57	E/A	0.00	33.57	E/A
CAMG Zollhafen HI IV V GmbH & Co. KG	DE	EUR	Grünwald, Munich municipality	0.00	49.90	E/A	0.00	49.90	E/A
CAMG Zollhafen HI IV V Verwaltungs GmbH	DE	EUR	Grünwald, Munich municipality	0.00	49.90	U	0.00	49.90	U
German Hotel Verwaltungs GmbH	DE	EUR	Grünwald, Munich municipality	0.00	47.00	U	0.00	47.00	U
Joint ventures									
Amraser-See-Straße Immobilien GmbH	AT	EUR	Kematen in Tyrol	0.00	50.00	E/G			
Amraser-See-Straße Immobilien GmbH & Co KG	AT	EUR	Kematen in Tyrol	0.00	47.00	E/G			
Aspanggründe Beteiligungs GmbH	AT	EUR	Vienna	0.00	51.00	U	0.00	51.00	U
FWUBM Management GmbH	AT	EUR	Vienna	50.00	50.00	E/G	50.00	50.00	E/G
FWUBM Services GmbH	AT	EUR	Vienna	50.00	50.00	E/G	50.00	50.00	E/G
Grundstück 1454/2 KG Gries BT2 Projektentwicklungs GmbH	AT	EUR	Vienna	0.00	70.00	E/G	0.00	70.00	E/G
Grundstück 1454/2 KG Gries BT2 Projektentwicklungs GmbH & Co KG	AT	EUR	Vienna	0.00	71.80	E/G	0.00	71.80	E/G
Grundstück 1454/5 KG Gries BT3 Immobilien GmbH	AT	EUR	Vienna	0.00	70.00	E/G	0.00	70.00	E/G
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH	AT	EUR	Jochberg	0.00	50.00	U	0.00	50.00	U
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH & Co KG	AT	EUR	Jochberg	0.00	50.00	E/G	0.00	50.00	E/G
Jochberg Kitzbüheler Straße Errichtungs und Beteiligungsverwaltungs GmbH & Co KG	AT	EUR	Vienna	0.00	50.00	E/G	0.00	50.00	E/G
Jochberg Kitzbüheler Straße Errichtungs- und Beteiligungsverwaltungs GmbH	AT	EUR	Vienna	0.00	50.00	U	0.00	50.00	U
Jochberg Kitzbüheler Straße Hotelbetriebs GmbH	AT	EUR	Jochberg	0.00	50.00	E/G			
Modern Viventium GmbH	AT	EUR	Graz	0.00	50.10	E/G	0.00	50.10	E/G

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
Nordbahnhof-Vierte Wohnungs-GmbH	AT	EUR	Vienna	0.00	50.00	E/G	0.00	50.00	E/G
Portunus Projektentwicklung GmbH	AT	EUR	Graz	0.00	50.00	U	0.00	50.00	U
Portunus Projektentwicklung GmbH & Co KG	AT	EUR	Graz	0.00	50.00	E/G	0.00	50.00	E/G
QBC Gamma SP Immomanagement GmbH	AT	EUR	Vienna				0.00	65.00	E/G
Rosenhügel Entwicklungs-, Errichtungs- und Verwertungsgesellschaft mbH	AT	EUR	Vienna	0.00	50.00	U	0.00	50.00	U
Rosenhügel Entwicklungs-, Errichtungs- und Verwertungsgesellschaft mbH & Co KG	AT	EUR	Vienna	0.00	50.00	E/G	0.00	50.00	E/G
Stella Projektentwicklung GmbH	AT	EUR	Graz	0.00	50.00	U			
Stella Projektentwicklung GmbH & Co KG	AT	EUR	Graz	0.00	50.00	E/G			
UBM hotels Management GmbH	AT	EUR	Vienna	50.00	50.00	E/G	50.00	50.00	E/G
W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AT	EUR	Vienna	26.67	80.00	E/G	26.67	80.00	E/G
Wohnanlage Andritz – Stattegger Straße 2 GmbH	AT	EUR	Graz	0.00	51.00	E/G	0.00	51.00	E/G
Wohnanlage EZ 208 KG Andritz GmbH	AT	EUR	Graz	0.00	51.00	E/G	0.00	51.00	E/G
Wohnanlage Geidorf – Kahngasse GmbH in Liqu.	AT	EUR	Graz	50.00	50.00	E/G	50.00	50.00	E/G
Wohnanlage Karlauerstraße 27 GmbH	AT	EUR	Vienna	0.00	50.10	E/G	0.00	50.10	E/G
WSB BF elf-Alpha Projektentwicklungs GmbH & Co KG	AT	EUR	Vienna	0.00	51.00	E/G	0.00	51.00	E/G
WSB BF fünf Projektentwicklungs GmbH & Co KG	AT	EUR	Vienna	0.00	51.00	E/G	0.00	51.00	E/G
WSB BF neun-Alpha Projektentwicklungs GmbH & Co KG	AT	EUR	Vienna	0.00	51.00	E/G	0.00	51.00	E/G
WSB BF neun-Beta Projektentwicklungs GmbH & Co KG	AT	EUR	Vienna	0.00	51.00	E/G	0.00	51.00	E/G
WSB BF zwei Projektentwicklungs GmbH & Co KG	AT	EUR	Vienna	0.00	51.00	E/G	0.00	51.00	E/G
GOLD NEMOVITOSTNÍ s.r.o.	CZ	CZK	Prague	50.00	50.00	E/G			
Grafická 1 s.r.o.	CZ	CZK	Prague	50.00	50.00	E/G	50.00	50.00	E/G
Sugar Palace Op Co s.r.o.	CZ	CZK	Prague	75.00	75.00	E/G	75.00	75.00	E/G
Sugar Palace Prop Co s.r.o.	CZ	CZK	Prague	75.00	75.00	E/G	75.00	75.00	E/G
Anders Wohnen GmbH	DE	EUR	Grünwald, Munich municipality	0.00	50.00	E/G	0.00	50.00	E/G
AVALERIA Beteiligungsgesellschaft mbH	DE	EUR	Dusseldorf	0.00	40.00	U	0.00	40.00	U
AVALERIA Hotel HafenCity GmbH & Co. KG	DE	EUR	Dusseldorf	0.00	37.92	E/G	0.00	37.92	E/G

Legal name	Country	Cur-rency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consoli-dation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consoli-dation
Baubergerstrasse GmbH & Co. KG	DE	EUR	Munich	0.00	60.00	E/G	0.00	60.00	E/G
Baubergerstrasse Verwaltung GmbH	DE	EUR	Munich	0.00	60.00	U	0.00	60.00	U
Central Tower Berlin GmbH	DE	EUR	Berlin				0.00	50.00	E/G
Central Tower Berlin Hotel-betriebs GmbH	DE	EUR	Berlin	0.00	50.00	E/G			
German Hotel II Verwaltungs GmbH	DE	EUR	Grünwald, Munich municipality				0.00	50.00	U
German Hotel III Verwaltungs GmbH	DE	EUR	Grünwald, Munich municipality				0.00	50.00	U
German Hotel Invest II GmbH & Co. KG	DE	EUR	Grünwald, Munich municipality				0.00	50.00	E/G
German Hotel Invest III GmbH & Co. KG	DE	EUR	Grünwald, Munich municipality				0.00	50.00	E/G
German Hotel Invest IV GmbH & Co. KG	DE	EUR	Grünwald, Munich municipality	0.00	50.00	E/G	0.00	50.00	E/G
German Hotel IV Verwaltungs GmbH	DE	EUR	Grünwald, Munich municipality	0.00	50.00	U	0.00	50.00	U
Lilienthalstraße Wohnen GmbH Münchner Grund und Baywobau	DE	EUR	Grünwald, Munich municipality	0.00	50.00	E/G	0.00	50.00	E/G
MGH Potsdam I GmbH & Co. KG	DE	EUR	Berlin	0.00	50.00	E/G	0.00	50.00	E/G
MGH Potsdam Verwaltungs GmbH	DE	EUR	Berlin	0.00	50.00	U	0.00	50.00	U
MGR Thulestraße GmbH & Co. KG	DE	EUR	Berlin	0.00	50.00	E/G	0.00	50.00	E/G
MGR Thulestraße Verwaltungs GmbH	DE	EUR	Berlin	0.00	50.00	U	0.00	50.00	U
Obersendlinger Grund GmbH & Co. KG	DE	EUR	Grünwald, Munich municipality	0.00	30.00	E/G	0.00	30.00	E/G
Obersendlinger Grund Verwaltungs GmbH	DE	EUR	Grünwald, Munich municipality	0.00	30.00	U	0.00	30.00	U
PGE Grundstücksgesellschaft Europaviertel mbH	DE	EUR	Grünwald, Munich municipality	0.00	74.90	E/G	0.00	74.90	E/G
UBX 1 Objekt Berlin GmbH i.L.	DE	EUR	Munich	50.00	50.00	E/G	50.00	50.00	E/G
Styria B.V. in liquidatie	NL	EUR	Amsterdam				0.00	50.00	E/G

Legal name	Country	Currency	Domicile	Capital share in % direct (31.12.2022)	Capital share in % indirect (31.12.2022)	Type of consolidation	Capital share in % direct (31.12.2021)	Capital share in % indirect (31.12.2021)	Type of consolidation
"SOF Hotel Operations" spólka z ograniczona odpowiedzialnoscia	PL	PLN	Krakw	0.00	50.00	E/G	0.00	50.00	E/G
Berlin Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	74.00	E/G	0.00	74.00	E/G
Lanzarota Investments spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw				34.00	50.00	E/G
Poleczki Amsterdam Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	74.00	E/G	0.00	74.00	E/G
Poleczki Vienna Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	74.00	E/G	0.00	74.00	E/G
Warsaw Office Spólka z ograniczona odpowiedzialnoscia	PL	PLN	Warsaw	0.00	74.00	E/G	0.00	74.00	E/G
Other investments									
STRAUSS & CO. Development GmbH	DE	EUR	Berlin				0.00	6.00	U

Key:
V = fully consolidated company
E/A = associated company accounted for at equity
E/G = joint venture accounted for at equity
U = company of minor importance

Auditor's Report

Report on the Consolidated Financial Statements

Audit opinion
We have audited the consolidated financial statements of UBM Development AG, Vienna, and of its subsidiaries (UBM Group) comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet as of 31 December 2022, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31 December 2022 and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB.

Basis for opinion
We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation of real estate assets

2. Valuation of shareholdings in companies accounted for under the equity method and project financing

1. Valuation of real estate assets

Situation and reference to further information
The majority of assets of the Group is invested in real estate in the balance sheet items property, plant and equipment, investment property, inventories as well as trade receivables. These balance sheet items total a real estate value amounting to approximately €697m, which sums up to 48% of the balance sheet total. The valuations mostly depend on the fair value of the real estate on the reporting date. For investment property according to IAS 40 is used, whereas other assets in accordance with IAS 2 and IAS 16 use the fair value as a comparative amount for necessary adjustments of carrying amounts. Real estate assets, which are presented as contract assets within trade receivables for which revenue is recognised over time according to IFRS 15, are accounted for based on the transaction price and the percentage of completion which is derived from the planning calculation.

Due to the lack of available prices in active markets, the fair value is determined by using valuation methods, particularly the Term and Reversion approach. For real estate under development, in general the residual value method is used. The result of valuation depends to a large degree on estimations of material inputs that affect the value such as interest rates, expected rent and capital flows as well as completion costs and developer profits.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

The risk for the consolidated financial statements is primarily the estimation of future cash flows and interest rates which are influenced by future market and economic developments. The valuation of real estate assets and the resulting gains and losses in the income statement are therefore subject to uncertainty. With respect to the real estate accounted for under IFRS 15, the risk to the consolidated financial statements is essentially that the assumptions and estimates required to determine the stage of completion of the total investment cost are uncertain.

Reference to further information
Information on accounting and measurement methods for real estate assets can be found in chapter 4 (accounting and measurement methods) of the notes to the consolidated financial statements. Chapter 5 (discretionary judgment and major sources of estimation uncertainty) contains information on substantial estimation uncertainty. Furthermore, concerning investments properties and inventories the chapter refers to chapters 21 and 25 of the notes to the consolidated financial statements.

Chapter 21 (investment property) contains a breakdown and movement schedule of investment property divided into asset classes as well as a table with significant inputs for the fair value determination. The section on inventories (25) includes information on carrying amounts of real estate carried at fair value and impairments. Performed appreciations and depreciations are reported in the income statement or in chapter 13 (other operating expenses) of the notes to the consolidated financial statements. Chapter 26 (trade receivables) contains information on contract assets and recognised profits set in this context. The effects of risks related to the war in Ukraine, the climate crisis and Corona are presented in chapter 8 of the notes to the consolidated financial statements.

Audit response
The fair value is determined primarily by external appraisers, and partly also by internal valuations. As of 31 December 2022, real estate classified as investment property, inventory and property plant and equipment with a total carrying amount of €485m was valued by external appraisers. In addition, purchase agreements and planning calculations were available for the properties reported under trade receivables amounting to around €39m.

Investment properties are generally determined by external appraisers when a minimum threshold is exceeded, whereas real estate classified as inventory and property plant and equipment are externally valuated when there are indicators for impairment. In the course of the audit, we have assessed the appropriateness of the criteria and critically evaluated the selection of external valuation.

We chose our sample of tested valuations based on quantitative and qualitative criteria, in which we especially paid attention to real estate with material appreciation or depreciation of the fair value. For these properties we performed detailed audit procedures. Other material qualitative criteria were the geographic location and the asset class of the property as well as properties with specific risk and uncertainty factors.

Real estate disposals and the resulting gains and losses were compared to the respective purchase contracts and values according to the latest financial statements. Moreover, purchase contracts containing earn-out clauses or similar were subject to a critical assessment.

For real estate presented according to IFRS 15 in trade receivables, the existing purchase contracts were verified to substantiate the transaction price. The assumptions with regard to the total investment costs, which are used to measure the stage of completion, were discussed with the management and critically assessed.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

For our sample of tested valuations, our real estate experts performed the following audit procedures:

- Evaluation of the objectivity, independence and expertise of the external appraisers.
- Evaluation of the used valuation method and assessment whether it is in accordance with internationally accepted standards. For the residual value method of projects under development, we paid particular attention to the applicability of the material assumptions regarding expected development costs and expected real estate utilisation and whether these could be assessed with sufficient certainty and plausibility.
- Critical assessment of the discount rates and their change over time. The discount rates and yields were compared to transactions and valuations of similar asset classes and locations. Within the observed bandwidths, it was assessed whether changes in discount rates were justified due to market conditions or property-specific characteristics and whether they were consistently applied.
- Our real estate experts tested the plausibility of other material inputs such as rental income, occupancy rates and repair and maintenance costs by comparing them to similar market and experience rates. In addition, the data used was reconciled to underlying data of specific properties, such as, for example, the current lease status or lease payments, this was performed on a sampling basis. In the case of real estate in development, the expected construction costs used in the appraisals were compared to construction costs until completion of comparable objects. The developer profit used for the valuation was assessed through comparison with similar properties.
- In addition, the expectations, changes and conspicuities with respect to material inputs and the performance of individual properties were discussed with the management and the internal valuation team. These discussions were held both in advance of the assessment and after the assessment results were obtained. We challenged the valuations based on comparable transactions and knowledge of the market. Particular attention was paid to changes that differed from our preliminary expectations.

2. Valuation of shareholdings in companies accounted for under the equity method and project financing

Situation and reference to further information

Apart from real estate property in fully consolidated Group companies, the book values of shareholdings in companies accounted for under the equity method and therein bound project financing in associated companies and joint ventures form a major part of the Group assets. In total these assets account for about €362m as of 31 December 2022, which amounts to 25% of total assets.

These are mainly Austrian and foreign real estate project entities, which use the provided funding by UBM for real estate acquisition and investment purposes. The measurement and recoverability of shares in companies accounted for under the equity method and project financing are mainly based on the fair value of real estate held by the project entities. Investment property held by companies accounted for under the equity method have to be recorded at fair value and the gains and losses thereof are carried forward in the Group share. Whereas for other real estate classes and project financing, the fair value is used as a comparative amount for the evaluation of the recoverability of the carrying amount. Real estate assets for which revenue is recognised over time according to IFRS 15 are accounted for based on the transaction price and the percentage of completion which is derived from the planning calculation.

In the process of preparing consolidated financial statements, the fair value of the properties held in the joint ventures and associated companies is determined. The fair value is determined primarily by means of the discounted cash flow model, in particular through the Term and Reversion method. In general, the residual value method is applied for real estate development.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

The results of the valuations are highly dependent on the estimation of the main inputs influencing the value of interest such as interest rates, expected rental and capital flows, construction costs up to completion and developer profits.

The risk for the consolidated financial statements is primarily the estimation of the future cash flows and interest rates, which are influenced by future market and economic developments. The valuation of shareholdings in companies accounted for under the equity method and project financing and the resulting gains and losses in the income statement are therefore subject to uncertainty. With respect to the real estate accounted for under IFRS 15, the risk to the consolidated financial statements is essentially that the assumptions and estimates required to determine the stage of completion of the total investment cost are uncertain.

Reference to further information
Chapter 4 (accounting and measurement methods) of the notes to the consolidated financial statements provides information on the accounting and measurement methods for shareholdings in companies accounted for under the equity method and project financing. In chapter 22 (investments in companies accounted for at-equity) the carrying values and the comprehensive income originating from associated companies and joint ventures are disclosed as well as further information about the financial position, financial performance and cash flows of the significant entities. Chapters 23 and 45 contain information regarding the carrying values, impairment and their development of project financing. The effects of risks related to the war in Ukraine, the climate crisis and Corona are presented in chapter 8 of the notes to the consolidated financial statements.

Audit response
The fair value of the real estate held in joint ventures and associated companies is determined in the same manner as the valuation of the real estate that is directly held by the group. It is therefore primarily carried out by assigning external appraisers, whereby external valuations are generally carried out when a certain threshold is exceeded or if there are indications for an impairment. In the course of the audit, we examined the appropriateness of the criteria and the actual selection of the external appraisals.

Similar to the audit procedures performed on real estate held directly by the Group, we selected a sample for the review of the valuations. This sample was selected based on quantitative and qualitative criteria. For this sample, our real estate appraisal specialists carried out auditing procedures similar to the auditing procedures for real estate held directly by the Group. For real estate accounted for under IFRS 15 the existing purchase contracts were verified to substantiate the transaction price. The assumptions with regard to the total investment costs, which are used to measure the stage of completion, were discussed with the management and critically assessed.

In addition, we have tested whether the gains and losses resulting from the fair value movement of investment properties were accurately accounted for in the equity of the joint ventures and associated companies. Also, we have tested the evaluation of the net equity of the project companies and the resulting impairment and reversal of impairment of shareholdings and project financing by comparison with the carrying amounts. Thereby, the recoverability of shareholdings and project financing have been evaluated and reviewed together per project company.

Other information
Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon. The Annual Report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether – based on our knowledge obtained in the audit – the other information is materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Responsibilities of Management and of Audit Committee for the consolidated financial statements
Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with requirements stated in par. 245a UGB, for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Reports on other and regulatory requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the Group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion

In our opinion, the management report for the group was prepared in accordance with the valid legal requirements and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances, no material misstatements in the Group's management report came to our attention.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Additional information in accordance with article 10 of the EU regulation
We were elected as auditor by the ordinary general meeting on 16 May 2022. We were appointed by the Supervisory Board on 30 June 2022. We are auditors without cease since 2002.

We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

We did not perform additional services for the audited company or entities controlled by it that were not disclosed in the consolidated financial statements.

Responsible Austrian Certified Public Accountant
The engagement partner on the audit resulting in this independent auditor's report is Mr. Markus Trettnak, Certified Public Accountant.

Vienna, 4 April 2023

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
(as universal successor to BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft)

Markus Trettnak
Auditor

Gerhard Fremgen
Auditor

This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

We draw attention to the fact that the English translation of this long-form audit report according to Section 273 of the Austrian Company Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Use of profits

UBM Development AG closed the 2022 financial year with total profit of € 8,256,474.25. The Management Board recommends the payment of a dividend of €1.10 per share, for a total payout of € 8,219,398.00 based on 7,472,180 shares, and the carryforward of the remaining € 37.076,25.

If this proposal for the use of profits is approved by the Annual General Meeting, the dividend of €1.10 per share will be paid beginning on 30 May 2023, in accordance with the applicable regulations under tax law, through credit by the custodian bank. The main paying agent is Erste Group Bank AG.

Vienna, 4 April 2023

The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Responsibility Statement

Statement by the company's legal representatives in accordance with Section 124 Para. 1 in connection with Para. 2 of the Austrian Stock Exchange Act 2018 – Consolidated Financial Statements

We hereby confirm to the best of our knowledge that these consolidated 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 as the total of all companies included in the consolidation. Furthermore, we confirm to the best of our knowledge that the management report presents the development of business, the results of operations and the position of the Group so as to provide a true and fair view of the Group's financial position and financial performance and also describes the material risks and uncertainties to which the Group is exposed.

Vienna, 4 April 2023

The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Glossary

ATX	Austrian Traded Index, leading index of Vienna Stock Exchange
CEE/SEE	Central Eastern Europe/South Eastern Europe
Covid-19	Coronavirus pandemic 2019; a viral disease caused by the SARS-CoV-2 coronavirus
DAX	Leading index of the German Stock Exchange (Deutscher Aktienindex)
DBO	Defined Benefit Obligation
DGNB	German Sustainable Building Council
Dividend yield	Dividend per share in relation to the share price
Dow Jones Index	Meassures the stock performance of 30 large companies listed in the U.S.
EBIT	Earnings Before Interest and Taxes
EBITDA	Earning Before Interest, Taxes, Depreciation and Amortisation
EBT	Earnings before Taxes
Equity ratio	Equity recognised as of the reporting date in relation to total assets
EURO STOXX 50	Stock index that consists of the 50 largest listed companies in the eurozone
Executive Committee	Represents UBM's management team; it includes the three members of the Management Board as well as 16 country and area heads plus selected managers
FAZ	Frankfurter Allgemeine Zeitung
Forward sale	Sale of development projects prior to completion
FVTPL	Fair value through profit or loss
GDP	Gross domestic product
GFA	Gross floor area
IAS	International Accounting Standards
IATX	Immobilien Austrian Traded Index; real estate index that contains the most important real estate companies listed on the Vienna Stock Exchange
IFRS	International Financing Reporting Standards
IHG	InterContinental Hotels Group PLC is a British hotel chain which includes, among others, Holiday Inn, Holiday Inn Express and VOCO
IMF	International Monetary Fund
Impairment-Test	IAS 36 requires the regular testing of assets for indications of impairment. If an asset is impaired, its carrying amount must be reduced through the recognition of an impairment loss.
kWh	Kilowatt hour
Market capitalisation	Share price multiplied by the number of shares in issue (market cap)
MSCI World	Share index which includes over 1,600 shares from 23 industrial countries

NaDiVeG	Austrian Act to Improve Sustainability and Diversity (Nachhaltigkeits- und Diversitätsgesetz)
Net debt	Non-current and current financial liabilities, excl. lease liabilities, minus cash and cash equivalents
P/E ratio	Price-earnings ratio, the share price in relation to earnings per share
PoC method	Under the percentage of completion method, profit is realised over time based on the stage of completion
Prime Market	Market segment of the Vienna Stock Exchange with the highest standards for reporting and transparency
QBC	Quartier Belvedere Central; urban development project with offices, apartments, hotels and gastronomy near Vienna's main railway station
S&P 500	Stock market index that meassures the performance of approximately 500 U.S. companies
Total Output	Corresponds to the revenue of companies included through full consolidation and at equity plus the sale proceeds from share deals in proportion to the stake held by UBM

Contact

Investor Relations
Christoph Rainer
Tel: +43 (0) 664 80 1873 200
investor.relations@ubm-development.com

Imprint

Media Proprietor and Publisher
UBM Development AG
Laaer-Berg-Straße 43,
1100 Vienna, Austria
Tel: +43 (0) 50 1873 100
www.ubm-development.com

Concept, Design and Editing
UBM Development AG

Mensalia GmbH
Penzinger Straße 53/8, 1140 Vienna, Austria

Created with ns.publish, a product of Multimedia Solutions AG, Zurich

Image Section
Creative Direction: Christine Eisl
Editing: Tobias Sckaer
Production: Michael Schmid
Interviews:
Gertraud Gerst, Daniela Schuster

Photography
Philipp Horak
Didier Boy de la Tour
Takanobu Sakuma
Yen Hsin-Chu
Katie-Aileen Dempsey
Craig Dillon
Harald Eisenberger
Christine Eisl
euroluftbild.de/Hans Blossey
gettyimages.com
Florian Kaiser-Winter
Mario Rott
shutterstock
UBM Development
Zollhafen Mainz GmbH & Co. KG
bloomimages
Eike Becker Architekten
HNP Architekten
HH Vision
Sacker Architekten
WOOW Studio

Translation
Donna Schiller-Margolis
Rosemary Bridger-Lippe

www.ubm-development.com