

key performance indicators.

Key earnings figures (in €m)

	1-9/2020	1-9/2019	Change
Total Output ¹	292.1	460.4	-36.6%
Revenue	126.8	183.2	-30.8%
EBT	51.0	46.2	10.4%
Net profit	33.3	38.1	-12.6%

Key asset and financial figures (in €m)

	30.9.2020	31.12.2019	Change
Total assets	1,387.6	1,316.4	5.4%
Equity	475.8	462.5	2.9%
Equity ratio	34.3%	35.1%	-0.8 PP
Net debt ²	509.2	442.4	15.1%
Cash and cash equivalents	232.7	212.4	9.6%

Key share data and staff

	30.9.2020	31.12.2019	Change
Earnings per share (in €) ³	3.63	4.60	-21.0%
Earnings per share incl. hybrid interest (in €) ⁴	4.34	5.30	-18.2%
Market capitalisation (in €m)	231.6	352.7	-34.3%
Dividend per share (in €) ⁵	2.20	2.20	0.0%
Staff ⁶	335	389	-13.9%

¹ Total Output corresponds to the revenue generated by fully consolidated companies and companies consolidated at equity as well as the sale proceeds from share deals in proportion to the stake held by UBM.

² Net debt equals current and non-current bonds and financial liabilities, excluding leasing liabilities, minus cash and cash equivalents.

³ Earnings per share after the deduction of hybrid capital interest (change in calculation method beginning in 2020, comparative prior year data adjusted). Reported amounts based on the first nine months.

⁴ Earnings per share before the deduction of hybrid capital interest. Reported amounts based on the first nine months.

⁵ The dividend is paid in the respective financial year, but is based on profit for the previous financial year.

⁶ Decline due to deconsolidation of the Hotel Holiday Inn Gdansk City Centre (2019: 55 employees).

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at a glance.

green. smart. and more.

UBM reinvents itself

transformation in full swing.

€2.2 bn pipeline, 50% residential, 30% office

earnings grow by 10%.

€51m EBT

crisis-resistance clearly proven.

Cash and equity higher than before corona

2020 stronger than expected.

2021 with corona dent, 2022 back on track

management's introduction.

**Dear Shareholders,
Dear Stakeholders,**

The COVID-19 pandemic caught us all unprepared. However, we reacted fast and decisively and reinvented ourselves in only a few months. Our €2.2 bn development pipeline now include 50% residential and 30% office projects, with only 15% in the hotel asset class. Our strategic focus for the future is on **green. smart. and more.** - UBM develops sustainable and intelligent buildings that are also aesthetically appealing.

Our financials show that the future has already begun. In less than one year, we sold 1,000 apartments - more than ever before. Our largest office project currently under construction, the "F.A.Z. Tower", marked the first sale of an office property in Germany for more than 30-times the

annual rent. Despite the corona-related declines in the hotel business, we increased EBT by 10% to over €50m in the first three quarters of 2020 and, at over €230m, our cash reserves are even higher than before the pandemic. Our equity has also reached a new high. UBM is now in a position to react quickly and take advantage of potential opportunities. We expect to see a corona dent in 2021 but are very optimistic that our current set-up will allow us to smoothly resume our pre-crisis development in 2022.



Patric Thate
CFO

Thomas G. Winkler
CEO

Martin Löcker
COO

highlights.

q1.

UBM secures major project in Prague

UBM further expands its well-filled residential pipeline to include the "Arcus City" project. This large-scale development in Prague covers nearly 80,000 m², where roughly 300 modern housing units will be built.

q2.

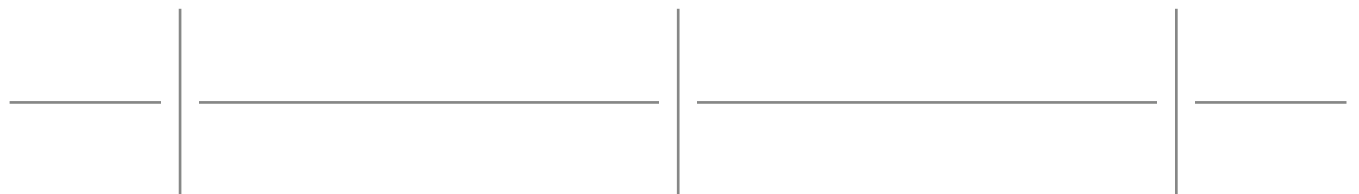
Strategic partnership between ARE and UBM

UBM invests in the "Village im Dritten", one of the largest urban development projects in the heart of Vienna. The project covers more than 8,000 m² of commercial space and roughly 500 apartments. At the same time, ARE acquires 40% in UBM's largest project in Germany.

q3.

Top-class ground-breaking ceremony for the "F.A.Z. Tower"

The cornerstone for the new Frankfurter Allgemeine Zeitung headquarters is laid in the presence of Prime Minister Bouffier and Lord Mayor Feldmann. UBM is creating a new landmark for Frankfurt with this largest office project currently under development.



"Astrid Offices" in Prague forward sold

More than a year before completion, UBM is selling the "Astrid Offices" project in the heart of Prague's Holešovice District. This project has nearly 4,000 m² of rentable space and is under development in line with the LEED Gold Standard.

Large-scale project in Munich sold to Vonovia

The market leader Vonovia acquires the "Gmunder Höfe" residential project in Munich with 322 units through a forward deal. The completion and transfer are planned for the second half of 2023.

Further global sale to Vonovia

UBM is selling its third residential project to the Vonovia Group in the form of the "Nordbahnviertel" project for approximately €50m. The project in Vienna's Second District consists of 181 apartments.

one share.

Stock exchange developments

The sharp drop in global share prices triggered by the COVID-19 pandemic and the related restrictions during the first quarter of 2020 shifted to a recovery that began in April and continued into the third quarter. The MSCI World Index even closed September slightly higher than at year-end 2019. The Dow Jones Industrial Index rose by 7.6% in the third quarter, while the EURO STOXX 50 recorded a slight minus of 1.3%. The DAX increased by 3.7% from the end of June to the end of September. However, the COVID-19 pandemic and its far-reaching economic consequences continue to represent the major risk factor for further corrections during the autumn and winter months of 2020.

Development of the UBM share

The UBM share followed the upward trend in the second quarter with a sideways movement during the summer months. As of 30 September, it traded 0.3% over the level at the end of June and thereby outperformed the ATX, with a comparable loss of 6.1%. This same period brought a drop of 8.9% in the IATX. The UBM share traded at €31.0 on 30 September,

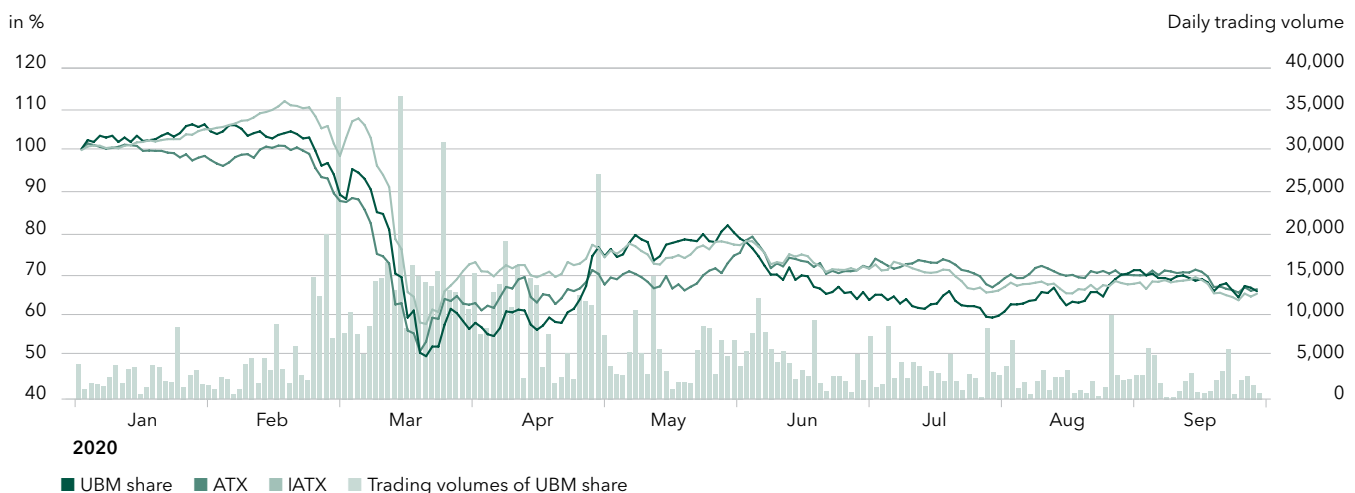
or 34.3% below the level at year-end 2019, while the IATX lost 35.5% of its value in this six-month comparison. The average daily trading volume in the first three quarters of 2020 equalled 5,855 shares.

The UBM share has been listed on the Vienna Stock Exchange since 10 April 1873 and entered the prime market, the top segment of the Vienna Stock Exchange, in August 2016. The share is also included in the IATX real estate stock index.

Shareholder structure

The share capital of UBM Development AG totalled €22,416,540 as of 30 September 2020 and is divided into 7,472,180 shares. The syndicate comprising the IGO Industries Group and the Strauss Group held an unchanged 38.8% of the shares outstanding on that date. In addition, the IGO Industries Group held 6.4% of UBM outside the syndicate. A further 5.0% were held by Jochen Dickinger, a private investor. Free float comprised 49.8% of the shares and includes 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 (44%) and Germany (41%).

Performance of the UBM share vs. ATX/IATX and trading volumes from January to September 2020



one group.

General economic environment

The outlook for the development of the global economy in the “corona year 2020” has improved slightly according to forecasts by the OECD and International Monetary Fund (IMF). The OECD estimates the decline in global economic output at 4.5% in its September analysis, compared with a higher minus of 6.0% before the summer. The IMF is also projecting a decline of 4.4%. These institutions share a common view over the expected recovery in 2021 with an upturn of 5.0% (OECD), respectively 5.2%. (IMF). However, the outlook for the future development of the global economy is connected with substantial uncertainty in view of the rapid spread of the COVID-19 pandemic.

The ECB’s September forecast for the eurozone points to a decline of 8.0% in 2020, and OECD projections call for a similar reduction of 7.9%. The sharp drop in private consumption is seen as the main factor for the recession, which is still being countered by extensive fiscal and monetary measures. Both the ECB and OECD expect a recovery in 2021 with an increase of 5.0% and 5.1%, respectively. According to the IMF experts, Germany should record a decline of 6.0% in 2020 but return to growth of 4.2% in 2021. The Austrian National Bank is forecasting a GDP decline of 7.2% in 2020 and a plus of 4.9% in 2021. Estimates for the CEE/SEE region show an average decrease of more than 7.0% in 2020, whereby the forecast for Poland is more positive with a more moderate decline of -4.6%.^{1,2}

Developments on the real estate markets

The effects of the COVID-19 pandemic were also visible on the real estate market during the further course of the year. The transaction volume in the third quarter of 2020 was 43% below the third quarter of 2019. Properties in Europe with a combined value of €172.3 bn changed owners during the first nine months of 2020, or nearly one-fifth less than in the

comparable prior year period. Transactions in the hotel sector essentially came to a standstill. Turnover was 67% lower than the third quarter of 2019.³

Germany also led the property transaction ranking in Europe during this nine-month period. Commercial property transactions declined by 9% year-on-year to €41.1 bn. Strong growth was again recorded in residential property investments, where the transaction volume rose by 29% over the previous year to €15.8 bn. In contrast, the market for hotel properties represented only slightly more than 2% of the total transaction volume. Berlin continued to lead the top cities in Germany with a transaction volume of €8.3 bn despite a year-on-year decline of 29%. The only increase was recorded in Hamburg with a sound plus of 29%.^{4,5}

The Austrian investment market was substantially weaker than the previous year with a transaction volume of €2.2 bn in the first three quarters of 2020. However, this decline is primarily attributable to the record year in 2019 where the third quarter turnover was nearly four-times higher than the comparable period in 2020. In comparison with 2018, turnover in the third quarter of 2020 was €52m higher at €595m. Investments in the CEE region amounted to €8.0 bn in the first nine months of 2020, and estimates for the full twelve months of 2020 point to a transaction volume of €10 bn to €11 bn.^{6,7}

Government measures have reinforced the low interest environment and, as a result, the relative attractiveness of real estate investments should increase over the medium- and long-term. At the same time, risk premiums are expected to increase, and investors will likely become more selective in their choices.

¹ IMF: World Economic Outlook - October 2020

² Austrian National Bank: Konjunktur aktuell - October 2020

³ Real Capital Analytics: Europe Capital Trends - Q3 2020

⁴ Savills: Investmentmarkt Deutschland - October 2020

⁵ JLL: Investmentmarktüberblick Deutschland - Q3 2020

⁶ EHL: Immobilieninvestmentmarkt Update - Q3 2020

⁷ Colliers: The CEE Investment Scene - Q1-Q3 2020

Business performance

UBM Development generated Total Output of €292.1m in the first three quarters of 2020, compared with €460.4m in the first three quarters of the previous year. Total Output for the reporting period was based, above all, on the progress of construction on previously sold real estate projects which are recognised to revenue and earnings over time based on the percentage of completion and sale status. The largest contributions to Total Output were made by the "QBC 1&2" office project in Vienna, which was forward sold in mid-2019, and by the "immergrün" residential project in Berlin with nearly 400 units. In addition, the "Gmunder Höfe" project in Munich and the "Nordbahnhof" project in Vienna were forward sold to the Vonovia Group during the reporting period. The sale of several large-scale projects during the first three quarters of 2019 was reflected in a decline in Total Output from the real estate development business from €337.2m to €203.1m in 2020. Total Output from hotel operations also fell from €51.6m in 2019 to €13.0m in 2020, due to the sale of two hotels in Paris and, above all, due to the travel restrictions implemented to combat the COVID-19 pandemic.

Total Output in the **Germany segment** fell from €140.4m to €98.6m because the comparable prior year value was influenced by the sale of a large development area near Munich. In addition to the forward sale of the "Gmunder Höfe" residential project in Munich, Total Output resulted primarily from the progress of construction on previously sold apartments in projects in Berlin. The forward sold Super 8

Hotel in the Mainz customs harbour and residential units at the "Waterkant" project in Mainz were also completed and transferred during the reporting period.

In the **Austria segment**, Total Output declined to €123.0m in the first three quarters of 2020 (Q1-3/2019: €180.9m). Total Output in the previous year was based, above all, on the forward sale of the "QBC 1&2" office project, which represents the final section of construction in the development of the Quartier Belvedere Central. This project, which is accounted for according to the percentage of completion, also generated the major component of Total Output in the reporting period. The residential business also made an important contribution to Total Output, primarily through the progress of construction on the "barany.7" residential project, which was sold at the end of 2019, and the "Nordbahnhof" and "Pohlgasse" residential projects which were sold during the first three quarters of 2020. These projects are located in Vienna and involved global sales to institutional investors.

The **Poland Segment** recorded Total Output of €55.9m in the first three quarters of 2020, for a slight increase over the prior year level of €52.9m. Two hotel projects - a Mercure Hotel in Katowice and an ibis styles Hotel in Krakow - were forward sold at the end of 2019 and are now included in Total Output based on the percentage of completion.

The **Other Markets segment** recorded a substantial decline in Total Output from €86.2m to €14.5m in the first three quarters of 2020 due to the sale of two hotels in Paris during

Total Output by region

in €m	1-9/2020	1-9/2019	Change
Germany	98.6	140.4	-29.8%
Austria	123.0	180.9	-32.0%
Poland	55.9	52.9	5.8%
Other markets	14.5	86.2	-83.2%
Total	292.1	460.4	-36.6%

the previous year. Lower output was also recorded from hotel operations, above all due to the sale of the Paris hotels and the travel restrictions introduced to combat the COVID-19 pandemic. Total Output for the reporting period resulted chiefly from the progress of construction on a previously sold office project in Prague.

The **Residential segment** reported a sound increase in Total Output from €64.4m in the first nine months of 2019 to €109.1m for the reporting period. Total Output in 2020 consisted mainly of construction progress on previously sold apartments from projects in Germany and Austria, including the "immergrün" and "NeuHouse" projects in Berlin, the "Waterkant" project in Mainz and the "barany.7" project in Vienna. The "Gmunder Höfe" project in Munich and the "Nordbahnhof" and "Pohlgasse" projects in Vienna were sold to institutional investors during the reporting period and are now included in Total Output based on the progress of construction.

The **Office segment** generated Total Output of €70.6m in the first three quarters of 2020 (Q1-3/2019: €72.7m). Total Output for the reporting period was related primarily to the "QBC 1&2" office project at Vienna's main railway station, which was forward sold in August 2019. The "Astrid Offices" property in Prague and a smaller office property in Danzig were also forward sold during the first three quarters of 2020.

Total Output in the **Hotel segment** amounted to €40.0m in the first three quarters of 2020 (Q1-3/2019: €147.9m). The sharp drop resulted primarily from a reduction in the Total Output from hotel operations following the implementation of corona-related travel restrictions. This business reported Total Output of only €13.0m compared with €51.6m in the previous year. Furthermore, two hotels in Paris were sold in the previous year. Positive contributions were made by the progress of construction on the hotels in Katowice and Krakow which were forward sold at the end of 2019 and the transfer of the hotel in the Mainz customs harbour.

The **Other segment** recorded Total Output of €24.2m in the first three quarters of 2020 (Q1-3/2019: €133.5m). This decline was based, above all, on the sale of a development area near Munich. Total Output in 2020 included the sale of a logistics property in the Austrian province of Styria and, above all, revenue from the rental of mixed-use standing assets in Austria and Germany.

Total Output in the **Service segment** equalled €48.1m and exceeded the previous year. A major component resulted from the provision of services for various projects in Germany. This position also includes charges for management services and intragroup allocations.

Total Output by asset class

in €m	1-9/2020	1-9/2019	Change
Residential	109.1	64.4	69.5%
Office	70.6	72.7	-2.9%
Hotel	40.0	147.9	-72.9%
Other	24.2	133.5	-81.8%
Service	48.1	41.9	14.6%
Total	292.1	460.4	-36.6%

Financial performance indicators

Business development and earnings

The core activities of the UBM Group revolve around the project-based real estate business. The revenue reported on the income statement can be subject to strong fluctuations because these projects are developed over a period of several years. Real estate projects are only recognised as of the signing based on the progress of construction and realisation (percentage of completion). However, the sale of properties through share deals and the development and sale of projects within the framework of equity-accounted investments are not included in revenue. In order to provide a better overview and improve the transparency of information on UBM's business performance, Total Output is also reported. This managerial indicator includes – similar to revenue – the proceeds from property sales, rental income and income from hotel operations as well as the general contractor and project management services capitalised or provided to third parties and companies not included through full consolidation. It also contains the revenue 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 principally related to large-scale or residential construction projects.

Total Output for the first three quarters of 2020 amounted to €292.1m and was substantially lower than the previous year (Q1-3/2019: €460.4m). This decline reflected the sale of several larger real estate projects during the first three quarters of 2019 as well as the negative effects of the COVID-19 pandemic on the hotel operating company. Consequently, revenue as reported on the income statement fell by 30.8% year-on-year to €126.8m (Q1-3/2019: €183.2m). The previous year included the sale of a large development area near Munich, while revenue for the reporting period was based primarily on the progress of construction on previously sold real estate projects. The largest contributions to revenue in the first nine months of 2020 were made by residential projects in Germany and two hotel projects in Poland.

The profit from companies accounted for at equity fell from €36.1m in the first nine months of 2019 to €-1.8m in the reporting period. The negative at-equity results are chiefly attributable to the recognition of impairment losses in the hotel operating company due to the COVID-19 pandemic. The carrying amounts of the operating company, ubm hotels, were practically written off in full. A fair value adjustment was also recorded to an equity-accounted hotel property in Vienna. The hotel business had a total effect of €-15.2m on at-equity results. Negative foreign exchange effects were recorded during the first three quarters, above all in connection with the Polish złoty. Contrasting factors were the positive earnings contributions from current real estate projects like the "QBC 1&2" in Vienna.

Income from fair value adjustments to investment property totalled €69.9m (Q1-3/2019: €46.3m). The fair value adjustment in the reporting period was related primarily to a large-scale project in Munich and resulted from the sale of a 40% interest. The project is currently in the planning phase – a mixed-use quarter with commercial, office and residential space is planned for this three-hectare site. The expenses from fair value adjustments were immaterial at €0.5m in the first three quarters of 2020. The first COVID-19-related lockdown in spring 2020 did not result in any material rental losses in the fully consolidated standing assets which would have led to the recognition of an impairment loss. In the previous year, the fair value adjustments totalled €19.0m.

Other operating income amounted to €6.3m in the reporting period and included, among others, revenue from third-party charges, foreign exchange gains, income from the release of provisions and various other positions (Q1-3/2019: €4.1m). Other operating expenses rose from €29.6m to €39.1m, above all due to foreign exchange losses of €17.4m. The value of both the Polish złoty and the Czech koruna fell substantially compared with the euro as of 30 September 2020. Other operating expenses also include administrative costs, travel expenses and advertising costs as well as charges and duties.

The cost of materials and other related production services totalled €86.1m in the first nine months of 2020 (Q1-3/2019: €156.2m). These expenses consist largely of material costs for the construction of residential properties and various other development projects which were sold through forward transactions. They also include the book value disposals from property sales in the form of asset deals and purchased general contractor services. The reduction in the cost of materials exceeded the revenue decline for the first nine months of 2020 because the current reporting period includes a larger component of residential property inventory sales.

The changes in the portfolio related to residential property inventories and other IAS 2 properties led to expenses of €1.4m, in contrast to income of €15.2m in the first three quarters of the previous year. The slightly negative earnings effect in the reporting period is attributable to the increased sales of residential property inventories.

Personnel expenses were slightly below the prior year level of €27.1m at €25.4m in the reporting period. The valuation of the UBM share option programme, which was approved by the Annual General Meeting in May 2017, added €0.7m to personnel expenses (Q1-3/2019: €0.7m). The short-time work measures and voluntary salary waivers introduced by UBM during the first lockdown led to savings in personnel expenses in the reporting period. In contrast, personnel expenses were increased by additional hiring for the alba project management subsidiary. The UBM Group companies included in the consolidation employed a total workforce of 335 at the end of September 2020, whereby the slight decline resulted from the deconsolidation of a hotel in Poland (31 December 2019: 389).

EBITDA fell by 7.7% year-on-year to €48.8m in the first three quarters of 2020 (Q1-3/2019: €52.9m) due to the decline in revenue and the above-mentioned losses from the hotel operating company. Depreciation and amortisation exactly matched the previous year at €2.5m. EBIT for the first nine months of 2020 was 8.0% below the previous year at €46.3m (Q1-3/2019: €50.4m). Financial income increased

substantially from €11.9m in the first three quarters of 2019 to €20.5m, supported by financial income of €10.7m from share deals (Q1-3/2019: €6.2m) and by higher interest from an increase in project financing. Financial costs were slightly lower than the previous year at €15.8m (Q1-3/2019: €16.0m), whereby neither the reporting period nor the comparable prior year period included material impairment losses.

EBT rose by 10.4% year-on-year to €51.0m (Q1-3/2019: €46.2m). Tax expense equalled €17.7m in the first three quarters of 2020, which represents a tax rate of 34.7% (Q1-3/2019: 17.4%). The substantial increase in the tax rate resulted, above all, from a higher earnings contribution from Germany combined with tax effects from at-equity results.

Profit for the period (net profit after tax) totalled €33.3m and was €4.8m lower than the first three quarters of 2019 (€38.1m). Net profit attributable to the shareholders of the parent company amounted to €27.1m for the reporting period (Q1-3/2019: €34.4m). Beginning with the 2020 financial year, the calculation of net profit attributable to the shareholders of the parent company includes a deduction for the share attributable to the hybrid capital holders; the comparative prior year data were adjusted accordingly. The share attributable to the hybrid capital holders equalled €5.3m in the first three quarters of both 2019 and 2020. The resulting earnings per share fell from €4.60 to €3.63 in the reporting period due to the increase in the tax rate.

Asset and financial position

Total assets recorded by the UBM Group rose by €71.2m over the level on 31 December 2019 to €1,387.6m as of 30 September 2020, chiefly due to an increase in cash and cash equivalents and in financial assets.

The carrying amount of investment properties fell by €72.2m to €395.5m at the end of September 2020. This substantial decline resulted, above all, from the sale of a 40% interest in the large-scale "Baubergerstrasse" project in Munich which has been reported under equity-accounted companies since the signing in the second quarter of 2020. The sale of this investment led to a corresponding increase in the carrying amount of investments in companies accounted for at equity and in project financing. The carrying amount of the investments in companies accounted for at equity increased by €42.9m to €177.3m, while project financing rose by €88.8m to €270.0m. At the same time, property, plant and equipment declined by €29.4m to €10.9m. A major component of this position involves the capitalised rights of use from lease agreements, which totalled €7.4m as of 30 September 2020.

Current assets increased by €32.9m over the level at year-end 2019 to €497.9m at the end of the reporting period. Cash and cash equivalents rose by €20.4m based on proceeds from the sale of interests and an increase in borrowings during the first three quarters. Tax payments of €22.6m represented a contrary effect. Cash and cash equivalents remained at a very high level of €232.7m at the end of September 2020. Financial assets also increased significantly from €9.7m to €33.4m owing to a purchase price receivable from the sale of an interest.

Inventories totalled €127.0m at the end of September 2020 (31 December 2019: €128.2m). This position includes miscellaneous inventories as well as specific residential properties under development which are designated for sale. Trade receivables declined from €103.3m at year-end 2019 to €94.2m at the end of the third quarter of 2020. 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 rose by €13.3m over the level at year-end 2019 to €475.8m as of 30 September 2020 based on the earnings generated during the reporting period. Equity was reduced by the dividend payment of €16.4m on 5 June 2020. The equity ratio equalled 34.3% at the end of September 2020 (31 December 2019: 35.1%).

Bond liabilities generally reflected the year-end 2019 level with €486.2m as of 30 September 2020 (31 December 2019: €484.7m). Financial liabilities (current and non-current) rose by €56.3m during the reporting period to €276.1m. Trade payables amounted to €58.6m at the end of September 2020 (31 December 2019: €57.2m) and consisted mainly of outstanding payments for subcontractor services. Other financial liabilities (current and non-current) rose from €25.6m as of 31 December 2019 to €47.2m. Deferred taxes and current taxes payable stood at €17.6m compared to €41.6m at year-end 2019 due to the above-mentioned tax payment.

Net debt rose from €442.4m as of 31 December 2019 to €509.2m as of 30 September 2020. The increase was based, in particular, on the higher balance of financial liabilities required for investments. Net debt represents current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents.

Cash flow

Operating cash flow totalled €7.2m in the first three quarters of 2020 (Q1-3/2019: €-11.1m). Material fair value adjustments included in profit for the reporting period were excluded from operating cash flow because of their non-cash character. Operating cash flow was increased by substantially higher dividends from companies accounted for at equity.

Cash flow from operating activities improved from €-4.7m in the first three quarters of the previous year to €2.8m. The payment of tax liabilities totalling €22.6m, among others, led to a reduction in cash flow which was contrasted by a reduction of €13.7m in receivables and €9.3m in inventories. These amounts include cash inflows of €9.4m from the sale of inventories and €38.9m from real estate receivables. The additions to real estate inventories totalled €0.9m, and the additions to real estate receivables equalled €8.2m. In contrast, cash flow was reduced by a slight decline of €2.2m in liabilities.

Cash flow from investing activities totalled €-41.4m in the first three quarters of 2020 (Q1-3/2019: €18.0m). Investments in project financing amounted to €75.0m, and the expenditures for investment property, property, plant and equipment and financial assets reached €33.5m. Contrasting factors included cash inflows of €34.4m from the repayment of project financing and €22.3m from the sale of consolidated companies.

Cash flow from financing activities amounted to €59.4m in the first three quarters of 2020 (Q1-3/2019: €-41.3m). Loans totalling €157.2m were arranged during the reporting period, while €72.4m were repaid. The dividend of €23.5m was also paid during the first half of 2020 and includes €16.4m to the shareholders of UBM Development AG and €7.0m to hybrid capital holders.

Non-financial performance indicators**Environmental and social issues**

UBM carries significant social responsibility through its functions as a project developer and property owner. Especially in the area of real estate development, UBM not only influences its own sustainable business activities, but also creates the foundation for future users (e.g. through the choice of materials, energy supply etc.). The inclusion of sustainability aspects during the design, construction and operational phases of a project therefore represents an important instrument for the sustainable preservation of a property. For these reasons, UBM's strategy has included a focus on the environment and sustainability for many years.

Employees

The UBM Group, including all its subsidiaries, had a total workforce of 335 as of 30 September 2020, compared with 378 as of 30 September 2019 (of which 54 worked at the Holiday Inn Gdansk). Approximately 60% of UBM's employees work outside Austria.

Detailed information on environmental and social issues, respect for human rights, the fight against corruption and bribery and employee-related issues can be found in the non-financial statement, which forms part of the 2019 Annual Report.

Outlook

Economic research institutes are predicting a worldwide recession of roughly 4.5% in 2020 as a consequence of the COVID-19 pandemic. The decline in the eurozone is projected to be even stronger than the global economy because of the measures introduced to limit the spread of the virus. The European Commission forecasts a sharp drop of 8.7% for the full 12 months of 2020 in its summer report, primarily due to the lockdown in the first half-year, but this estimate does not include the effects of the second lockdown in autumn/winter 2020. The European Central Bank (ECB) is continuing to hold interest rates low. Further steps, including extensive bond purchases, have also been taken to ease monetary policy, and wide-ranging government programmes have been introduced to support the economy and consumer spending. The demand for real estate remains strong due to the high volume of liquidity in the market, whereby there is a considerable difference by asset class and quality. For example: The demand for hotel properties has collapsed due to the corona crisis but the interest in residential properties, above all by institutional investors, is increasing.^{1,2,3}

UBM's liquidity situation was very sound at the end of the third quarter of 2020. Liquidity was not only protected, but the buffer has increased despite the COVID-19 pandemic. Cash and cash equivalents totalled €232.7m as of 30 September 2020. However, the extent of the effects on UBM's business environment from the pandemic and the resulting economic distortions cannot be conclusively estimated at the present time. UBM has adjusted its strategic orientation to reflect the expected changes in the market, whereby the strategic importance of the hotel assets class has been substantially reduced. Work on hotel projects is only continuing in cases where construction started before the COVID-19 pandemic. Alternative scenarios have been developed for the remaining pipeline projects – for example, at the “F.A.Z. Tower” in Frankfurt, where offices instead of a hotel will be developed in the second building section. These offices will be built as

a timber construction in keeping with UBM's new strategic focus on **green. smart. and more.** These recent adjustments reduced the share of the hotel asset class in the current development pipeline to 15%.

The Management Board has simulated various scenarios and expects considerable short- to medium-term variances in the expected cash inflows and necessary expenditures. Major parts of the expected cash inflows for 2020 have already been secured through forward sales, but the focus on internal cash management has been increased to ensure flexible reactions to any deviations or new opportunities. UBM has a comparatively high liquidity buffer as well as a flat repayment profile for its bonds and promissory note loans, with repayments of only approximately €50m in December 2020 and €50m in November 2021. Consequently, the liquidity reserve will be able to comfortably offset the fluctuations expected at the present time.

Conclusive forecasts over the development of earnings in 2020 are impossible at the present time because of the uncertain market environment. The development of earnings in the first three quarters clearly exceeded expectations, but a challenging fourth quarter lies ahead. There has been a sharp rise in the number of COVID-19 infections during the autumn months which, in turn, has led to further massive travel and retail restrictions. UBM's hotel leasing business has been directly affected, and the resulting impact on business activities must be re-evaluated in this context. The development of earnings will be positively influenced by the high level of sales for properties scheduled for completion in 2020. All hotel and office properties have already been forward sold to partners with sound credit ratings, and the sale of apartments is well advanced. The interest of institutional investors in the residential sector remains unbroken, but demand is also strong for UBM's office projects – as illustrated, for example, by the recent forward sale of the “F.A.Z. Tower” in Frankfurt, the largest office project currently in realisation. Consequently, property development is expected to generate cash inflows as well as a corresponding earnings contribution in 2020.

¹ IMF: World Economic Outlook – October 2020

² Austrian National Bank: Konjunktur aktuell – October 2020

³ Morgan Stanley: Global Macro Mid-Year Outlook – 14 June 2020

UBM currently assumes the expected market environment will also lead to new opportunities. Real estate projects currently in realisation by competitors are likely to come under increasing pressure in the next six months due to the prevailing uncertainty, and a strong partner may be needed. These potential investments or acquisitions will, however, only have a positive influence on UBM's earnings development beginning in 2022. Due to the limited project acquisition activity in 2020 and the further course of the COVID-19 pandemic, earnings in 2021 are expected to be lower than the previous year. UBM is optimistic concerning a successful return to the pre-corona development beginning in 2022 and expects to emerge stronger from these crisis years.

The risk appetite of investors, banks and tenants is declining, while the ongoing low interest rate environment and the continuing flight towards real values should further intensify the lack of investment alternatives. Based on its previous track record, UBM is optimally prepared for this situation. At the same time, the overall development of business and the company's risk position will be continuously evaluated to prepare for alternative scenarios.

Risk report

The risks which have, or could have, a significant impact on UBM Development AG are discussed in the 2019 Annual Report on pages 60 to 63. Detailed information on UBM's risk management system is also provided in this section. There have been no significant changes in the risk profile since the end of the 2019 financial year. Therefore, the statements in the 2019 Annual Report/risk report still apply without exception. Reference is made, in particular, to the risks connected with the COVID-19 pandemic, which are discussed on pages 62 and 63.

Responsibility Statement

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

Vienna, 26 November 2020

The Management Board



Martin Löcker
COO



Thomas G. Winkler
CEO



Patric Thate
CFO

Consolidated Income Statement

from 1 January to 30 September 2020

in T€	1-9/2020	1-9/2019	7-9/2020	7-9/2019
Revenue	126,830	183,186	47,226	91,140
Changes in the portfolio	-1,403	15,169	-1,790	17,849
Share of profit/loss from companies accounted for at equity	-1,754	36,123	6,825	22,966
Income from fair value adjustments to investment property	69,853	46,255	-	-10
Other operating income	6,278	4,103	2,272	-1,315
Cost of materials and other related production services	-86,052	-156,228	-27,866	-95,198
Personnel expenses	-25,384	-27,078	-6,735	-8,211
Expenses from fair value adjustments to investment property	-490	-19,011	-91	-623
Other operating expenses	-39,050	-29,636	-11,314	-9,901
EBITDA	48,828	52,883	8,527	16,697
Depreciation and amortisation	-2,486	-2,520	-584	-331
EBIT	46,342	50,363	7,943	16,366
Financial income	20,457	11,879	4,433	4,632
Financial costs	-15,769	-16,040	-5,186	-4,118
EBT	51,030	46,202	7,190	16,880
Income tax expenses	-17,693	-8,060	-420	-82
Profit for the period (net profit)	33,337	38,142	6,770	16,798
of which: attributable to shareholders of the parent	27,148	34,355	4,831	15,378
of which: attributable to holders of hybrid capital	5,267	5,254	1,769	1,767
of which: attributable to non-controlling interests	922	-1,467	170	-347
Basic earnings per share (in €)	3.63	4.60	0.64	2.06
Diluted earnings per share (in €)	3.63	4.60	0.65	2.06

Consolidated Statement of Comprehensive Income

from 1 January to 30 September 2020

in T€	1-9/2020	1-9/2019	7-9/2020	7-9/2019
Profit for the period (net profit)	33,337	38,142	6,770	16,798
Other comprehensive income				
Remeasurement of defined benefit obligations	-76	-1,026	-43	-568
Income tax expense (income) on other comprehensive income	19	261	11	145
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	-57	-765	-32	-423
Currency translation differences	3,005	530	853	1,020
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	3,005	530	853	1,020
Other comprehensive income of the period	2,948	-235	821	597
Total comprehensive income of the period	36,285	37,907	7,591	17,395
of which: attributable to shareholders of the parent	30,184	34,008	5,739	15,814
of which: attributable to holders of hybrid capital	5,267	5,254	1,769	1,767
of which: attributable to non-controlling interests	834	-1,355	83	-186

Consolidated Statement of Financial Position

as of 30 September 2020

in T€	30 September 2020	31 December 2019
Assets		
Non-current assets		
Intangible assets	2,770	2,747
Property, plant and equipment	10,881	40,242
Investment property	395,549	467,740
Investments in companies accounted for at equity	177,340	134,484
Project financing	269,993	181,157
Other financial assets	12,686	11,501
Financial assets	3,497	3,412
Deferred tax assets	16,970	10,088
	889,686	851,371
Current assets		
Inventories	126,969	128,169
Trade receivables	94,185	103,294
Financial assets	33,383	9,716
Other receivables and assets	10,634	8,751
Cash and cash equivalents	232,734	212,384
Assets held for sale	-	2,704
	497,905	465,018
Assets total	1,387,591	1,316,389
Equity and liabilities		
Equity		
Share capital	22,417	22,417
Capital reserves	98,954	98,954
Other reserves	221,413	205,147
Hybrid capital	128,562	130,315
Equity attributable to shareholders of the parent	471,346	456,833
Equity attributable to non-controlling interests	4,482	5,673
	475,828	462,506
Non-current liabilities		
Provisions	9,184	6,759
Bonds	436,366	435,018
Financial liabilities	257,500	186,145
Other financial liabilities	853	1,306
Deferred tax liabilities	6,917	8,327
	710,820	637,555
Current liabilities		
Provisions	567	686
Bonds	49,814	49,713
Financial liabilities	18,630	33,680
Trade payables	58,594	57,199
Other financial liabilities	46,308	24,263
Other liabilities	16,375	17,563
Taxes payable	10,655	33,224
	200,943	216,328
Equity and liabilities total	1,387,591	1,316,389

Consolidated Statement of Cash Flows

from 1 January to 30 September 2020

in T€	1-9/2020	1-9/2019
Profit for the period (net profit)	33,337	38,142
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	-66,848	-27,040
Interest income/expense	5,987	15,361
Income from companies accounted for at equity	1,842	-36,123
Dividends from companies accounted for at equity	16,544	7,133
Increase/decrease in long-term provisions	2,328	-626
Deferred income tax	13,991	-7,982
Operating cash flow	7,181	-11,135
Decrease/increase in short-term provisions	-119	314
Decrease/increase in tax liabilities	-22,569	4,204
Gains on the disposal of assets	-11,392	-4,284
Decrease in inventories	9,262	2,272
Decrease in receivables	13,678	32,190
Decrease in payables (excluding banks)	-2,230	-25,112
Interest received	501	617
Interest paid	-3,271	-7,830
Other non-cash transactions	11,731	4,086
Cash flow from operating activities	2,772	-4,678
Proceeds from the sale of property, plant and equipment and investment property	3,760	62,915
Proceeds from the sale of financial assets	6,805	33,418
Proceeds from the repayment of project financing	34,383	38,575
Investments in intangible assets	-82	-61
Investments in property, plant and equipment and investment property	-19,681	-78,691
Investments in financial assets	-13,833	-7,023
Investments in project financing	-75,045	-38,155
Proceeds from the sale of consolidated companies	22,347	6,988
Payments made for the purchase of subsidiaries less cash and cash equivalents acquired	-9	-
Cash flow from investing activities	-41,355	17,966
Dividends	-23,459	-23,459
Dividends paid to non-controlling interests	-1,620	-3,446
Proceeds from bonds	-	46,350
Repayment of bonds	-	-91,322
Increase in loans and other financing	157,208	137,597
Repayment of loans and other financing	-72,430	-106,971
Acquisition of non-controlling interests	-300	-
Cash flow from financing activities	59,399	-41,251
Cash flow from operating activities	2,772	-4,678
Cash flow from investing activities	-41,355	17,966
Cash flow from financing activities	59,399	-41,251
Change in cash and cash equivalents	20,816	-27,963
Cash and cash equivalents at 1 January	212,384	200,447
Currency translation differences	-466	-249
Cash and cash equivalents at 30 September	232,734	172,235
Taxes paid	26,271	11,838

Consolidated Statement of Changes in Equity

as of 30 September 2020

in T€	Share capital	Capital reserves	Remeasurement of defined benefit obligations	Currency translation reserve
Balance as of 31 December 2018	22,417	98,954	-3,066	-1,970
Adjustments due to initial application of IFRS 16	-	-	-	-
Balance as of 1 January 2019	22,417	98,954	-3,066	-1,970
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	-765	708
Total comprehensive income for the period	-	-	-765	708
Dividend	-	-	-	-
Equity-settled share options	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Balance as of 30 September 2019	22,417	98,954	-3,831	-1,262
Balance as of 31 December 2019	22,417	98,954	-3,651	-2,294
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	-57	3,969
Total comprehensive income for the period	-	-	-57	3,969
Dividend	-	-	-	-
Equity-settled share options	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Changes in non-controlling interests	-	-	-	-
Balance as of 30 September 2020	22,417	98,954	-3,708	1,675

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Other reserves	Hybrid capital	Equity attributable to equity holders of the parent	Non-controlling interests	Total
182,252	130,315	428,902	7,414	436,316
-127	-	-127	-3	-130
182,125	130,315	428,775	7,411	436,186
34,355	5,254	39,609	-1,467	38,142
-290	-	-347	112	-235
34,065	5,254	39,262	-1,355	37,907
-16,439	-7,020	-23,459	-3,446	-26,905
750	-	750	-	750
1,755	-	1,755	-	1,755
202,256	128,549	447,083	2,610	449,693
211,092	130,315	456,833	5,673	462,506
27,148	5,267	32,415	922	33,337
-876	-	3,036	-88	2,948
26,272	5,267	35,451	834	36,285
-16,439	-7,020	-23,459	-1,620	-25,079
661	-	661	-	661
1,755	-	1,755	-	1,755
105	-	105	-405	-300
223,446	128,562	471,346	4,482	475,828

Segment Reporting¹

from 1 January to 30 September 2020

in T€	Germany		Austria	
	1-9/2020	1-9/2019	1-9/2020	1-9/2019
Total Output				
Residential	78,900	27,677	28,790	35,104
Office	51	-	51,145	63,183
Hotel	8,118	39,033	3,916	4,395
Other	5,084	66,001	16,571	61,132
Service	6,463	7,710	22,625	17,052
Total Output	98,616	140,421	123,047	180,866
Less revenue from associates and companies of minor importance and from performance companies as well as changes in the portfolio	-61,327	-31,943	-86,139	-145,108
Revenue	37,289	108,478	36,908	35,758
Residential	86,430	2,846	2,111	3,242
Office	178	7,401	6,894	11,274
Hotel	1,118	-1,454	-15,672	2,385
Other	-4,949	26,509	-7,208	-18,561
Service	228	195	5,491	2,334
Total EBT	83,005	35,497	-8,384	674

¹ Included in the notes. Intersegment revenue is immaterial.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Poland		Other markets		Group	
1-9/2020	1-9/2019	1-9/2020	1-9/2019	1-9/2020	1-9/2019
-	-	1,390	1,582	109,080	64,363
11,643	8,803	7,798	727	70,637	72,713
25,750	28,926	2,253	75,530	40,037	147,884
1,433	2,139	1,145	4,179	24,233	133,451
17,075	12,988	1,923	4,193	48,086	41,943
55,901	52,856	14,509	86,211	292,073	460,354
-23,276	-23,414	5,499	-76,703	-165,243	-277,168
32,625	29,442	20,008	9,508	126,830	183,186
-6,061	-3,202	-5,580	-2,410	76,900	476
-4,484	-2,131	461	-532	3,049	16,012
2,622	2,449	-3,885	27,393	-15,817	30,773
-5,159	-8,688	236	-706	-17,080	-1,446
30	-354	-1,771	-1,788	3,978	387
-13,052	-11,926	-10,539	21,957	51,030	46,202

notes to the consolidated interim financial statements.

1. General information

The UBM Group comprises UBM Development AG (UBM) and its subsidiaries. UBM is a public limited company under Austrian law which maintains its registered headquarters at 1100 Vienna, Laaer-Berg-Strasse 43. It is registered with the commercial court of Vienna under reference number FN 100059x. The business activities of the Group are focused primarily on the development, sale and management of real estate.

These consolidated interim financial statements were prepared in accordance with IAS 34, Interim Financial Reporting, based on the International Financial Reporting Standards (IFRS) which were issued by the International Accounting Standards Board (IASB) and adopted by the European Union as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). The applied accounting principles also include the standards which required mandatory application as of 1 January 2020.

The reporting currency is the euro, which is also the functional currency of UBM. The functional currency of the subsidiaries included in the consolidated financial statements is the euro or the respective national currency, depending on the business field. Amounts are reported in thousands of euros (T€) and rounded using the compensated summation method.

2. Scope of consolidation

The consolidated interim financial statements include UBM as well as 64 (31 December 2019: 59) domestic and 80 (31 December 2019: 81) foreign subsidiaries. The initial consolidations during the reporting period involved seven newly founded companies and one company in which UBM's investment was increased (see note 2.1.).

One company was sold and subsequently liquidated. The investments in two other companies were reduced through the sale of shares to the extent that only significant influence remains. The sale price of T€36,174 included a cash payment of T€20,810 and T€15,364 are still outstanding. The assets and liabilities over which control was lost are summarised below:

in T€	30.9.2020
Non-current assets	
Intangible assets	13
Property, plant and equipment	26,216
Investment property	139,036
Financial assets	4,465
Deferred tax assets	6,075
Current assets	
Inventories	991
Financial assets	187
Other receivables and current assets	291
Cash and cash equivalents	744
Assets held for sale	556
Non-current liabilities	
Financial liabilities	25,180
Other financial liabilities	65,099
Deferred tax liabilities	26,643
Current liabilities	
Financial liabilities	1,325
Trade payables	704
Other financial liabilities	654
Other liabilities	190

In addition, 35 (31 December 2019: 32) domestic and 24 (31 December 2019: 22) foreign associates and joint ventures were accounted for at equity. Seven companies were initially included following their acquisition, and one company was accounted for at equity after its partial sale. One company was deconsolidated following its liquidation, another company was sold, and a further company was fully consolidated following an increase in the investment.

2.1. Initial consolidation

The following companies were initially included through full consolidation during the reporting period.

Due to new foundations	Date of initial consolidation
Astrid Office s.r.o.	1.2.2020
Frauentorgraben GmbH & Co. KG	11.2.2020
LQ Immobilien Alpha GmbH & Co KG	7.7.2020
LQ Immobilien Beta GmbH & Co KG	7.7.2020
LQ Immobilien Gamma GmbH & Co KG	7.7.2020
LQ Immobilien Delta GmbH & Co KG	7.7.2020
LQ Immobilien Epsilon GmbH & Co KG	25.7.2020
Due to an increase in the investment held	Date of initial consolidation
WA Kufstein Salurnerstraße Immobilien GmbH	30.6.2020

The acquired company represents the purchase of a property for T€5,662 and the assumption of the related financing of T€5,403. This transaction does not represent a business combination as defined in IFRS 3.

3. Accounting and valuation methods

These consolidated interim financial statements are based on the same accounting and valuation methods applied in preparing the consolidated financial statements of 31 December 2019, which are presented in the related notes. Exceptions to these methods are formed by the following standards and interpretations that required mandatory application for the first time during the reporting period.

The following standards were initially applied by the Group as of 1 January 2020 and had no material effect on the consolidated interim financial statements.

New or revised standard	Date of publication by IASB	Date of adoption into EU	Date of initial application
Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32: updating or clarifying which version of the conceptual framework they relate to	29.3.2018	29.11.2019	1.1.2020
Amendments to IFRS 3: Definition of a Business	22.10.2018	21.4.2020	1.1.2020
Amendments to IAS 1 and IAS 8: Definition of materiality	31.10.2018	29.11.2019	1.1.2020
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (Phase 1)	26.9.2019	15.1.2020	1.1.2020
Amendments to IFRS 16: Covid-19-Related Rent Concessions	28.5.2020	9.10.2020	1.6.2020

The following standards and interpretations were published after the preparation of the consolidated financial statements as of 31 December 2019. They do not yet require mandatory application and/or have not yet been adopted into EU law:

New or revised standard	Date of publication by IASB	Date of adoption into EU law	Date of initial application
IFRS 17 - Insurance Contracts	18.5.2017	-	1.1.2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	23.1.2020	-	1.1.2023
Amendments to IFRS 3: Reference to the Conceptual Framework 2018	14.5.2020	-	1.1.2022
Amendments to IAS 37: Onerous Contracts - Costs of Fulfilling a Contract	14.5.2020	-	1.1.2022
Amendments to IAS 16: Property, Plant & Equipment: Proceeds before Intended Use	14.5.2020	-	1.1.2022
Annual Improvements to IFRSs 2018-2020 Cycle	14.5.2020	-	1.1.2022
Amendments to IFRS 17: Insurance Contracts	25.6.2020	-	1.1.2023
Amendments to IFRS 4 Insurance Contracts: Deferral of IFRS 9	25.6.2020	-	1.1.2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform (Phase 2)	27.8.2020	-	1.1.2021

4. Estimates and assumptions

The preparation of consolidated interim financial statements in accordance with IFRSs requires estimates and assumptions by management which influence the amount and presentation of assets, liabilities, income and expenses as well as the disclosure of contingent liabilities in the interim report. Actual results may differ from these estimates.

5. Dividend

The Annual General Meeting on 28 May 2020 approved the dividend recommendation for the 2019 financial year. A dividend of €2.20 per share, representing a total pay-out of €16,438,796.00 based on 7,472,180 shares, was distributed on 5 June 2020. The remainder of €2,995,999.91 was carried forward.

6. Revenue

The following table shows the classification of revenue according to the major categories, the time of recognition and the reconciliation to segment reporting:

	<u>Germany</u>	<u>Austria</u>	<u>Poland</u>	<u>Other Markets</u>	<u>Group</u>
in T€	1-9/2020	1-9/2020	1-9/2020	1-9/2020	1-9/2020
Revenue					
Residential	21,641	13,054	2	596	35,293
Office	4	3,789	9,554	6,794	20,141
Hotel	5,517	-	19,972	995	26,484
Other	4,249	1,681	1,946	-	7,876
Service	5,878	18,384	1,151	11,623	37,036
Revenue	37,289	36,908	32,625	20,008	126,830
Recognition over time	-	22,976	19,398	2,177	44,551
Recognition at a point in time	37,289	13,932	13,227	17,831	82,279
Revenue	37,289	36,908	32,625	20,008	126,830

	Germany	Austria	Poland	Other Markets	Group
in T€	1-9/2019	1-9/2019	1-9/2019	1-9/2019	1-9/2019
Revenue					
Residential	27,857	20,003	9	1,594	49,463
Office	2,557	54	5,308	724	8,643
Hotel	5,812	-	18,700	44	24,556
Other	65,431	6,423	3,273	3,308	78,435
Service	6,821	9,278	2,152	3,838	22,089
Revenue	108,478	35,758	29,442	9,508	183,186
Recognition over time	33,551	7,997	-	-	41,548
Recognition at a point in time	74,927	27,761	29,442	9,508	141,638
Revenue	108,478	35,758	29,442	9,508	183,186

7. Earnings per share

	1-9/2020	1-9/2019
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	32,415	39,609
Less interest on hybrid capital (in T€)	-5,267	-5,254
Proportion of profit for the period attributable to shareholders of the parent (in T€)	27,148	34,355
Potential shares		
Weighted average number of shares issued (=number of basic shares)	7,472,180	7,472,180
Average number of share options outstanding	-	921
Number of shares diluted	7,472,180	7,473,101
Prior basic earnings per share (in €)	4.34	5.30
Prior diluted earnings per share (in €)	4.34	5.30
New basic earnings per share (in €)	3.63	4.60
New diluted earnings per share (in €)	3.63	4.60

The accounting method for the calculation of earnings per share was changed in 2020. The provisions of IAS 33 concerning the presentation of hybrid financing in equity were subject to differing interpretations by the market in the past. UBM decided to adapt its calculation to the prevailing market interpretation beginning in 2020 and is now allocating the interest attributable to the hybrid capital directly to the hybrid capital holders. This leads to a corresponding reduction in the earnings attributable to shareholders.

8. Investments in companies accounted for at equity

Information on the effects of the COVID-19 pandemic is provided in note 13.

9. Non-current assets held for sale

There were no non-current assets held for sale as of 30 September 2020.

10. Share capital

Share capital	Number 30 Sept 2020	€ 30 Sept 2020	Number 31 Dec 2019	€ 31 Dec 2019
Ordinary bearer shares	7,472,180	22,416,540	7,472,180	22,416,540

11. Notes on segment reporting

Segment reporting is based on geographical regions in accordance with the internal organisational structure of the UBM Group. The individual development companies in a segment are combined into groups for the purpose of segment reporting. Each of these groups constitutes a business area (asset class) in the UBM Group.

Segment reporting was changed to reflect the new internal reporting and management structure of the UBM Group. The comparative data were adjusted retrospectively to reflect the new structure. As part of this changeover, the administration and service areas were combined into a single asset class.

12. Financial instruments

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

The fair value measurement of the bonds is based on quoted prices. Loans and borrowings as well as other financial assets are valued using the discounted cash flow method, whereby the zero coupon yield curve published by Reuters on 30 September 2020 was used to discount the cash flows.

Carrying amounts, measurement approaches and fair values

in T€	Measurement category (IFRS 9)	Carrying amount as of 30 Sept 2020	Measurement in acc. with IFRS 9			Fair value hierarchy	Fair value as of 30 Sept 2020
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)		
Assets							
Project financing at variable interest rates	Amortised Cost	269,993	269,993	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	10,589
Other financial assets	FVTPL	3,104	-	-	3,104	Level 3	3,104
Other financial assets	FVTPL	861	-	-	861	Level 1	861
Trade receivables	Amortised Cost	23,735	23,735	-	-	-	-
Financial assets	Amortised Cost	36,880	36,880	-	-	-	-
Cash and cash equivalents	-	232,734	232,734	-	-	-	-
Liabilities							
Bonds at fixed interest rates	Amortised Cost	486,179	486,179	-	-	Level 1	479,658
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	203,629	203,629	-	-	-	-
at fixed interest rates	Amortised Cost	37,000	37,000	-	-	Level 3	37,167
Other loans and borrowings							
at fixed interest rates	Amortised Cost	15,115	15,115	-	-	Level 3	16,020
Lease liabilities	-	20,386	20,386	-	-	-	-
Trade payables	Amortised Cost	58,594	58,594	-	-	-	-
Other financial liabilities	Amortised Cost	47,161	47,161	-	-	-	-
By category:							
Financial assets at amortised cost	Amortised Cost	339,329	339,329	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	3,965	-	-	3,965	-	-
Cash and cash equivalents	-	232,734	232,734	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	847,678	847,678	-	-	-	-

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2019	Measurement in acc. with IFRS 9			Fair value hierarchy	Fair value as of 31 Dec 2019
			(Amortised) cost	Fair value (other comprehensive income)	Fair value (through profit or loss)		
Assets							
Project financing at variable interest rates	Amortised Cost	181,157	181,157	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	10,326
Other financial assets	FVTPL	1,889	-	-	1,889	Level 3	1,889
Other financial assets	FVTPL	891	-	-	891	Level 1	891
Trade receivables	Amortised Cost	35,913	35,913	-	-	-	-
Financial assets	Amortised Cost	13,128	13,128	-	-	-	-
Cash and cash equivalents	-	212,384	212,384	-	-	-	-
Liabilities							
Bonds at fixed interest rates	Amortised Cost	484,731	484,731	-	-	Level 1	508,836
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	137,952	137,952	-	-	-	-
at fixed interest rates	Amortised Cost	17,000	17,000	-	-	Level 3	16,832
Other loans and borrowings							
at fixed interest rates	Amortised Cost	15,108	15,108	-	-	Level 3	15,175
Lease liabilities	-	49,765	49,765	-	-	-	-
Trade payables	Amortised Cost	57,199	57,199	-	-	-	-
Other financial liabilities	Amortised Cost	25,569	25,569	-	-	-	-
By category:							
Financial assets at amortised cost	Amortised Cost	238,919	238,919	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	2,780	-	-	2,780	-	-
Cash and cash equivalents	-	212,384	212,384	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	737,559	737,559	-	-	-	-

13. Effects of the COVID-19 pandemic

In the UBM Group, the impact of the COVID-19 pandemic was felt primarily in the Hotel segment due to the limitations on travel. The decline in revenue during the first three quarters and the adjusted expectations for revenue in the final quarter of 2020 and subsequent years led to the recognition of an impairment loss to the hotel investments and, subsequently, to the recognition of a valuation adjustment to the equity-accounted investment in UBM hotels Management GmbH, a holding corporation for hotel operating companies. The carrying amount of this investment was written off in full, and valuation adjustments were also recorded to the long-term project financing which represents part of the net investment in UBM hotels Management GmbH. In total, T€-12,713 were recorded under the share of profit/loss from companies accounted for at equity.

Adjusted cash flow assumptions for another associated hotel property in Vienna led to the recognition of a valuation adjustment of T€-2,468 to the carrying amount of this investment.

The related amounts are included under the Austria segment.

Rental payment defaults in the standing investments as a result of the COVID-19 pandemic were immaterial during the first three quarters of 2020, and no valuation adjustments were required.

14. Transactions with related parties

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

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

Transactions between companies included in the UBM Group's consolidated financial statements and the PORR Group companies during the first three quarters of 2020 were principally related to construction services.

Moreover, interest of T€1,520 on the hybrid capital was paid to PORR AG in 2020.

15. Events after the balance sheet date

No reportable events occurred after the balance sheet date on 30 September 2020.

Vienna, 26 November 2020


The Management Board



Martin Löcker
COO



Thomas G. Winkler
CEO



Patric Thate
CFO

Financial Calendar

2020

Publication of the Q3 Report 2020	26.11.2020
Redemption and interest payment on UBM bond 2015	9.12.2020

2021

Interest payment on hybrid bond	1.3.2021
Publication of the Annual Report 2020	23.4.2021
Record date for participation in the 140th Annual General Meeting	17.5.2021
Publication of the Q1 Report 2021	25.5.2021
140th Annual General Meeting, Vienna	27.5.2021
Trading ex dividend on the Vienna Stock Exchange	2.6.2021
Dividend record date	3.6.2021
Payment date of the dividend for the 2020 financial year	4.6.2021
Publication of the Half-Year Report 2021	25.8.2021
Interest payment on UBM bond 2017	12.10.2021
Interest payment on UBM bond 2019	15.11.2021
Interest payment on UBM bond 2018	16.11.2021
Publication of the Q3 Report 2021	25.11.2021

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Disclaimer

This quarterly report includes forward-looking statements which are based on current assumptions and estimates made to the best of their knowledge by the management of UBM Development AG. These forward-looking statements can be identified by words like "expectation", "goal" or similar terms and expressions. The forecasts concerning the future development of the company represent estimates which are based on the information available at the time the quarterly report was prepared. If the assumptions underlying these forecasts do not materialise or if unexpected risks occur at an amount not quantified or quantifiable, the actual future development and actual future results can differ from these estimates, assumptions and forecasts.

Significant factors for these types of deviations can include, for example, changes in the general economic environment or the legal and regulatory framework in Austria and the EU as well as changes in the real estate sector. UBM Development AG will not guarantee or assume any liability for the agreement of future development and future results with the estimates and assumptions made in this quarterly report.

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

The quarterly report as of 30 September 2020 was prepared with the greatest possible care to ensure the accuracy and completeness of the information in all sections. The key figures were rounded based on the compensated summation method. However, rounding, typesetting and printing errors cannot be excluded.

This quarterly report is also published in German and is available in both languages on the website of UBM Development AG. In the event of a discrepancy or deviation, the German language version takes precedence.