ubm development

Interim Report on the First Three Quarters of 2022

Key performance indicators

Key earnings figures (in €m)

	1-9/2022	1-9/2021	Change
Total Output[1]	318.9	340.4	-6.3%
Revenue	115.4	218.7	-47.2%
EBT	16.6	46.2	-64.1%
Net profit (before non-controlling interests)	14.3	35.9	-60.2%

Key asset and financial figures (in €m)

	30.9.2022	31.12.2021[6]	Change
Total assets	1,471.5	1,467.8	0.3%
Equity	491.7	524.0	-6.2%
Equity ratio	33.4%	35.7%	-2.3 PP
Net debt[2]	474.2	381.0	24.5%
Cash and cash equivalents	358.0	423.3	-15.4%

Key share data and staff

	30.9.2022	30.9.2021	Change
Earnings per share (in €)[3]	1.00	3.86	-74.1%
Market capitalisation (in € m)	201.7	321.3	-37.2%
Dividend per share (in €)[4]	2.25	2.20	2.3%
Staff[5]	289	345	-16.2%

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

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

3 Earnings per share after the deduction of hybrid capital interest.

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

5 Excluding 72 employees from alba Bau | Projekt Management GmbH; the company was sold as of 30 June 2022.

6 Key asset and financial figures restated as of 31 December 2021 due to OePR-finding.
More information can befound in the consolidated interim financial statement.

Content

At a glance

Healthy balance sheet.
> €350m of liquidity and a 33% equity ratio

Sustainable pipeline. € 2.1 bn.
> 180,000 m² GFA in timber-hybrid. Major cities

ESG rating from EcoVadis.
Rewarded with Platinum. Top 1% worldwide

Guidance.
All eyes on year-end

Q3 2022

Dear Shareholders,
Dear Stakeholders,

Our half-year report indicated that we were heading towards the "perfect storm". It has, however, arrived faster than expected and the real estate branch is currently in a crisis mode. A real turning point after 12 years of a steady upward trend in the branch – and a situation that will not calm down in the coming months because of geopolitical events and, above all, due to the increase in interest rates. The first competitors are already in difficulties, and others will follow.

In contrast to these companies, we further strengthened our very solid financial position and even increased our liquidity compared with the first half-year. UBM had over €358m of liquid funds at its disposal as of 30 September. Cash management remains one our priorities to allow for flexible reaction to conflicting developments, but also to take advantage of potential market opportunities. An opportunity like this materialised during the third quartal in the booming Düsseldorf Medienhafen, where we are now developing an office building with over 1,000 square metres of gross floor space in timber-hybrid construction.

We are also heading for rough times in terms of our climate. This was the warmest October in the 256 years of weather records in Austria. When we look at the current status of climate protection measures, we are moving along a road that will lead us to an increase of 2.8 degrees by the end of the century. This global warming would have disastrous consequences for humanity. Our concerns were also reflected in the organisation of a "Climate Impact Day" this year, where lectures by internal and external experts helped to create a greater awareness among our staff for the climate.

The reduction of our carbon footprint is an important and very necessary step to slow global warming in the future. With Europe's first urban quarter in timber construction, UBM has become a pioneer in reducing the future carbon footprint from the construction of living areas – because that is where urban development projects create the greatest leverage. Only urbanisation and densification can efficiently prevent further ground sealing. Quarter developments also provide an opportunity to use self-sufficient, non-fossil carriers for energy supplies. In the LeopoldQuartier, that means geothermal power combined with photovoltaics. This project demonstrates that sustainability is not a trend, but a commitment for UBM. It is a commitment that is also confirmed by the ESG rating update from EcoVadis, which resulted in a platinum award for UBM. We are now one of the top 1% among the 100,000 companies rated by EcoVadis worldwide.

Our focus has now turned to the end of the year. The expected positive effects will be a "photo finish" and are not dependent on us alone. However, we remain cautiously optimistic for UBM in the coming, difficult quarters for the above-mentioned reasons.

Mag. Thomas G. Winkler, LL.M.
CEO

DI Martin Löcker
COO

Dipl.-Ök. Patric Thate
CFO

Martina Maly-Gärtner, MRICS
COO

Share

Stock exchange developments

The downward spiral in share prices that was triggered by the Ukraine war and related economic developments continued during the summer months. The MSCI World closed 20.9% below year-end 2021 at the end of September, with 6.6% of this decline recorded in the third quarter. The DAX followed this negative trend with a 20.6% loss in the nine months up to 30 September and a 5.3% decline since the end of June. The Dow Jones Industrial Index was 15.1% below year-end 2021, with a third quarter decline of 6.7%. Losses were also recorded by the EURO STOXX 50, which traded 18.0% below year-end 2021 at the end of September and 5.2% below the previous quarter.

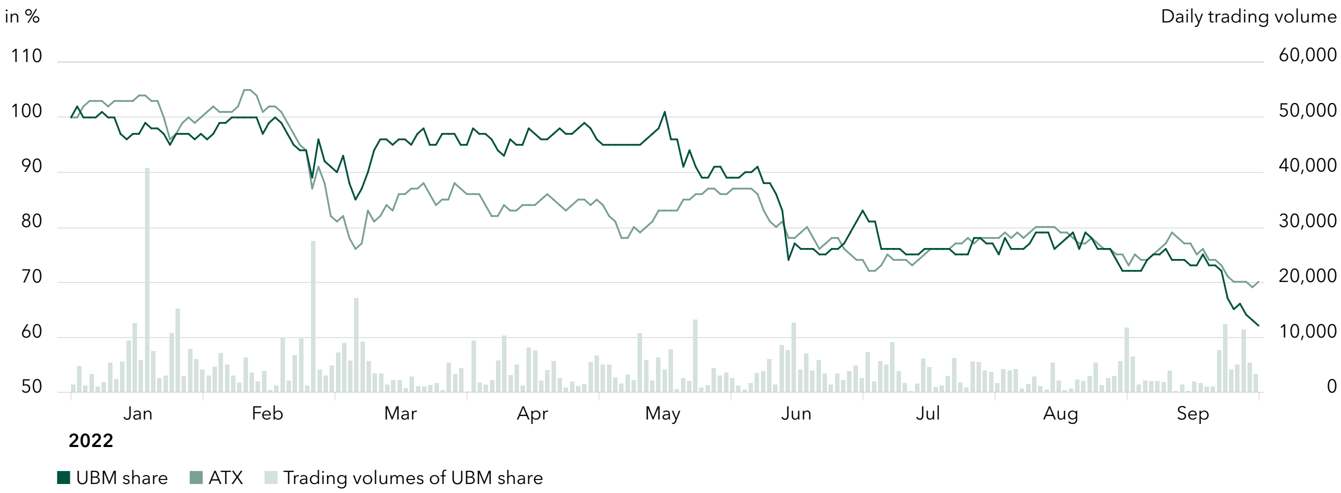
Development of the UBM share

The UBM share closed September trading at €27,0, or 21.3% below the closing price on 30 June 2022 and a 37.2% decline in year-on-year comparison. Austria's leading ATX index lost 30.3% versus the previous year. The IATX fell by 20.7% during this same period, in spite of the takeover offer for an IATX company. The average daily trading volume for UBM in the first three quarters of 2022 equalled 2,156 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 has equalled €52,305,260 since 31 December 2021 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 as of 30 September 2022. In addition, the IGO Industries Group held roughly 7.0% of UBM outside the syndicate. A further 5.0% were held by Jochen Dickinger, a private investor. Free float comprised 49.2% of the shares and 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 (53%) and Germany (32%).

Performance of the UBM share vs. ATX and trading volumes from January to September 2022



Interim Management Report

General economic environment

The war in Ukraine, continuing supply shortages, high energy prices and an atmosphere of general uncertainty among companies and consumers led to further downward adjustments in the forecasts for the worldwide economy. The projections for global growth in 2022 now range from 3.0% (OECD) to 3.2% (International Monetary Fund, IMF), compared with the OECD's estimate of 3.6% in Q1 2022. Recent forecasts place growth in 2023 at 2.2% (OECD), respectively 2.7% (IMF).

The upward trend in inflation (HICP) which originated in mid-2021 reached a high of 10.0% in the eurozone during September (Eurostat). The core inflation rate equalled 4.8% during this same period. For 2022, the European Central Bank (ECB) expects an HICP inflation rate of 8.1% (core inflation rate: 3.9%).

The Austrian Institute of Economic Research (WIFO) and the Institute for Advanced Studies (IHS) place GDP growth in Austria at 4.8% (WIFO) and 4.7% (IHS) in 2022. Only a minimal improvement of 0.2% (WIFO), respectively 0.3% (IHS) is expected in 2023. Inflation (HICP) in Austria rose to a high of 11.0% in September (Statistik Austria).

For Germany, the IMF is projecting a GDP increase of 0.6% for 2022 and continued stable growth of +0.5% in 2023. Inflation in Europe's largest economy is forecasted to reach 10.2% in 2022 but decline to 5.4% in 2023 (IMF).

Economic growth in the CEE/SEE region presents a diverse picture according to the IMF. Countries like Bosnia and Herzegovina and Kosovo are expected to see GDP growth of 2.4% and 2.7%, respectively, in 2022, while the 5.0% threshold will be clearly exceeded by Hungary (+5.7%), Croatia (+5.9%) and Montenegro (+7.2%). The Czech Republic and Poland, two core markets for UBM Development AG, are expected to generate growth of -1.3% and +3.8%, respectively, in 2022. [1,2]

1 Austrian National Bank: Konjunktur aktuell – June 2022
2 Savills: Investmentmarkt Deutschland – July 2022

Developments on the real estate markets

Real estate transactions on the European market totalled €53.0 bn in the third quarter of 2022, for a year-on-year decline of 37.0%. The transaction volume for the first nine months amounted to €217.9 bn and was 5.0% below the comparable prior year value. Office properties with a combined value of €70.2 bn changed hands during the first three quarters and again held first place among the asset classes. Industrial and residential properties followed with €48.7 bn and €45.3 bn, respectively. A ranking by transaction volume placed Great Britain first in the third quarter and for the current year to date, followed by Germany and France. European investors invested €28 bn in the third quarter, which represents the lowest value since 2014 and is attributable to the collapse of transaction volumes in Germany and Sweden. Non-European investors were responsible for €12.0 bn of the third quarter transaction volume.[3]

The transaction volume for commercial and residential properties in Germany totalled €50.3 bn for the first nine months, whereby roughly €40.7 bn are attributable to commercial properties and €9.6 bn to residential properties. The transaction volume for commercial properties rose by 1.9% year-on-year, but the residential segment registered a dramatic decline of 54.2%. [4]

The real estate investment market in Austria recorded a transaction volume of approximately €800m in the third quarter and a total of €3.0 bn for the first nine months. Residential projects again clearly ranked first with a share of 32%, followed by mixed-use properties with 21%. Office properties ranked third in the third quarter with 17%. Domestic investors were the largest buyer group at 63%, followed by investors from Germany at 30%. [5]

3 Real Capital Analytics: Europe Capital Trends – Q3 2022
4 Savills: Investmentmarkt Deutschland – October 2022
5 EHL: Immobilieninvestmentmarkt Update – Q3 2022

Business performance

UBM Development generated Total Output of €281.5m in the first three quarters of 2022, compared with €340.4m in the comparable prior year period. The largest contributions to earnings came, as in the previous year, from 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 period was also influenced by the progress of construction on previously sold real estate projects which are recognised to revenue and earnings over time based on the progress of construction and sale. Positive contributions were made by residential projects like the Kaufmannshof (Mainz customs harbour), Gmunder Höfe (Munich), Arcus City (Prague) and Rankencity (Graz). Total Output in the Other segment resulted primarily from the strategic divestment of the German project and construction management subsidiary, alba Bau|Projekt Management GmbH, and from the sale of three properties with building rights in the first district of Vienna.

Total Output in the **Germany segment** rose from €102.8m to €123.7m. Major contributions to the reporting period increase came from forward sold projects like the F.A.Z. Tower in Frankfurt and the Kaufmannshof residential and office project in Mainz customs harbour. Another positive contribution to Total Output included the sale of the recently completed "Potsdam am Kanal" project with 126 micro-apartments. Total Output also included the progress of construction on the Gmunder Höfe in Munich and the Flösserhof in Mainz customs harbour.

In the **Austria segment**, Total Output for the first three quarters amounted to €97.6m (Q1-3/2021: € 42.8m). A key component of this Total Output resulted from the sale of offices and apartments at the Siebenbrunnengasse 21 in Vienna's fifth district. Residential projects like the Rankencity also made a positive contribution. The sale of three properties with building rights in the first district of Vienna and the strategic divestment of the German project and construction management subsidiary attributable to the Austria segment, alba Bau|Projekt Management GmbH, also made a positive contribution to Total Output.

The **Poland segment** reported a decline in Total Output to €32.8m in the first three quarters of 2022 (Q1-3/2021: €68.8m). This performance was based on current hotel operations, the rental of the Poleczki Business Park and miscellaneous services.

Total Output in the **Other Markets** segment amounted to €27.5m in the first nine months of 2022 (Q1-3/2021: €26.1m). Most of this volume was generated by the Arcus City residential project in Prague. Positive contributions were also made by the Kneuterdijk Hotel in The Hague and the Zuidas Hotel in Amsterdam.

Total Output by region

in €m	1-9/2022	1-9/2021	Change
Germany	160.3	102.8	55.9%
Austria	97.6	142.8	-31.7%
Poland	32.8	68.8	-52.3%
Other markets	28.3	26.1	8.4%
Total	**318.9**	**340.4**	**-6.3%**

The **Residential segment** reported Total Output of €113.9m for the first three quarters of 2022 (Q1-3/2021: €118.6m). Total Output for the reporting period consisted primarily of the progress of construction on forward sold projects like the Kaufmannshof in Mainz customs harbour, the Gmunder Höfe in Munich and the Arcus City in Prague. Residential construction projects in Austria (i.e. the Siebenbrunnengasse and Rankencity) and in Germany (Potsdam) also made a positive contribution to Total Output.

In the **Office segment**, UBM Development recorded Total Output of €73.7m from January to September 2022 (Q1-3/2021: €79.0m). The reporting period performance resulted primarily from the forward sold F.A.Z. Tower in Frankfurt, the new headquarters of the Frankfurter Allgemeine Zeitung (F.A.Z.). A further positive contribution was made by the sale of the offices in the Siebenbrunnengasse property in Vienna's fifth district.

Total Output in the **Hotel segment** declined to €39.1m in the first nine months of 2022 (Q1-3/2021: €55.1m). The low level of Total Output in this segment reflects UBM's strategic reorientation as a result of the COVID-19 pandemic and is reflected in the fact that no hotel projects are currently under development. However, Total Output for the reporting period was positively influenced by the contributions from ongoing hotel operations.

In the Other segment, **Total Output** for the first three quarters of 2022 equalled €29.1m (Q1-3/2021: €46.9m). It includes the sale of three properties with building rights in the first district of Vienna as well as the strategic divestment of the German project and construction management subsidiary, alba Bau|Projekt Management GmbH.

Total Output in the **Service segment** fell from €40.8m to €25.8m. 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	1-9/2022	1-9/2021	Change
Residential	114.7	118.6	-3.3%
Office	73.7	79.0	-6.7%
Hotel	39.1	55.1	-29.0%
Other	65.6	46.9	39.9%
Service	25.8	40.8	-36.8%
Total	**281.5**	**340.4**	**-17.3%**

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 amounted to €318.9m in the first three quarters of 2022 (Q1-Q3/2022: €340.4m). Major contributions came from projects in Germany (F.A.Z. Tower, CTB Tower, Kaufmannshof and Potsdam) and Austria (Siebenbrunnengasse). Revenue as reported on the consolidated income statement was also lower than the previous year at €115.4m (Q1-3/2021: €218.7m). The decline in the first three quarters resulted from a reduction in the contributions from fully consolidated projects. Projects like the Siebenbrunnengasse (Austria) and the Arcus City (Czech Republic) also contributed to revenue.

The profit from companies accounted for at equity rose from €20.0m in the first three quarters of 2021 to €20.2m in the reporting period. The increase in at-equity-results is attributable, above all, to forward sold real estate projects like the F.A.Z. office tower in Frankfurt, CTB in Berlin, and the Kaufmannshof residential and office project at Mainz customs harbour.

The income from fair value adjustments to investment property totalled €6.7m in the first three quarters of 2022 (Q1-3/2021: €10.0m), whereby the revaluations were related entirely to a project in Vienna. The fair value adjustments in the comparable prior year period involved an office project in Munich. The expenses from fair value adjustments were immaterial in the first three quarters of 2022 and 2021.

Other operating income amounted to €5.6m and included, among others, foreign exchange gains, income from the rental of space and land, income from the release of provisions and miscellaneous other positions. In the previous year, other operating income totalled €8.3m. Other operating expenses rose from €23.1m in the first three quarters of 2021 to €27.8m, above all due to foreign exchange losses and expenses for legal and consulting services. This position also includes administrative costs, travel expenses and advertising costs as well as charges and duties.

The cost of materials and other related production services amounted to €72.8m (Q1-3/2021: €192.8m). 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 changes in the portfolio related to residential property inventories and other IAS 2 properties led to expenses of €0.3m (H1/2021: income of €43.5m). The decline in changes in the portfolio during the first three quarters of 2022 reflects the increased sale of apartments in the residential construction projects reported under inventories.

Personnel expenses were slightly lower year-on-year at €26.9m (Q1-3/2021: €27.3m). Group companies included in the consolidation employed a total workforce of 289 at the end of September 2022, which is substantially below the level at year-end 2021 (31 December 2021: 355). This decline resulted from the sale of the German project and construction management subsidiary alba Bau|Projekt Management GmbH, which had 75 employees or 20% of UBM's total workforce.

EBITDA fell by €37.9m year-on-year from €57.1m to €19.3 m in the first three quarters of 2022. Depreciation and amortisation increased to €2.1m (Q1-3/2021: €1.8m). EBIT for the first nine months of 2022 totalled €17.2m, compared with €55.3m in the first nine months of 2021. Financial income rose from €10.3m in 2021 to €18.2m in 2022. Financial costs were slightly lower than the previous year at €18.8m (Q1-3/2021: €19.5m), whereby the positive financial result is attributable to the sale of the German project and construction management subsidiary, alba Bau|Projekt Management GmbH (share deal).

EBT totalled €16.6m in the first three quarters of 2022 (Q1-3/2021: €46.2m). Tax expense equalled €2.2m for the reporting period, which represents a tax rate of 13.6%. In the comparable prior year period, the tax rate equalled 22.3%. The lower tax rate in 2022 resulted from higher, previously taxed at-equity earnings and the nearly tax-free share deal for the sale of alba Bau|Projekt Management GmbH. The increase over the second quarter of 2022 resulted from income recorded by UBM AG (interest charges) and taxable income from the sale of CTB.

Profit for the period (net profit after tax) amounted to €14.3m for the reporting period (Q1-3/2021: €35.9m). Net profit attributable to the shareholders of the parent company amounted to €7.5m in the first three quarters of 2022 (Q1-3/2021: €28.9m). 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 share attributable to the hybrid capital holders equalled €7.0m in the first three quarters of 2022 (Q1-3/2021: €6.1m). The resulting earnings per share equalled €1.00 for the reporting period.

Identification of error by OePR (Österreichische Prüfstelle für Rechnungslegung)
UBM acquired a commercially utilised property as a development project (IAS 40) via a 100% project company in 2018 and recognised this asset at a fair value of €69.0m as of 31 December 2019. This fair value was only slightly higher than the acquisition cost. In the second quarter of 2020, 40% of the originally fully consolidated project company was sold to a third party. The transaction and resulting at equity valuation resulted in a new fair value measurement of the property at roughly €141m based on the respective purchase contract and the revaluation of the applicable deferred taxes. A routine audit by the Österreichische Prüfstelle für Rechnungslegung (OePR) identified an error in the annual financial statements for 2020, which indicated that the contractual risk associated with the expected procurement of building rights and the early stage of the project were not sufficiently reflected in the fair value of the property. The recognised fair value should have been €39m lower, which subsequently influenced the acquisition costs for the initial at equity recognition of the investment in the project company and, together with the necessary restatement of deferred taxes, led to a correction of €27m to equity. The restatement of the balance sheet for 2020 led to new carrying amounts for the balance sheets in 2021 and the third quarter of 2022. This restatement is presented on a three-column balance sheet in the notes with an appropriate adjustment to the opening balance sheet in the third quarter report. The correction of this error had no effect on the consolidated income statement or the consolidated statement of cash flows for the current or comparative reporting period.

Asset and financial position

Total assets recorded by the UBM Group equalled € 1,471.5m as of 30 September 2022 (31 December 2021: € 1,467.8m).

The carrying amount of investment properties declined by €52.6m to €370.9m at the end of September 2022. Property, plant and equipment decreased by €0.7m to €12.2m. This position consists primarily of capitalised rights of use from lease liabilities.

The carrying amount of the investments in equity-accounted companies totalled €172.7m at year-end 2021 and rose to €186.1m during the first nine months of 2022 (above all due to the F.A.Z. Tower in Frankfurt and CTB in Berlin). That represents an increase of 7.8% over the level on 31 December 2021. Project financing increased by €4.7m during this same period to €184.3m at the end of the third quarter of 2022, especially in connection with the F.A.Z. Tower project.

Current assets rose by €34.4m to €688.5m at the end of the reporting period. Cash and cash equivalents declined by €65.3m to €358.0 at the end of September. Financial assets increased by €0.6m over the level at year-end 2021 and amounted to €21.0m at the end of the third quarter.

Inventories totalled €247.4m at the end of September 2022 (31 December 2021: €133.1m), whereby the increase is attributable, among others, to the acquisition of a project in Mainz. This position includes miscellaneous inventories as well as residential properties under development which are designated for sale. Trade receivables declined from €60.6m at year-end 2021 to €39.2m as of 30 September 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 declined by €32.3m from the end of 2021 to €491.7m as of 30 September 2022. This reduction resulted mainly from the dividend payment and the repayment of profit participation rights recorded under equity. The dividend of €16.0m was paid on 23 May 2022. The equity ratio equalled 33.4% at the end of September 2022 and remained within the target range of 30-35% (31 December 2021: 35.7%).

Bond liabilities (short and long term) totalled €527.6m at the end of September 2022 and reflect the prior year level (31 December 2021: €526.5m). Financial liabilities (current and non-current) rose by €27.2m to €326.8m. Trade payables were €2.1m lower than at year-end 2021 (31 December 2021: €50.1m) and included outstanding payments for subcontractor services. Other financial liabilities (current and non-current) rose from €33.4m as of 31 December 2021 to €38.5m. Deferred taxes and current taxes payable amounted to €22.2m as of 30 September 2022 (31 December 2021: €18.9m).

Net debt rose from €381.0m on 31 December 2021 to €474.2m as of 30 September 2022 and comprises current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents.

Cash flow

Operating cash flow declined from €36.7m in the first three quarters of 2021 to €0.8m. The fair value adjustments included in profit for the reporting period are excluded from operating cash flow because of their non-cash character. The substantial year-on-year difference is the result of higher dividends from equity-accounted companies in 2021, whose timing was influenced by sales and the respective partners.

Cash flow from operating activities amounted to €–49.3m for the reporting period (Q1-3/2021: €–46.4m). Cash flow was increased by a €12.8m decline in receivables but reduced by a €55.4m addition to real estate inventories and €10.5m of interest payments. These amounts include cash inflows of €10.3m from the sale of real estate inventories. The additions to real estate inventories totalled €65.6m. The additions to receivables from real estate inventory sales amounted to €7.7m, while the decrease from real estate receivables equalled €20.7m.

Cash flow from investing activities totalled €12.7m in the first three quarters of 2022 (Q1-3/2021: €49.2m). Investments in project financing amounted to €41.6m, and investments in property, plant and equipment, investment property and financial assets equalled €34.8m. Contrasting factors included cash inflows of €42.1m from the repayment of project financing and €8.4m from the sale of consolidated companies.

Cash flow from financing activities amounted to €-28.3m in the first nine months of 2022 (Q1-3/2021: €191.3m). New borrowings totalled €59.4m, while €34.1m 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 during the reporting period.

Non-financial performance indicators

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

Employees and social issues
The UBM Group, including all its subsidiaries, had a workforce of 289 as of 30 September 2022. The workforce totalled 345 as of 30 September 2021, whereby this figure included 72 employees at alba Bau|Projekt Management GmbH which was sold as of 30 June 2022. Approximately 52% of UBM's employees work outside Austria.

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.

As a real estate developer, we also have an impact on local communities and neighbouring residents. Our projects contribute to the quality of life for society. That creates a responsibility which we actively accept. Our goal is, wherever possible, to establish a constructive dialogue with neighbouring residents and relevant interest groups in the areas surrounding the projects and to make an improvement through our activities.

Detailed information on environmental and social issues, respect for human rights, the fight against corruption and bribery, and employee-related issues can be found in the ESG Report for 2021.

Outlook

The forecasts for global growth in 2022 were again revised downward and now range from 3.0% (OECD) to 3.2% (International Monetary Fund, IMF), with a further reduction to 2.2% (OECD) and 2.7% (IMF) in 2023. These corrections were based on the unpredictable end of the war in Ukraine, supply shortages that were intensified primarily by China's zero-Covid policy, and high energy prices. Projections for the eurozone show an increase of 3.1% (OCED) for 2022 and 0.3% (OECD) in 2023. Inflation, which is estimated at 8.2% for year-end 2022, is currently the focal point of ECB countermeasures in the form of interest rate hikes. In spite of the increase in prime rates to 2.0%, there are no signs of a weakening in inflation. In view of actions by the US Federal Reserve (prime rates: plus 3.75 to 4.00%), a further increase in interest rates can also be expected in Europe.[6,7]

UBM still views these forecasts as overly optimistic and sees the real estate market in the midst of our previously anticipated "perfect storm". The high equity ratio of 33% and liquidity situation represent necessary reserves for negative developments, but also for potential market opportunities. Our internal management with its focus on cash flow allowed us to hold UBM's liquidity position at a high level during the third quarter of 2022, with a further increase over the first half-year. Cash and cash equivalents totalled €358.0m as of 30 September 2022, despite an acquisition in the Düsseldorf Medienhafen during the third quarter. Our financial strength also supported a major acquisition in Mainz for roughly €70m and the repayment of hybrid capital totalling €25m.

The future profitability of UBM is protected by the earnings contributions from the current €2.1 bn pipeline. In the third quarter of 2022, we were very pleased to receive the zoning permit for the LeopoldQuartier in Vienna. It will become Europe's first urban quartier in timber-hybrid construction and leads us to expect several hundred million euros of sale proceeds over the coming years. The LeopoldQuartier is UBM's largest project at the present time and sets a clear signal in the interest of sustainability.

Many people have started to ask whether the focus on sustainability could possibly be upstaged by the global economy, but UBM is convinced that the current situation will intensify this trend. Our ESG rating from the EcoVadis rating agency has improved and, with a platinum award, UBM is now among the top one per cent of the companies rated by EcoVadis worldwide.

The investment market remains in a state of shock, and UBM was also forced to pull back from several planned transactions. It is now impossible to predict when the market will again be ready for transactions. In our case, that also depends to a substantial degree on office tenants and their readiness to conclude longer term rental contracts – for example, like the Timber Pioneer in Frankfurt.

Further success in 2022 will be determined primarily by two factors later this year: First, on the public authorities in Munich where a large-scale project is nearing the end of the approval process and, second, on the timely completion of the F.A.Z. Tower in Frankfurt and its transfer to the owner before year-end.

In the absence of better information and in view of the unclear market situation, we confirm the guidance issued at the half-year. We have already emphasised our extremely solid financial position, especially in comparison with most of our competitors, which is based on equity of nearly one-half billion euros.

[6] International Monetary Fund: World Economic Outlook – October 2022
[7] Austrian National Bank: Konjunktur aktuell – October 2022

Risk report

The risks which have, or could have, a significant impact on UBM Development AG are discussed in the 2021 Annual Report on pages 119 to 125. Detailed information on UBM's risk management system is also provided in this section.

There have been no significant changes in the risk profile since the publication of the financial statements for the 2021 financial year. Therefore, the statements in the 2021 Annual Report/risk report still apply without exception. Reference is also made, in particular, to the risks associated with the COVID-19 pandemic (see pages 122 to 124) and to the war in Ukraine (see pages 124-125).

Vienna, 23 November 2022

The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Consolidated Income Statement

from 1 January to 30 September 2022

in T€	1-9/2022	1-9/2021	7-9/2022	7-9/2021
Revenue	115,377	218,726	29,268	71,387
Changes in the portfolio	-338	43,513	38	48,043
Share of profit/loss from companies accounted for at equity	20,208	19,983	2,937	7,763
Income from fair value adjustments to investment property	6,692	9,987	-	-
Other operating income	5,600	8,332	3,994	536
Cost of materials and other related production services	-72,797	-192,776	-12,547	-89,401
Personnel expenses	-26,918	-27,316	-8,262	-9,320
Expenses from fair value adjustments to investment property	-724	-271	-534	-90
Other operating expenses	-27,832	-23,059	-11,610	-10,839
EBITDA	**19,268**	**57,119**	**3,284**	**18,079**
Depreciation and amortisation	-2,081	-1,831	-595	-631
EBIT	**17,187**	**55,288**	**2,689**	**17,448**
Financial income	18,167	10,346	2,881	290
Financial costs	-18,797	-19,459	-5,154	-7,244
EBT	**16,557**	**46,175**	**416**	**10,494**
Income tax expenses	-2,244	-10,297	-1,922	-2,138
Profit for the period (net profit)	**14,313**	**35,878**	**-1,506**	**8,356**
of which: attributable to shareholders of the parent	7,470	28,851	-3,680	5,754
of which: attributable to holder of hybrid capital	6,956	6,088	2,120	2,503
of which: attributable to non-controlling interests	-113	939	54	99
Basic earnings per share (in €)	**1.00**	**3.86**	**-0.49**	**0.77**
Diluted earnings per share (in €)	**1.00**	**3.86**	**-0.49**	**0.77**

Consolidated Statement of Comprehensive Income

from 1 January to 30 September 2022

in T€	1-9/2022	1-9/2021	7-9/2022	7-9/2021
Profit for the period (net profit)	**14,313**	**35,878**	**-1,506**	**8,356**
Other comprehensive income				
Remeasurement of defined benefit obligations	1,223	275	537	–38
Income tax expense (income) on other comprehensive income	–396	–71	–151	10
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	**827**	**204**	**386**	**–28**
Currency translation differences	3,699	–232	2,630	1,114
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	**3,699**	**–232**	**2,630**	**1,114**
Other comprehensive income of the period	**4,526**	**–28**	**3,016**	**1,086**
Total comprehensive income of the period	**18,839**	**35,850**	**1,510**	**9,442**
of which: attributable to shareholders of the parent	11,969	28,823	–665	6,840
of which: attributable to holder of hybrid capital	6,956	6,088	2,120	2,503
of which: attributable to non-controlling interests	–86	939	55	99

Consolidated Balance Sheet
as of 30 September 2022

in T€	30 September 2022	31 December 2021 restated	1 January 2021 restated
Assets			
Non-current assets			
Intangible assets	4,242	4,004	3,024
Property, plant and equipment	12,174	12,900	11,596
Investment property	370,910	423,488	407,147
Investments in companies accounted for at equity	186,091	172,683	156,863
Project financing	184,348	179,636	208,375
Other financial assets	11,526	11,628	11,520
Financial assets	3,611	3,615	4,066
Deferred tax assets	10,077	5,734	11,445
	782,979	**813,688**	**814,036**
Current assets			
Inventories	247,440	133,091	121,880
Trade receivables	39,239	60,550	127,945
Financial assets	21,041	20,409	22,036
Other receivables and assets	22,748	16,784	12,286
Cash and cash equivalents	358,041	423,312	247,209
	688,509	**654,146**	**531,356**
Assets total	**1,471,488**	**1,467,834**	**1,345,392**
Equity and liabilities			
Equity			
Share capital	52,305	22,417	22,417
Capital reserves	98,954	98,954	98,954
Other reserves	181,897	214,191	200,137
Hybrid capital	154,275	183,244	130,330
Equity attributable to shareholders of the parent	**487,431**	**518,806**	**451,838**
Equity attributable to non-controlling interests	4,244	5,156	4,404
	491,675	**523,962**	**456,242**
Non-current liabilities			
Provisions	8,075	9,061	8,772
Bonds and promissory note loans	446,525	445,994	437,047
Financial liabilities	262,900	215,417	248,641
Other financial liabilities	1,912	2,251	1,573
Deferred tax liabilities	7,975	5,528	8,016
	727,387	**678,251**	**704,049**
Current liabilities			
Provisions	327	430	2,102
Bonds and promissory note loans	81,103	80,504	19,457
Financial liabilities	63,878	84,191	41,943
Trade payables	48,050	50,109	76,959
Other financial liabilities	36,612	31,169	30,503
Other liabilities	8,253	5,842	3,302
Taxes payable	14,203	13,376	10,835
	252,426	**265,621**	**185,101**
Equity and liabilities total	**1,471,488**	**1,467,834**	**1,345,392**

Consolidated Statement of Cash Flows

from 1 January to 30 September 2022

in T€	1-9/2022	1-9/2021
Profit for the period (net profit)	14,313	35,878
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	-3,785	-9,123
Interest income/expense	8,645	9,792
Income from companies accounted for at equity	-20,208	-19,982
Dividends from companies accounted for at equity	1,267	19,025
Decrease/increase in long-term provisions	321	-1,223
Deferred income tax	224	2,370
Operating cash flow	**777**	**36,737**
Increase in short-term provisions	-103	-367
Decrease in tax liabilities	1,027	3,057
Losses/Gains on the disposal of assets	-5,303	-13,421
Increase/decrease in inventories	-55,402	-22,482
Increase/decrease in receivables	12,779	-29,435
Increase in payables (excluding banks)	518	-11,618
Interest received	510	288
Interest paid	-10,503	-8,337
Other non-cash transactions	6,433	-800
Cash flow from operating activities	**-49,267**	**-46,378**
Proceeds from the sale of property, plant and equipment and investment property	25,822	60,115
Proceeds from the sale of financial assets	13,120	4,059
Proceeds from the repayment of project financing	42,109	72,732
Investments in intangible assets	-371	-581
Investments in property, plant and equipment and investment property	-30,474	-55,116
Investments in financial assets	-4,276	-9,777
Investments in project financing	-41,597	-31,473
Proceeds from the sale of consolidated companies	8,358	9,275
Cash flow from investing activities	**12,691**	**49,234**
Dividends	-27,407	-24,233
Dividends paid to non-controlling interests	-826	-
Proceeds from other shareholders of subsidiaries	-	15
Promissory note loan	-	7,000
Proceeds from bonds	-	81,602
Increase in loans and other financing	59,444	204,513
Repayment of loans and other financing	-34,132	-127,551
Increase in hybrid capital	-	98,329
Repayment of hybrid capital	-25,330	-48,395
Cash flow from financing activities	**-28,251**	**191,280**
Cash flow from operating activities	**-49,267**	**-46,378**
Cash flow from investing activities	**12,691**	**49,234**
Cash flow from financing activities	**-28,251**	**191,280**
Change in cash and cash equivalents	**-64,827**	**194,136**
Cash and cash equivalents at 1 Jan	423,312	247,209
Currency translation differences	-444	221
Cash and cash equivalents at 30 September	**358,041**	**441,566**
Taxes paid	993	4,870

Consolidated Statement of Changes in Equity
as of 30 September 2022

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	**22,417**	**98,954**	**-3,749**	**2,110**
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	204	290
Total comprehensive income for the period	-	-	204	290
Dividend	-	-	-	-
Proceeds from other shareholders of subsidiaries	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 30 September 2021	**22,417**	**98,954**	**-3,545**	**2,400**
Balance as of 31 December 2021	**22,417**	**98,954**	**-3,362**	**1,496**
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	827	3,717
Total comprehensive income for the period	-	-	827	3,717
Dividend	-	-	-	-
Capital increase	29,888	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 30 September 2022	**52,305**	**98,954**	**-2,535**	**5,213**

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**
28,851	6,088	34,939	939	35,878
-522	-	-28	-	-28
28,329	6,088	34,911	939	35,850
-16,439	-7,794	-24,233	-	-24,233
-	-	-	15	15
1,948	-	1,948	-	1,948
-1,503	52,179	50,676	-	50,676
214,111	**180,803**	**515,140**	**5,358**	**520,498**
216,057	**183,244**	**518,806**	**5,156**	**523,962**
7,470	6,956	14,426	-113	14,313
-45	-	4,499	27	4,526
7,425	6,956	18,925	-86	18,839
-16,812	-10,595	-27,407	-826	-28,233
-29,888	-	-	-	-
2,437	-	2,437	-	2,437
-	-25,330	-25,330	-	-25,330
179,219	**154,275**	**487,431**	**4,244**	**491,675**

Segment Reporting[1]

from 1 January to 30 September 2022

	Germany		Austria	
in T€	1-9/2022	1-9/2021	1-9/2022	1-9/2021
Total Output				
Residential	63,276	19,006	32,107	79,991
Office	39,752	57,533	25,408	6,339
Hotel	9,324	14,109	4,534	2,687
Other	39,439	1,679	24,217	43,640
Service	8,477	10,469	11,289	10,146
Total Output	**160,268**	**102,796**	**97,555**	**142,803**
Less revenue from associates and companies of minor importance and from performance companies as well as changes in the portfolio	–139,012	–59,132	–41,448	–47,856
Revenue	**21,256**	**43,664**	**56,107**	**94,947**
Residential	5,923	2,841	8,203	6,121
Office	4,720	14,540	3,433	1,958
Hotel	–163	1,897	–1,832	–181
Other	–1,569	–4,609	6,116	13,792
Service	1,492	1,208	4,875	4,650
Total EBT	**10,403**	**15,877**	**20,795**	**26,340**

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

Poland		Other markets		Group	
1-9/2022	1-9/2021	1-9/2022	1-9/2021	1-9/2022	1-9/2021
2,382	3,062	16,903	16,557	114,668	118,616
8,532	8,347	-	6,813	73,692	79,032
15,068	36,888	10,174	1,376	39,100	55,060
1,964	1,610	-	-	65,620	46,929
4,842	18,866	1,205	1,316	25,813	40,797
32,788	**68,773**	**28,282**	**26,062**	**318,893**	**340,434**
–22,971	–26,251	–85	11,531	–203,516	–121,708
9,817	**42,522**	**28,197**	**37,593**	**115,377**	**218,726**
–7,163	–3,512	1,363	1,914	8,326	7,364
2,576	3,095	9	407	10,738	20,000
124	5,856	–4,345	–584	–6,216	6,988
–3,718	–1,327	–509	–182	320	7,674
–542	–230	–2,436	–1,479	3,389	4,149
-8,723	**3,882**	**-5,918**	**76**	**16,557**	**46,175**

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 2022.

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 2021: 69) domestic and 78 (31 December 2021: 80) foreign subsidiaries. One company was initially included in UBM's consolidated financial statements during the reporting period following its founding (see note 2.1.).

One company was sold, four were merged and three were liquidated during the reporting period. Of the total sale price of T€10,598, T€10,391 was paid in cash and T€207 are still outstanding. The assets and liabilities over which control was lost include the following:

in T€	30.9.2022
Intangible assets	2
Property, plant and equipment	764
Deferred tax assets	399
Current assets	
Trade receivables	1,490
Financial assets	130
Other receivables and current assets	195
Cash and cash equivalents	2,172
Non-current liabilities	
Provisions	465
Financial liabilities	334
Deferred tax liabilities	397
Current liabilities	
Financial liabilities	352
Trade payables	171
Other financial liabilities	538
Other liabilities	655
Tax payables	200

In addition, 26 (31 December 2021: 24) domestic and 20 (31 December 2021: 24)) foreign associates and joint ventures were accounted for at equity. One company was included following its acquisition and two were founded during the reporting period. In addition, four companies were liquidated or merged, and one company was sold.

2.1. Initial consolidations

The following company was initially included through full consolidation during the reporting period:

Due to new foundations	Date of initial consolidation
Gartenau Immobilien GmbH & Co KG	22.9.2022

3. Accounting and valuation methods

These consolidated interim financial statements are based on the same accounting and valuation methods applied in preparing the consolidated financial statements as of 31 December 2021, 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 2022 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 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

The following standards and interpretations were published after the preparation of the consolidated financial statements as of 31 December 2021. 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	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 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	–	1.1.2023
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	22.9.2022		1.1.2024

4. Estimates and assumptions

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

5. Correction of error and change in presentation pursuant to IAS 8

Restatement based on the result of an OePR audit
A focal point audit by the Austrian Financial Reporting Enforcement Panel (OePR) involved the selection of 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 a review in accordance with § 2 para. 1 no. 2 of the Austrian Accounting Control Act (audit without particular cause).

As a result of its audit, the OePR identified a violation of rules 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 30 September 2022 in accordance with IAS 8.41. The violation is based on the following.

A subsidiary of UBM Development AG acquired a commercially utilised property during the 2018 financial year and recognised this asset as an investment property with a fair value of €69.0m in accordance with IAS 40. In the second quarter of 2020, 40.00% of the project company, as the owner of the property, was sold to a third party. A partnership agreement was also established at that time which resulted in recognition at equity.

The contract for the share purchase includes numerous clauses that address the risk associated with the expected procurement of building rights for the land on which the project is located. The fair value was remeasured in connection with the sale of the shares and led to a revaluation of the property to €141.2m. This determination of fair value did not sufficiently reflect the risk associated with the expected procurement of building rights and, consequently, contradicts IAS 40.53 and IAS 40.53A which require the reliable measurement of fair value. The failure to take account of the contract clauses concerning the risk associated with the expected procurement of building rights represents a violation of IFRS 13.9 and IFRS 13.24. The inclusion of the part of the contract which, in accordance with IFRS 13, can be viewed as the transaction price, results in a reduction of €39.1m to fair value. This amount represents the valuation error which subsequently influenced the acquisition costs for the initial at equity recognition of the investment and the outstanding purchase price receivable in the consolidated financial statements.

The effects of the restatement on the balance sheet 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
Earnings per share			
Basic earnings per share (in €)	4.39	–3.56	0.83
Diluted earnings per share (in €)	4.39	–3.56	0.83

The correction of the error in accordance with IAS 8 had no effect on the consolidated income statement or the consolidated cash flow statement for the current or the comparative period.

6. Dividend

The Annual General Meeting on 16 May 2022 approved the recommendation for the distribution of profit for the 2021 financial year. A dividend of €2.25 per share, representing a total pay-out of €16,812,405.00 based on 7,472,180 shares, was distributed and the remainder of €37,891.65 was carried forward. The dividend was paid on 23 May 2022.

7. Revenue

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

in T€	Germany 1-9/2022	Austria 1-9/2022	Poland 1-9/2022	Other Markets 1-9/2022	Group 1-9/2022
Revenue					
Residential	4,684	24,047	110	17,205	46,046
Office	553	25,406	5,883	-	31,842
Hotel	-	-	-	1,728	1,728
Other	2,782	1,053	2,713	24	6,572
Service	13,237	5,601	1,111	9,240	29,189
Revenue	**21,256**	**56,107**	**9,817**	**28,197**	**115,377**
Recognition over time	-	2,644	-	16,261	18,905
Recognition at a point in time	21,256	53,463	9,817	11,936	96,472
Revenue	**21,256**	**56,107**	**9,817**	**28,197**	**115,377**

in T€	Germany 1-9/2021	Austria 1-9/2021	Poland 1-9/2021	Other Markets 1-9/2021	Group 1-9/2021
Revenue					
Residential	2,682	54,799	3,122	11,470	72,073
Office	29,211	6,200	4,449	6,813	46,673
Hotel	-	-	32,264	491	32,755
Other	2,094	31,221	2,141	15	35,471
Service	9,677	2,727	546	18,804	31,754
Revenue	**43,664**	**94,947**	**42,522**	**37,593**	**218,726**
Recognition over time	-	53,193	3,112	11,505	67,810
Recognition at a point in time	43,664	41,754	39,410	26,088	150,916
Revenue	**43,664**	**94,947**	**42,522**	**37,593**	**218,726**

8. Earnings per share

	1-9/2022	1-9/2021
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	14,426	34,939
Less interest on hybrid capital (in T€)	–6,956	–6,088
Proportion of profit for the period attributable to shareholders of the parent (in T€)	7,470	28,851
Weighted average number of shares issued	7,472,180	7,472,180
Basic earnings per share = Diluted earnings per share (in €)	**1.00**	**3.86**

The correction of the error in accordance with IAS 8.42 had no effect on earnings per share for the current or the comparative period.

9. Share capital

Share capital	Number 30 Sept 2022	€ 30 Sept 2022	Number 31 Dec 2021	€ 31 Dec 2021
Ordinary bearer shares	7,472,180	52,305,260	7,472,180	22,416,540

A resolution passed on 16 May 2022 approved an increase of EUR 29,888,720,00 in share capital from internal resources from the current level of EUR 22,416,540.00 to EUR 52,305,260.00. This increase was carried out through the conversion of other reserves (voluntary reserves) of EUR 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). A corresponding adjustment was made to the company's statues under Section 4 Para. 1 (Amount of Share Capital).

10. 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 EUR 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 EUR 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 EUR 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.

11. Hybrid capital

The hybrid capital of €25.3m issued by PIAG was repaid in full on 10 June 2022. It originated in November 2014 from the merger of PIAG as the transferring company and UBM as the accepting company.

The hybrid capital was held by PORR AG.

12. 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.

13. 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 2022 was used to discount the cash flows.

Carrying amounts, measurement approaches and fair values

			Measurement in acc. with IFRS 9				
in T€	Measurement category (IFRS 9)	Carrying amount as of 30 Sept 2022	(Amortised) cost	Fair value (other com-prehensive income)	Fair value (through profit or loss)	Fair value hierarchy	Fair value as of 30 Sept 2022
Assets							
Project financing at variable interest rates	Amortised Cost	184,348	184,348	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	8,885
Other financial assets	FVTPL	1,951	-	-	1,951	Level 3	1,951
Other financial assets	FVTPL	854	-	-	854	Level 1	854
Trade receivables	Amortised Cost	23,195	23,195	-	-	-	-
Financial assets	Amortised Cost	24,652	24,652	-	-	-	-
Cash and cash equivalents	–	358,041	358,041	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	527,628	527,628	-	-	Level 1	506,100
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	269,438	269,438	-	-	–	-
at fixed interest rates	Amortised Cost	21,500	21,500	-	-	Level 3	19,345
Other loans and borrowings							
at fixed interest rates	Amortised Cost	13,632	13,632	-	-	Level 3	11,722
Lease liabilities	–	22,208	22,208	-	-	–	-
Trade payables	Amortised Cost	48,050	48,050	-	-	–	-
Other financial liabilities	Amortised Cost	38,525	38,525	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	240,916	240,916	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	2,805	-	-	2,805	-	-
Cash and cash equivalents	–	358,041	358,041	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	918,773	918,773	-	-	-	-

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2021	Measurement in acc. with IFRS 9 (Amortised) cost	Fair value (other comprehensive 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	24,920	24,920	-	-	-	-
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	237,301	237,301	-	-	-	-
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	-	-	-	-

14. Effects of the COVID-19 pandemic and the Ukraine crisis

Impact on UBM's business model

The war in Ukraine, record inflation, the pandemic, rising interest rates, higher construction costs, a personnel shortage and an increasingly likely recession have led to massive uncertainty. The real estate market has been unable to disengage from these developments.

The war in Ukraine has further interrupted global supply chains that were already disrupted by the COVID-19 pandemic. The resulting delivery shortages and higher prices for raw materials and building products have, in turn, increased the investments required for real estate development. The sharp rise in the costs for gas, heating oil and electricity is also driving inflation, a trend that has led to intervention by central banks and could have a negative effect on the demand for real estate. These factors are contrasted, on the one hand, by the rising demand for energy self-sufficient, sustainable new construction and renovation that can minimise the burden of higher energy costs. On the other hand, the geopolitical environment and the related expected migration flows will create an additional demand for housing that will increase the pressure on real estate markets and construction firms.

Rising interest rates have an impact on the investment costs of a property and lead investors to expect higher returns. The investment market is currently in a state of shock – the transaction volume in most asset classes collapsed during the first three quarters of 2022 due to the wait-and-see attitude of investors. UBM was also forced to postpone several planned transactions. At the same time, the changing interest landscape has had an impact on property ownership by private households: An increasing number of higher-income households can no longer afford to purchase real estate – this will increase activity in the rental segment and could create a greater demand for high-quality multiple family apartment buildings.

The rising, or difficult to calculate, construction costs were already reflected in a higher cancellation rate for projects in the first three quarters of 2022. No market participant has been able to escape from this development, whereby UBM has secured fixed prices for most of the projects currently under construction. The postponement of projects can also be expected to lead to a further reduction in the offering and, consequently, have a stabilising effect on selling prices.

A demand overhang is currently visible on the market for various real estate specialists, among others due to demographic shifts – the baby boom generation is starting to retire, and that will reduce the number of people available for apprenticeships. A lack of qualified labour can reduce the pace of economic growth and have a negative influence on the commercial success of companies in every branch. Here, successfully positioning as an employer in the "war for talents" will be decisive.

The latest market developments have caused substantial uncertainty and led to a short-term decline in the transaction volume. At the same time, optimally positioned and well-prepared market participants will be able to take advantage of the available market opportunities. UBM is convinced that its financial strength and strategic orientation create a good starting position for this difficult market phase.

Impact on the consolidated statement of financial position and income statement in 2022

The COVID-19 pandemic and the Ukraine crisis have had no material effects on the consolidated balance sheet or the consolidated income statement since the publication of results for the 2021 financial year. The information presented on pages 153-154 of the consolidated financial statements in the annual report for 2021 therefore remains valid without exception.

15. 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 2022 were related primarily to construction services.

UBM repaid the hybrid capital of €25.3m to PORR AG on 10 June 2022.

Interest of T€2,186 on the hybrid capital was paid to PORR AG in 2022 (Q1-3/2021: T€1,520). The hybrid capital was held by PORR AG.

16. Events after the balance sheet date

No reportable events occurred after the balance sheet date on 30 September 2022.

Vienna, 23 November 2022

The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

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 six months of the financial year and their effects on these consolidated interim financial statements as well as the principal risks and uncertainties for the remaining six months of the financial year and the major reportable transactions with related parties.

Vienna, 23 November 2022

The Management Board

Thomas G. Winkler
CEO, Chairman

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Financial Calendar

2022	
Redemption and interest payment on UBM bond 2017	12.10.2022
Interest payment on UBM bond 2019	15.11.2022
Interest payment on UBM bond 2018	16.11.2022
Publication of the Q3 Report 2022	**24.11.2022**
2023	
Interest payment on hybrid bond 2018	1.3.2023
Publication of the Annual Report 2022	**17.4.2023**
Record date for participation in the 142th Annual General Meeting	7.5.2023
142th Annual General Meeting, Vienna	17.5.2023
Interest payment on UBM bond 2021	22.5.2023
Trading ex dividend on the Vienna Stock Exchange	22.5.2023
Dividend record date	23.5.2023
Payment date of the dividend for the 2022 financial year	24.5.2023
Publication of the Q1 Report 2023	**25.5.2023**
Interest payment on hybrid bond 2021	19.6.2023
Publication of the Half-Year Report 2023	**31.8.2023**
Interest payment on UBM bond 2019	13.11.2023
Interest payment on UBM bond 2018	16.11.2023
Publication of the Q3 Report 2023	**23.11.2023**

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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 2022 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.

The quarterly report t 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.

www.ubm-development.com