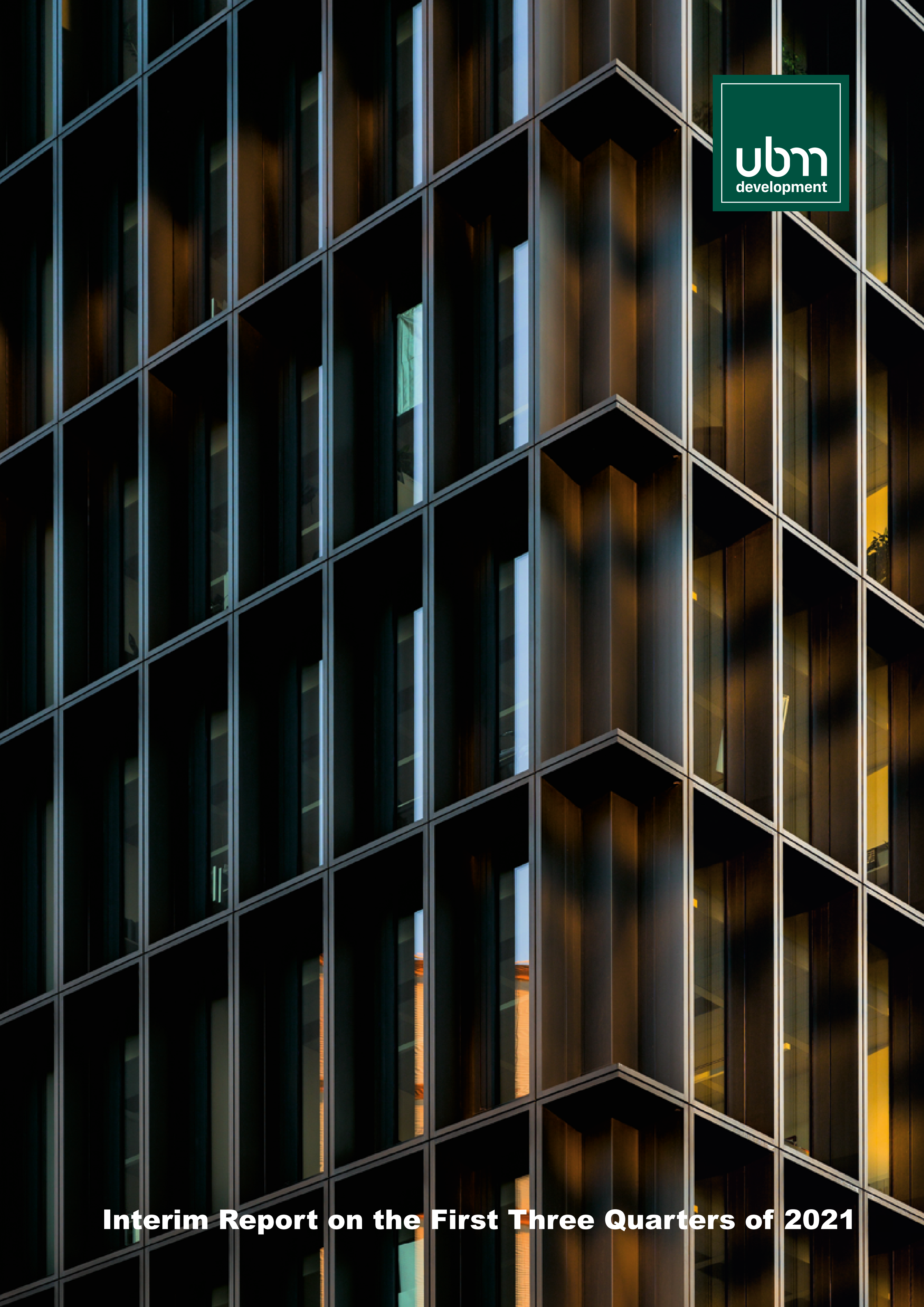


ubm development

Interim Report on the First Three Quarters of 2021

Key performance indicators

Key earnings figures (in €m)

	1-9/2021	1-9/2020	Change
Total Output[1]	340.4	292.1	16.6%
Revenue	218.7	126.8	72.5%
EBT	46.2	51.0	-9.5%
Net profit (before non-controlling interests)	35.9	33.3	7.6%

Key asset and financial figures (in €m)

	30.9.2021	31.12.2020	Change
Total assets	1,558.1	1,372.0	13.6%
Equity	547.1	482.9	13.3%
Equity ratio	35.1%	35.2%	-0.1 PP
Net debt[2]	409.5	479.1	-14.5%
Cash and cash equivalents	441.6	247.2	78.6%

Key share data and staff

	30.9.2021	30.9.2020	Change
Earnings per share (in €)[3]	3.86	3.63	6.3%
Market capitalisation (in € m)	321.3	231.6	38.7%
Dividend per share (in €)[4]	2.20	2.20	0.0%
Staff[5]	345	335	3.0%

[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.

Content

At a glance

guidance confirmed.
Second-best Q3 in the company's history

esg rating by EcoVadis.
Awarded in Gold

sustainable earnings.
Low net debt and strong balance sheet

outlook.
More than €400m in cash for major acquisitions

Q3 2021

Dear Shareholders,
Dear Stakeholders,

As you can see from the photo, we are now four on the Executive Board. With Martina Maly-Gärtner, UBM gained a top level manager this past summer who will use her proven expertise and personality to add new impulses to our hotel operations and human resources and insurance activities.

We can also report further success in the area of sustainability. The very first evaluation by the internationally recognised ESG rating agency EcoVadis led to Gold for UBM Development AG. That places us among the top two per cent of the branch (property and residential). It also underscores the determined implementation of our strategic focus on *green. smart. and more.* At UBM, we translate "green" primarily as wood construction. Six per cent of worldwide CO_2 emissions result from the production of the concrete and steel used in building construction, the same amount caused by air, ship and rail travel combined. If we are able – at least in part – to substitute wood for concrete and steel, we will use the greatest leverage available to us as a developer to reduce the CO_2 footprint of buildings during construction. At the same time, we intend to use our "smartification" to improve sustainable building operations by our buyers and tenants or, during the development phase, to form the basis for more sustainable operations. We have developed a standard during the past year that will serve as a minimum for every new UBM development project.

Man is a social and not a digital being. More and more employers are coming to realise that it is just as important to offer employees a "community" as well as home office. Community can, however, only arise and grow during personal interaction – in other words, when employees return to the office. In addition to interaction, the focus on the feel-well aspect of work is increasing. Offices must present different or additional opportunities. The spectacularly announced "new office worlds" are faced with competition from the comforts people have become accustomed to at home – from the couch to the kitchen instead of a simple kitchenette. In other words: The new office world must not only be "green" and "smart" but, above all, "more".

A successful strategic transformation requires, not least, a solid financial foundation. UBM continued its profitable course during the first three quarters of 2021. With pre-tax earnings of €46.2m, we recorded the second highest nine-month results since our founding. That also applies to earnings per share, which equalled €3.86. The "corona dip" which we announced at the beginning of 2021 has since been replaced by extremely positive results for the current financial year. Low net debt of €409m and comfortable liquidity of €442m give us the manoeuvring room for further new investments, which will allow us to protect UBM's future profitability beyond the earnings contribution from our €2.2 bn pipeline. We are currently in advanced discussions for further project acquisitions. By the way, the transaction volume for the first nine months in Europe was only 4.5% below the five-year average from 2015 to 2019. And the ranking was led by the office sector, followed by residential properties.

For the final quarter of 2021, we expect continued profitable growth and confirm our guidance for pre-tax earnings of €55m to €60m.

Thomas G. Winkler	**Martin Löcker**	**Patric Thate**	**Martina Maly-Gärtner**
CEO	COO	CFO	COO

Share

Stock exchange developments

After a good first half-year, the international exchanges entered a phase of sideways movement during this past summer. The MSCI World closed the month of June 12.2% over year-end 2020 but with a slight loss of 0.4% by the end of September. The development of the EURO STOXX 50 was similar: The index rose by 13.9% from year-end 2020 to the end of September, but this increase includes a third quarter decline of 0.4%. The performance of the Dow Jones Industrial Index was weaker with a 1.9% decrease from June to September 2021. The DAX was also faced with losses during the summer months and traded 1.7% below the previous quarter, in contrast to the 13.2% increase recorded from year-end 2020 to the end of June.

Development of the UBM share

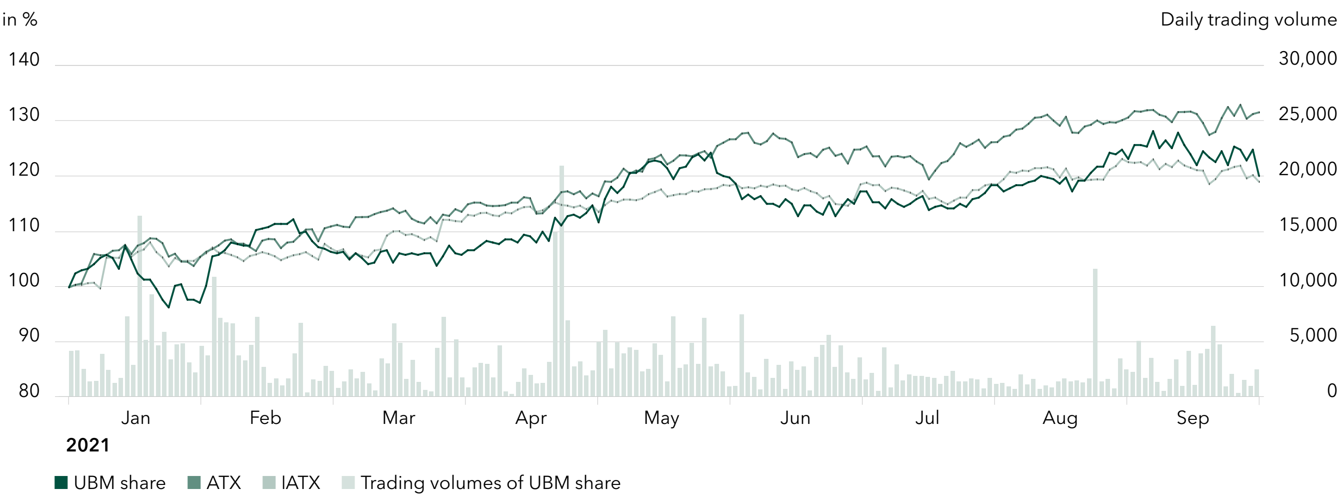
The UBM share trended upward during the summer months and closed the third quarter at €43.0, for an increase of 20.1% over the level at year-end 2020 and 3.6% over the closing price on 30 June 2021. With a plus of 31.6% since year-end 2020, Austria's ATX outperformed the international indexes. The IATX property index followed the UBM share with an increase of 19.1%. The average daily trading volume in the first three quarters of 2021 equalled 3,030 shares.

The UBM share has been listed on the Vienna Stock Exchange since 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 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 on that date. In addition, the IGO Industries Group held 6.8% of UBM outside the syndicate. A further 5.0% were held by Jochen Dickinger, a private investor. Free float comprised 49.4% 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 (58%) and Germany (24%).

Performance of the UBM share vs. ATX/IATX and trading volumes from January to September 2021



Interim Management Report

General economic environment

The global economic recovery continued into the third quarter of 2021. Uncertainty remains, however, over the possibility of new virus mutations and the increasing trade barriers caused primarily by supply bottlenecks and capacity shortages in international freight transport. Forecasts for global growth range from 5.9% (European Commission, EC) to 6.0% (International Monetary Fund, IMF) in 2021 and from 4.2% (EC) to 4.9% (IMF) in 2022. China again leads the ranking in both years. Forecasts for the eurozone range from 4.6% (IMF) to 4.8% (EC) for 2021 and from 4.3% (IMF) to 4.5% (EC) for 2022. Inflation began to accelerate at mid-year, chiefly due to the sharp rise in energy prices. The EC currently estimates the inflation rate at 1.9% for the full year. For Germany, the EC experts see a real GDP increase of 3.6% in 2021 and a significantly stronger 4.6% in 2022. Projections by the Austrian National Bank (OeNB) point toward GDP growth of 3.9% in 2021 and 4.2% in 2022, with subsequent stabilisation at a normal level of 1.9% in 2023. Growth rates in the CEE/SEE region place the Czech Republic and Poland in the middle range at 3.0% and 3.9%, respectively, in 2021, but Poland will head the ranking in 2022 with an expected increase of 5.2% in 2022.[1]

Developments on the real estate markets

Properties with a total value of €64.4 bn changed hands in Europe during the third quarter of 2021. This represents a year-on-year increase of 21%. The transaction volume totalled €202.6 bn for the first nine months and was only 4.5% below the five-year average from 2015 to 2019. Office properties again ranked first during the reporting period with €62.9 bn, followed by residential properties at €45.6 bn. Great Britain placed first in both the third quarter and for the entire year, followed by Germany and France. Non-European investors were responsible for €17.0 bn of the third quarter transaction volume, with €10.8 bn attributable to investors from the USA.[2]

The transaction volume for commercial and residential properties in Germany totalled €58.9 bn in the first nine months, with approximately €38.3 bn attributable to commercial properties and approximately €20.6 bn to residential properties. The investment volume for the full year is projected to reach €100 bn, whereby residential properties are expected to set new records with an increase in the transaction volume to over €30 bn. The average price for apartments traded in Germany since the beginning of the year is currently 54% over the five-year average and, in particular, reflects the above-average share of transactions in top ranking cities.[3]

The transaction volume on the real estate investment market in Austria totalled roughly €900m in the third quarter and €2.7 bn for the first nine months. Residential projects again headed the ranking with a share of 32%, followed by offices with 27%. Hotel properties were responsible for only 8% of the transaction volume. More than one-third of the capital raised in the third quarter came from institutional investors. Austrian investors formed the largest buyer group at 66%, followed by investors from Germany with 34%. In view of the traditionally strong transaction volumes in the fourth quarter, 2021 is expected to close with a total volume of €4 bn. The high liquidity balances held by institutional and private investors will serve as the main drivers for this year-end rally. Real estate investments in the CEE region amounted to €6.1 bn in the first nine months of 2021, whereby 57% are attributable to Poland and 17% to the Czech Republic.[4, 5]

[1] Austrian National Bank: Konjunktur aktuell – October 2021
[2] Real Capital Analytics: Capital Trends Europe – Q3 2021
[3] Savills: Investmentmarkt Deutschland – October 2021
[4] EHL: Immobilieninvestmentmarkt Update – Q3 2021
[5] Cushman & Wakefield: Investment Market in CEE – Q3 2021

Business performance

UBM Development generated Total Output of €340.4m in the first three quarters of 2021, compared with €292.1m in the comparable prior year period. The largest earnings contributions were recorded in Germany and Austria where, among others, two projects were successfully sold in the pre-development stage. 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. The largest contribution to Total Output was made by residential projects like the Gmunder Höfe in Munich and the Siebenbrunnengasse in Vienna, a project with 178 apartments designated for individual sale. Positive contributions were also made by the forward sold F.A.Z. Tower in Frankfurt and two hotels in Poland. Total Output from the property development business increased, while the hotel business reported a drop from €13.0m in the first three quarters of 2020 to €10.7m for the same period in 2021. This year-on-year decline reflects the limitations on travel which resulted from the COVID-19 pandemic.

Total Output in the **Germany** segment rose from €98.6m to €102.8m. This increase was supported, above all, by the sale of a development project in Munich. Other positive factors included the progress of construction on previous sold projects like the F.A.Z. Tower in Frankfurt, which is scheduled for completion in 2022, and the Gmunder Höfe residential project in Munich as well as the closing of the Nordbahnhofstrasse project in Stuttgart.

In the **Austria** segment, Total Output increased from €123.0m to €142.8m in the first nine months of 2021. A significant component of this Total Output resulted from the sale of the Monte Laa project located in Vienna's 10th district. The residential business also made an important contribution to Total Output, primarily through the progress of individual unit sales in the Siebenbrunnengasse project in Vienna's fifth district. This project has been open for individual sales since the second half of 2020, and 79% of the units have already been sold. The Rankencity and Salurnerstrasse residential construction projects also represented a positive factor for the development of Total Output.

The **Poland** segment recorded Total Output of €68.8m in the first three quarters of 2021 (Q1–3/2020: €55.9m). Two hotel projects – the Mercure Hotel in Katowice and the 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. Both hotels were transferred during the third quarter of 2021.

The **Other Markets** segment reported Total Output of €26.1m for the first nine months of 2021 (Q1–3/2020: €14.5m). Most of this Total Output is attributable to the Astrid Offices and

Total Output by region

in €m	1-9/2021	1-9/2020	Change
Germany	102.8	98.6	4.2%
Austria	142.8	123.0	16.1%
Poland	68.8	55.9	23.0%
Other markets	26.1	14.5	79.6%
Total	**340.4**	**292.1**	**16.6%**

Arcus City projects in Prague, which are also accounted for according to the percentage of completion.

The **Residential** segment reported Total Output of €118.6m for the first three quarters of 2021 (Q1–3/2020: €109.1m). Total Output for the reporting period consisted mainly of the progress of construction on previously sold apartments from projects in Germany, Austria and the Czech Republic. Included here are the Siebenbrunnengasse in Vienna and the Arcus City project in Prague. The Gmunder Höfe project in Germany and the Nordbahnviertel and Rankencity projects in Austria were sold to institutional investors and are included in Total Output according to the progress of construction as of the respective sale date.

The **Office** segment generated Total Output of €79.0m in the first nine months of 2021 (Q1–3/2020: €70.6m). Total Output for the reporting period resulted, above all, from an office property in Munich sold before the start of construction and the Astrid Offices project in Prague. The forward sale of the F.A.Z. Tower in Frankfurt during the fourth quarter of 2020 also had a positive effect on Total Output for the first three quarters of 2021.

Total Output in the **Hotel** segment rose to €55.1m in the first nine months of 2021 (Q1–3/2020: €40.0m). The low level of Total Output from hotel operations is attributable to the COVID-19 pandemic and the related travel restrictions. In this area, Total Output amounted to €10.7m for the first three quarters of 2021 (Q1–3/2020: €13.0m). Total Output for the reporting period was positively influenced by the completion of construction on the two forward sold hotels in Katowice and Krakow as well as the closing for the Nordbahnhofstrasse project in Stuttgart.

Total Output in the **Other** segment amounted to €46.9m in the first nine months of 2021 (Q1–3/2020: €24.2m) and includes the sale of a property in Vienna's 10th district as well as cash inflows from the rental of mixed use standing assets in Austria.

In the **Service** segment, Total Output declined from €48.1m to €40.8m. 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	1-9/2021	1-9/2020	Change
Residential	118.6	109.1	8.7%
Office	79.0	70.6	11.9%
Hotel	55.1	40.0	37.5%
Other	46.9	24.2	93.7%
Service	40.8	48.1	-15.2%
Total	**340.4**	**292.1**	**16.6%**

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 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 rose from €292.1m in the first three quarters of 2020 to €340.4m in the reporting period. Revenue as reported on the consolidated income statement increased by 72.5% to €218.7m (Q1–3/2020: €126.8m). This solid improvement is attributable to the sale of two projects in Munich and Vienna and to the progress of construction on previously sold real estate projects which are recognised over time in accordance with the progress of completion and sale. Contributions to revenue were also provided by various residential projects in Germany and Austria, hotel projects in Poland and an office project in the Czech Republic.

The profit from companies accounted for at equity improved from €–1.8m in the first three quarters of 2020 to €20.0m in the reporting period. This substantial growth was supported, above all, by ongoing and forward sold real estate projects like the F.A.Z. Tower in Frankfurt. The negative at-equity results in the first nine months of 2020 resulted chiefly from impairment losses recognised to the hotel operating company as a consequence of the COVID-19 pandemic. The write-offs to the hotel operating company, ubm hotels, nearly covered the entire carrying amount.

Income from fair value adjustments to investment property totalled €10.0m in the first three quarters of 2021 (Q1–3/2020: €69.9m). The fair value adjustments are attributable in full to an office project in Munich which has since closed. The fair value adjustments in the comparable prior year period were related to a large-scale project in Munich and resulted from the sale of a 40% interest. The expenses from fair value adjustments were immaterial in the first three quarters of 2020 and 2021. There were no material default incidents in the fully consolidated standing assets during the corona-related lockdowns in spring 2021 which would have required a value adjustment.

Other operating income amounted to €8.3m in the first three quarters of 2021 and included, among others, revenue from third-party charges, foreign exchange gains, income from the release of provisions and various other positions. In the previous year, other operating income totalled €6.3m. Other operating expenses fell from €39.1m in the previous year to €23.1m, above all due to foreign exchange losses in the first three quarters of 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 €192.8m in the first three quarters of 2021 (Q1–3/2020: €86.1m). 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. Material costs for the reporting period were influenced by the book value disposals of two projects and the construction of various residential projects as well as the forward sale of investment properties.

The changes in the portfolio related to residential property inventories and other IAS 2 properties led to income of €43.5m in the first three quarter of 2021 (Q1–3/2020: expenses of €1.4m). The positive earnings effect in the reporting period resulted from increased construction activity on residential projects.

Personnel expenses totalled €27.3m in the reporting period (Q1–3/2020: €25.4m). The valuation of the UBM share option programme, which was approved by the Annual General Meeting in May 2017, added €0.0m to personnel expenses in the first three quarters of 2021 (Q1–3/2020: €0.7m). Group companies included in the consolidation employed a total workforce of 345 at the end of September 2021, which is slightly higher than the level at year-end 2020 (31 December 2020: 339).

EBITDA rose by 17.0% from €48.8m in the first three quarters of 2020 to €57.1m in the reporting period. Depreciation and amortisation were lower than the previous year at €1.8m (Q1–3/2020: €2.5m). EBIT for the first nine months of 2021 totalled €55.3m, compared with €46.3m in the first nine months of 2020. Financial income fell from €20.5m in 2020 to €10.3m in the reporting period. Financial costs exceeded the previous year at €19.5m (Q1–3/2020: €15.8m), whereby neither the current nor the comparable prior year period included any material deviations.

EBT totalled €46.2m in the first three quarters of 2021 (Q1–3/2020: €51.0m). Tax expense equalled €10.3m, which represents a tax rate of 22.3%. The tax rate was substantially higher in the first three quarters of 2020 at 34.7% due to a higher earnings contribution from Germany.

Profit for the period (net profit after tax) rose from €33.3m in the first three quarters of 2020 to €35.9m in the reporting period. Net profit attributable to the shareholders of the parent company amounted to €28.9m (Q1–3/2020: €27.1m). 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 hybrid capital holders. The share attributable to the hybrid capital holders equalled €6.1m (Q1–3/2020: €5.3m). The resulting earnings per share increased from €3.63 to €3.86 in the first three quarters of 2021.

Asset and financial position
Total assets recorded by the UBM Group rose by €186.0m over the level at year-end 2020 to €1,558.1m as of 30 September 2021, above all due to an increase in cash and cash equivalents and property inventories.

Property, plant and equipment increased by a slight €0.7m to €12.3m as of 30 September 2021. This position includes, above all, the capitalised rights of use from lease liabilities. The carrying amount of investment properties increased by €6.5m to €413.6m at the end of the third quarter of 2021.

The carrying amount of the investments in equity-accounted companies rose from €167.8m as of 31 December 2020 to €172.8m as of 30 September 2021. Project financing fell by €29.1m, to €179.3m at the end of the first three quarters of 2021.

Current assets rose by €200.4m to €747.5m as of 30 September 2021. Cash and cash equivalents increased by €194.4m following the issue of two bonds and additional project financing during the reporting period. Contrasting factors included cash outflows of approximately €55m for a project in Munich. Cash and cash equivalents remained at a historically high level of €441.6m at the end of September 2021, and financial assets rose by €16.7m over the level at year-end 2020.

Inventories totalled €155.4m at the end of September 2021 (31 December 2020: €121.9m), whereby the increase is partly attributable to the acquisition of the Willy Bogner company headquarters in Munich. This position includes miscellaneous inventories as well as specific residential properties under development which are designated for sale. Trade receivables increased from €127.9m at year-end 2020 to €80.4m at the end of the third quarter of 2021. 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 €64.3m over the level at year-end 2020 to €547.1m as of 30 September 2021. The increase is explained, above all, by the hybrid bond which is recorded under equity as well as current profits. This increase was offset by the dividend payment of €16.4m. The equity ratio equalled 35.1% at the end of September 2021 (31 December 2020: 35.2%).

Bond liabilities totalled €545.7m at the end of September 2021 (31 December 2020: €456.5m). Financial liabilities (current and non-current) rose by €36.3m to €326.9m during the reporting period. Trade payables amounted to €55.2m as of 30 September 2021 (31 December 2020: €77.0m) and included outstanding payments for subcontractor services. Other financial liabilities (current and non-current) rose from €32.1m as of 31 December 2020 to €43.5m. Deferred taxes and current taxes payable amounted to €20.3m as of 30 September 2021 (31 December 2020: €18.9m).

Net debt declined substantially from €479.1m as of 31 December 2020 to €409.5m as of 30 September 2021 and comprises current and non-current bonds and financial liabilities, excluding lease liabilities, less cash and cash equivalents.

Cash flow
Operating cash flow rose from €7.2m in the first three quarters of 2020 to €36.7m in the reporting period. This improvement is related, in particular, to a year-on-year decline in non-cash effects on the income statement as well as higher dividends from companies accounted for at equity. The fair value adjustments included in profit for the reporting period were excluded from operating cash flow because of their non-cash character. They result primarily from timing differences between the earnings and cash effects of a property transaction.

Cash flow from operating activities amounted to €–46.4m for the reporting period (Q1–3/2020: €2.8m). The factors which reduced cash flow included an increase of €29.4m in receivables and €22.5m in inventories. These amounts include cash inflows of €10.8m from the sale of real estate inventories. The additions to real estate inventories totalled €61.7m, and the additions to real estate receivables equalled €59.6m. The decrease in real estate receivables equalled €25.2m.

Cash flow from investing activities totalled €49.2m in the first three quarters of 2021 (Q1–3/2020: €–41.1m). Investments in project financing amounted to €31.5m, and investments in property, plant and equipment, investment property and financial assets reached €64.9m. Contrasting factors included cash inflows of €72.7m from the repayment of project financing and cash inflows of €9.3m from the sale of consolidated companies.

Cash flow from financing activities amounted to €191.3m in the first three quarters of 2021 (Q1–3/2020: €59.4m). Liquidity was increased by the issue of a five-year, 3.125% sustainability-linked UBM bond with a cash effect of €81.6m and the issue of a 5.5% sustainability-linked UBM hybrid bond with a net cash effect of €49.9m. New borrowings totalled €204.5m and repayments equalled €127.6m. Dividends of €24.2m, including hybrid interest, were paid during the reporting period.

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 345 as of 30 September 2021, compared with 335 as of 30 September 2020. 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 ESG Report for 2020.

Outlook

The forecasts for global growth in 2021 were confirmed or revised upward and now range from 5.9% (European Commission, EC) to 6.0% (International Monetary Fund, IMF). Projections for 2022 now point to an increase of 4.2% (EC) to 4.9% (IMF). Uncertainty remains, however, concerning the emergence of new virus mutations and the increasing trade barriers that have resulted primarily from delivery shortages and insufficient capacity in international freight transport. Estimates for growth in the eurozone range from 4.6% (IMF) to 4.8% (EC) for 2021 and from 4.3% (IMF) to 4.5% (EC) for 2022. In its meeting on 28 October 2021, the ECB confirmed its intention to continue the loose monetary policy and hold prime rates between 0.00% and 0.25%. The ECB also plans to continue purchases within the framework of its Pandemic Emergency Purchase Programme (PEPP; total volume €1.85 bn) at least to the end of March 2022 and, in any event, until the monetary authorities believe the corona crisis has been defeated.[6, 7]

UBM's liquidity position improved significantly during the first three quarters of 2021. Cash and cash equivalents totalled €441.6m as of 30 September 2021 (31 December 2020: €247.2m). The decisive factor for this increase was the opening of an ideal window on the debt market during the first half year, when two sustainability-linked bonds were issued within a single month. The internal focus on cash management still has high priority to allow for flexible reaction to any deviations and market opportunities.

Low net debt of €409m and a comfortable liquidity position give UBM further manoeuvring room for new investments to protect future profitability beyond the earnings contribution from the €2.2 bn pipeline. At the end of the third quarter, UBM was in advanced discussions for further project acquisitions.

In addition to the ESG rating by ISS ESG which was announced during the first half-year, UBM received a further top rating in the third quarter. The very first evaluation by the internationally recognised ESG rating agency EcoVadis led to Gold for UBM Development AG. That places the company among the top two per cent of the property and residential branch. Activities during the coming months will include an increased focus on ESG performance to support UBM's position as one of the branch leaders.

The positive development of business in recent quarters has shown that UBM is on the right course with its strategic re-orientation. Six per cent of worldwide CO_2 emissions result from the production of the concrete and steel used in building construction, the same amount caused by air, ship and rail travel combined. UBM's goal will be to substitute wood for part of this concrete and steel. In that way, the company's re-orientation can create the leverage for reducing the CO_2 footprint of buildings during construction.

A focus on "smart" will also improve sustainable building operations by end investors and, during the development phase, create the basis for more sustainable operations.

Based on the sound development of earnings during the first nine months of 2021 and successful sales activities, the UBM Management Board expects continued profitable growth during the fourth quarter and confirms the guidance for earnings before taxes of €55m to €60m.

Increased uncertainty has been created by the recent massive rise in infections in all UBM markets as well as the reactions to the newly imposed lockdowns and the debate over possible compulsory vaccinations beyond the Austrian borders.

[6] Austrian National Bank: Konjunktur aktuell – June 2021
[7] ECB: Monetary policy decisions – Press release October 2021

Risk report

The risks which have, or could have, a significant impact on UBM Development AG are discussed in the 2020 Annual Report on pages 83 to 88. Detailed information on UBM's risk management system is also provided in that section.

There have been no significant changes in the risk profile since the publication of the financial statements for the 2020 financial year. Therefore, the statements in the 2020 Annual Report/risk report still apply without exception. Reference is also made, in particular, to the risks associated with the COVID-19 pandemic, which are discussed on pages 85 to 88.

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, 25 November 2021

The Management Board

Thomas G. Winkler
CEO

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Consolidated Income Statement
from 1 January to 30 September 2021

in T€	1-9/2021	1-9/2020	7-9/2021	7-9/2020
Revenue	218,726	126,830	71,387	47,226
Changes in the portfolio	43,513	–1,403	48,043	–1,790
Share of profit/loss from companies accounted for at equity	19,983	–1,754	7,763	6,825
Income from fair value adjustments to investment property	9,987	69,853	-	-
Other operating income	8,332	6,278	536	2,272
Cost of materials and other related production services	-192,776	–86,052	-89,401	-27,866
Personnel expenses	-27,316	-25,384	-9,320	-6,735
Expenses from fair value adjustments to investment property	–271	–490	–90	–91
Other operating expenses	-23,059	-39,050	-10,839	-11,314
EBITDA	**57,119**	**48,828**	**18,079**	**8,527**
Depreciation and amortisation	–1,831	–2,486	-631	–584
EBIT	**55,288**	**46,342**	**17,448**	**7,943**
Financial income	10,346	20,457	290	4,433
Financial costs	-19,459	-15,769	-7,244	–5,186
EBT	**46,175**	**51,030**	**10,494**	**7,190**
Income tax expenses	-10,297	-17,693	-2,138	–420
Profit for the period (net profit)	**35,878**	**33,337**	**8,356**	**6,770**
of which: attributable to shareholders of the parent	28,851	27,148	5,754	4,831
of which: attributable to holder of hybrid capital	6,088	5,267	2,503	1,769
of which: attributable to non-controlling interests	939	922	99	170
Basic earnings per share (in €)	**3.86**	**3.63**	**0.77**	**0.64**
Diluted earnings per share (in €)	**3.86**	**3.63**	**0.77**	**0.65**

Consolidated Statement of Comprehensive Income

from 1 January to 30 September 2021

in T€	1-9/2021	1-9/2020	7-9/2021	7-9/2020
Profit for the period (net profit)	**35,878**	**33,337**	**8,356**	**6,770**
Other comprehensive income				
Remeasurement of defined benefit obligations	275	–76	–38	–43
Income tax expense (income) on other comprehensive income	–71	19	10	11
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	**204**	**-57**	**-28**	**-32**
Currency translation differences	–232	3,005	1,114	853
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	**-232**	**3,005**	**1,114**	**853**
Other comprehensive income of the period	**-28**	**2,948**	**1,086**	**821**
Total comprehensive income of the period	**35,850**	**36,285**	**9,442**	**7,591**
of which: attributable to shareholders of the parent	28,823	30,184	6,840	5,739
of which: attributable to holder of hybrid capital	6,088	5,267	2,503	1,769
of which: attributable to non-controlling interests	939	834	99	83

Consolidated Balance Sheet

as of 30 September 2021

in T€	30 September 2021	31 December 2020
Assets		
Non-current assets		
Intangible assets	3,543	3,024
Property, plant and equipment	12,323	11,596
Investment property	413,627	407,147
Investments in companies accounted for at equity	172,776	167,811
Project financing	179,316	208,375
Other financial assets	11,558	11,520
Financial assets	3,790	4,066
Deferred tax assets	13,665	11,445
	810,598	**824,984**
Current assets		
Inventories	155,357	121,880
Trade receivables	80,367	127,945
Financial assets	54,445	37,717
Other receivables and assets	15,730	12,286
Cash and cash equivalents	441,566	247,209
	747,465	**547,037**
Assets total	**1,558,063**	**1,372,021**
Equity and liabilities		
Equity		
Share capital	22,417	22,417
Capital reserves	98,954	98,954
Other reserves	239,595	226,766
Hybrid capital	180,803	130,330
Equity attributable to shareholders of the parent	**541,769**	**478,467**
Equity attributable to non-controlling interests	5,358	4,404
	547,127	**482,871**
Non-current liabilities		
Provisions	9,410	8,772
Bonds and promissory note loans	526,214	437,047
Financial liabilities	281,125	248,641
Other financial liabilities	2,038	1,573
Deferred tax liabilities	6,447	8,016
	825,234	**704,049**
Current liabilities		
Provisions	1,735	2,102
Bonds and promissory note loans	19,494	19,457
Financial liabilities	45,768	41,943
Trade payables	55,240	76,959
Other financial liabilities	41,487	30,503
Other liabilities	8,088	3,302
Taxes payable	13,890	10,835
	185,702	**185,101**
Equity and liabilities total	**1,558,063**	**1,372,021**

Consolidated Statement of Cash Flows

from 1 January to 30 September 2021

in T€	1-9/2021	1-9/2020
Profit for the period (net profit)	35,878	33,337
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	-9,123	-66,848
Interest income/expense	9,792	5,987
Income from companies accounted for at equity	-19,982	1,842
Dividends from companies accounted for at equity	19,025	16,544
Decrease/increase in long-term provisions	-1,223	2,328
Deferred income tax	2,370	13,991
Operating cash flow	**36,737**	**7,181**
Increase in short-term provisions	-367	-119
Decrease in tax liabilities	3,057	-22,569
Losses/Gains on the disposal of assets	-13,421	-11,392
Increase/decrease in inventories	-22,482	9,262
Increase/decrease in receivables	-29,435	13,678
Increase in payables (excluding banks)	-11,618	-2,230
Interest received	288	501
Interest paid	-8,337	-3,271
Other non-cash transactions	-800	11,731
Cash flow from operating activities	**-46,378**	**2,772**
Proceeds from the sale of property, plant and equipment and investment property	60,115	3,760
Proceeds from the sale of financial assets	4,059	6,805
Proceeds from the repayment of project financing	72,732	34,383
Investments in intangible assets	-581	-82
Investments in property, plant and equipment and investment property	-55,116	-19,681
Investments in financial assets	-9,777	-13,833
Investments in project financing	-31,473	-75,045
Proceeds from the sale of consolidated companies	9,275	22,347
Payments made for the purchase of subsidiaries less cash and cash equivalents acquired	-	-9
Cash flow from investing activities	**49,234**	**-41,355**
Dividends	-24,233	-23,459
Dividends paid to non-controlling interests	-	-1,620
Proceeds from other shareholders of subsidiaries	15	-
Promissory note loan	7,000	-
Proceeds from bonds	81,602	-
Increase in loans and other financing	204,513	157,208
Repayment of loans and other financing	-127,551	-72,430
Increase in hybrid capital	98,329	-
Repayment of hybrid capital	-48,395	-
Acquisition of non-controlling interests	-	-300
Cash flow from financing activities	**191,280**	**59,399**
Cash flow from operating activities	**-46,378**	**2,772**
Cash flow from investing activities	**49,234**	**-41,355**
Cash flow from financing activities	**191,280**	**59,399**
Change in cash and cash equivalents	**194,136**	**20,816**
Cash and cash equivalents at 1 January	247,209	212,384
Currency translation differences	221	-466
Cash and cash equivalents at 30 September	**441,566**	**232,734**
Taxes paid	4,870	26,271

Consolidated Statement of Changes in Equity
as of 30 September 2021

in T€	Share capital	Capital reserves	Remeasurement of defined benefit obligations	Currency translation reserve
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**
Balance as of 31 December 2020	**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**

Other reserves	Hybrid capital	Equity attributable to equity holders of the parent	Non-controlling interests	Total
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**
228,405	**130,330**	**478,467**	**4,404**	**482,871**
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
240,740	**180,803**	**541,769**	**5,358**	**547,127**

Segment reporting[1]

from 1 January to 30 September 2021

	Germany		Austria	
in T€	**1-9/2021**	**1-9/2020**	**1-9/2021**	**1-9/2020**
Total Output				
Residential	19,006	78,900	79,991	28,790
Office	57,533	51	6,339	51,145
Hotel	14,109	8,118	2,687	3,916
Other	1,679	5,084	43,640	16,571
Service	10,469	6,463	10,146	22,625
Total Output	**102,796**	**98,616**	**142,803**	**123,047**
Less revenue from associates and companies of minor importance and from performance companies as well as changes in the portfolio	–59,132	–61,327	–47,856	–86,139
Revenue	**43,664**	**37,289**	**94,947**	**36,908**
Residential	2,841	86,430	6,121	2,111
Office	14,540	178	1,958	6,894
Hotel	1,897	1,118	–181	–15,672
Other	–4,609	–4,949	13,792	–7,208
Service	1,208	228	4,650	5,491
Total EBT	**15,877**	**83,005**	**26,340**	**–8,384**

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

Poland		Other markets		Group	
1-9/2021	**1-9/2020**	**1-9/2021**	**1-9/2020**	**1-9/2021**	**1-9/2020**
3,062	-	16,557	1,390	118,616	109,080
8,347	11,643	6,813	7,798	79,032	70,637
36,888	25,750	1,376	2,253	55,060	40,037
1,610	1,433	-	1,145	46,929	24,233
18,866	17,075	1,316	1,923	40,797	48,086
68,773	**55,901**	**26,062**	**14,509**	**340,434**	**292,073**
–26,251	–23,276	11,531	5,499	–121,708	–165,243
42,522	**32,625**	**37,593**	**20,008**	**218,726**	**126,830**
–3,512	–6,061	1,914	–5,580	7,364	76,900
3,095	–4,484	407	461	20,000	3,049
5,856	2,622	–584	–3,885	6,988	–15,817
–1,327	–5,159	–182	236	7,674	–17,080
–230	30	–1,479	–1,771	4,149	3,978
3,882	**-13,052**	**76**	**-10,539**	**46,175**	**51,030**

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 2021.

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 2020: 66) domestic and 76 (31 December 2020: 78) foreign subsidiaries. The initial consolidation during the reporting period involved one newly founded company (see note 2.1.).

Four companies were sold and one was liquidated during the first three quarters of 2021. The sale price of T€26,363 was paid in cash. The assets and liabilities over which control was lost are summarised below:

in T€	30.9.2021
Other financial assets	1
Deferred tax assets	383
Current assets	
Trade receivables	97,004
Financial assets	16
Other receivables and current assets	1,228
Cash and cash equivalents	422
Non-current liabilities	
Financial liabilities	22,074
Other financial liabilities	12,997
Deferred tax liabilities	4,011
Current liabilities	
Financial liabilities	20,643
Trade payables	1,041
Other financial liabilities	14,747
Tax payables	2

In addition, 26 (31 December 2020: 29) domestic and 24 (31 December 2020: 24) foreign associates and joint ventures were accounted for at equity. On company was added through acquisition, the investments in three companies were sold and one company was liquidated during the reporting period.

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
St.-Veit-Straße GmbH & Co. KG	19.1.2021

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 2020, 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 2021 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 16: Covid-19-Related Rent Concessions	28.5.2020	15.10.2020	1.6.2020
Amendments to IFRS 4 Insurance Contracts: Deferral of IFRS 9	25.6.2020	15.12.2020	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	13.1.2021	1.1.2021
Amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	31.3.2021	30.8.2021	1.4.2021

The following standards and interpretations were published after the preparation of the consolidated financial statements as of 31 December 2020. 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
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 – Costs of Fullfilling 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

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 17: Insurance Contracts	25.6.2020	–	1.1.2023
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	12.2.2021	–	1.1.2023
Amendments to IAS 8: Definition of Accounting Estimates	12.2.2021	–	1.1.2023
Amendments to IAS 12: Deferred tax related to Assets and Liabilities arising from a Single Transaction	7.5.2021	–	1.1.2023

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 27 May 2021 approved the recommendation for the distribution of profit for the 2020 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 and the remainder of €2,397.87 was carried forward. The dividend was paid on 4 June 2021.

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:

	Germany	Austria	Poland	Other Markets	Group
in T€	**1-9/2021**	**1-9/2021**	**1-9/2021**	**1-9/2021**	**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**

	Germany	Austria	Poland	Other Markets	Group
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**

7. Earnings per share

	1-9/2021	1-9/2020
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	34,939	32,415
Less interest on hybrid capital (in T€)	–6,088	–5,267
Proportion of profit for the period attributable to shareholders of the parent (in T€)	28,851	27,148
Potential shares		
Weighted average number of shares issued (=number of basic shares)	7,472,180	7,472,180
Average number of share options outstanding	-	-
Number of shares diluted	7,472,180	7,472,180
Basic earnings per share (in €)	**3.86**	**3.63**
Diluted earnings per share (in €)	**3.86**	**3.63**

8. Share capital

Share capital	Number 30 Sept 2021	€ 30 Sept 2021	Number 31 Dec 2020	€ 31 Dec 2020
Ordinary bearer shares	7,472,180	22,416,540	7,472,180	22,416,540

9. Authorised capital, conditional capital and treasury shares

The following resolutions were passed at the 140th Annual General Meeting on 27 May 2021:

Resolution revoking the existing authorisation of the Management Board in accordance with Section 4 Para. 6 of the Statutes and the concurrent approval of a new authorisation for the Management Board in accordance with Section 159 Para. 3 of the Austrian Stock Corporation Act to increase the company's share capital, with the approval of the Supervisory Board, by up to EUR1,678,920,–, also in several tranches, through the issue of up to 559,640 new ordinary zero par value bearer shares to service the stock options granted to employees, key managers and members of the Management Board of the company and its subsidiaries within the framework of the continuation and extension of the Long-term Incentive Programme 2017 (including the adjustment of the plan terms defined in 2017) approved by this Annual General Meeting. Resolution to amend Section 4 Para. 6 of the Statutes and authorisation of the Supervisory Board to approve changes to the Statutes resulting from the issue of shares from authorised conditional capital.

Resolution approving the continuation and extension of the Long-term Incentive Programme 2017, including the adjustment of the plan terms defined in 2017.

Resolution revoking the authorisation the Management Board in accordance with Section 65 Para. 1 Nos. 4 and 8 and Paras. 1a and 1b of the Austrian Stock Exchange Act to purchase treasury shares, which was passed by the Annual General Meeting on 29 May 2019; authorisation of the Management Board in accordance with Section 65 Para. 1b of the Austrian Stock Exchange Act to sell or use treasury shares; authorisation of the Management Board in accordance with Section 65 Para. 1 Nos. 4 and 8 and Paras. 1a and 1b of the Austrian Stock Exchange Act to purchase treasury shares over the stock exchange or through off-market transactions by up to 10% of share capital, also under the exclusion of the proportional sale rights that can result from this type of purchase (reverse exclusion of subscription rights); authorisation the Management Board to sell treasury shares in another manner than over the stock exchange or through a public offering and under the exclusion of the purchase rights of shareholders (exclusion of subscription rights); and authorisation the Management Board to withdraw treasury shares.

10. Hybrid capital and hybrid bond

On 18 June 2021, UBM issued a deeply subordinated sustainability-linked bond (hybrid bond) with a total volume of €100m and an annual coupon of 5.50%. The bond has an unlimited term with an early repayment option for the issuer after five years. At the same time, €47.1m of the hybrid bond from 2018 were repurchased prematurely.

This hybrid bond is classified as an equity instrument because the payments – interest as well as principal – must only be made under certain conditions whose occurrence can be caused or prevented by UBM and the Group can therefore permanently prevent payments. Interest payments, less any tax effects, and profit distributions are recorded directly in equity as a deduction.

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.

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 2021 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 2021	Measurement in acc. with IFRS 9 (Amortised) cost	Fair value (other comprehen-sive income)	Fair value (through profit or loss)	Fair value hierarchy	Fair value as of 30 Sept 2021
Assets							
Project financing at variable interest rates	Amortised Cost	179,316	179,316	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	10,403
Other financial assets	FVTPL	1,904	-	-	1,904	Level 3	1,904
Other financial assets	FVTPL	933	-	-	933	Level 1	933
Trade receivables	Amortised Cost	22,660	22,660	-	-	-	-
Financial assets	Amortised Cost	58,235	58,235	-	-	-	-
Cash and cash equivalents	–	441,566	441,566	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	545,708	545,708	-	-	Level 1	557,352
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	259,958	259,958	-	-	–	-
at fixed interest rates	Amortised Cost	31,000	31,000	-	-	Level 3	31,913
Other loans and borrowings							
at fixed interest rates	Amortised Cost	14,373	14,373	-	-	Level 3	16,820
Lease liabilities	–	21,562	21,562	-	-	–	-
Trade payables	Amortised Cost	55,240	55,240	-	-	–	-
Other financial liabilities	Amortised Cost	43,525	43,525	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	268,932	268,932	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	2,837	-	-	2,837	-	-
Cash and cash equivalents	–	441,566	441,566	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	949,804	949,804	-	-	-	-

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2020	Measurement in acc. with IFRS 9 (Amortised) cost	Fair value (other comprehen-sive income)	Fair value (through profit or loss)	Fair value hierarchy	Fair value as of 31 Dec 2020
Assets							
Project financing at variable interest rates	Amortised Cost	208,375	208,375	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	10,536
Other financial assets	FVTPL	1,904	-	-	1,904	Level 3	1,904
Other financial assets	FVTPL	895	-	-	895	Level 1	895
Trade receivables	Amortised Cost	27,456	27,456	-	-	-	-
Financial assets	Amortised Cost	41,783	41,783	-	-	-	-
Cash and cash equivalents	–	247,209	247,209	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	456,504	456,504	-	-	Level 1	461,556
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	221,410	221,410	-	-	–	-
at fixed interest rates	Amortised Cost	34,000	34,000	-	-	Level 3	33,842
Other loans and borrowings							
at fixed interest rates	Amortised Cost	14,367	14,367	-	-	Level 3	14,902
Lease liabilities	–	20,807	20,807	-	-	–	-
Trade payables	Amortised Cost	76,959	76,959	-	-	–	-
Other financial liabilities	Amortised Cost	32,076	32,076	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	286,335	286,335	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	2,799	-	-	2,799	-	-
Cash and cash equivalents	–	247,209	247,209	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	835,316	835,316	-	-	-	-

13. Effects of the COVID-19 pandemic

Impact on UBM's business model

The effects of the COVID-19 pandemic on UBM's business model have not led to any major changes since the publication of results for the 2020 financial year. The information presented on pages 115-116 of the consolidated financial statements in the annual report for 2020 therefore remain valid without exception.

Impact on the consolidated statement of financial position and income statement in 2021

The COVID-19 pandemic continued to have an impact on the hotel leasing business in the hotel asset class during the first three quarters of 2021. However, the balance sheet adjustments made in 2020 and the current forecast for this business did not indicate any need for the recognition of further write-downs in the third quarter of 2021.

In addition to the hotel operating company, the reporting period included two hotels under development, two hotels which were transferred to the buyers in 2021 and two hotels which were completed. No write-downs are required to these projects due to the expected recovery of the hotel market by the remaining completion dates. In view of the expected recovery of the hotel market, no write-downs were required for these projects in the third quarter of 2021 to reflect events up to the scheduled completion dates.

The "pure play programme" has been reflected in a gradual reduction of standing assets since 2018 and, consequently, the COVID-19 pandemic was only responsible for immaterial rental defaults in the first three quarters of 2021.

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 2021 were related primarily to construction services.

In addition, hybrid capital interest totalling T€1,520 was paid to PORR AG in 2021.

15. Events after the balance sheet date

No reportable events occurred after the balance sheet date.

Vienna, 25 November 2021

The Management Board

Thomas G. Winkler
CEO

Martin Löcker
COO

Patric Thate
CFO

Martina Maly-Gärtner
COO

Financial calendar

2021	
Publication of the Q3 Report 2021	**25.11.2021**
2022	
Interest payment on hybrid bond 2018	1.3.2022
Publication of the Annual Report 2021	**8.4.2022**
Record date for participation in the 141th Annual General Meeting	6.5.2022
141th Annual General Meeting, Vienna	16.5.2022
Trading ex dividend on the Vienna Stock Exchange	19.5.2022
Dividend record date	20.5.2022
Payment date of the dividend for the 2021 financial year	23.5.2022
Interest payment on UBM bond 2021	23.5.2022
Publication of the Q1 Report 2022	**25.5.2022**
Interest payment on hybrid bond 2021	20.6.2022
Publication of the Half-Year Report 2022	**25.8.2022**
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**

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