ubm development

Half-Year Report 2021

Key performance indicators

Key earnings figures (in €m)

	1-6/2021	1-6/2020	Change
Total Output[1]	237.3	181.3	30.8%
Revenue	147.3	79.6	85.1%
EBT	35.7	43.8	-18.6%
Net profit (before non-controlling interests)	27.5	26.6	3.6%

Key asset and financial figures (in €m)

	30 June 2021	31 December 2020	Change
Total assets	1,556.7	1,372.0	13.5%
Equity	537.7	482.9	11.4%
Equity ratio	34.5%	35.2%	-0.7PP
Net debt[2]	449.5	479.1	-6.2%
Cash and cash equivalents	407.0	247.2	64.6%

Key share data and staff

	30 June 2021	30 June 2020	Change
Earnings per share (in €)[3]	3.09	2.99	3.5%
Market capitalisation (in €m)	310.1	230.9	34.3%
Dividend per share (in €)[4]	2.20	2.20	0.0%
Staff	337	342	-1.5%

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.

Contents

At a glance

no corona dip.
Second-best H1 in the company's history

record pipeline. € 2.4 bn.
Acquisitions at the right place and the right time

healthy balance sheet.
35 % equity ratio and over € 400 m of liquidity

guidance.
Earnings before taxes between € 55 m to € 60 m

Dear Shareholders,
Dear Stakeholders,

At the end of the first quarter, we still expected the corona pandemic would lead to a dip for UBM in 2021 – despite our optimistic outlook for the future and prospects for a global recovery later this year. One quarter later we can confidently state that everything was pointing in the right direction and, with the sale of several projects prior to the start of construction, UBM has successfully steered through this dip.

At the half year, we can report record liquidity (=cash) of over €400m and an equity ratio of almost 35%. The first major project acquisitions in Munich, the Willy Bogner corporate headquarters and a parcel of land directly adjoining the Olympia Park underground station and Bavaria's largest shopping mall, show that the acquisition engine has restarted. We are convinced the liquidity buffer will open further attractive opportunities for UBM.

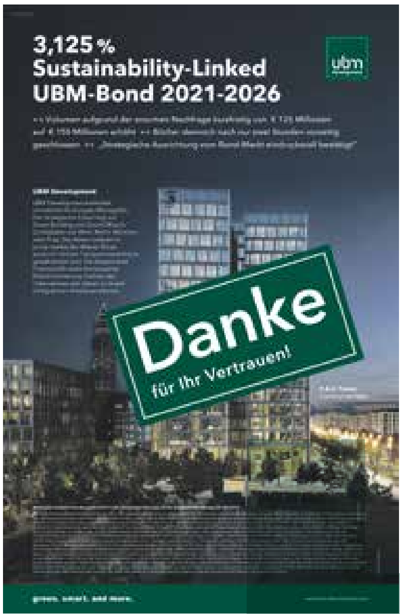
The months of May and June brought the distribution of our record €2.20 dividend per share and activities in the interest of our bond investors. Our pioneering work on the capital market involved the issue of the first sustainability-linked bond for the retail market. We also successfully placed the first sustainability-linked hybrid bond. The demand for ESG-compatible investments confirms our strategic re-orientation and allowed us to raise €250m within a very short time.

Developments during the first half-year support our first pre-tax earnings guidance of €55–60m since the start of the pandemic. This estimate is roughly 30% over the consensus and confirms that we have returned to our pre-corona course faster than expected. When all is said and done, UBM's expertise will be in greater demand in the future. Increasing vacancies in pre-corona office buildings which must be completely rethought, a radical ESG orientation by real estate investors and a new approach due to exploding construction costs – all this speaks for UBM.

Dipl.-Ök. Patric Thate	**Mag. Thomas G. Winkler, LL.M.**	**DI Martin Löcker**
CFO	CEO	COO

Highlights Half-Year 2021

ESG Prime Status in the first year
UBM receives a "C+" rating – which means Prime Status – from ISS ESG, a rating agency specialised in sustainability, in the very first year. That makes UBM Development the most sustainable real estate company in Germany and Austria.



Successful placement of two sustainability-linked bonds
In only a single month, UBM raises a total of € 250 m on the capital market with two sustainability-linked bonds. Roughly half this volume is attributable to the successful exchange offer for the UBM bond 2017 and the hybrid bond issued in 2018.

UBM acquires Willy Bogner corporate headquarters for € 55 m
In the up-and-coming eastern part of Munich, UBM is planning a sustainable major residential project on 12,000 square metres – and underscores its strategic focus on housing projects.

Record dividend despite corona
After a challenging corona year in 2020, UBM again distributes a record dividend of €2.20 per share based on the sound development of earnings. "With this dividend, we want to also send a signal of self-confidence ", emphasised Thomas G. Winkler, CEO.

Share

Stock exchange developments

After a strong year-end rally in 2020 and moderate growth during the first quarter of 2021, the international exchanges continued with further gains in April and June. The MSCI World closed the month of June 12.2 % over year-end 2020, with 7.3 % generated in the second quarter alone. The Dow Jones Industrial Index also recorded strong performance of 12.7% in the first half-year. The EURO STOXX 50 led the major indexes with an increase of 14.4 % for the reporting period, followed by the DAX with a plus of 13.2 %.

Development of the UBM share

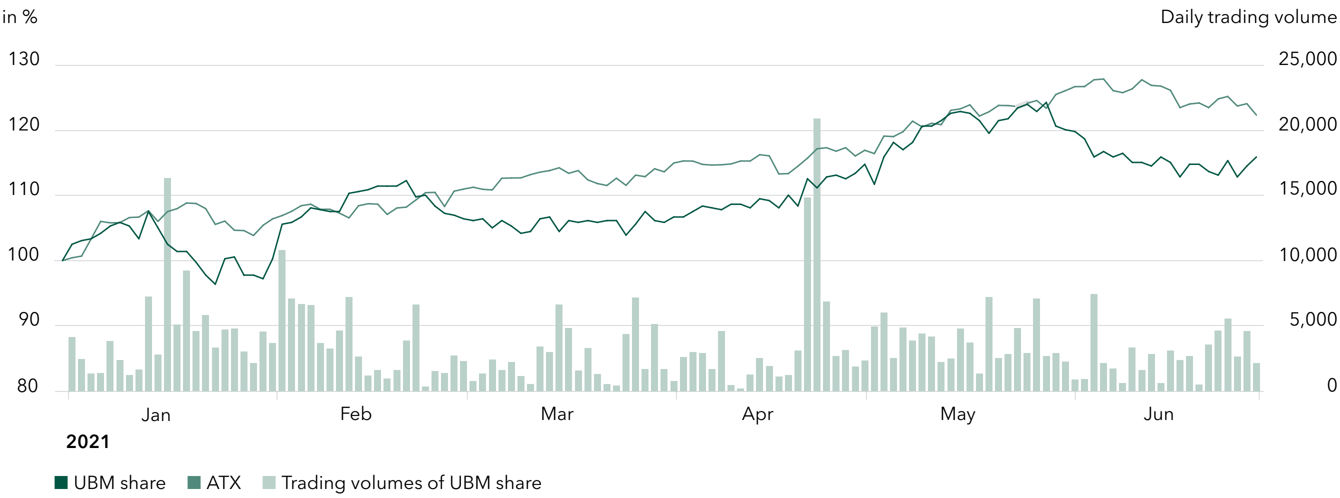
The UBM share also trended upward during the first half of 2021 and traded 15.9 % over the level at year-end 2020 with a price of €41.5 at the end of June. The 37.9 % year-on-year increase ranks between the performance of the ATX and IATX, with 50.9 % and 25.2 % respectively. The average daily trading volume in the first two quarters of 2021 equalled 3,554 shares.

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

Shareholder structure

The share capital of UBM Development AG totalled €22,416,540 as of 30 June 2021 and is divided into 7,472,180shares. The syndicate comprising the IGO Industries Group and the Strauss Group held an unchanged 38.8% of the shares outstanding on that date. In addition, the IGO Industries Group held 6.4 % of UBM outside the syndicate. A further 5.0 % were held by Jochen Dickinger, a private investor. Free float comprised 49.8% of the shares and includes the 3.9% of the shares held by the Management and Supervisory Boards. Most of the other free float was held by investors in Austria (59 %) and Germany (24 %).

Performance of the UBM share vs. ATX and trading volumes from January to June 2021



Interim Management Report

General economic environment

The global economic recovery which began in the first quarter of 2021 has continued to date. The positive outlook for 2021 and the near-term is based, above all, on the pace of the vaccination campaigns. However, the new virus mutations represent a source of substantial uncertainty and could possibly lead to new government-ordered health protection measures. Growth forecasts range from 5.6% (European Commission, EC) to 6.0% (International Monetary Fund, IMF) in 2021 and from 4.3% (EC) to 4.4% (IMF) in 2022. Most of the industrialised countries will therefore match the real GDP recorded in 2019 by the end of 2022. Experts see China at the head of this economic upturn in both years. In addition to the accelerated recovery of worldwide trade, an increase in private consumption and country-specific fiscal and monetary measures are expected to drive growth over the coming years. Forecasts for the eurozone range from 4.3% (EC) to 4.4% (IMF) for 2021 and from 3.8% (IMF) to 4.4% (EC) for 2022. EC estimates point to a plus of 3.4% for Germany in 2021 and a further increase to 4.1% in 2022. Projections by the Austrian National Bank (OeNB) place GDP growth at 3.9% in 2021 and 4.2% in 2022, with a levelling off to a normalised 1.9% in 2023. Growth in the CEE/SEE region is expected to average 4.3% in 2021 and 4.5% in 2022.[1]

Developments on the real estate markets

After four consecutive quarters of declines, the European real estate market returned to growth in the second quarter of 2021. The transaction volume increased by 20% over the comparable prior year value to €66.7 bn, with €124.0 bn of properties changing hands in Europe during the first half of 2021. Great Britain outpaced Germany as the European leader in the reporting period. The influx of capital from non-European investors rose by 75% year-on-year, which means even stronger competition can be expected in the second half of 2021.[2]

Transactions in commercial and residential properties on the German market reached approximately €32.8 bn and included roughly €22.9 bn of commercial and roughly €10.0 bn of residential properties. The office asset class ranked first during the reporting period with €9.1 bn of transactions, but the volume on the commercial property market is expected to climb substantially during the remainder of the year and should top the €50 bn-mark. Further developments on the housing market in Germany are difficult to estimate at the present time because the planned takeover of Deutsche Wohnen by Vonovia has led to unprecedented results.[3]

The real estate investment market in Austria recorded a significant increase in the transaction volume from approximately €680m in the first three months to nearly €1 bn in the second quarter. This trend could continue during the rest of the year as capital retained during the pandemic must be invested before long. In addition, the ongoing low-interest phase could further increase the attractiveness of real estate as an investment form. The transaction volume is projected to reach €4 bn in 2021, which would exceed 2018 and mark a return to the pre-corona level. Residential properties again held first place in the transaction ranking with a share of 37% and confirmed the trend set in recent quarters. In the CEE region, real estate transactions totalled €4.6 bn in the first half of 2021. The market outlook is optimistic for the full 12 months of 2021, but the transaction volume will be significantly influenced by the success of the current vaccination campaigns.[4, 5]

[1] Austrian National Bank: Konjunktur aktuell – June 2021
[2] Real Capital Analytics: Europe Capital Trends – Q2 2021
[3] Savills: Investmentmarkt Deutschland – July 2021
[4] EHL: Immobilieninvestmentmarkt Update – H1 2021
[5] JLL: CEE Investment Market – H1 2021

Business performance

UBM Development generated Total Output of €237.3m in the first half of 2021, compared with €181.3m in the first half of the previous year. The largest contributions to earnings came from 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 contributions to Total Output were made by residential projects like the Gmunder Höfe in Munich and the Siebenbrunnengasse in Vienna, a project with 165 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 €9.3m in the first half of 2020 to €3.0m 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 €72.6m to €80.3m. This increase was supported primarily by the sale of a 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 substantially to €102.6m in the first six months of 2021 (H1/2020: €62.2m). A significant component of this Total Output resulted from the sale of the Monte Laa project, a property with residential development potential which is 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 70% 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 €42.1m in the first quarter of 2021 (H1/2020: €35.5m). 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 will be transferred during the second half of 2021.

The **Other Markets** segment reported Total Output of €12.2m for the first six months of 2021 (H1/2020: €11.0m). Most of this Total Output is attributable to the Astrid Offices project in Prague, which is also accounted for according to the percentage of completion.

Total Output by region

in €m	1-6/2021	1-6/2020	Change
Germany	80.3	72.6	10.6%
Austria	102.6	62.2	65.0%
Poland	42.1	35.5	18.8%
Other markets	12.2	11.0	10.5%
Total	**237.3**	**181.3**	**30.8%**

The **Residential** segment reported Total Output of €73.1m for the first half of 2021 (H1/2020: €67.0m). Total Output for the reporting period consisted mainly of the progress of construction on previously sold apartments from projects in Germany and Austria, including the Siebenbrunnengasse in Vienna. The Gmunder Höfe project in Munich and the Nordbahnviertel and Rankencity projects in Austria were sold to institutional investors and are now included in Total Output according to the progress of construction as of the respective sale date.

The **Office** segment generated Total Output of €59.1m in the first six months of 2021 (H1/2020: €39.0m). Total Output for the reporting period resulted, above all, from an office property in Munich which was 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 half of 2021.

Total Output in the **Hotel** segment rose to €34.7m in the first half of 2021 (H1/2020: €26.5m). 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 fell from €9.3m in the first half of the previous year to €3.0m. Total Output for the reporting period was positively influenced by the progress 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 €41.9m in the first six months of 2021 (H1/2020: €18.4m) and includes the sale of a property in Vienna's 10th district as well as the rental of mixed use standing assets in Austria.

In the **Service** segment, Total Output declined from €30.6m to €28.5m. 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	1-6/2021	1-6/2020	Change
Residential	73.1	67.0	9.1%
Office	59.1	39.0	51.4%
Hotel	34.7	26.5	31.1%
Other	41.9	18.4	128.2%
Service	28.5	30.6	-6.6%
Total	**237.3**	**181.3**	**30.8%**

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 significantly from €181.3m in the first half of the previous year to €237.3m in the reporting period. Revenue as reported on the consolidated income statement increased by 85.1% to €147.3m (H1/2020: €79.6m). This sound 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 €–8.6m in the first half of 2020 to €12.2m 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 half 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 half of 2021 (H1/2020: €69.9m). The full amount of these adjustments are attributable to an office project in Munich. 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 half 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 €7.8m in the first half 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 €4.0m. Other operating expenses fell from €27.7m in the previous year to €12.2m, above all due to foreign exchange losses in the first two 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 €103.4m in the first half of 2021 (H1/2020: €58.2m). These expenses consist largely of material costs for the construction of residential properties and various other development projects which were sold through forward transactions. They also include the book value disposals from property sales in the form of asset deals and purchased general contractor services. 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 expenses of €0.2m in the reporting period (H1/2020: income of €0.4m). The decline in changes in the portfolio during the first half of 2021 reflects the increased sale of apartments in the residential construction projects reported under inventories.

Personnel expenses were slightly lower year-on-year at €18.0m in the reporting period (H1/2020: €18.6m). 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 two quarters of 2021 (H1/2020: €0.5m). Group companies included in the consolidation employed a total workforce of 337 at the end of June 2021, which reflects the level at year-end 2020 (31 December 2020: 339).

EBITDA declined by a slight 3.1% from €40.3m in the first half of 2020 to €39.0m in the reporting period. Depreciation and amortisation were lower than the previous year at €1.2m (H1/2020: €1.9m). EBIT for the first six months of 2021 totalled €37.8m, compared with €38.4m in the first half of 2020. Financial income fell from €16.0m 2020 to €10.1m 2021. Financial costs were slightly higher than the previous year at €12.2m (H1/2020: €10.6m), whereby neither the current nor the comparable prior year period included any material deviations.

EBIT totalled €35.7m in the first half of 2021 (H1/2020: €43.8m). Tax expense equalled €8.2m, which represents a tax rate of 22.9%. The tax rate was substantially higher in the first half of 2020 at 39.4% due to a higher earnings contribution from Germany.

Profit for the period (net profit after tax) amounted to €27.5m in the first half of 2021 (H1/2020: €26.6m). Net profit attributable to the shareholders of the parent company amounted to €23.1m (H1/2020: €22.3m). 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 €3.6m (H1/2020: €3.5m). The resulting earnings per share increased from €2.99 to €3.09 in the first half of 2021.

Asset and financial position

Total assets recorded by the UBM Group rose by €184.7m over the level at year-end 2020 to €1,556.7m as of 30 June 2021, above all due to an increase in cash and cash equivalents, property inventories and trade receivables.

The carrying amount of investment properties declined by €26.9m to €380.3m as of 30 June 2021. Property, plant and equipment increased by €1.0m to €12.6m. This position includes, above all, the capitalised rights of use from lease liabilities.

The carrying amount of the investments in equity-accounted companies declined by 1.6% from €167.8m as of 31 December 2020 to €165.2m as of 30 June 2021. A parallel decline was recorded in the volume of project financing, which fell by €33.9m to €174.4m at the end of the first half of 2021.

Current assets rose by €244.2m to €791.2m as of 30 June 2021. Cash and cash equivalents increased by €159.8m following the issue of two bonds and a higher volume of 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 €407.0m at the end of June 2021 and, at €37.8m, financial assets remained constant compared with the first quarter of 2021.

Inventories totalled €173.1m at the end of June 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 €158.4m at the end of June 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 €54.8m over the level at year-end 2020 to €537.7m as of 30 June 2021. The increase is explained, above all, by the hybrid bond which is recorded under equity. The €16.4m dividend for the 2020 financial year was paid on 4 June 2021. The equity ratio equalled 34.5% at the end of June 2021 (31 December 2020: 35.2%).

Bond liabilities totalled €545.3m at the end of June 2021 (31 December 2020: €456.5m). Financial liabilities (current and non-current) declined by €43.2m to €332.9m during the reporting period. Trade payables amounted to €62.5m as of 30 June 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 €38.7m. Deferred taxes and current taxes payable amounted to €23.7m as of 30 June 2021 (31 December 2020: €18.9m).

Net debt declined from €479.1m as of 31 December 2020 to €449.5m as of 30 June 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 €4.0m in the first half of 2020 to €30.4m in the first half of 2021. The 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 €–80.5m for the reporting period (H1/2020: €–3.5m). The factors which reduced cash flow included an increase of €44.5m in receivables and €40.3m in inventories. These amounts include cash inflows of €3.2m from the sale of real estate inventories. The additions to real estate inventories totalled €59.0m, and the additions to real estate receivables equalled €44.1m. The decrease in real estate receivables equalled €15.2m.

Cash flow from investing activities totalled €85.1m in the first half of 2021 (H1/2020: €–13.9m). Investments in project financing amounted to €19.2m, and investments in property, plant and equipment, investment property and financial assets reached €19.6m. Contrasting factors included cash inflows of €58.9m from the repayment of project financing and cash inflows of €9.5m from the sale of consolidated companies.

Cash flow from financing activities amounted to €154.8m in the first half of 2021 (H1/2020: €39.9m). 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 cash effect of €97.0m. New borrowings totalled €143.1m and repayments equalled €102.6m. In addition, dividends of €24.2m 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 337 as of 30 June 2021, compared with 342 as of 30 June 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 upward revisions to forecasts for the global economy in the first quarter were confirmed during the following months. Estimates now range from 5.6% (European Commission, EC) to 6.0% (International Monetary Fund, IMF). The main drivers for this positive development are the progress of global vaccination campaigns and the good corporate financials for the current reporting season. The consensus expectations for profits were topped by 67% of the STOXX 600 companies. The most important means of protecting the economic recovery is to increase the vaccination rate among previously undecided persons and, at the same time, to quickly contain the new corona variants. Both the US Federal Reserve and the European Central Bank (ECB) intend to proceed with their loose monetary policies 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.[6]

UBM's liquidity position continued to improve during the first half of 2021. Cash and cash equivalents totalled €407.0m as of 30 June 2021 (31 December 2020: €247.2m). The internal focus on cash management still has high priority to allow for flexible reaction to any deviations and, above all, to market opportunities. An ideal window on the debt market opened during the second quarter, and two sustainability-linked bonds were issued within a single month. UBM raised a total of €250m on the capital market.

green. smart. and more. expresses UBM's new strategy in four words. It stands for the development of new buildings that are sustainable and intelligent as well as aesthetically appealing and also tell a story. In line with this core strategy, the focus is on green building and smart office in major cities like Vienna, Munich, Frankfurt or Prague. This strategic re-orientation also includes a substantial reduction in the importance of the asset class hotel. Work on hotel projects has only continued in cases where construction started before the COVID-19 pandemic.

The positive development of business during the past year shows that UBM is on the right course with this strategic re-orientation. ISS ESG, a rating agency specialised in sustainability, confirmed this course and awarded UBM "Prime Status" as the most sustainable company in the real estate business in Germany and Austria.

UBM assumes that the sound liquidity position and expected market environment will also open new opportunities in the second half of 2021 and beyond. Of key importance here is the transaction security offered by UBM, which allows for fast reaction to potential market opportunities. The liquidity buffer can create a timing advantage in that the arrangement of final financing can be easily postponed. For example: two properties with excellent development potential in Munich were acquired during the first half of 2021. The acquisitions made in 2021 will, however, only have a positive influence on UBM's earnings at a later date.

Based on the sound development of earnings during the first half of 2021 and the success of sales of projects prior to start of construction, UBM is issuing a guidance for the 2021 financial year: Instead of the previously announced "corona dip", the UBM Management Board now expects earnings before taxes of €55m to €60m. This will mark a return to UBM's pre-corona course. However, this outlook depends on the further positive development of the pandemic.

[6] Austrian National Bank: Konjunktur aktuell – June 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 this 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.

Vienna, 24 August 2021

The Management Board

Thomas G. Winkler
CEO

Martin Löcker
COO

Patric Thate
CFO

Consolidated Income Statement
from 1 January to 30 June 2021

in T€	1-6/2021	1-6/2020	4-6/2021	4-6/2020
Revenue	147,339	79,604	105,431	38,328
Changes in the portfolio	-4,530	387	-3,665	1,040
Share of profit/loss from companies accounted for at equity	12,220	-8,579	6,550	-3,865
Income from fair value adjustments to investment property	9,987	69,853	-	-
Other operating income	7,796	4,006	6,267	1,761
Cost of materials and other related production services	-103,375	-58,186	-75,798	-26,951
Personnel expenses	-17,996	-18,649	-9,944	-10,094
Expenses from fair value adjustments to investment property	-181	-399	-90	-308
Other operating expenses	-12,220	-27,736	-4,228	-2,241
EBITDA	**39,040**	**40,301**	**24,523**	**-2,330**
Depreciation and amortisation	-1,200	-1,902	-588	-931
EBIT	**37,840**	**38,399**	**23,935**	**-3,261**
Financial income	10,056	16,024	3,506	13,429
Financial costs	-12,215	-10,583	-7,836	-5,652
EBT	**35,681**	**43,840**	**19,605**	**4,516**
Income tax expenses	-8,159	-17,273	-3,772	-862
Profit for the period (net profit)	**27,522**	**26,567**	**15,833**	**3,654**
of which: attributable to shareholders of the parent	23,097	22,317	14,109	1,827
of which: attributable to holder of hybrid capital	3,585	3,498	1,854	1,764
of which: attributable to non-controlling interests	840	752	-130	63
Basic earnings per share (in €)	**3.09**	**2.99**	**1.90**	**0.25**
Diluted earnings per share (in €)	**3.09**	**2.98**	**1.89**	**0.25**

Consolidated Statement of Comprehensive Income

from 1 January to 30 June 2021

in T€	1-6/2021	1-6/2020	4-6/2021	4-6/2020
Profit for the period (net profit)	**27,522**	**26,567**	**15,833**	**3,654**
Other comprehensive income				
Remeasurement of defined benefit obligations	313	–33	320	–33
Income tax expense (income) on other comprehensive income	–81	8	–81	8
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)	**232**	**–25**	**239**	**–25**
Currency translation differences	–1,346	2,152	–1,761	–1,226
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)	**–1,346**	**2,152**	**–1,761**	**–1,226**
Other comprehensive income of the period	**–1,114**	**2,127**	**–1,522**	**–1,251**
Total comprehensive income of the period	**26,408**	**28,694**	**14,311**	**2,403**
of which: attributable to shareholders of the parent	21,983	24,445	12,587	577
of which: attributable to holder of hybrid capital	3,585	3,498	1,854	1,764
of which: attributable to non-controlling interests	840	751	–130	62

Consolidated Balance Sheet

as of 30 June 2021

in T€	30 June 2021	31 December 2020
Assets		
Non-current assets		
Intangible assets	3,315	3,024
Property, plant and equipment	12,629	11,596
Investment property	380,282	407,147
Investments in companies accounted for at equity	165,187	167,811
Project financing	174,434	208,375
Other financial assets	11,556	11,520
Financial assets	3,834	4,066
Deferred tax assets	14,265	11,445
	765,502	**824,984**
Current assets		
Inventories	173,141	121,880
Trade receivables	158,403	127,945
Financial assets	37,754	37,717
Other receivables and assets	14,975	12,286
Cash and cash equivalents	406,965	247,209
	791,238	**547,037**
Assets total	**1,556,740**	**1,372,021**
Equity and liabilities		
Equity		
Share capital	22,417	22,417
Capital reserves	98,954	98,954
Other reserves	232,755	226,766
Hybrid capital	178,300	130,330
Equity attributable to shareholders of the parent	**532,426**	**478,467**
Equity attributable to non-controlling interests	5,259	4,404
	537,685	**482,871**
Non-current liabilities		
Provisions	7,636	8,772
Bonds and promissory note loans	525,843	437,047
Financial liabilities	292,840	248,641
Other financial liabilities	1,149	1,573
Deferred tax liabilities	6,558	8,016
	834,026	**704,049**
Current liabilities		
Provisions	1,667	2,102
Bonds and promissory note loans	19,482	19,457
Financial liabilities	40,093	41,943
Trade payables	62,529	76,959
Other financial liabilities	37,606	30,503
Other liabilities	6,542	3,302
Taxes payable	17,110	10,835
	185,029	**185,101**
Equity and liabilities total	**1,556,740**	**1,372,021**

Consolidated Statement of Cash Flows

from 1 January to 30 June 2021

in T€	1-6/2021	1-6/2020
Profit for the period (net profit)	27,522	26,567
Depreciation, impairment and reversals of impairment on fixed assets and financial assets	-8,642	-67,503
Interest income/expense	6,074	5,028
Income from companies accounted for at equity	-12,220	8,668
Dividends from companies accounted for at equity	18,450	16,300
decrease/increase in long-term provisions	-832	419
Deferred income tax	75	14,536
Operating cash flow	**30,427**	**4,015**
Increase in short-term provisions	-435	-148
Decrease in tax liabilities	6,277	-22,715
Losses/Gains on the disposal of assets	-16,831	-11,217
Increase/decrease in inventories	-40,266	1,263
Increase/decrease in receivables	-44,512	6,113
Increase in payables (excluding banks)	-6,552	12,676
Interest received	283	234
Interest paid	-5,746	-2,615
Other non-cash transactions	-3,134	8,927
Cash flow from operating activities	**-80,489**	**-3,467**
Proceeds from the sale of property, plant and equipment and investment property	59,273	3,760
Proceeds from the sale of financial assets	-	6,500
Proceeds from the repayment of project financing	58,900	30,891
Investments in intangible assets	-340	-
Investments in property, plant and equipment and investment property	-19,578	-11,124
Investments in financial assets	-3,510	-13,833
Investments in project financing	-19,176	-52,479
Proceeds from the sale of consolidated companies	9,530	22,371
Payments made for the purchase of subsidiaries less cash and cash equivalents acquired	-	-9
Cash flow from investing activities	**85,099**	**-13,923**
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	143,103	112,346
Repayment of loans and other financing	-102,634	-47,054
Increase in hybrid capital	98,329	-
Repayment of hybrid capital	-48,395	-
Acquisition of non-controlling interests	-	-300
Cash flow from financing activities	**154,787**	**39,913**
Cash flow from operating activities	**-80,489**	**-3,467**
Cash flow from investing activities	**85,099**	**-13,923**
Cash flow from financing activities	**154,787**	**39,913**
Change in cash and cash equivalents	**159,397**	**22,523**
Cash and cash equivalents at 1 Jan	247,209	212,384
Currency translation differences	359	-365
Cash and cash equivalents at 30 June	**406,965**	**234,542**
Taxes paid	1,807	25,452

Consolidated Statement of Changes in Equity

as of 30 June 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	-	-	–25	2,328
Total comprehensive income for the period	-	-	–25	2,328
Dividend	-	-	-	-
Equity-settled share options	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Changes in non-controlling interests	-	-	-	-
Balance as of 30 June 2020	**22,417**	**98,954**	**–3,676**	**34**
Balance as of 31 December 2020	**22,417**	**98,954**	**–3,749**	**2,110**
Total profit/loss for the period	-	-	-	-
Other comprehensive income	-	-	232	–1,454
Total comprehensive income for the period	-	-	232	–1,454
Dividend	-	-	-	-
Proceeds from other shareholders of subsidiaries	-	-	-	-
Income taxes on interest for holders of hybrid capital	-	-	-	-
Hybrid capital	-	-	-	-
Balance as of 30 June 2021	**22,417**	**98,954**	**–3,517**	**656**

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**
22,317	3,498	25,815	752	26,567
–175	-	2,128	–1	2,127
22,142	3,498	27,943	751	28,694
–16,439	–7,020	–23,459	–1,620	–25,079
491	-	491	-	491
1,755	-	1,755	-	1,755
105	-	105	–405	–300
219,146	**126,793**	**463,668**	**4,399**	**468,067**
228,405	**130,330**	**478,467**	**4,404**	**482,871**
23,097	3,585	26,682	840	27,522
108	-	–1,114	-	–1,114
23,205	3,585	25,568	840	26,408
–16,439	–7,794	–24,233	-	–24,233
-	-	-	15	15
1,948	-	1,948	-	1,948
–1,503	52,179	50,676	-	50,676
235,616	**178,300**	**532,426**	**5,259**	**537,685**

Segment Reporting[1]

from 1 January to 30 June 2021

	Germany		Austria	
in T€	1-6/2021	1-6/2020	1-6/2021	1-6/2020
Total Output				
Residential	15,714	58,783	52,863	7,868
Office	44,926	51	1,959	23,545
Hotel	12,185	5,539	1,324	2,769
Other	109	3,875	40,721	12,759
Service	7,340	4,364	5,764	15,274
Total Output	**80,274**	**72,612**	**102,631**	**62,215**
Less revenue from associates and companies of minor importance and from performance companies as well as changes in the portfolio	–40,660	–44,218	–32,303	–46,236
Revenue	**39,614**	**28,394**	**70,328**	**15,979**
Residential	2,118	72,920	4,950	–1,596
Office	12,148	–92	890	2,884
Hotel	222	–704	47	–7,723
Other	–4,590	5,960	14,191	–5,687
Service	527	33	825	–7,184
Total EBT	**10,425**	**78,117**	**20,903**	**–19,306**

[1] Included in the notes. Intersegment revenue is immaterial.

Poland		Other markets		Group	
1-6/2021	**1-6/2020**	**1-6/2021**	**1-6/2020**	**1-6/2021**	**1-6/2020**
-	-	4,501	308	73,078	66,959
5,636	8,810	6,541	6,603	59,062	39,009
20,831	16,260	340	1,887	34,680	26,455
1,075	968	-	763	41,905	18,365
14,606	9,438	825	1,482	28,535	30,558
42,148	**35,476**	**12,207**	**11,043**	**237,260**	**181,346**
–22,227	–13,881	5,269	2,593	–89,921	–101,742
19,921	**21,595**	**17,476**	**13,636**	**147,339**	**79,604**
14	–4,425	–267	–3,909	6,815	62,990
1,575	–3,495	1,161	612	15,774	–91
2,695	639	–640	–3,116	2,324	–10,904
476	–3,835	–86	199	9,991	–3,363
–90	51	–485	2,308	777	–4,792
4,670	**–11,065**	**–317**	**–3,906**	**35,681**	**43,840**

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

Two companies were sold and one was liquidated during the first half of 2021. The sale price of T€9,541 was paid in cash. The assets and liabilities over which control was lost are summarised below:

in T€	30.6.2021
Current assets	
Trade receivables	11,198
Other receivables and current assets	54
Cash and cash equivalents	167
Non-current liabilities	
Deferred tax liabilities	1,852
Current liabilities	
Trade payables	874
Other financial liabilities	3,068
Tax payables	2

In addition, 28 (31 December 2020: 29) domestic and 24 (31 December 2020: 24) foreign associates and joint ventures were accounted for at equity. The investment in one company was sold during the reporting period.

2.1. Initial consolidation

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

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 IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	31.3.2021	–	1.4.2021
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, represent 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:

in T€	Germany 1-6/2021	Austria 1-6/2021	Poland 1-6/2021	Other Markets 1-6/2021	Group 1-6/2021
Revenue					
Residential	3,308	34,557	1	666	38,532
Office	29,139	1,819	2,923	4,807	38,688
Hotel	-	-	15,129	200	15,329
Other	1,536	30,657	1,419	15	33,627
Service	5,631	3,295	449	11,788	21,163
Revenue	**39,614**	**70,328**	**19,921**	**17,476**	**147,339**
Recognition over time	-	34,984	15,122	4,805	54,911
Recognition at a point in time	39,614	35,344	4,799	12,671	92,428
Revenue	**39,614**	**70,328**	**19,921**	**17,476**	**147,339**

in T€	Germany 1-6/2020	Austria 1-6/2020	Poland 1-6/2020	Other Markets 1-6/2020	Group 1-6/2020
Revenue					
Residential	18,273	3,374	2	308	21,957
Office	4	227	3,852	5,569	9,652
Hotel	2,837	-	15,626	873	19,336
Other	3,501	1,067	1,305	-	5,873
Service	3,779	11,311	810	6,886	22,786
Revenue	**28,394**	**15,979**	**21,595**	**13,636**	**79,604**
Recognition over time	2,823	10,594	10,965	-	24,382
Recognition at a point in time	25,571	5,385	10,630	13,636	55,222
Revenue	**28,394**	**15,979**	**21,595**	**13,636**	**79,604**

7. Earnings per share

	1-6/2021	1-6/2020
Share of profit for the period attributable to shareholders of the parent, incl. interest on hybrid capital (in T€)	26,682	25,815
Less interest on hybrid capital (in T€)	–3,585	–3,498
Proportion of profit for the period attributable to shareholders of the parent (in T€)	23,097	22,317
Potential shares		
Weighted average number of shares issued (=number of basic shares)	7,472,180	7,472,180
Average number of share options outstanding	-	11,604
Number of shares diluted	7,472,180	7,483,784
Basic earnings per share (in €)	**3.09**	**2.99**
Diluted earnings per share (in €)	**3.09**	**2.98**

8. Share capital

Share capital	Number 30 June 2021	€ 30 June 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 was 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 June 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 June 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 June 2021
Assets							
Project financing at variable interest rates	Amortised Cost	174,434	174,434	-	-	-	-
Other financial assets	Amortised Cost	8,721	8,721	-	-	Level 1	10,546
Other financial assets	FVTPL	1,903	-	-	1,903	Level 3	1,903
Other financial assets	FVTPL	932	-	-	932	Level 1	932
Trade receivables	Amortised Cost	24,768	24,768	-	-	-	-
Financial assets	Amortised Cost	41,588	41,588	-	-	-	-
Cash and cash equivalents	–	406,965	406,965	-	-	-	-
Liabilities							
Bonds and promissory note loans at fixed interest rates	Amortised Cost	545,325	545,325	-	-	Level 1	561,007
Borrowings and overdrafts from banks							
at variable interest rates	Amortised Cost	265,725	265,725	-	-	–	-
at fixed interest rates	Amortised Cost	31,000	31,000	-	-	Level 3	31,888
Other loans and borrowings							
at fixed interest rates	Amortised Cost	14,371	14,371	-	-	Level 3	16,835
Lease liabilities	–	21,827	21,827	-	-	–	-
Trade payables	Amortised Cost	62,529	62,529	-	-	–	-
Other financial liabilities	Amortised Cost	38,755	38,755	-	-	–	-
Derivatives (excl. hedges)	FVTPL	10	10	-	-	–	-
By category:							
Financial assets at amortised cost	Amortised Cost	249,511	249,511	-	-	-	-
Financial assets at fair value through profit or loss	FVTPL	2,835	-	-	2,835	-	-
Cash and cash equivalents	–	406,965	406,965	-	-	-	-
Financial liabilities at amortised cost	Amortised Cost	957,705	957,705	-	-	-	-
Financial liabilities at fair value through profit or loss	FVTPL	10	10	-	-	-	-

in T€	Measurement category (IFRS 9)	Carrying amount as of 31 Dec 2020	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 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-10 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 half of 2021, but the current forecast for this business did not lead to the recognition of further write-downs during the reporting period. In addition to the hotel operating company, six hotels are currently under development – two have been forward sold and will be transferred in the second half of 2021. No write-downs are required to these projects due to the expected recovery of the hotel market by the remaining completion dates. The "pure play programme" has been reflected in a gradual reduction of standing assets since 2018 and, consequently, the COVID-10 pandemic was only responsible for immaterial rental defaults in the first half of 2021. The income statement position "other operating expenses" shows a further decline of approximately T€97 in travel expenses during the first six months of 2021 due to the pandemic-related limitations on travel.

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 half-year 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, 24 August 2021

The Management Board

Thomas G. Winkler
CEO

Martin Löcker
COO

Patric Thate
CFO

Report on a Review of the condensed, Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed, consolidated financial statements as of June 30, 2021 of UBM Development AG, Vienna, (referred to as "Company") comprising the condensed, consolidated balance sheet as of June 30, 2021, the condensed, consolidated income statement, the condensed, consolidated statement of comprehensive income, the condensed, consolidated cash flow statement and the condensed, consolidated statement of changes in equity for the period from January 1, 2021 to June 30, 2021, as well as the notes to the condensed, consolidated interim financial statements which summarise the accounting and measurement methods applied along with other notes.

Management is responsible for the preparation and fair presentation of these condensed, consolidated interim Financial Statements in accordance with IFRS for Interim Financial Reporting as adopted by the EU.

Our responsibility is to issue a report on these condensed, consolidated interim Financial statements based on our review.

Responsible for the proper performance of the engagement is Mr. Mag. Markus Trettnak Austrian Certified Public Accountant.

With reference to § 125 Abs. 3 Austrian Stock Exchange Act (BörseG) our responsibility and liability is based on § 275 Abs. 2 Austrian Commercial Code.

Scope of Review

We conducted our review in accordance with laws and regulations applicable in Austria, especially in accordance with KFS/PG 11 "Standard on Review Engagements" and International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity". A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed, consolidated interim Financial statements does not give a true and fair view of the financial items of the entity as at June 30, 2021, and of its financial performance and its cash flows for the period then ended in accordance with IFRS for Interim Financial Reporting as adopted by the EU.

We draw attention to the fact that the English translation of this Report on a Review of the condensed, consolidated interim financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Statement on the Group management report for the half-year and on the statement of the legal representatives pursuant to Section 125 of the Austrian Stock Exchange Act

We have reviewed the Half Yearly Group Management Report and evaluated it in respect of any obvious contradictions with the condensed, consolidated interim financial statements. In our opinion, the Half Yearly Group Management Report does not contain any obvious contradictions with the condensed, consolidated interim financial statements.

The Half Yearly Group Report contains a Responsibility Statement as stipulated by Section 125 Para. 1 No. 3 Austrian Stock Exchange Act.

Vienna, 25 August 2021

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Markus Trettnak
Auditor

Gerhard Fremgen
Auditor

We draw attention to the fact that the English translation of this Report on a Review of the condensed, consolidated interim financial statements is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Responsibility Statement pursuant to section 125 para. 1 stock exchange act 2018 – Consolidated Interim Financial Statements

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, 24 August 2021

The Management Board

Thomas G. Winkler
CEO

Martin Löcker
COO

Patric Thate
CFO

Financial Calendar

2021	
Interest payment on UBM bond 2017	12.10.2021
Interest payment on UBM bond 2019	15.11.2021
Interest payment on UBM bond 2018	16.11.2021
Publication of the Q3 Report 2021	**25.11.2021**

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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Disclaimer

This Half-Year 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 Half-Year 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 Half-Year Report.

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

The Half-Year Report as of 30 June 2021 was prepared with the greatest possible care to ensure the accuracy and completeness of the information in all sections. The key figures were rounded based on the compensated summation method. However, rounding, typesetting and printing errors cannot be excluded.

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