

# A FORWARD-THINKING PARTNER

We invest responsibly to deliver real value



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## Key figures

### Revenues and earnings

EUR k	H1 2021	H1 2020	Change
Revenues	140,185	148,153	-5.4%
Total operating performance	144,009	152,843	-5.8%
EBITDA	60,282	72,511	-16.9%
EBIT	42,952	54,752	-21.6%
EBT	39,574	46,075	-14.1%
Net profit for the period	26,613	33,723	-21.1%
Operating income <sup>1</sup>	57,441	74,061	-22.4%

<sup>1</sup> Please see chapter 1.3 for the definition of operating income

### Structure of assets and capital

EUR k	30.06.2021	31.12.2020	Change
Non-current assets	1,062,828	1,033,018	2.9%
Current assets	848,051	929,065	-8.7%
Equity (excl. non-controlling interests)	1,276,328	1,237,240	3.2%
Equity ratio (excl. non-controlling interests)	66.8%	63.1%	3.7 PP
Non-current liabilities	350,884	419,214	-16.3%
Current liabilities	250,203	273,363	-8.5%
Total assets	1,910,878	1,962,083	-2.6%

### PATRIZIA share

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	PAT
Issued shares as at 30.06.2021	92,351,476 shares
Outstanding shares as at 30.06.2021 <sup>1</sup>	89,348,162 shares
First half 2021 high <sup>2</sup>	EUR 26.55
First half 2021 low <sup>2</sup>	EUR 20.65
Closing price as at 30.06.2021 <sup>2</sup>	EUR 22.00
Share price performance first half 2021 <sup>2</sup>	-16.2%
Market capitalisation as at 30.06.2021	EUR 2.0bn
Average trading volume per day first half 2021 <sup>3</sup>	44,559 shares
Indices	SDAX, MSCI World Small Cap Index and others (CDAX, Classic All Share, DAX International Mid 100, DAXplus FAMILY 30, DAXsector Financial Services, DAXsubsector Real Estate, DIMAX, Prime All Share, S&P Global BMI)

<sup>1</sup> Reduced number of shares compared to the issued shares due to share buybacks

<sup>2</sup> Closing price on Xetra-trading

<sup>3</sup> All German stock exchanges

PP = percentage points

# Interim group management report

as at 30 June 2021 (first half 2021)

## 1 Economic report

### 1.1 Business performance

The first half of 2021 was again positive for PATRIZIA and the financial results demonstrate the Company's stability and continued growth momentum. Solid growth in assets under management and management fees as well as stronger growth momentum in signed transactions and equity raised, confirm the expected acceleration in business activity also for the second half of 2021.

#### Guidance confirmed for 2021

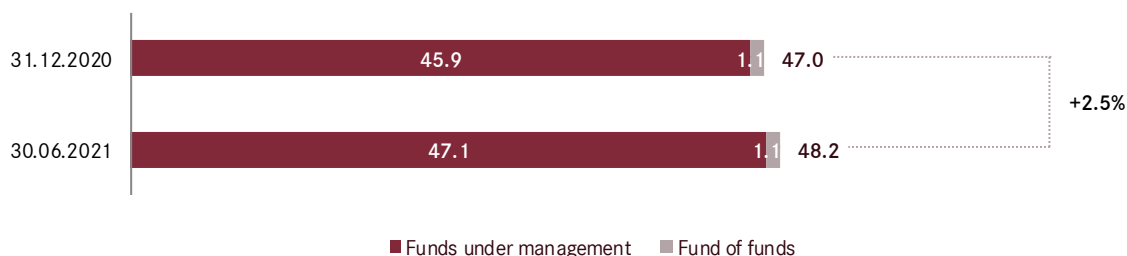
After the first six months of 2021, PATRIZIA continues to expect an operating income of between EUR 100.0 - 145.0m and organic growth in assets under management of between EUR 3.0 - 6.0bn.

#### Development of financial performance indicators

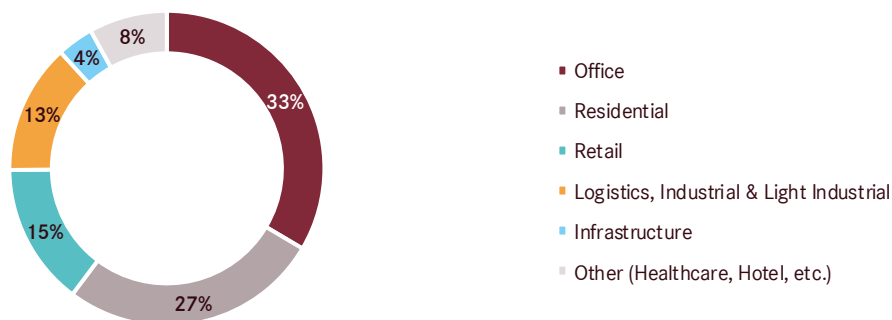
##### Assets under management

As at 30 June 2021, PATRIZIA managed real assets under management of EUR 48.2bn, up from EUR 47.0bn as at 31 December 2020, of which EUR 28.9bn was attributable to Germany and EUR 19.3bn to other countries. In total, assets under management increased by EUR 1.2bn or 2.5% in the reporting period and were positively influenced mainly by organic growth and valuation effects.

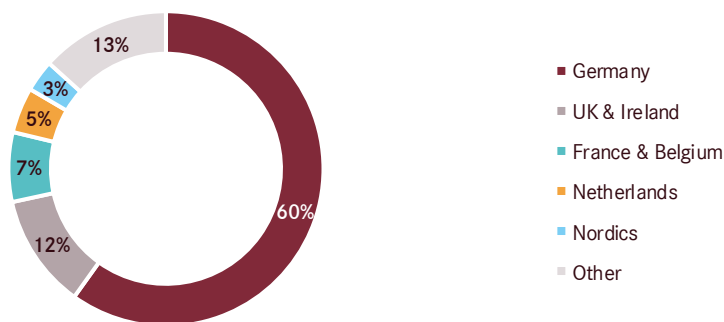
Assets under management (EUR bn)



Assets under management as at 30 June 2021 | Sectoral distribution



Assets under management as at 30 June 2021 | Geographical distribution



**Operating income**

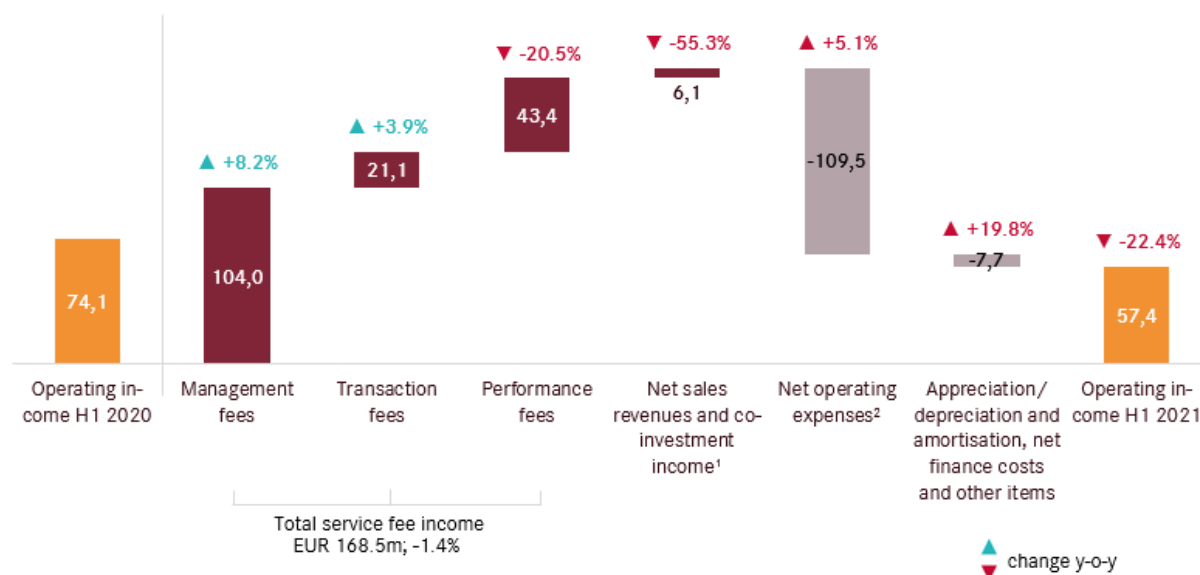
Operating income is the Group’s key management parameter. It is calculated as EBT in accordance with IFRS, adjusted for the non-cash effects like the measurement of investment property and unrealised currency and derivative effects, amortisation on fund management contracts, and net reorganisation income or expense as well as non-capitalisable expenses for investments in the future. Investments in the future are project-related (non-capitalisable) one-off expenses in connection with the expansion of digitalisation and the use of new technologies that are intended to further increase and improve operational efficiency. These include, for example, the automation of processes and the implementation of software solutions (as "software as a service") for data processing and provision. Changes in value on the disposal of investment property, operating income from participations (IFRS 9), other financial result and realised currency effects are also included.

As a leading partner for global real assets, PATRIZIA generated an operating income of EUR 57.4m in the first half of 2021. Management fees contributed EUR 104.0m, up 8.2% on the same period of the previous year (H1 2020: EUR 96.1m). PATRIZIA was successfully active for its global client base and increased transaction fees by 3.9% year-on-year to EUR 21.1m (H1 2020: EUR 20.3m). Performance fees of EUR 43.4m continued to be a stable component of overall fee income, although the prior-year period was very strong with EUR 54.6m. The above-average investment performance realised by PATRIZIA for its clients should also lead to the realisation of performance fees in the second half of 2021.

## Operating income - composition as at H1 2021 (EUR m)

A detailed reconciliation of the individual components of operating income to their respective line items in the consolidated income statement in particular can be found in chapter 1.3 of in this report.

### Composition of operating income (EUR m)

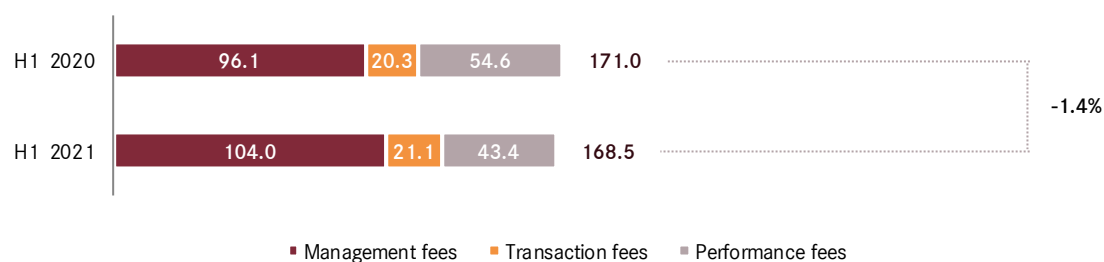


<sup>1</sup> Excluding EUR 0.6m investments in the future

<sup>2</sup> Inter alia netted against other operating income of EUR 2.0m; excluding EUR 5.3m non-capitalisable expenses for investments in the future

Development of the parameters supporting the management of the company:

### Total service fee income (EUR m)



PATRIZIA continued to operate successfully for its global client base in the first half of 2021 despite the challenging market environment with regards to the Covid-19 pandemic. During the 2021 reporting period, total service fee income decreased by -1.4% to EUR 168.5m (H1 2020: EUR 171.0m) and was thus maintained at an almost stable level compared to an exceptionally strong prior-year period due to high performance fees. At the same time, this supports the Company's objective of significantly improving in the quality of fee income. The individual components of total service fee income are explained below:

**Management fees:** All services provided by PATRIZIA are remunerated with fees. Management fees are recurring and include the company's remuneration for real estate services such as asset, fund and portfolio management. In the first half of 2021, management fees of EUR 104.0m were received in the first half of 2021 (H1 2020: EUR 96.1m). The increase of 8.2% was mainly due to organic growth in assets under management.

**Transaction fees:** PATRIZIA receives transaction fees for the execution of acquisition and disposal transactions. These fees amounted to EUR 21.1m in the first half-year (H1 2020: EUR 20.3m; 3.9%). Acquisitions accounted for EUR 16.0m (H1 2020: EUR 10.2m; 56.5%) and disposals for EUR 5.1m (H1 2020: EUR 10.0m; -49.7%). PATRIZIA's expectations remain unchanged that business activity in the second half of 2021 will increase and hence further growth especially in transaction and performance fees will be generated.

**Performance fees:** PATRIZIA receives performance fees if defined target investment yields are exceeded. Due to the continuously good development of the real asset portfolio managed by PATRIZIA, performance fees also remained at a high level of EUR 43.4m and thus made an important contribution to the operating income compared to a strong prior-year (H1 2020: EUR 54.6m). The year-on-year decline is mainly due to different timing of the performance fees realisation between the first and second half of the reporting period. In the consolidated income statement, these fees are reported partly as revenues (EUR 17.5m; H1 2020: EUR 29.0m) and partly as income from participations (EUR 22.0m; H1 2020: EUR 16.6m).

**Net sales revenues and co-investment income (EUR m)**

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In the first half of 2021, PATRIZIA generated net sales revenues and co-investment income of EUR 6.1m after EUR 13.7m in the same period of the previous year. The strong previous year was primarily characterised by higher income from the co-investment WohnModul I SICAV-FIS.

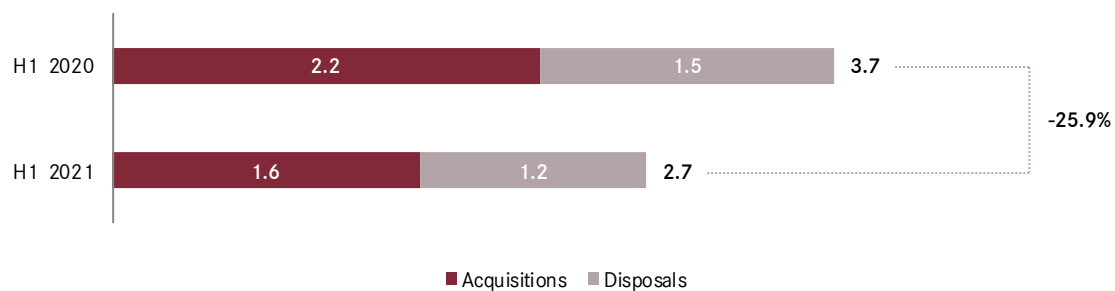
## Transaction volume

The transaction volume consists of the realised property acquisitions and disposals.

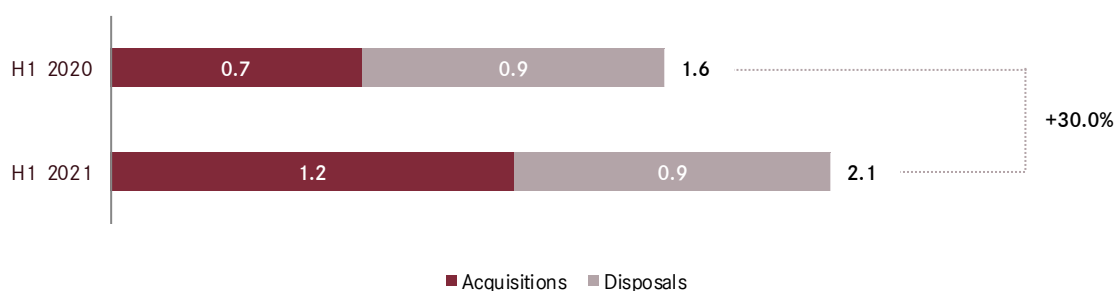
In the first half of 2021, closed acquisitions of EUR 1.6bn and closed disposals of EUR 1.2bn were executed. In total, PATRIZIA concluded a transaction volume of EUR 2.7bn, a reduction of -25.9% compared to the previous reporting period.

### Transaction volume on the basis of closed transactions

Transaction volume on the basis of closed transactions (EUR bn)



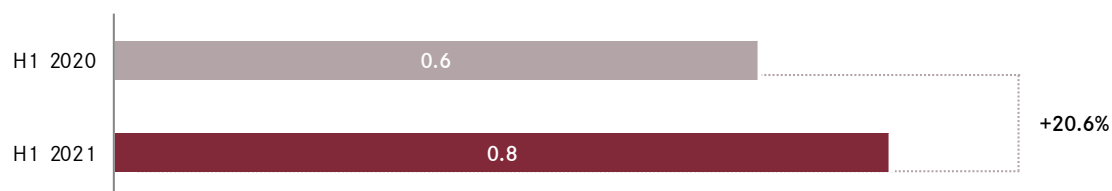
Transaction volume on the basis of signed transactions (EUR bn)



Based on signed transactions, the transaction volume was EUR 2.1bn in the first half of 2021 (H1 2020: EUR 1.6bn, +30.0%). This was divided into acquisitions of EUR 1.2bn and disposals of EUR 0.9bn.

The difference between signing and closing results from the fact that the transfer of possession, benefits and obligations does not take place until the purchase price is paid. This is triggered as soon as certain predefined conditions have been fulfilled after signing.



**Equity raised (EUR bn)**

In the period under review, equity of EUR 0.8bn was raised from institutional, private and (semi-)professional investors for various national and international investments, compared to EUR 0.6bn in the previous year (+20.6%).

**Cost Coverage Ratio**

CCR is a profitability indicator based on market-independent recurring fee income. The recurring fee income (Cost Coverage Income) is calculated from the management fees of a current financial year and 25% of the average transaction fees of the last 5 financial years (but at least EUR 14.1 million). This fee income is put in relation to the recurring costs (Cost Coverage Expenses), the sum of personnel expenses (without taking into account variable compensation components) and net operating expenses, without taking into account extraordinary expenses (e.g. from M&A transactions or expensed investments in the future).

In the first half of 2021, the cost coverage ratio remained unchanged compared to 31 December 2020 at 119.8%.

**1.2 Business Model**

PATRIZIA's core business is real asset investment management for institutional, (semi-)professional and private investors. PATRIZIA receives fees for the execution of services and generates investment income from its co-investments and principal investments. Accordingly, the Group's activities can be broken down into the following three categories:

**Funds under management**

In its funds under management, PATRIZIA uses its own regulated and unregulated platforms to structure, place and manage fund assets for PATRIZIA clients. These funds are launched without any equity investment by PATRIZIA. The Company generates stable, recurring income in the form of management fees for property management as well as for acquisition and disposal transactions. PATRIZIA also receives performance fees if defined individual yield targets are exceeded.

PATRIZIA has various regulated investment platforms, including German asset management companies and a regulated platform (AIFM) in each of Luxembourg, France, Denmark and the United Kingdom. The companies make investments in various real estate sectors on behalf of their clients via the funds launched with focus on Europe. The funds act as holding agents. The properties held by the funds typically have a planned initial holding period of between five and ten years.

Funds under management also include co-investments. PATRIZIA uses co-investments to participate in real estate investments with its own capital alongside that of its investors, particularly in the value-add and opportunistic segments. In addition to committing to the customer and the transaction, PATRIZIA generates fees and additional investment income. This allows PATRIZIA's shareholders to participate indirectly in the performance of an attractive European property portfolio. Co-investments accounted for EUR 6.0bn of PATRIZIA's assets under management as at 30 June 2021. PATRIZIA has invested EUR 0.1bn of its own equity in co-investments, current market values of these co-investments are significantly above the historic investment costs.

All in all, funds under management accounted for EUR 47.1bn of PATRIZIA's assets under management as at 30 June 2021 (31 December 2020: EUR 45.9bn). Further details on PATRIZIA's co-investments and the capital invested therein can be found in the capital allocation as at 30 June 2021 in the following chapter of this report. Reference is also made to the explanations in the Group's 2020 Annual Report.

## Fund of funds

As one of the world's leading investment managers for real estate fund of funds in the small and mid-cap segment, PATRIZIA Global Partners A/S is responsible for managing fund of funds products and provides an attractive product addition for PATRIZIA's clients. Operating with a global network of partners, PATRIZIA Global Partners A/S invests in best-in-class real estate funds in Europe, Asia and the Americas. Assets under management (invested equity) in these funds amounted to EUR 1.1bn as at 31 December 2021 (31 December 2020: EUR 1.1bn).

## Principal investments

PATRIZIA operates as an investment manager for institutional, (semi-)professional and private investors, and therefore endeavours to avoid conflicts of interest with its own investments. Principal investments, i.e. own-account transactions, relate to the company's own property portfolio, which is being downsized in line with the strategy. The company also has small residual holdings of properties for resale. Principal investments amounted to just EUR 18.9m as at 30 June 2021, compared to EUR 15.9m in the previous year. The increase is mainly due to properties not allocatable to principal investments but temporarily consolidated at company level. In addition, these properties are either used as bridge financing for closed-end funds or early-stage investments which will be transferred to institutional funds. In addition, the principal investments include properties in Munich and in London, United Kingdom, which are to be sold in the medium term.

## 1.3 Economic situation

### Financial performance of the PATRIZIA Group

In the first half of 2021, PATRIZIA was successfully active for institutional, (semi-)professional and private investors, particularly in the European real estate markets, despite the challenging market environment caused by the Covid-19 pandemic. Company's earnings, assets and financial position are stable or only slightly below previous year's results despite the current situation. This forms a good basis for implementing the strategic goals.

### Operating income

The operating income is the Group's key performance indicator, as it comprises the sum of all operating items in the consolidated income statement, adjusted for extraordinary or non-cash effects. In the first half of 2021, an operating income of EUR 57.4m was achieved. The detailed derivation and development of the operating income is shown in the table below:

#### Reconciliation of operating income

EUR k	H1 2021	H1 2020	Change
<b>EBITDA</b>	<b>60,282</b>	<b>72,511</b>	<b>-16.9%</b>
Appreciation/amortisation of other intangible assets <sup>1</sup> , software and rights of use, depreciation of property, plant and equipment as well as financial investments	-17,331	-17,758	-2.4%
<b>EBIT</b>	<b>42,952</b>	<b>54,752</b>	<b>-21.6%</b>
Finance income/expenses	-2,040	-2,167	-5.9%
Result from currency translation	-1,338	-6,511	-79.5%
<b>EBT</b>	<b>39,574</b>	<b>46,075</b>	<b>-14.1%</b>
Changes in value of derivatives	-112	0	/
Appreciation/amortisation of fund management contracts and licenses as well as financial investments	7,428	9,824	-24.4%
Reorganisation result	1,472	0	/
Non-cash currency effects	-933	5,087	-118.3%
Operating result from participations (IFRS 9)	4,091	9,001	-54.5%
Investments in the future	5,920	4,075	45.3%
<b>Operating income</b>	<b>57,441</b>	<b>74,061</b>	<b>-22.4%</b>

<sup>1</sup> In particular fund management contracts transferred as part of the recent acquisitions

The reduction in operating income is mainly due to lower revenues from performance fees and a reduced result from participations accounted for using the at-equity method. The increase in management fees almost completely offset this reduction. This supports the Company's objective of improving in the quality of fee income. The income from the sale of the remaining owned properties (principal investments) and the corresponding rental income are steadily decreasing in line with the strategy. The rental income mainly comes from properties that are only temporarily held on the balance sheet.

The individual components of the operating income are explained in more detail below according to their order in the consolidated income statement.

## Consolidated income statement

### Revenues

EUR k	H1 2021	H1 2020	Change
Revenues from management services	137,849	140,679	-2.0%
Proceeds from the sale of principal investments	-30	2,471	-101.2%
Rental revenues	1,191	3,332	-64.2%
Revenues from ancillary costs	449	601	-25.3%
Other	725	1,070	-32.2%
<b>Revenues</b>	<b>140,185</b>	<b>148,153</b>	<b>-5.4%</b>

In the first half of the reporting year 2021, revenues decreased from EUR 148.2m to EUR 140.2m (-5.4%) compared to the same period of the previous year. The market environment led to lower performance fees and correspondingly lower revenues from management services. Sales revenue from principal investments also declined in line with the strategy.

**Revenues from management services** fell by -2.0% from EUR 140.7m to EUR 137.8m in the reporting period compared to the previous year. However, revenues alone have only limited information value; certain profit and loss items not included in revenues, such as operating result from participations, must also be taken into account in order to fully assess the Group's performance.

**Proceeds from the sale of principal investments** amounted to EUR 0.0m after EUR 2.5m in the previous year. The reduction in principal investments is in line with the stronger strategic focus on investment management services.

PATRIZIA generated **rental revenues** of EUR 1.2m in the reporting period, compared to EUR 3.3m in H1 2020.

**Revenues from ancillary costs** relate to rental ancillary costs and amounted to EUR 0.4m in the period under review (H1 2020: EUR 0.6m).

**Other** essentially comprises transaction costs that are charged on to the corresponding investment vehicles. This item decreased from EUR 1.1m in the same period of the previous year to EUR 0.7m in H1 2021.

If the result from participations is shown separately within fee income, the following picture emerges:

### Reconciliation of total service fee income

EUR k	H1 2021	H1 2020	Change
Management fees (excluding result from participations)	99,333	91,407	8.7%
Performance fees (excluding result from participations, excluding operating result from participations (IFRS 9))	17,466	29,011	-39.8%
Transaction fees	21,050	20,261	3.9%
<b>Revenues from management services</b>	<b>137,849</b>	<b>140,679</b>	<b>-2.0%</b>
Performance fees (in result from participations)	21,969	16,571	32.6%
Shareholder contribution for management services (in result from participations)	4,706	4,719	-0.3%
Operating result from participations (IFRS 9) <sup>1</sup>	3,967	9,001	-55.9%
<b>Total service fee income</b>	<b>168,491</b>	<b>170,970</b>	<b>-1.4%</b>

<sup>1</sup> Includes only the portion attributable to service fee income

Taking into account the income from the Dawonia GmbH co-investment, which is reported in income from participations, **total service fee income** amounted to EUR 168.5m, which corresponds to a reduction of -1.4% compared to the previous year's figure of EUR 171.0m. Due to the organic AUM growth and the acquisition of new mandates, management fees including result from participations increased by 8.2% year-on-year to EUR 104.0m (H1 2020: EUR 96.1m). Transaction fees rose by 3.9% to EUR 21.0m (H1 2020: EUR 20.3m). Performance fees decreased to EUR 43.4 m (H1 2020: EUR 54.6m; -20.5%) and included, among other things, operating result from participations (IFRS 9) of EUR 4.0m (H1 2020: EUR 9.0m).

### Total operating performance

Total operating performance reflects PATRIZIA's operating performance more comprehensively than revenues. Other relevant parameters are considered in total operating performance. In the first half of the reporting year 2021, total operating performance fell by -5.8% to EUR 144.0m, compared to EUR 152.8m in the same period of the previous year.

#### Reconciliation of total operating performance

EUR k	H1 2021	H1 2020	Change
Revenues	140,185	148,153	-5.4%
Changes in inventories	1,746	-1,677	-204.1%
Other operating income	2,015	6,251	-67.8%
Income from the deconsolidation of subsidiaries	63	116	-45.5%
<b>Total operating performance</b>	<b>144,009</b>	<b>152,843</b>	<b>-5.8%</b>

### Changes in inventories

Changes in inventories consist of the reversal of an impairment carried out in previous periods. Changes in inventories of EUR 1.7m were reported in 2021 (H1 2020: EUR -1.7m).

### Other operating income

Other operating income amounted to EUR 2.0m in the first half of 2021 (H1 2020: EUR 6.3m) and mainly included income from cancelled obligations of EUR 1.0m.

### Income from the deconsolidation of subsidiaries

This item mainly results from the deconsolidation of property companies in which properties are temporarily held on their balance sheet. These are intended for placement in a public fund for private and (semi-)professional investors of PATRIZIA GrundInvest KVG.

## EBITDA

#### Reconciliation of EBITDA

EUR k	H1 2021	H1 2020	Change
Total operating performance	144,009	152,843	-5.8%
Cost of materials	-1,090	-3,112	-65.0%
Cost of purchased services	-8,956	-8,089	10.7%
Staff costs	-68,085	-67,379	1.0%
Other operating expenses	-33,453	-33,397	0.2%
Impairment result for trade receivables and contract assets	104	22	375.5%
Result from participations	28,587	23,370	22.3%
Earnings from companies accounted for using the equity method	1,245	10,000	-87.5%
Cost from the deconsolidation of subsidiaries	-608	-1,746	-65.2%
<b>EBITDAR</b>	<b>61,754</b>	<b>72,511</b>	<b>-14.8%</b>
Reorganisation result	-1,472	0	/
<b>EBITDA</b>	<b>60,282</b>	<b>72,511</b>	<b>-16.9%</b>

## Cost of materials

The cost of materials includes construction and maintenance work for principal investments, which are usually capitalised and must be seen in connection with changes in inventories. Compared to the same period of the previous year, the cost of materials decreased by 65.0% year-on-year from EUR 3.1m to EUR 1.1m.

## Costs for purchased services

The cost of purchased services includes in particular the purchase of fund management services for label funds for which PATRIZIA Immobilien Kapitalverwaltungsgesellschaft mbH acts as a service KVG. In order to ensure an improved presentation of the earnings situation, transaction costs that are incurred to generate sales revenue and can generally be charged on have also been reported in this item since 2018.

## Staff costs

As at 30 June 2021 PATRIZIA had 894 employees based on full-time equivalents (FTE).

### Staff costs

EUR k	H1 2021	H1 2020	Change
Fixed salaries	41,870	38,186	9.6%
Variable salaries	16,612	16,472	0.8%
Social security contributions	8,619	8,640	-0.2%
Sales commission	0	510	-100.0%
Effect of long-term variable remuneration <sup>1</sup>	-886	869	-201.9%
Other	1,869	2,702	-30.9%
<b>Total</b>	<b>68,085</b>	<b>67,379</b>	<b>1.0%</b>

<sup>1</sup> Changes in value of long-term variable remuneration due to change in the company's share price. For further details, see the remuneration report in section 3.2.

Overall, staff costs increased slightly by 1.0% to EUR 68.1m in the first half of 2021 (H1 2020: EUR 67.4m), in particular due to the hiring of new employees. The increase in staff costs is mainly due to the need for additional staff as a result of the growth in assets under management. In view of the increased number of employees from 850 (30 June 2020) to 894 full-time equivalents (30 June 2021), fixed salaries increased by 9.6% from EUR 38.2m to EUR 41.9m. Variable salaries remained stable compared to the previous year at EUR 16.6m (H1 2020: EUR 16.5m; +0.8%). As a result of the PATRIZIA AG share price performance, the valuation of long-term variable remuneration reduced costs by EUR -0.9m in the reporting period, following an expense of EUR 0.9m in the first half of 2020. The Other item mainly includes non-cash benefits.

## Other operating expenses

Other operating expenses rose by 0.2% to EUR 33.5m in H1 2021 after EUR 33.4m in the previous year. Components are provided in detail below:

### Other operating expenses

EUR k	H1 2021	H1 2020	Change
Tax, legal, other advisory and financial statement fees	8,313	7,958	4.5%
IT and communication costs and cost of office supplies	9,336	9,146	2.1%
Rent, ancillary costs and cleaning costs	1,494	1,500	-0.5%
Other taxes	387	149	158.9%
Vehicle and travel expenses	1,558	2,621	-40.5%
Advertising costs	1,920	1,570	22.3%
Recruitment and training costs and cost of temporary workers	2,751	3,687	-25.4%
Contributions, fees and insurance costs	2,895	2,081	39.1%
Commission and other sales costs	153	458	-66.5%
Costs of management services	52	67	-22.9%
Indemnity / reimbursement	12	20	-40.1%
Donations	1,168	1,490	-21.6%
Other	3,414	2,650	28.9%
<b>Total</b>	<b>33,453</b>	<b>33,397</b>	<b>0.2%</b>

Tax, legal, other advisory and financial statement fees of EUR 8.3m (H1 2020: EUR 8.0m) include, among others:

- Project-related consulting services in the context of digitalisation as well as costs of initial testing, acquisition and use of new technologies in the amount of EUR 1.4m (H1 2020: EUR 2.3m).
- Costs related to personnel-related legal advice and ongoing advice on the use of human resources management software in the amount of EUR 0.9m (H1 2020: EUR 0.4m)
- Costs related to the management consulting of BrickVest in the amount of EUR 1.1m (H1 2020: EUR 0.1m).

The increase in IT, communication costs and costs for office supplies results from the increased use of technological innovations and the further expansion of the degree of digitalisation.

The decrease in car and travel costs as well as advertising costs is due to the travel and contact restrictions in conjunction with the Covid-19 pandemic.

The reduction in recruitment, training and temporary employment costs primarily results from decreased usage of recruitment agencies as well as interim management services to support project-related work in the context of digitalisation.

The increase in contributions, fees and insurance costs resulted from the increase in the coverage of risks. Contributions comprised EUR 1.3m, insurance EUR 1.1m and bank fees EUR 0.5m.

The donations include donations to charitable organizations such as the PATRIZIA Foundation. In 2018, the Company's Management Board decided to support non-profit organizations with up to 1% of the Company's operating income annually.

### Result from participations and earnings from companies accounted for using the equity method

PATRIZIA generated result from participations of EUR 28.6m in H1 2021 (H1 2020: EUR 23.4m, 22.3%). The increase is mainly due to higher performance fees from the Dawonia co-investment. Overall, investment income of EUR 28.3m (H1 2020: EUR 22.9m) was received for the Dawonia co-investment.

The result from investments accounted for using the equity method totals EUR 1.2m (H1 2020: EUR 10.0m). The reduction compared to the previous year results from lower income from the co-investment WohnModul I SICAV-FIS. The result from participations and earnings from companies accounted for using the equity method reflect the investment income from the co-investments and, in the case of Dawonia GmbH, the investment result also includes management fees and performance-related fees.

#### Result from participations

EUR k	H1 2021	H1 2020	Change
Dawonia GmbH	28,287	22,902	23.5%
Harald-Portfolio	0	0	/
Co-investments in the UK (Aviemore and Citruz)	69	0	/
TRIUVA	9	65	-85.5%
Closed-end funds business	163	400	-59.2%
Other	59	3	>1,000.0%
<b>Result from participations</b>	<b>28,587</b>	<b>23,370</b>	<b>22.3%</b>
<b>Earnings from companies accounted for using the equity method</b>	<b>1,245</b>	<b>10,000</b>	<b>-87.5%</b>
<b>Total</b>	<b>29,832</b>	<b>33,370</b>	<b>-10.6%</b>

### Net reorganisation expenses

Compared to the same period last year, reorganisation expenses totalled EUR 1.5m in H1 2021. The reorganisation expenses recognised in the current period mainly result from the realignment of the Real Estate Development and Fund Services divisions. These were mainly expenses for severance payments, current salaries during the release phase, material costs and consulting costs in connection with the reorganisation. Provisions from the reorganisation that are no longer required are released to the income statement.

## Consolidated net profit

In the first half of 2021 PATRIZIA's consolidated net profit fell to EUR EUR 26.6m (H1 2020: EUR 33.7m; -21.1%), primarily due to the lower earnings from companies accounted for using the equity method.

### Reconciliation of consolidated net profit

EUR k	H1 2021	H1 2020	Change
<b>EBITDA</b>	<b>60,282</b>	<b>72,511</b>	<b>-16.9%</b>
Appreciation/amortisation of other intangible assets <sup>1</sup> , software and rights of use, depreciation of property, plant and equipment as well as financial investments	-17,331	-17,758	-2.4%
<b>Earnings before interest and taxes (EBIT)</b>	<b>42,952</b>	<b>54,752</b>	<b>-21.6%</b>
Finance income	952	1,217	-21.8%
Financial expenses	-2,991	-3,384	-11.6%
Result from currency translation	-1,338	-6,511	-79.5%
<b>Net finance costs</b>	<b>-3,378</b>	<b>-8,678</b>	<b>-61.1%</b>
<b>Earnings before taxes (EBT)</b>	<b>39,574</b>	<b>46,075</b>	<b>-14.1%</b>
Income taxes	-12,961	-12,351	4.9%
<b>Net profit for the period</b>	<b>26,613</b>	<b>33,723</b>	<b>-21.1%</b>

<sup>1</sup> In particular fund management contracts transferred as part of the recent acquisitions

The following section discusses the relevant items of the reconciliation of consolidated net profit.

### Appreciation/amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments

Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments decreased to EUR 17.3m (H1 2020: EUR 17.8m; -2.4%) and mainly includes amortisation of fund management contracts, licenses and financial investments of EUR 8.1m (H1 2020: EUR 9.8m), amortisation of rights of use of EUR 5.2m (H1 2020: EUR 5.1m), and amortisation of software and depreciation of operating and office equipment of EUR 3.2m (H1 2020: EUR 2.8m).

### Net finance costs

Financial income fell to EUR 1.0m, after EUR 1.2m in the previous year (-21.8%), and primarily resulted from shareholder loans in the context of co-investments, interest from delayed purchase price receipts and interest refunds from the tax office. Financial income was offset by financial expenses of EUR 3.0m (H1 2020: EUR 3.4m, -11.6%), interest on bonded loans and interest from the compounding of pension obligations.

The result from currency translation amounted to EUR -1.3m as at 30 June 2021 (H1 2020: EUR -6.5m).

### Income taxes

Tax expenses amounted to EUR 13.0m in H1 2021 compared to EUR 12.4m in the same period of the previous year (4.9%).

### Detailed reconciliation to operating income

The individual components of operating income and their respective line items, in particular within the consolidated income statement, are explained below.

## Detailed reconciliation to operating income

EUR k	H1 2021	Table in the current report
Management fees (excluding result from participations)	99,333	Reconciliation of total service fee income
Shareholder contribution for management services (in result from participations)	4,706	Reconciliation of total service fee income
<b>Management fees</b>	<b>104,039</b>	
<b>Transaction fees</b>	<b>21,050</b>	Reconciliation of total service fee income
Performance fees (excluding result from participations, excluding operating result from participations (IFRS 9))	17,466	Reconciliation of total service fee income
Performance fees (in result from participation)	21,969	Reconciliation of total service fee income
Operating result from participations (IFRS 9)	3,967	Reconciliation of total service fee income
<b>Performance fees</b>	<b>43,402</b>	
<b>Total service fee income</b>	<b>168,491</b>	Reconciliation of total service fee income
Revenues from the sale of principal investments	-30	Revenues
Changes in inventories	1,746	Consolidated income statement
Cost of materials	-1,090	Consolidated income statement
Rental Revenues	1,191	Revenues
Revenues from ancillary costs	449	Revenues
<b>Net sales revenues</b>	<b>2,266</b>	
Earnings from companies accounted for using the equity method	1,245	Consolidated income statement
Investments in the future	578	
Remaining result from participations	2,036	Consolidated income statement & Reconciliation of total service fee income
<b>Co-Investment result</b>	<b>3,860</b>	
<b>Net sales revenues and Co-Investments</b>	<b>6,126</b>	
Personnel expenses	-68,085	Consolidated income statement
Other operating expenses	-33,453	Consolidated income statement
Cost of purchased services	-8,956	Consolidated income statement
Addition amortisation of rights of use (IFRS 16) <sup>1</sup>	-6,623	
Investments in the future	5,342	
Other operating income	2,015	Consolidated income statement
Other revenues	725	Revenues
Income from the deconsolidation of subsidiaries	63	Consolidated income statement
Cost from the deconsolidation of subsidiaries	-608	Consolidated income statement
Impairment result for trade receivables and contract assets	104	Consolidated income statement
<b>Net operating expenses</b>	<b>-109,475</b>	
Appreciation/amortisation of other intangible assets, software and right of use, depreciation of property, plant and equipment	-17,331	Reconciliation of operating income
Amortisation of fund management contracts	8,077	Reconciliation of operating income
Neutralisation amortisation of rights of use (IFRS 16) <sup>1</sup>	6,623	
Finance income	952	Consolidated income statement
Finance costs	-2,991	Consolidated income statement
Currency result	-1,338	Consolidated income statement
Unrealised currency effects	-933	Reconciliation of operating income
Extraordinary appreciation in associated participations	-648	Reconciliation of operating income
Unrealised income from FV adj. currency derivatives	-112	Composition of operating income
<b>Depreciation and amortisation, net finance costs and other items</b>	<b>-7,701</b>	
<b>Operating result</b>	<b>57,441</b>	

<sup>1</sup> IFRS 16 reduces other operating expenses in the income statement and burdens depreciation. This effect is neutralised here for the transparent allocation of expenses. The amounts cannot be read directly from the income statement.



## PATRIZIA's key asset and financial data at a glance

EUR k	30.06.2021	31.12.2020	Change
Total assets	1,910,878	1,962,083	-2.6%
Equity (excl. non-controlling interests)	1,276,328	1,237,240	3.2%
<b>Equity Ratio</b>	<b>66.8%</b>	<b>63.1%</b>	<b>3.7 PP</b>
Cash and cash equivalents	368,572	495,454	-25.6%
+ Term deposits	200,811	180,797	11.1%
- Bank loans	-45,915	-43,200	6.3%
- Bonded loans	-234,000	-300,000	-22.0%
= Net cash (+) / net debt (-)	289,468	333,051	-13.1%
<b>Net Equity Ratio<sup>1</sup></b>	<b>78.3%</b>	<b>76.4%</b>	<b>1.8 PP</b>

<sup>1</sup> Net equity ratio: Equity (excl. non-controlling interests) divided by total net assets (total assets less liabilities covered by cash in hand)

PP = Percentage points

### Total assets

The Group's total assets declined slightly compared with the end of 2020 to EUR 1.9bn.

### Equity

Equity increased by 3.2% to EUR 1.3bn in the reporting period. The positive change in the revaluation reserve in accordance with IFRS 9 and the consolidated net profit of the first half of 2021 were the main drivers for the increase in equity. An ongoing share buy-back programme carried out in the 2021 financial year with a volume of EUR 7.6m in the first half of the year had a reducing effect. Please see the statement of changes in equity for further information on changes in equity. The equity ratio increased slightly accordingly.

### Investment property and inventories

PATRIZIA's real estate assets increased by 186.7% in the reporting period, from EUR 16.5m as at 31 December 2020 to EUR 47.3m as at 30 June 2021, mainly due to the acquisition of a property as part of a corporate acquisition. Investment property remained on a low level of EUR 1.8m as at 30 June 2021 in line with the strategy.

#### Investment property and inventory

EUR k	30.06.2021	31.12.2020	Change
Inventories	45,421	14,647	210.1%
Investment property	1,838	1,838	0.0%
<b>Real estate assets</b>	<b>47,259</b>	<b>16,485</b>	<b>186.7%</b>

An overview of all PATRIZIA's participations, assets under management and invested capital can be found in the following table.

#### PATRIZIA's capital allocation as at 30 June 2021

	Assets under Management EUR m	Invested capital (fair value) EUR m	Invested capital (at cost) EUR m	Participations in %
<b>Third-party business</b>	<b>42,212.4</b>	<b>0.0</b>		
<b>Co-Investments</b>	<b>5,954.6</b>	<b>522.8</b>	<b>89.6</b>	
<b>Residential</b>	<b>5,351.6</b>	<b>507.7</b>	<b>77.5</b>	
Dawonia GmbH	5,022.6	166.7 <sup>1</sup>	51.7	5.1
Dawonia performance fee claims		315.2 <sup>1</sup>	0.0	0.1
WohnModul I SICAV-FIS	329.1	25.7	25.7	10.1
Other		0.1	0.1	0.0
<b>Commercial Germany</b>	<b>603.0</b>	<b>11.7</b>	<b>8.4</b>	
Alliance	237.0	5.8 <sup>1</sup>	5.1	5.1
Seneca	159.1	3.7 <sup>1</sup>	1.8	5.1
PATRoffice		0.3 <sup>1</sup>	0.2	6.3
TRIUVA/IVG logistics	206.9	1.1 <sup>1</sup>	0.8	2.1
TRIUVA/IVG commercial		0.9 <sup>1</sup>	0.5	11.0
<b>Commercial International</b>	<b>0.0</b>	<b>3.4</b>	<b>3.7</b>	
Citruz Holding LP (UK)		0.0 <sup>1</sup>	0.4	10.0
First Street Development LTD (UK)		3.4	3.4	10.0
<b>Principal investments</b>	<b>18.9</b>	<b>18.9</b>		
<b>Other balance sheet items</b>		<b>431.6</b> <sup>2</sup>		
<b>Tied-up investment capital</b>	<b>48,185.9</b>	<b>973.3</b>		
Available liquidity		537.0		
<b>Total investment capital</b>	<b>48,185.9</b>	<b>1,510.3</b>		
of which debt (bonded loans)		234.0		
of which equity PATRIZIA (without non-controlling interests)		1,276.3		

<sup>1</sup> After deduction of deferred taxes from the valuation according to IFRS 9

<sup>2</sup> Including goodwill and fund management contracts

### Financial liabilities

The Group's financial liabilities decreased from EUR 343.2m as at 31 December 2020 to EUR 279.9m as at 30 June 2021. The bonded loan of EUR 300.0m raised in 2017 consists of tranches of five, seven and ten years, and bears interest at both fixed and floating rates averaging 1.5% p.a. In the first half of 2021 the variable tranches of the bonded loan with EUR 66.0m were repaid. Depending on the maturity, the remaining value of the bonded loan is recognised under non-current liabilities with EUR 158.0m and under current liabilities with EUR 76.0m. The short-term bank loans of EUR 45.9m relate to temporary interim financing for funds managed by PATRIZIA.

Financial liabilities developed as follows as against the end of 2020:

#### Financial liabilities

EUR k	30.06.2021	31.12.2020	Change
Non-current bonded loans	158,000	234,000	-32.5%
Current bonded loans	76,000	66,000	15.2%
Short-term bank loans	45,915	43,200	6.3%
<b>Total financial liabilities</b>	<b>279,915</b>	<b>343,200</b>	<b>-18.4%</b>

A detailed maturity profile of the financial liabilities can be found in note 9 of the notes to the consolidated interim financial statements.

## Liquidity

PATRIZIA has available liquidity of EUR 537.0m as at 30 June 2021 compared to EUR 645.0m at the end of 2020.

### Liquidity

EUR k	30.06.2021	31.12.2020
Cash and cash equivalents	368,572	495,454
Term deposits	200,811	180,797
<b>Liquidity</b>	<b>569,383</b>	<b>676,251</b>
Regulatory reserve for asset management companies	-32,338	-31,229
Liquidity in closed-end funds business property companies	0	-15
<b>Available liquidity</b>	<b>537,045</b>	<b>645,007</b>

Liquidity amounts to EUR 569.4m in total (31 December 2020: EUR 676.3m). The decline since the beginning of the year is in particular due to the repayment of the variable tranches of the bonded loan and the ongoing share buy-back programme. PATRIZIA cannot freely access an amount of EUR 233.1m. A total of EUR 200.8m is invested in short-term deposits. Furthermore, cash and cash equivalents of EUR 32.3m in total must be permanently retained for asset management companies and closed-end funds in order to comply with the relevant regulatory requirements.

## 2 Development of opportunities and risks

PATRIZIA AG is exposed to both opportunities and risks as part of its business activities. Within the Group the necessary measures have been taken and processes installed to prevent negative developments and to identify risks in good time and to be able to counteract them. No significant new opportunities or risks for the Group have been identified since the annual financial statements for the 2020 financial year. Also the assessment of the probability of occurrence and extent of damage has not led to any significant changes in the assessment of opportunities and risks.

Due to the Covid-19 pandemic, market developments and the resulting potential opportunities and risks are continuously identified in order to be able to react quickly to relevant issues.

Furthermore, statements made in the risk report contained in PATRIZIA AG's 2020 Annual Report continue to apply. For a detailed presentation of the opportunities and risks in the Group, please refer to the explanations in chapter 4 of the 2020 Annual Report. The PATRIZIA AG Management Board is currently not aware of any other risks.

## 3 Forecast

### Confirmation of Guidance for 2021

	Guidance FY 2021
Assets under management (organic growth)	Growth between EUR 3.0 - 6.0bn
Operating income	Between EUR 100.0 - 145.0m
Cost Coverage Ratio (CCR)	Stable to slightly increasing

After the end of H1 2021 the company continues in a spirit of optimism and expects to successfully exploit market opportunities for its institutional, (semi-)professional and private investors in the form of attractive real asset fund products. On this basis, PATRIZIA is anticipating strong transaction performance and growth in assets under management, which should lead to a further increase in fee income from investment management.

PATRIZIA confirms the forecast for the 2021 financial year published in the Annual Report 2020, as well as the assumptions made for achieving the operating income.

### Assumptions concerning the operating income forecast

**Operating income** of between EUR 100.0m and EUR 145.0m is expected for 2021. The following section discusses the assumptions and expectations underlying this forecast.

PATRIZIA is anticipating **management fees** for asset and portfolio management services of between EUR 204.0m and EUR 208.0m. The Company expects the majority of net growth in assets under management to have a positive impact on management fees only in the second half of 2021 as the respective transactions are closed.

The Company expects the transaction market to remain active in 2021 and is forecasting **transaction fees** of between EUR 50.0m and EUR 60.0m based on a signed transaction volume of between EUR 6.0bn and EUR 9.0bn.

Income from **performance fees** is determined by the yields achieved in excess of the agreed target yields. These result from the realisation of value-adding measures in particular. PATRIZIA expects to generate performance fees of between EUR 60.0m and EUR 90.0m in 2021.

Total **service fee** income is expected to amount to between EUR 314.0m and EUR 358.0m.

In 2021, **net sales revenues** and co-investment income are expected to lie between EUR 5.0m and EUR 20.0m.

**Net operating expenses**, which primarily comprise staff costs and non-staff operating expenses, are forecast at between EUR 209.0m and EUR 223.0m.

**Depreciation and amortisation, financial result and other items** of around EUR -10.0m are forecast for 2021.

Augsburg, 04 August 2021

The PATRIZIA Management Board



**Wolfgang Egger**  
Chairman of the  
Management Board,  
CEO



**Thomas Wels**  
Member of the  
Management Board,  
Co-CEO



**Alexander Betz**  
Member of the  
Management Board,  
CDO



**Karim Bohn**  
Member of the  
Management Board,  
CFO



**Dr Manuel Käsbauer**  
Member of the  
Management Board,  
CTIO



**Anne Kavanagh**  
Member of the  
Management Board,  
CIO



**Simon Woolf**  
Member of the  
Management Board,  
CHRO

This report contains certain forward-looking statements that relate in particular to the business development of PATRIZIA, the general economic and regulatory environment and other factors to which PATRIZIA is exposed. These forward-looking statements are based on current estimates and assumptions by the Company made in good faith and are subject to various risks and uncertainties that could render a forward-looking statement or estimate inaccurate, or cause actual results to differ from the results currently expected.

# Consolidated financial statements

## Consolidated balance sheet

as at 30 June 2021

### Assets

EUR k	30.06.2021	31.12.2020
<b>A. Non-current assets</b>		
Goodwill	214,957	212,353
Other intangible assets	98,876	106,137
Software	14,624	16,603
Rights of use	35,258	25,906
Investment property	1,838	1,838
Equipment	9,965	7,305
Associated companies accounted using the equity method	34,300	32,357
Participations	591,426	574,561
Non-current borrowings and other loans	35,307	34,927
Deferred taxes	26,277	21,031
<b>Total non-current assets</b>	<b>1,062,828</b>	<b>1,033,018</b>
<b>B. Current Assets</b>		
Inventories	45,421	14,647
Securities	20,637	11
Current tax assets	26,006	26,554
Current receivables and other current assets	387,415	392,399
Cash and cash equivalents	368,572	495,454
<b>Total current assets</b>	<b>848,051</b>	<b>929,065</b>
<b>Total assets</b>	<b>1,910,878</b>	<b>1,962,083</b>

**Equity and liabilities**

EUR k	30.06.2021	31.12.2020
<b>A. Equity</b>		
Share capital	89,348	89,683
Capital reserves	122,444	129,751
Retained earnings		
Legal reserves	505	505
Currency translation difference	-802	-7,944
Remeasurements of defined benefit plans according to IAS 19	-5,457	-5,457
Revaluation reserve according to IFRS 9	144,526	130,196
Consolidated unappropriated profit	925,764	900,507
Non-controlling interests	33,464	32,265
<b>Total equity</b>	<b>1,309,791</b>	<b>1,269,505</b>
<b>B. Liabilities</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	120,205	115,484
Retirement benefit obligations	29,203	29,579
Bonded loans	158,000	234,000
Non-current liabilities	16,138	22,340
Leasing liabilities	27,338	17,811
<b>Total non-current liabilities</b>	<b>350,884</b>	<b>419,214</b>
<b>CURRENT LIABILITIES</b>		
Short-term bank loans	45,915	43,200
Short-term bonded loans	76,000	66,000
Other provisions	9,912	9,109
Current liabilities	80,606	105,858
Short-term leasing liabilities	9,269	8,387
Tax liabilities	28,501	40,809
<b>Total current liabilities</b>	<b>250,203</b>	<b>273,363</b>
<b>Total equity and liabilities</b>	<b>1,910,878</b>	<b>1,962,083</b>

## Consolidated income statement

### for the period from 1 January to 30 June 2021

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Revenues	81,350	81,567	140,185	148,153	-5.4%
Changes in inventories	29	-133	1,746	-1,677	-204.1%
Other operating income	1,488	4,194	2,015	6,251	-67.8%
Income from the deconsolidation of subsidiaries	63	116	63	116	-45.5%
<b>Total operating performance</b>	<b>82,930</b>	<b>85,744</b>	<b>144,009</b>	<b>152,843</b>	<b>-5.8%</b>
Cost of materials	-574	-2,409	-1,090	-3,112	-65.0%
Cost of purchased services	-3,905	-2,974	-8,956	-8,089	10.7%
Staff costs	-33,667	-33,279	-68,085	-67,379	1.0%
Other operating expenses	-18,859	-16,075	-33,453	-33,397	0.2%
Impairment result for trade receivables and contract assets	-73	60	104	22	375.5%
Result from participations	3,454	3,565	28,587	23,370	22.3%
Earnings from companies accounted for using the equity method	892	10,000	1,245	10,000	-87.5%
Cost from the deconsolidation of subsidiaries	-608	-1,746	-608	-1,746	-65.2%
<b>EBITDAR</b>	<b>29,590</b>	<b>42,886</b>	<b>61,754</b>	<b>72,511</b>	<b>-14.8%</b>
Reorganisation income	0	0	1	0	/
Reorganisation expenses	-1,058	0	-1,473	0	/
<b>EBITDA</b>	<b>28,532</b>	<b>42,886</b>	<b>60,282</b>	<b>72,511</b>	<b>-16.9%</b>
Appreciation/amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	-9,120	-8,971	-17,331	-17,758	-2.4%
<b>Earnings before interest and taxes (EBIT)</b>	<b>19,412</b>	<b>33,915</b>	<b>42,952</b>	<b>54,752</b>	<b>-21.6%</b>
Financial income	421	662	952	1,217	-21.8%
Financial expenses	-1,511	-1,717	-2,991	-3,384	-11.6%
Result from currency translation	-838	-7,077	-1,338	-6,511	-79.5%
<b>Earnings before taxes (EBT)</b>	<b>17,484</b>	<b>25,784</b>	<b>39,574</b>	<b>46,075</b>	<b>-14.1%</b>
Income taxes	-5,698	-3,324	-12,961	-12,351	4.9%
<b>Net profit for the period</b>	<b>11,786</b>	<b>22,460</b>	<b>26,613</b>	<b>33,723</b>	<b>-21.1%</b>
Attributable to shareholders of the parent company	10,938	21,135	25,258	31,610	-20.1%
Attributable to non-controlling interests	848	1,325	1,355	2,113	-35.9%
					/
Earnings per share (undiluted) in EUR	0.12	0.23	0.28	0.35	-19.3%
Earnings per share (diluted) in EUR	0.12	/	0.28	/	/

## Consolidated statement of comprehensive income for the period from 1 January to 30 June 2021

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020
<b>Net profit for the period</b>	<b>11,786</b>	<b>22,460</b>	<b>26,613</b>	<b>33,723</b>
Items of other comprehensive income reclassified to net profit for the period				
Profit/loss arising on the translation of the financial statements of foreign operations	-1,207	1,879	7,262	-5,797
Items of other comprehensive income without reclassification to net profit for the period				
Value adjustments resulting from equity instruments measured including capital gains (IFRS 9)	14,186	14,122	14,326	15,163
<b>Other comprehensive income</b>	<b>12,979</b>	<b>16,001</b>	<b>21,588</b>	<b>9,366</b>
<b>Total comprehensive income for the reporting period</b>	<b>24,765</b>	<b>38,462</b>	<b>48,201</b>	<b>43,089</b>
Attributable to shareholders of the parent company	23,945	37,215	46,730	41,113
Attributable to non-controlling interests	820	1,247	1,471	1,976



## Consolidated cash flow statement

### for the period from 1 January to 30 June 2021

EUR k	H1 2021	H1 2020 <sup>1</sup>
Net profit for the period	26,613	33,723
Income taxes recognised through profit or loss	12,961	12,351
Financial expenses recognised through profit or loss	2,991	3,384
Financial income recognised through profit or loss	-952	-1,217
Income from participations through profit or loss	-28,587	-23,370
Earnings from companies accounted for using the equity method	-1,245	-10,000
Income from unrealised currency translation recognised through profit or loss	-933	-913
Income from the disposal of other intangible assets, software, rights of use and equipment recognised through profit or loss	147	20
Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	17,979	17,758
Write-ups longterm assets	-648	0
Expenses of the deconsolidation of subsidiaries	608	1,746
Income from the deconsolidation of subsidiaries	-63	-116
Other non cash-items	801	-205
Changes in inventories, receivables and other assets that are not attributable to investment activities	7,828	5,671
Proceeds and payments from the temporarily consolidation of investment properties (inventories) and related financing (loans) on behalf of clients in the closed-end funds business	-9,943	0
Changes in liabilities that are not attributable to financing activities	-36,449	-17,411
Distributed income from participations	33,084	33,615
Interest paid	-4,567	-4,709
Interest received	1,012	1,729
Income tax payments	-19,847	-24,060
<b>Cash flow from operating activities</b>	<b>789</b>	<b>27,996</b>

<sup>1</sup> The previous year's figures were restated in line with the new table structure in the year under review.

EUR k	H1 2021	H1 2020 <sup>1</sup>
Payments for investments in Goodwill	0	-5,187
Payments for investments in other intangible assets, software and equipment	-4,052	-9,523
Payments received from the disposal of intangible assets and equipment	1	20
Payments for the acquisition of securities and short-term investments	-40,547	0
Payments received from the disposal of securities and short-term investments	0	41,000
Payments for the acquisition of participations	-4,772	-2,391
Payments received from the disposal of participations	223	928
Payments for investments in companies accounted for using the equity method	-30	-15
Payment received through distributions of companies accounted for using the equity method	0	58
Payments received from the repayment of shares of companies accounted for using the equity method	0	41,511
Payments for loans to companies with participation interest	-855	-2,998
Payments received from the repayment of other loans	16,500	944
Payments for other loans	-51	-55,900
Payments for the disposal of consolidated companies and other business units	-494	-6,426
Payments received for the acquisition of consolidated companies and other business units	1	144
<b>Cash flow from investing/divesting activities</b>	<b>-34,077</b>	<b>2,167</b>
Borrowing of loans	0	60,057
Repayment of loans	-81,750	-40
Repayment of leasing liabilities	-5,567	-5,058
Interest paid	-104	-115
Payments of profit shares to non-controlling interests	-274	-609
Payments for buy-backs of own shares	-8,000	-27,947
<b>Cash flow from financing activities</b>	<b>-95,695</b>	<b>26,287</b>
Change in cash and cash equivalents	-128,983	56,451
<b>Cash and cash equivalents as at 01.01.</b>	<b>495,454</b>	<b>449,084</b>
Effects of changes in foreign exchange rates on cash and cash equivalents	2,101	-2,644
<b>Cash and cash equivalents as at 30.06.</b>	<b>368,572</b>	<b>502,891</b>

<sup>1</sup> The previous year's figures were restated in line with the new table structure in the year under review.

## Consolidated statement of changes in equity

### for the period from 1 January to 30 June 2021

EUR k	Share capital	Capital reserve	Retained earnings (legal reserves)	Currency translation difference	Remeasurements of defined benefit plans according to IAS 19	Revaluation reserve according to IFRS 9	Consolidated unappropriated profit	Equity of the shareholders of the parent company	Equity of non-controlling interests	Total
As at 01.01.2020	91,060	155,222	505	-4,818	-3,459	78,721	889,160	1,206,391	30,359	1,236,750
Net profit for the period	0	0	0	0	0	0	31,610	31,610	2,113	33,723
Other comprehensive income	0	0	0	-5,610	0	15,113	0	9,503	-137	9,366
<b>Total comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-5,610</b>	<b>0</b>	<b>15,113</b>	<b>31,610</b>	<b>41,113</b>	<b>1,976</b>	<b>43,089</b>
Payout of profit shares to non-controlling interests	0	0	0	0	0	0	0	0	-441	-441
Share buy-back	-1,377	-26,571	0	0	0	0	0	-27,947	0	-27,947
<b>As at 30.06.2020</b>	<b>89,683</b>	<b>128,652</b>	<b>505</b>	<b>-10,429</b>	<b>-3,459</b>	<b>93,834</b>	<b>920,770</b>	<b>1,219,557</b>	<b>31,894</b>	<b>1,251,451</b>
As at 01.01.2021	89,683	129,751	505	-7,944	-5,457	130,196	900,507	1,237,240	32,265	1,269,505
Net profit of the period	0	0	0	0	0	0	25,258	25,258	1,355	26,613
Other comprehensive income	0	0	0	7,142	0	14,330	0	21,472	116	21,588
<b>Total comprehensive Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,142</b>	<b>0</b>	<b>14,330</b>	<b>25,258</b>	<b>46,730</b>	<b>1,471</b>	<b>48,201</b>
Payout of profit shares to non-controlling interests	0	0	0	0	0	0	0	0	-274	-274
Share buy-back	-335	-7,307	0	0	0	0	0	-7,642	0	-7,642
<b>As at 30.06.2021</b>	<b>89,348</b>	<b>122,444</b>	<b>505</b>	<b>-802</b>	<b>-5,457</b>	<b>144,526</b>	<b>925,764</b>	<b>1,276,328</b>	<b>33,464</b>	<b>1,309,791</b>

# Notes to the interim consolidated financial statements

for the period from 1 January to 30 June 2021

## General information

PATRIZIA AG (hereinafter also referred to as PATRIZIA or the Group) is a listed German stock corporation. The registered office of the Company is Fuggerstraße 26, 86150 Augsburg (Augsburg Local Court, HRB 19478). PATRIZIA is a leading global partner for real assets and one of the leading independent real estate investment companies in Europe. As at 30 June 2021, 894 employees (FTE) are on hand for its clients in more than 15 European real estate markets. The Company is also represented in New York, Hong Kong, Seoul, Melbourne, Zurich and Tokyo. PATRIZIA provides a wide range of services from asset management, portfolio management and implementation of purchase and sales transactions for almost all real estate asset classes to alternative investments and project developments. As a result, client preferences and requirements can be met extensively in a client-specific manner. Its clients include institutional and (semi-) professional investors such as insurance firms, pension fund institutions and sovereign funds from Germany, Europe, the US and Asia in addition to private investors. PATRIZIA develops bespoke products for its clients in line with their individual return expectations, diversification objectives and risk styles.

## 1 Principles applied in the preparation of the interim consolidated financial statements

The interim consolidated financial statements of PATRIZIA AG for the first half of 2021 (1 January to 30 June 2021) have been prepared in accordance with § 115 of the German Securities Trading Act (WpHG) in compliance with IAS 34 “Interim Financial Reporting” and the IFRS as well as in compliance with the supplementary commercial law regulations to be applied in accordance with § 315e of the Handelsgesetzbuch (HGB – German Commercial Code). All mandatory pronouncements of the International Accounting Standards Board (IASB) that were adopted by the EU as part of the endorsement process, i.e. published in the Official Journal of the EU (by the balance sheet date) have been applied.

In the opinion of the Company’s management, the present unaudited interim consolidated financial statements as at 30 June 2021 contain all necessary information to ensure a true and fair view of the Company’s performance and financial position in the reporting period. The results achieved in the first six months of 2021 are not necessarily an indicator of future results or an overall result to be expected for the financial year 2021 as a whole.

As part of the preparation of the consolidated interim financial statements for the interim report in accordance with IAS 34 “Interim Financial Reporting”, the Management Board of PATRIZIA AG must make assessments and estimates as well as assumptions that influence the application of accounting principles in the Group and the reporting of assets and liabilities as well as income and expenses. The actual amounts may differ from these estimates.

These interim consolidated financial statements is fundamentally based on the accounting policies as those applied to the consolidated financial statements for the 2020 financial year. A detailed description of the basis of preparation of the consolidated financial statements and the accounting policies can be found in the IFRS notes to the consolidated financial statements as at 31 December 2020 in the 2020 Annual Report.

New standards and interpretations to be applied as of January 1, 2021 have no material impact on the interim consolidated financial statements.

These interim financial statements are prepared in Euro (EUR). Unless otherwise stated, the amounts including the previous year’s figures are shown in thousands of Euro (EUR k). It should be noted that differences may occur in the use of rounded amounts and percentages due to commercial rounding.

## 2 Consolidated group

All subsidiaries are included in the interim consolidated financial statements of PATRIZIA AG. The group of subsidiaries includes all companies that are controlled by PATRIZIA AG. In addition to the parent Company, the consolidated group includes 111 subsidiaries (31 December 2020: 111). They are included in the interim consolidated financial statements in according to the rules of full consolidation.

In addition, as at 30 June 2021, there are 5 equity investments (31 December 2020: 5), listed below, that are accounted for using the equity method in the consolidated financial statements.

### Participations in entities accounted for using the equity method

Entity	Head office
PATRIZIA WohnModul I SICAV-FIS	Luxemburg
Evana AG	Saarbrücken
Cognotekt GmbH	Köln
control.IT Unternehmensberatung GmbH	Bremen
ASK PATRIZIA (GQ) LLP	Manchester

Furthermore, there are holdings of 28.3% in the limited liability capital of a project development company (legal form: GmbH & Co. KG) and 30.0% in the associated general partner (GmbH). There is no significant influence over this company as it cannot be managed or significantly influenced on account of company law regulations and there is no right to make appointments to its executive bodies. The shares in this project development company are measured at fair value through other comprehensive income (FVTOCI).

48 companies (31 December 2020: 46) have not been included in the consolidated group as at the end of the reporting period as they have only minor or no business operations, and are immaterial to the Group and a true and fair view of its financial position and performance.

### Business combinations, disposals and intragroup restructuring

The number of Group companies included in the consolidated financial statements developed as follows in the reporting period:

#### Group companies

Transactions material to the Group are explained below under business combinations, disposals and intragroup restructuring.

Group companies	
<b>As at 01.01.2021</b>	<b>111</b>
Companies acquired	1
Companies founded	1
Companies deconsolidated	-2
<b>As at 30.06.2021</b>	<b>111</b>

## Acquisitions of subsidiaries

### SKD13 TMK

As of 28 April 2021, PATRIZIA AG indirectly acquired 99.9% of the shares in SKD 13 Tokutai Mokuteki Kaisha (TMK), Tokyo, via a subsidiary.

In these interim consolidated financial statements the acquisition of SKD13 TMK is illustrated as an acquisition of assets, as no business was acquired in accordance with IFRS 3.3. In particular, the transaction focused exclusively on the acquisition of the real estate held within the Company. The purchase price was allocated to the individually identifiable assets and liabilities assumed at their acquisition-date fair values.

## Disposal of subsidiaries

In the 2015 financial year, PATRIZIA AG expanded its product range to include closed-end funds. These companies are to be temporarily included in consolidation in the PATRIZIA Group in the fund formation phase and during the placement of the respective shares. The companies listed below again left the PATRIZIA consolidated group with income from deconsolidation of EUR 63k (2020: EUR 116k) and an expense on deconsolidation of EUR -608k (2020: EUR -1.746k) in the reporting period.

### Companies - result from deconsolidation

EUR k	H1 2021
PATRIZIA GrundInvest Augsburg Zehn GmbH & Co. KG	63
PATRIZIA GrundInvest Augsburg Neun GmbH & Co. KG	-608
<b>Total</b>	<b>-544</b>

## Intragroup restructuring

In the reporting period there were no internal restructuring activities recognised within the Group.

## 3 Goodwill

The PATRIZIA Group has recognised goodwill of EUR 214,957k (31 December 2020: EUR 212,353k). The goodwill will not be deductible in future tax periods and is therefore treated as a permanent difference in the calculation of deferred taxes.

As at 30 June 2021, goodwill was allocated to the cash-generating units as follows:

- Core business: EUR 197,937k (31 December 2020: EUR 195,153k)
- PATRIZIA Global Partners (formerly PATRIZIA Multi Managers): EUR 6,783k (31 December 2020: EUR 6,779k)
- PATRIZIA Japan KK (formerly KENZO Japan): EUR 4,596k (31 December 2020: EUR 4,780k)
- BrickVest: EUR 5,641k (31 December 2020: EUR 5,641k)

The change in total goodwill compared to 31 December 2020 is due to exchange rate changes of EUR 2,605k (31 December 2020: EUR -3,580k). These are mainly due to the exchange rate development of the British pound.

These values are tested for impairment at least once a year by the Group as part of an impairment test in accordance with IAS 36. As at 30 June 2021, there were no events that would justify an impairment test and the resulting need for impairment.

## 4 Rights of use

There were rights of use of EUR 35,258k as at 30 June 2021 (31 December 2020: EUR 25,906k).

Mainly correlating to the extension of rental agreements regarding own office space, the rights of use arose. In addition, there are none-scheduled write-downs of one lease agreement of EUR 1,464k (31 December 2020: EUR 0k).

## 5 Inventories

Inventories include assets held for sale in the normal course of business.

Inventories are composed as follows:

### Inventories

EUR k	30.06.2021	31.12.2020
Real estate assets intended for sale	30,053	1,683
Real estate assets in the development phase	15,368	12,964
<b>Total</b>	<b>45,421</b>	<b>14,647</b>

The “Real estate assets in the development phase” item includes the Trocoll House property, which was acquired by a subsidiary of PATRIZIA AG in Greater London in 2016.

The change in inventories of EUR 30,774k results primarily from the acquisition of the real estate asset of EUR 25,795k as part of the business combination of SKD13 TMK.

## 6 Securities, cash and cash equivalents

“Cash and cash equivalents” comprises cash and short-term bank deposits held by the Group. The carrying amount of these assets is their fair value.

Cash funds were invested in short-term, money market securities in the context of active liquidity management. These are shown separately in the financial statements. An amount of EUR 200,811k (31 December 2020: EUR 180,797k) was invested in short-term term deposits with a maturity of more than three months. These term deposits are reported in the consolidated balance sheet under current receivables and other current assets.

### Liquidity

EUR k	30.06.2021	31.12.2020
Cash and cash equivalents	368,572	495,454
Term deposits	200,811	180,797
<b>Liquidity</b>	<b>569,383</b>	<b>676,251</b>
Regulatory reserve for asset management companies	-32,338	-31,229
Liquidity in closed-end funds business property companies	0	-15
<b>Available liquidity</b>	<b>537,045</b>	<b>645,007</b>

The securities of EUR 20,637k reported under current assets relates the temporary acquisition of shares in the PATRIZIA Gewerbe-Immobilien Deutschland IV fund.

## 7 Equity

Please see the statement of changes in equity for information on changes in equity.

### 7.1 Share capital

The share capital of the Company amounts, after offsetting treasury shares in the amount of EUR 3,003,314 (31 December 2020: EUR 2,668,545), to EUR 89,348k (31 December 2020: EUR 89,683k) as at the end of the reporting period and was divided into 89,348,162 no-par-value registered shares.

As part of the share buyback programme from 12 May 2021 onwards, PATRIZIA AG bought back a total of 334,769 shares at an average price of EUR 22.83 per share (incl. transaction costs) in a total volume of EUR 7,642k as at 30 June 2021.

The direct parent company of PATRIZIA AG is First Capital Partner GmbH. The parent company of First Capital Partner GmbH and thus the ultimate parent company of PATRIZIA AG is we holding GmbH & Co. KG (formerly: WE Vermögensverwaltung GmbH & Co. KG). Compared to 31 December 2020, First Capital Partner GmbH continues to hold a stake of 47,844,484 no-par-value shares in PATRIZIA AG which corresponds to a share of 51.81%.

### 7.2 Capital reserves

The capital reserves changed from EUR 129,751k to EUR 122,444k as at 30 June 2021 due to the share buyback programme of EUR -7,307k.

### 7.3 Treasury shares

In the reporting period, following the share buyback programme initiated on 12 May 2021, the total number of treasury shares increased by 334,769 to 3,003,314 and their total value by EUR 7,641,999 to EUR 57,268,364

#### Treasury shares

	Number of shares	Price per share in EUR <sup>1</sup>	Total Value in EUR
<b>As at 01.01.2021</b>	<b>2,668,545</b>		<b>49,626,365</b>
Share buyback programme	334,769	22.83	7,641,999
<b>As at 30.06.2021</b>	<b>3,003,314</b>		<b>57,268,364</b>

<sup>1</sup> Incl. transaction costs

### 7.4 Non-controlling interests

There were non-controlling interests of EUR 33,464k as at 30 June 2021 (31 December 2020: EUR 32,265k).

A profit share of EUR 1,355k (H1 2020: EUR 2,113k) was allocated to non-controlling interests in the reporting period.

As at 30 June 2021, profit shares of EUR 274k (H1 2020: EUR 441k) had been withdrawn by non-controlling interests. These are payments to non-controlling interests, some of whom are also employed by the Company.

A total of EUR -4k (H1 2020: EUR 50k) in connection with the remeasurement of financial instruments pursuant to IFRS 9 are reported in the 2021 financial year.



## 8 Deferred tax assets and deferred tax liabilities

### Deferred income tax relating to components of other comprehensive income

EUR k	2021			2020		
	Before tax	Tax	Net	Before tax	Tax	Net
Profit/loss arising on the translation of the financial statements of foreign operations	7,262	0	7,262	-5,797	0	-5,797
Value adjustments resulting from equity instruments measured including capital gains (IFRS 9)	16,004	-1,678	14,326	15,689	-526	15,163
<b>Total</b>	<b>23,266</b>	<b>-1,678</b>	<b>21,588</b>	<b>9,892</b>	<b>-526</b>	<b>9,366</b>

## 9 Financial liabilities

The maturity profile of financial liabilities is as follows:

### Maturities financial liabilities 30.06.2021

EUR k	2021	2022	2024	2027	Total
Bank loans	45,915	0	0	0	45,915
Bonded loans	0	76,000	89,000	69,000	234,000
<b>Total financial liabilities</b>	<b>45,915</b>	<b>76,000</b>	<b>89,000</b>	<b>69,000</b>	<b>279,915</b>

### Maturities financial liabilities 31.12.2020

EUR k	2021	2022	2024	2027	Total
Bank loans	43,200	0	0	0	43,200
Bonded loans	66,000	76,000	89,000	69,000	300,000
<b>Total financial liabilities</b>	<b>109,200</b>	<b>76,000</b>	<b>89,000</b>	<b>69,000</b>	<b>343,200</b>

### Maturity of undiscounted financial liabilities including interest payments 30.06.2021

EUR k	2021	2022	2023	2024	2025	2026	2027	Total
Bank loans	46,501	0	0	0	0	0	0	46,501
Bonded loans	0	79,778	2,914	91,914	1,490	1,490	70,499	248,087
<b>Total financial liabilities undiscounted</b>	<b>46,501</b>	<b>79,778</b>	<b>2,914</b>	<b>91,914</b>	<b>1,490</b>	<b>1,490</b>	<b>70,499</b>	<b>294,587</b>

### Maturity of undiscounted financial liabilities including interest payments 31.12.2020

EUR k	2021	2022	2023	2024	2025	2026	2027	Total
Bank loans	43,436	0	0	0	0	0	0	43,436
Bonded loans	70,150	79,778	2,914	91,914	1,490	1,490	70,499	318,236
<b>Total financial liabilities undiscounted</b>	<b>113,586</b>	<b>79,778</b>	<b>2,914</b>	<b>91,914</b>	<b>1,490</b>	<b>1,490</b>	<b>70,499</b>	<b>361,672</b>

Financial liabilities amounted to EUR 279,915k (31 December 2020: EUR 343,200k) in total as at 30 June 2021.

In the 2017 fiscal year, PATRIZIA issued a bonded loan on the capital market for a total of EUR 300,000k. The target volume of originally planned EUR 100,000k was oversubscribed several times. The inflowing financial resources represented an additional liquidity reserve as part of the growth strategy (company acquisition as part of expansion) or to take advantage of strategic co- and principal investment opportunities. The bonded loan had terms of 5, 7 and 10 years and fixed and variable interest rates.

As business development in recent years has shown, PATRIZIA was able to achieve its annual and growth targets without having to draw on its entire liquidity reserves. The liquidity reserves generated hardly any interest income due to the negative interest rate environment. In order to avoid an unnecessary interest burden, the Management Board of PATRIZIA AG decided to repay the variable tranches of the promissory note loan in the amount of EUR 66,000k ahead of schedule.

On the other hand, a new short-term bank loan of EUR 55,900k was taken out in the current fiscal year. This is in connection with interim financing for a public closed-end fund of PATRIZIA Immobilien KVG, which was provided as part of a purchase. PATRIZIA AG has taken out a short-term bank loan with a term of less than one year to secure liquidity. As of the balance sheet date, this short-term loan is reported with a remaining amount of EUR 27,500k after repayment during the year.

## 10 Non-current liabilities

Non-current liabilities of EUR 16,138k (31 December 2020: EUR 22.340k) essentially consist of the long-term component of the management participation model, which is described in more detail under note 9.1.1 in the 2020 Annual Report, liabilities from the acquisition of KENZO (PATRIZIA Japan KK) and the TRIUVA guaranteed dividend to non-controlling interests.

## 11 Lease liabilities

Corresponding to the increase regarding the rights of us (see under note 4), the lease liabilities arose.

Lease liabilities mainly comprise leases for

- business and office premises
- motor vehicles
- IT equipment
- operating and office equipment

and have the following maturity profile:

### Maturities lease liabilities 30.06.2021

EUR k	2021	2022 - 2025	2026+	Total
Lease liabilities	9,269	18,804	8,533	36,607

### Maturities lease liabilities 31.12.2020

EUR k	2021	2022 - 2025	2026+	Total
Lease liabilities	8,387	14,838	2,973	26,197

The remaining terms of the undiscounted lease liabilities including interest payments after the end of the reporting period are shown below:

**Maturity of undiscounted lease liabilities including interest payments 30.06.2021**

EUR k	Carrying amount	Total amount	2021	2022 - 2025	2026+
Lease liabilities	36,607	37,526	9,544	19,286	8,696

**Maturity of undiscounted lease liabilities including interest payments 31.12.2020**

EUR k	Carrying amount	Total amount	2021	2022 - 2025	2026+
Lease liabilities	26,197	26,763	8,590	15,161	3,013

## 12 Tax liabilities

Tax liabilities include obligations for income taxes, VAT and other types of taxes.

The income taxes essentially comprise EUR 22,472k (31 December 2020: EUR 27,339k) in corporation and trade tax on the profits of German and non-German subsidiaries. In addition, obligations from VAT, wage taxes and miscellaneous other taxes were recognised in the amount of EUR 6,029k (31 December 2020: EUR 13,470k).

### 13 Financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not contain information on the fair value for financial assets and financial liabilities not measured at fair value when the carrying amount is a reasonable approximation of fair value.

#### Financial assets and liabilities 30.06.2021

EUR k	Carrying amounts				Fair value		
	Mandatory FVTPL	FVTOCI-equity instruments	Financial assets at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>							
Participations		591,334					x
Participations in subsidiaries not consolidated			92				
Other non-current financial assets	10,440						x
Other loans	6,605						x
	<b>17,045</b>	<b>591,334</b>	<b>92</b>				
<b>Financial assets not measured at fair value</b>							
Other loans			18,262				
Trade receivables and other financial assets			387,415				
Securities			20,637				
Cash and Cash Equivalents			368,572				
			<b>794,886</b>				
<b>Financial liabilities not measured at fair value</b>							
Financial liabilities (bank, mortgage and bonded loans)				279,915			
Trade payables				2,811			
Liabilities from services purchased before the end of the reporting period				30,249			
Contractual liabilities of prepayments from property sales				155			
Liabilities from settled performance fees owed attributable to future periods				0			
<b>Subtotal financial liabilities</b>				<b>313,129</b>			
Other liabilities				31,937			
<b>Total financial liabilities</b>				<b>345,065</b>			

## Financial assets and liabilities 31.12.2020

EUR k	Carrying amounts				Fair value		
	Mandatory FVTPL	FVTOCI- equity instruments	Financial assets at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
<b>Financial assets at fair value</b>							
Participations		574,467					x
Participations in subsidiaries not consolidated			93				
Other non-current financial assets	10,440						x
Other loans	6,644						x
	<b>17,084</b>	<b>574,467</b>	<b>93</b>				
<b>Financial assets not measured at fair value</b>							
Other loans			17,843				
Trade receivables and other financial assets			392,399				
Securities			11				
Cash and Cash Equivalents			495,454				
			<b>905,706</b>				
<b>Financial liabilities not measured at fair value</b>							
Financial liabilities (bank, mortgage and bonded loans)				343,200			
Trade payables				1,995			
Liabilities from services purchased before the end of the reporting period				31,900			
Contractual liabilities of prepayments from property sales				178			
Liabilities from settled performance fees owed attributable to future periods				4,606			
<b>Subtotal financial liabilities</b>				<b>381,878</b>			
Other liabilities				35,485			
<b>Total financial liabilities</b>				<b>417,364</b>			

### Assessment of the fair value of financial assets

The following tables show the valuation techniques used to assess level 3 fair values and the significant unobservable inputs used.

#### Valuation technique fair value

Type	Valuation technique	Important non-observable input factors	Context between Important non-observable input factors and the valuation at fair value
Equity investments	Valuation model considers individual shares of participations as well as the assessment basis particularly of NAV	- Shares of participations (0,01% - 51,0%) - important assessment basis: NAV of participations (EUR 0m - EUR 3.324m)	Estimated fair value would increase (decrease), if: - the assessment basis increase (decrease)
Non-current loans	Valuation model considers net assets at fair value of the borrower	- Net assets (2021: EUR 6.6m - EUR 10.4m)	Estimated fair value would increase (decrease), if: - the assessment basis increase (decrease)

### Sensitivity analysis of level 3 fair values

A 10% increase (reduction) in the basis of measurement for equity investments with all other inputs remaining constant would result in an increase (reduction) of EUR 78,500 k (2020: EUR 75,120k).

An increase (reduction) of net assets would result in an increase (reduction) of EUR 2,051k (2020: EUR 2,051k) in the fair value of long-term loans.

### Reconciliation of level 3 fair values

The following table shows the reconciliation from opening to closing level 3 fair values.

#### Reconciliation of level 3 fair values - 30.06.2021

EUR k	Equity investments	Convertible loans
<b>As at 01.01.2021</b>	<b>574,467</b>	<b>17,084</b>
Profit/loss, including in the other comprehensive income (IFRS 9)		
<i>changes of the fair value</i>	11,832	0
Profit/loss, including in the net profit for the period		
<i>changes of the fair value</i>	0	0
Additions in the financial year	5,009	0
Disposals in the financial year	-222	-39
Foreign exchange differences	247	0
<b>As at 30.06.2021</b>	<b>591,334</b>	<b>17,045</b>

#### Reconciliation of level 3 fair values - 31.12.2020

EUR k	Equity investments	Convertible loans <sup>1</sup>
<b>As at 01.01.2020</b>	<b>525,716</b>	<b>11,440</b>
Profit/loss, including in the other comprehensive income (IFRS 9)		
<i>changes of the fair value</i>	55,426	0
Profit/loss, including in the net profit for the period		
<i>changes of the fair value</i>	0	0
Additions in the financial year	11,410	8,644
Disposals in the financial year	-17,586	-3,000
Foreign exchange differences	-300	0
Changes in the consolidated group	-200	0
<b>As at 31.12.2020</b>	<b>574,467</b>	<b>17,084</b>

<sup>1</sup> The previous year was adjusted to the new structure.

#### Net gains / losses by category

EUR k	30.06.2021	31.12.2020
Financial assets and liabilities, which are mandatory measured at FVTPL	89	281
Financial assets, which are measured at amortised cost	191	2,950
Financial liabilities, which are measured at amortised cost	-2,870	-6,034
Equity investments, which are measured at FVTOCI (without recycling) <sup>1</sup>	14,326	51,685

<sup>1</sup> Amount after tax

#### Equity investments measured at fair value through other comprehensive income

Dividend income from equity investments measured at fair value through other comprehensive income amounted to EUR 28,587k in the financial year (H1 2020: EUR 23,370k). The dividends received result exclusively from participations still held at the end of the reporting period. The fair value of equity investments disposed of as at the date of disposal is EUR 222k (31 December 2020: EUR 17,586k).

No gains were realised in the statement of comprehensive income in connection with the final disposal of the equity investments.

## 14 Revenues

Revenues break down as follows:

### Revenues Country

EUR k	Germany	Luxembourg	United Kingdom	Rest of world	Total
<b>Q2 2021</b>					
Revenues from management services	49,396	20,576	6,893	2,579	79,444
Proceeds from the sale of principal investments	-3	0	0	0	-3
Rental revenues	882	63	1	242	1,188
Revenues from ancillary costs	80	23	187	0	290
Other	139	75	185	32	431
<b>Revenues</b>	<b>50,495</b>	<b>20,737</b>	<b>7,265</b>	<b>2,853</b>	<b>81,350</b>
<b>Q2 2020</b>					
Revenues from management services	33,030	34,149	9,955	2,059	79,194
Proceeds from the sale of principal investments	0	321	0	0	321
Rental revenues	6	93	0	1,263	1,363
Revenues from ancillary costs	0	60	176	0	236
Other	239	106	66	41	453
<b>Revenues</b>	<b>33,275</b>	<b>34,730</b>	<b>10,197</b>	<b>3,364</b>	<b>81,567</b>
<b>H1 2021</b>					
Revenues from management services	84,092	28,778	20,284	4,695	137,849
Proceeds from the sale of principal investments	-32	1	0	0	-30
Rental revenues	890	59	1	242	1,191
Revenues from ancillary costs	80	53	317	0	449
Other	158	110	425	33	725
<b>Revenues</b>	<b>85,188</b>	<b>29,000</b>	<b>21,027</b>	<b>4,970</b>	<b>140,185</b>
<b>H1 2020</b>					
Revenues from management services	65,795	51,212	19,426	4,245	140,679
Proceeds from the sale of principal investments	-3	2,474	0	0	2,471
Rental revenues	527	191	0	2,613	3,332
Revenues from ancillary costs	32	276	293	0	601
Other	331	156	520	63	1,070
<b>Revenues</b>	<b>66,682</b>	<b>54,310</b>	<b>20,240</b>	<b>6,921</b>	<b>148,153</b>

Geographical allocation is based on the registered office of the unit performing the services. In accordance with its business model, revenue from contracts with clients at PATRIZIA results from service fee income (revenues from management services), disposals of principal investments, rental revenues and incidental costs.

Revenue from contracts with clients breaks down as follows as regards the timing of revenue recognition:

### Revenues from contracts with clients

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020
Transferred products/services at a period of time	28,653	33,844	38,486	51,743
Transferred products/services over a period of time	51,509	46,360	100,508	93,078
<b>Revenues from client contracts</b>	<b>80,162</b>	<b>80,204</b>	<b>138,993</b>	<b>144,821</b>

Revenue from contracts with clients that relates to transaction fees (for acquisitions and disposals) qualifies as revenue recognised at a point in time. Ongoing management fees are classified as revenue recognised over time.



## 15 Other operating income

Other operating income essentially relates to:

### Other operating income

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Income from discontinued obligations	803	3,523	1,005	3,855	-73.9%
Income from payments in kind	222	219	437	828	-47.1%
Insurance compensation	1	-0	3	9	-63.0%
Income from reimbursement of lawyers' fees, court costs and transaction costs and compensation	0	2	0	822	-100.0%
Income from sales of financial assets	0	9	0	9	-100.0%
Income from bargain purchase	0	28	0	28	-100.0%
Other	463	413	569	701	-18.8%
<b>Total</b>	<b>1,488</b>	<b>4,194</b>	<b>2,015</b>	<b>6,251</b>	<b>-67.8%</b>

Income from discontinued obligations essentially results from the final settlement of bonuses and variable salaries as well as liabilities for goods and services ordered but not called off.

## 16 Costs for purchased services

The "Cost of purchased services" item totalling EUR 8,956k (H1 2020: EUR 8,089k) essentially comprises the purchase of fund management services for label funds in the amount of EUR 5,945k (H1 2020: EUR 6,525k) for which PATRIZIA Immobilien Kapitalverwaltungsgesellschaft mbH is the service asset management company.

In order to ensure an improved presentation of the earnings situation, this item also includes transaction costs that are incurred in order to generate revenue and are generally passed on. These amount to EUR 3k in the first half of 2021 (H1 2020: EUR 868k).

## 17 Staff costs

Staff costs break down as follows:

### Staff costs

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Wages and salaries	30,176	29,557	59,465	58,740	1.2%
of which valuation of phantom shares	186	561	-886	869	-201.9%
of which sales commission	0	255	0	510	-100.0%
Social security contributions	3,491	3,721	8,619	8,640	-0.2%
<b>Total</b>	<b>33,667</b>	<b>33,279</b>	<b>68,085</b>	<b>67,379</b>	<b>1.0%</b>

Correlating to the reduction in the price of PATRIZIA AG shares, staff costs of EUR -886k (H1 2020: EUR 869k) arose in connection with the remeasurement of the value of phantom shares in the reporting period.

## 18 Other operating expenses

Other operating expenses break down as follows:

### Other operating expenses

EUR k	H1 2021	H1 2020	Change
Tax, legal, other advisory and financial statement fees	8,313	7,958	4.5%
IT and communication costs and cost of office supplies	9,336	9,146	2.1%
Rent, ancillary costs and cleaning costs	1,494	1,500	-0.5%
Other taxes	387	149	158.9%
Vehicle and travel expenses	1,558	2,621	-40.5%
Advertising costs	1,920	1,570	22.3%
Recruitment and training costs and cost of temporary workers	2,751	3,687	-25.4%
Contributions, fees and insurance costs	2,895	2,081	39.1%
Commission and other sales costs	153	458	-66.5%
Costs of management services	52	67	-22.9%
Indemnity / reimbursement	12	20	-40.1%
Donations	1,168	1,490	-21.6%
Other	3,414	2,650	28.9%
<b>Total</b>	<b>33,453</b>	<b>33,397</b>	<b>0.2%</b>

Tax, legal, other advisory and financial statement fees in the amount of EUR 8,313k (H1 2020: EUR 7,958k) inter alia include:

- Project-related consulting services in the context of digitalisation as well as costs of initial testing, acquisition and use of new technologies in the amount of EUR 1,358k (H1 2020: EUR 2,305k).
- Costs related to personnel-related legal advice and ongoing advice on the use of human resources management software in the amount of EUR 858k (H1 2020: EUR 389k)
- Costs related to the management consulting of BrickVest amounting to EUR 1,144k (H1 2020: EUR 135k)

The decrease in car and travel costs as well as advertising costs is due to the travel and contact restrictions in connection with the Covid-19 pandemic.

The rise in premiums, fees and insurance costs resulted from effects relating to other periods due to new group framework agreements.

The donations include donations to charitable organizations such as the PATRIZIA Foundation. In 2018, the Company's management board decided to support non-profit organisations with up to 1% of the Company's operating income annually.

## 19 Result from participations

The result from participations of EUR 28,587 in the reporting period (H1 2020: EUR 23,370k) comes from the participations in Dawonia GmbH, Seneca Holdco SCS, TRIUVA / IVG Logistik, PATRoffice Real Estate GmbH & Co. KG, Camber Creek Fund III LP and from closed-end funds business (H1 2020: Dawonia GmbH, Harald-Portfolio, Aviemore Bidco 1 S.á.r.l, Seneca Holdco SCS und TRIUVA/IVG Logistik).

The result from participations breaks down as follows:

### Result from participations

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Performance-based shareholder remuneration	0	0	21,969	16,571	32.6%
Services provided as shareholder contributions	2,353	2,360	4,706	4,719	-0.3%
Return on equity employed	1,101	1,206	1,912	2,080	-8.1%
<b>Total</b>	<b>3,454</b>	<b>3,565</b>	<b>28,587</b>	<b>23,370</b>	<b>22.3%</b>

Please refer to 1.3 of the interim group management report for a detailed presentation.

## 20 Earnings from companies accounted for using the equity method

Earnings from companies accounted for using the equity method break down as follows:

### Earnings from companies accounted for using the equity method

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
PATRIZIA WohnModul I SICAV-FIS	1,472	10,000	1,825	10,000	-81.8%
Evana AG	-432	0	-432	0	0.0%
Cognotekt GmbH	-217	0	-217	0	0.0%
control.IT Unternehmensberatung GmbH	69	0	69	0	0.0%
<b>Total</b>	<b>892</b>	<b>10,000</b>	<b>1,245</b>	<b>10,000</b>	<b>-87.5%</b>

The decrease in the result from the "PATRIZIA Wohnmodul I SICAV-FIS" investment is due to the ongoing strategic reduction in the underlying portfolio. In 2020 the higher earnings results mainly from the sale of a large Dutch residential property portfolio.

## 21 Reorganisation income/expenses

In the current period, the reorganisation expenses arose in the context of the realignment of the divisions Real Estate Development and Fund Services. These were essentially costs for severance payments, current salaries during time off work, non-staff operating costs and consulting costs in connection with the reorganisation. Provisions from the reorganisation that were no longer required were reversed through profit or loss.

## 22 Appreciation, amortisation and depreciation

Appreciation, amortisation and depreciation break down as follows:

### Appreciation, amortisation and depreciation

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Amortisation of fund management contracts and licences	4,058	4,872	8,077	9,824	-17.8%
Amortisation of rights of use	3,904	2,534	6,623	5,095	30.0%
Depreciation of software and fixed assets	1,782	1,555	3,239	2,826	14.6%
Amortisation of other rights and assets	25	10	40	14	195.9%
Appreciation in associated participations	-648	0	-648	0	0.0%
<b>Total</b>	<b>9,120</b>	<b>8,971</b>	<b>17,331</b>	<b>17,758</b>	<b>-2.4%</b>

Amortisation of rights of use breaks down by asset classes as follows:

### Amortisation of rights of use

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Rental contracts for business and office premises	1,998	2,090	4,281	4,172	2.6%
Motor vehicle contracts	283	251	559	535	4.5%
IT contracts	158	193	320	389	-17.8%
Extraordinary amortisation of rental contracts for business and office premise	1,464	0	1,464	0	0.0%
<b>Total</b>	<b>3,904</b>	<b>2,534</b>	<b>6,623</b>	<b>5,095</b>	<b>30.0%</b>

## 23 Financial result

### Financial result

EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Interest on bank deposits and loans	403	141	660	679	-2.8%
Interest from participations	87	76	165	149	11.3%
Interest from taxes	1	75	2	75	-97.4%
Other interest	-70	371	124	313	-60.4%
<b>Financial income</b>	<b>421</b>	<b>662</b>	<b>952</b>	<b>1,217</b>	<b>-21.8%</b>
Interest on overdraft facilities and loans	-1,291	-1,319	-2,529	-2,823	-10.4%
Interest expenses from taxes	-15	-0	-15	-70	-78.6%
Interest expenses from participations	-84	-173	-182	-173	4.8%
Interest expenses - Leasing IFRS 16	-92	-53	-104	-115	-9.7%
Other financial expenses	-30	-171	-162	-202	-19.8%
<b>Financial expenses</b>	<b>-1,511</b>	<b>-1,717</b>	<b>-2,991</b>	<b>-3,384</b>	<b>-11.6%</b>
<b>Result from currency translation</b>	<b>-838</b>	<b>-7,077</b>	<b>-1,338</b>	<b>-6,511</b>	<b>-79.5%</b>
<b>Financial result</b>	<b>-1,929</b>	<b>-8,132</b>	<b>-3,378</b>	<b>-8,678</b>	<b>-61.1%</b>

Financial income of EUR 952k (H1 2020: EUR 1,217k) is attributable to financial assets that were valued at amortised cost and in accordance with FVTPL and are considered in accordance with the effective interest rate.

The remaining financial income mainly results from late receipt of purchase prices.

The financial expenses of EUR 2,991k (H1 2020: EUR 3,384k) relate to financial liabilities that were valued at amortised cost and are considered in accordance with the effective interest rate.

The interest on overdrafts and loans mainly contains interest on borrower's note loans in the amount of EUR 1,943k (H1 2020: EUR 2,257k).

The other financial expenses mainly relate to interest from the compounding of pension obligations.

In the first half of 2021, the currency result was EUR -1,338k (H1 2020: EUR -6,511k). This includes realised, non-cash exchange rate losses of EUR -3,475k (H1 2020: EUR -7,424). Thereof related exchange rate losses of EUR -1,092k were realised by reclassifying them from other comprehensive income (OCI) to the income statement.

## 24 Income taxes

Income taxes break down as follows:

Income taxes					
EUR k	Q2 2021	Q2 2020	H1 2021	H1 2020	Change
Current income taxes	-6,776	-4,499	-15,436	-15,632	-1.3%
Deferred taxes	1,078	1,175	2,475	3,281	-24.6%
<b>Income tax</b>	<b>-5,698</b>	<b>-3,324</b>	<b>-12,961</b>	<b>-12,351</b>	<b>4.9%</b>

The deferred taxes in the income statement essentially resulted from temporary differences, most of which were caused by amortisation of fund management contracts.

In accordance with IAS 34, the income tax expense for the interim consolidated financial statements is calculated on the basis of the average annual tax rate expected for the entire financial year. An income tax rate of 28% was applied to the interim financial statements for the first half of 2021.

## 25 Earnings per share

Earnings per share				
EUR k	H1 2021 adjusted <sup>1</sup>	H1 2020 adjusted <sup>1</sup>	H1 2021	H1 2020
Share of earnings attributable to shareholders of the Group	26,731	31,610	25,258	31,610
Number of shares <sup>2</sup>	89,348,162	89,682,931	89,348,162	89,682,931
Weighted number of shares undiluted <sup>2</sup>	89,639,793	90,548,956	89,639,793	90,548,956
<b>Earnings per share (undiluted) in EUR</b>	<b>0.30</b>	<b>0.35</b>	<b>0.28</b>	<b>0.35</b>
Weighted number of shares diluted <sup>3</sup>	89,639,793	/	89,639,793	/
<b>Earnings per share (diluted) in EUR<sup>4</sup></b>	<b>0.30</b>	<b>/</b>	<b>0.28</b>	<b>/</b>

<sup>1</sup> Adjusted = without reorganisation effort

<sup>2</sup> Pending after share buyback

<sup>3</sup> Share-based payment

<sup>4</sup> If served by new shares

The average market value of the shares for calculating the dilutive effect of stock options is based on the quoted market prices for the period in which the options were in circulation.

Due to the time-weighted share buybacks in the reporting period, the weighted number of shares (undiluted) decreased by 43,138 and the weighted number of shares (diluted) by 43,138 in accordance with IAS 33.19 ff.

## 26 Segment reporting

Segment reporting categorises the segments according to whether PATRIZIA acts as a service provider or an investor. In line with the Group's reporting for management purposes and in accordance with the definition of IFRS 8 "Operating Segments", two segments have been identified based on functional criteria: Investments and Management Services.

The Investments segment bundles principal investments and participations.

The Management Services segment covers a broad range of property services such as the acquisition and sale of residential and commercial properties or portfolios (Acquisition und Disposals), value-oriented property management (asset management), strategic consulting on investment strategy, portfolio planning and allocation (portfolio management) and the execution of complex, non-standard investments (alternative investments). Special funds through the Group's own asset management companies are also set up and managed according to individual client requests. The service fee income generated from both co-investments and third-party business is reported in the Management Services segment. This also includes income from participations that takes the form of services rendered as a shareholder contribution for the asset management of the co-investment Dawonia GmbH.

Internal controlling and reporting in the PATRIZIA Group is based on IFRS principles. The Group measures the success of its segments using segment earnings indicators, which are referred to for the purpose of internal controlling and reporting as EBT and operating EBT.

Segment EBT is the net total of revenues, income from the sale of investment property, changes in inventories, the result from the deconsolidation of subsidiaries, the cost of materials and staff costs, the cost of purchased services, other operating income and expenses, changes in the value of investment property, reorganisation income and expenses, depreciation and amortisation, net income from participations (including companies accounted for using the equity method), net financial income and the result from currency translation.

Certain adjustments are made to calculate operating income, namely for non-cash effects from the valuation of investment property, exchange rate effects, amortization and impairment losses on fund management contracts and licenses as well as financial investments, reorganisation income and expenses, and other financial result. In addition, investments in the future (expansion of digitalisation/use of new technologies) are adjusted, the amortisation of which is expected through efficiencies in subsequent years. The items added included changes in value on the disposal of investment property, realised currency effects, and operating income from participations (IFRS 9).

Revenue is generated between reportable segments. These intragroup transactions are settled at market prices.

All relevant consolidation matters to be eliminated, such as intercompany sales, intercompany results and the reversal of intercompany eliminations, take place within the segments.

As in the previous year, non-current assets are mainly held in Germany. Non-current assets do not include financial investments (with the exception of financial assets accounted for using the equity method), deferred tax assets and employee benefit assets.

Segment information is calculated in line with the accounting policies applied when preparing the consolidated financial statements.

The individual operating segments are set out below. The reporting of amounts in thousands of euro (EUR k) may result in rounding differences based on the unrounded figures.

## Segment Reporting - 2021 (01.01.-30.06.2021)

EUR k	Management		Group
	Investments	Services	
Revenues	1,619	138,566	140,185
Changes in inventories	1,746	0	1,746
Other operating income	51	1,964	2,015
Income from the deconsolidation of subsidiaries	0	63	63
<b>Total operating performance</b>	<b>3,416</b>	<b>140,593</b>	<b>144,009</b>
Cost of materials	-1,089	-1	-1,090
Cost of purchased services	0	-8,956	-8,956
Staff costs	-11	-68,073	-68,085
Other operating expenses	-675	-32,778	-33,453
Impairment result for trade receivables and contract assets	225	-121	104
Result from participations	1,751	26,836	28,587
Earnings from companies accounted for using the equity method	1,245	0	1,245
Cost from the deconsolidation of subsidiaries	-608	0	-608
Reorganisation income	0	1	1
Reorganisation expenses	0	-1,473	-1,473
Appreciation/amortisation of other intangible assets <sup>1</sup> , software and rights of use, depreciation of property, plant and equipment as well as financial investments	544	-17,875	-17,331
Finance income	71	880	952
Finance costs	-317	-2,674	-2,991
Result from currency translation	-183	-1,155	-1,338
<b>Earnings before taxes (EBT)</b>	<b>4,369</b>	<b>35,205</b>	<b>39,574</b>
Changes in value of derivatives	0	-112	-112
Appreciation/amortisation of fund management contracts and licenses as well as financial investments	-648	8,077	7,428
Reorganisation income	0	-1	-1
Reorganisation expenses	0	1,473	1,473
Non-cash currency effects	183	-1,116	-933
Operating result from participations (IFRS 9)	0	4,091	4,091
Investments in the future	0	5,920	5,920
<b>Operating income</b>	<b>3,904</b>	<b>53,537</b>	<b>57,441</b>

<sup>1</sup> In particular fund management contracts transferred as part of the recent acquisitions

## Segment Reporting - 2020 (01.01.-30.06.2020)

EUR k	Management		Group
	Investments	Services	
Revenues	6,495	141,658	148,153
Changes in inventories	-1,677	0	-1,677
Other operating income	56	6,195	6,251
Income from the deconsolidation of subsidiaries	116	0	116
<b>Total operating performance</b>	<b>4,989</b>	<b>147,853</b>	<b>152,843</b>
Cost of materials	-3,110	-2	-3,112
Cost of purchased services	0	-8,089	-8,089
Staff costs	-5	-67,375	-67,379
Other operating expenses	-806	-32,591	-33,397
Impairment result for trade receivables and contract assets	18	4	22
Result from participations	1,712	21,658	23,370
Earnings from companies accounted for using the equity method	10,000	0	10,000
Cost from the deconsolidation of subsidiaries	-1,746	0	-1,746
Reorganisation income	0	0	0
Reorganisation expenses	0	0	0
Appreciation/amortisation of other intangible assets <sup>1</sup> , software and rights of use, depreciation of property, plant and equipment as well as financial investments	0	-17,758	-17,758
Finance income	118	1,099	1,217
Finance costs	-638	-2,745	-3,384
Result from currency translation	5	-6,516	-6,511
<b>Earnings before taxes (EBT)</b>	<b>10,538</b>	<b>35,537</b>	<b>46,075</b>
Changes in value of derivatives	0	0	0
Appreciation/amortisation of fund management contracts and licenses as well as financial investments	0	9,824	9,824
Reorganisation income	0	0	0
Reorganisation expenses	0	0	0
Non-cash currency effects	-5	5,091	5,087
Operating income from participations (IFRS 9)	0	9,001	9,001
Investments in the future	0	4,075	4,075
<b>Operating income</b>	<b>10,533</b>	<b>63,528</b>	<b>74,061</b>

<sup>1</sup> In particular fund management contracts transferred as part of the recent acquisitions



## **27 Information on the consolidated cash flow statement**

The consolidated cash flow statement was prepared in accordance with the provisions of IAS 7.

In the consolidated cash flow statement, cash flows are presented according to the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. In principle, the derivation of these cashflows remains valid as shown in the 2020 Annual Report.

Exercising the option in IAS 7, the cash flow from operating activities reports cash flows on a net basis regarding cash receipts and payments on behalf of customers from temporarily held investments properties (inventories) from mutual fund business and their financing (loans).

The amounts shown in the consolidated cash flow statement correspond only partially to the changes in the statement of financial positions observable from one reporting period to the next, as they do not take into account non-cash items such as changes in exchange rates or changes in the scope of consolidation.

## **28 Related party transactions**

The presentation on related party transactions under 9.2 of the notes to the consolidated financial statements in PATRIZIA 's 2020 Annual Report remains valid.

In addition, the Management Board of PATRIZIA AG is not aware of any circumstances, contracts or legal transactions with affiliated or related parties for which the Company does not receive fair and appropriate consideration. All business relationships are in line with standard market conditions and do not fundamentally differ from the trade relationships with other persons or companies.

## **29 Events after the end of the reporting period**

There were no events after the balance sheet date with an impact on the asset, financial and earnings situation.

### 30 Responsibility Statement by the legal representatives of PATRIZIA AG

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined interim management report for the Company and the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Augsburg, 4 August 2021

The Management Board



**Wolfgang Egger**  
Chairman of the  
Management Board,  
CEO



**Thomas Wels**  
Member of the  
Management Board,  
Co-CEO



**Alexander Betz**  
Member of the  
Management Board,  
CDO



**Karim Bohn**  
Member of the  
Management Board,  
CFO



**Dr. Manuel Käsbauer**  
Member of the  
Management Board,  
CTIO



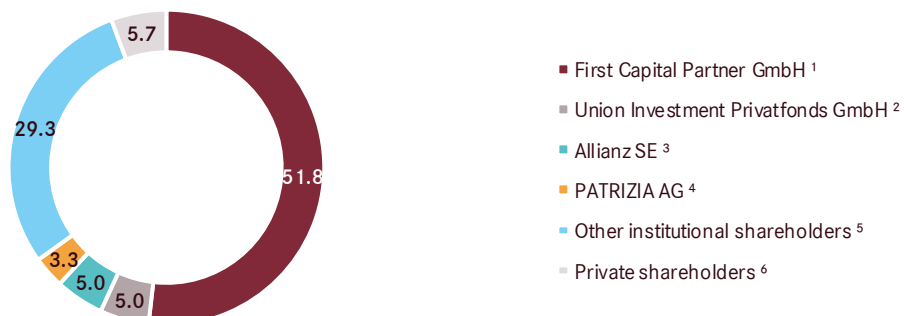
**Anne Kavanagh**  
Member of the  
Management Board,  
CIO



**Simon Woolf**  
Member of the  
Management Board,  
CHRO

# The PATRIZIA share

PATRIZIA shareholder structure as at 30 June 2021 | by shareholder group | Specification in %



<sup>1</sup> First Capital Partner GmbH is attributable to CEO Wolfgang Egger

<sup>2</sup> According to the voting rights notification of 31 October 2018

<sup>3</sup> According to the voting rights notification of 14 December 2020

<sup>4</sup> Treasury shares

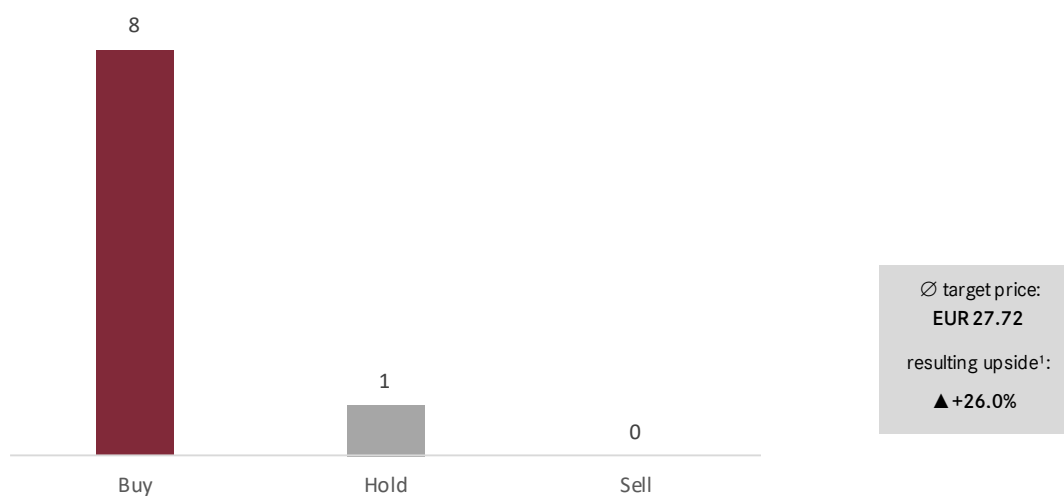
<sup>5</sup> Source: PATRIZIA share register

<sup>6</sup> Source: PATRIZIA share register

PATRIZIA AG share performance | as at 30.06.2021



## Analyst recommendations | as at 30.06.2021



<sup>3</sup> Based on closing price of EUR 22.00

## Treasury shares

The number of treasury shares as at 30 June 2021 amount to 3,003,314 with a total value of EUR 57,268,364 based on average prices.

### Earnings per share

EUR k	H1 2021 adjusted <sup>1</sup>	H1 2020 adjusted <sup>1</sup>	H1 2021	H1 2020
Share of earnings attributable to shareholders of the Group	26,731	31,610	25,258	31,610
Number of shares <sup>2</sup>	89,348,162	89,682,931	89,348,162	89,682,931
Weighted number of shares undiluted <sup>2</sup>	89,639,793	90,548,956	89,639,793	90,548,956
<b>Earnings per share (undiluted) in EUR</b>	<b>0.30</b>	<b>0.35</b>	<b>0.28</b>	<b>0.35</b>
Weighted number of shares diluted <sup>3</sup>	89,639,793	/	89,639,793	/
<b>Earnings per share (diluted) in EUR<sup>4</sup></b>	<b>0.30</b>	<b>/</b>	<b>0.28</b>	<b>/</b>

<sup>1</sup> Adjusted = not including reorganisation result

<sup>2</sup> Outstanding after share buybacks

<sup>3</sup> Share-based payment

<sup>4</sup> If serviced by new shares

# Financial calendar and contact details

## Financial calendar 2021

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Date	
5 August 2021	H1 2021 Financial Report with investor and analyst conference call
14 October 2021	2021 Annual General Meeting, Augsburg (virtual)
11 November 2021	9M 2021 Interim Statement with investor and analyst conference call

## Financial calendar 2022

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Date	
24 February 2022	2021 Preliminary results
17 March 2022	2021 Annual Report with investor and analyst conference call
12 May 2022	3M 2022 Interim Statement with investor and analyst conference call
1 June 2022	2022 Annual General Meeting, Augsburg
4 August 2022	H1 2022 Financial Report with investor and analyst conference call
10 November 2022	9M 2022 Interim Statement with investor and analyst conference call

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This H1 2021 financial report was published on 4 August 2021. This is a translation of the German annual report. In case of doubt, the German version shall apply. Both versions are available on our website:

<https://www.patrizia.ag/de/aktionaere/news-publikationen/zwischenmitteilungen-halbjahresfinanzberichte/>

<https://www.patrizia.ag/en/shareholders/news-publications/interim-statements-h1-financial-reports/>