



9M 2023 Interim Statement



EXPERTISE
PERFORMANCE
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**IN REAL
ASSETS**

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1 Highlights & operational results

PATRIZIA is a leading European independent real asset investment manager. The Company's core business is real asset investment management, offering a comprehensive product portfolio of private and listed equity funds, private debt funds and (multi-manager) fund of fund products in line with individual return expectations, diversification objectives and risk styles to more than 500 institutional and 7,000 semi-professional or private investors.

PATRIZIA's operating business during the first nine month of 2023 was impacted by an environment of market uncertainty, high inflation and rising financing costs. As a result of the overall decline in total service fee income EBITDA recorded a decline of 36.4% to EUR 50.2m (9M 2022: EUR 78.9m). Recurring management fees continued to grow but were unable to fully compensate for declining transaction fees and for declining performance fees. The strong reduction of transaction fees is primarily due to the challenging market environment as well as an increased number of transactions for funds with (all-in) management fee structures. The strong reduction of performance fees is also due to the current market environment and a lower number of disposals for clients. Nevertheless, recurring management fees continued to support operational results, making PATRIZIA a more diversified investment manager with an increasingly recurring earnings profile in line with its strategy.

Assets under Management (AUM) decreased only slightly by 1.7% to EUR 58.2bn as at 30 September 2023 (31 December 2022: EUR 59.1bn) which was mainly driven by negative valuation effects of EUR -1.8bn (or -3.1%). The comparatively small devaluation effects and general robustness of AUM are attributable to PATRIZIA's broad geographical and sectorial diversification across real estate and infrastructure investments. At the reporting date, the share of AUM outside of Germany amounted to 47.5% or EUR 27.6bn of AUM (31 December 2022: 47.9% or EUR 28.3bn) while the infrastructure sector accounted for 15.8% of PATRIZIA's AUM (31 December 2022: 14.9%). In addition to that, PATRIZIA was able to successfully sign and close transactions on behalf of clients, resulting in net organic AUM growth of EUR 1.3bn which partially offset market induced valuation pressure.

The transaction market continued to be subject to high uncertainties about the economic environment, high inflation rates and rising interest rates in the reporting period. Despite this, PATRIZIA was able to sign transactions of EUR 1.6bn (9M 2022: EUR 4.5bn; -63.2%) for its global clients in the first nine months of 2023. In the same period, transactions of EUR 2.1bn were closed (9M 2022: EUR 5.1bn; -58.3%).

Total service fee income of EUR 228.3m came in tangibly below previous year's level of EUR 248.3m. In line with the Group's strategy, recurring management fees increased by 2.0% to EUR 187.7m (9M 2022: EUR 184.1m; EUR +3.7m) with a strong third quarter supported by project development service fees and debt structuring fees. However, this improvement could not fully compensate for the strong decline in transaction fees to EUR 8.8m (9M 2022: EUR 14.5m; -39.1%) and in performance fees to EUR 31.7m (9M 2022: EUR 49.8m; -36.2%).

Net sales revenues and co-investment income declined to EUR 4.4m (9M 2022: EUR 7.9m), mainly due to the profitable sale of one of the last remaining balance sheet properties in the UK (Trocoll House) in the previous year.

Net operating expenses increased by 2.9% to EUR -182.5m (9M 2022: EUR -177.4m), with material one-off income and cost items impacting both periods under review. In the reporting period 2023, other operating income of EUR 13.0m (9M 2022: EUR 7.1m; EUR +5.9m) had an offsetting effect on net operating expenses. This is primarily attributable to tax refunds in the amount of EUR 4.6m and the profitable sale of PATRIZIA's share in the tech company control.IT of EUR 1.1m. Focusing on the fundamental cost components of net operating expenses, staff costs increased by 3.9% to EUR -129.6m (9M 2022: EUR -124.7m) due to general inflation-related salary adjustments and long-term incentive provisions as well as consolidation effects from two M&A transactions while other operating expenses decreased by 7.6% to EUR -55.5m (9M 2022: EUR -60.1m), showing a combined growth of only 0.2% y-o-y. This demonstrates PATRIZIA's focus on cost containment despite an environment characterised by inflationary pressure. Management will nevertheless intensify the focus on cost efficiency to not only offset future revenue pressure but also to materially improve the ratio between recurring operating costs and recurring management fees which are largely independent from market and client activity.

EBITDA fell by 36.4% to EUR 50.2m (9M 2022: EUR 78.9m) and the EBITDA margin decreased to 21.6% (9M 2022: 30.8%).

PATRIZIA's balance sheet remains well positioned with a solid net equity ratio of 71.3% and available liquidity of EUR 282.0m, both enabling PATRIZIA to seize market opportunities as they arise, even in a subdued market environment. During the reporting period, management already saw and executed several opportunities in the market to invest. Management has also started to selectively use existing liquidity to seed invest or warehouse assets, especially in the infrastructure business.

Following a strong first quarter of 2023, a muted second quarter but a solid third quarter of 2023 helped by other operating income, PATRIZIA's management expects a muted fourth quarter of 2023.

To offset potential further market-driven pressure on revenues going into 2024, management initiated a comprehensive review of the cost base which is expected to lead to reorganisation expenses of between EUR 10.0 – 20.0m in Q4 2023.

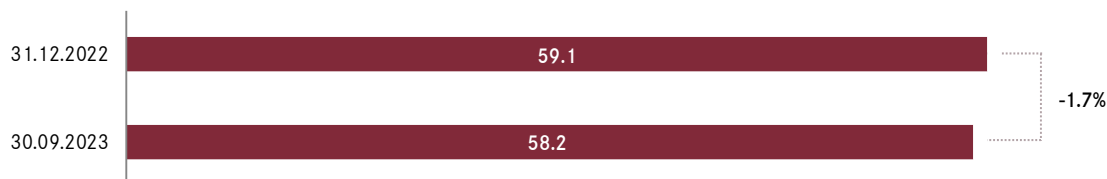
Therefore, management expects FY 2023 EBITDA to come in at the lower end of the so far communicated guidance range of EUR 50.0 – 70.0m. The measures should bring PATRIZIA's recurring cost base (personnel expenses, other operating expenses, cost of purchased services) closer to the level of FY 2021, which reflects a cost base before consolidation of two M&A transactions and before inflation started to accelerate.

Management of PATRIZIA will review and adjust the current dividend policy with the aim to link payouts more closely to Group profitability. The current dividend policy is based on growth of AUM and growth of management fees. Management will provide an update and a dividend proposal for FY 2023 together with preliminary financial results in February 2024.

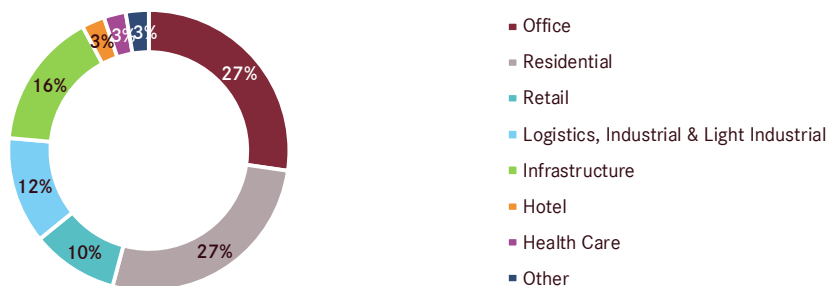
2 Development of key financial performance indicators (KPIs)

2.1 Assets under Management (AUM)

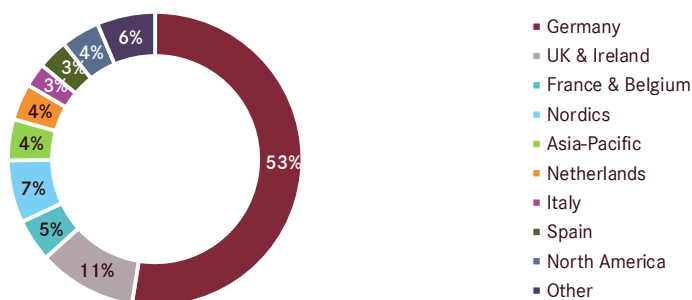
Assets under Management (EUR bn)



Assets under Management as at 30 September 2023 | Sectoral distribution



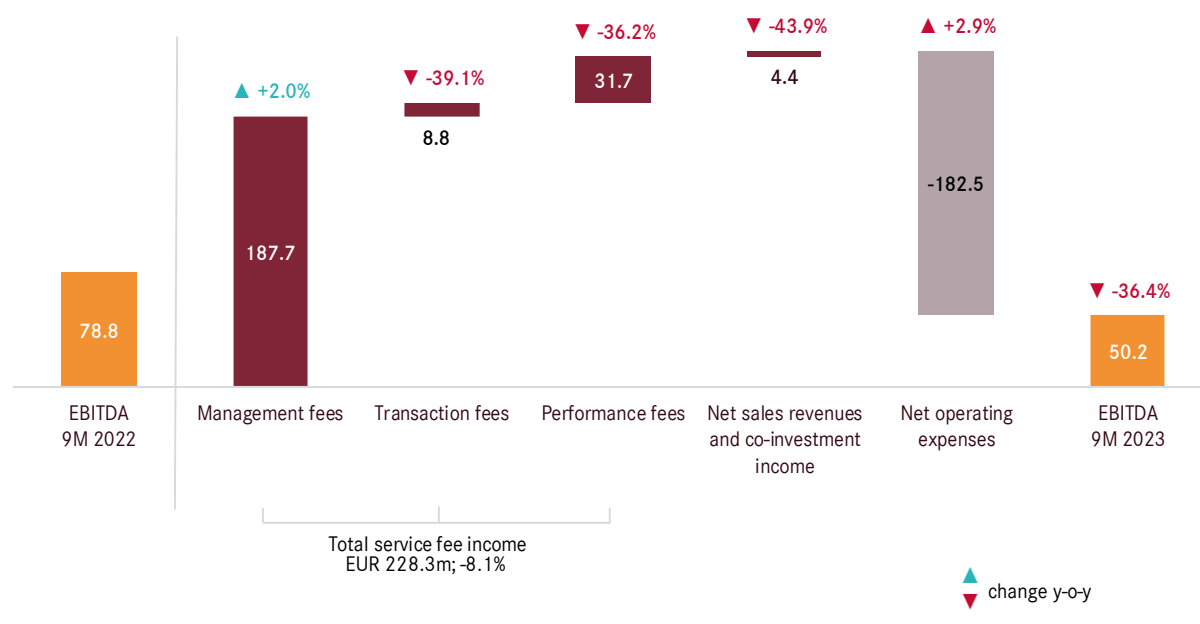
Assets under Management as at 30 September 2023 | Geographical distribution



- ◆ AUM slightly decreased 1.7% to EUR 58.2bn in the first nine months of 2023 compared to EUR 59.1bn at year-end 2022 mainly driven by valuation effects.

2.2 EBITDA and EBITDA margin

Composition of EBITDA (EUR m)



- ◆ **Management fees** increased by 2.0% to EUR 187.7m (9M 2022: EUR 184.1m) due to y-o-y growth of AUM and fees for services related to client project developments as well as debt structuring for clients.
- ◆ **Transaction fees** of EUR 8.8m (9M 2022: EUR 14.5m) decreased by 39.1% compared to the same period of the previous year. The strong reduction is primarily due to the challenging market environment as well as an increased number of transactions for funds with (all-in) management fee structures.
- ◆ **Performance fees** of EUR 31.7m decreased by 36.2% (9M 2022: EUR 49.8m). The performance fees mainly result from the co-investment Dawonia, which are incurred annually. The strong reduction of performance fees is also due to the current market environment and a lower number of disposals for clients.
- ◆ **Net sales revenues and co-investment income** decreased by 43.9% and amounted to EUR 4.4m (9M 2022: EUR 7.9m). **Net sales revenues** contributed EUR 2.0m (9M 2022: EUR 5.2m). Rental revenues from temporarily consolidated properties were the main contributor to the latter. The strong decrease is mainly driven by the one-off effect due to the profitable sale of EUR 2.0m of one of the last remaining balance sheet properties in the UK (Trocoll House) in the period under comparison. **Co-investment income** amounted to EUR 2.5m (9M 2022: EUR 2.7m). Thereof, result from participations amounted to EUR 3.5m (9M 2022: EUR 2.9m). Negative earnings from companies accounted for using the equity method of EUR -1.0m (9M 2022: EUR -0.2m) had an offsetting effect.
- ◆ **Net operating expenses** increased by 2.9% to EUR -182.5m (9M 2022: EUR -177.4m), with material one-off income and cost items impacting both periods under review. Focusing on the fundamental cost components of net operating expenses, staff costs increased due to general inflation-related salary adjustments and long-term incentive provisions as well as consolidation effects from two M&A transactions while other operating expenses decreased, showing a combined growth of only 0.2% y-o-y. This demonstrates PATRIZIA's focus on cost containment despite an environment characterised by inflationary pressure.
- ◆ Due to the aforementioned factors, EBITDA totaled EUR 50.2m in the 9M 2023 reporting period after EUR 78.8m in the same period of the previous year.

EBITDA margin

in %	9M 2023	9M 2022	Change
EBITDA margin	21.6%	30.8%	-9.2 PP

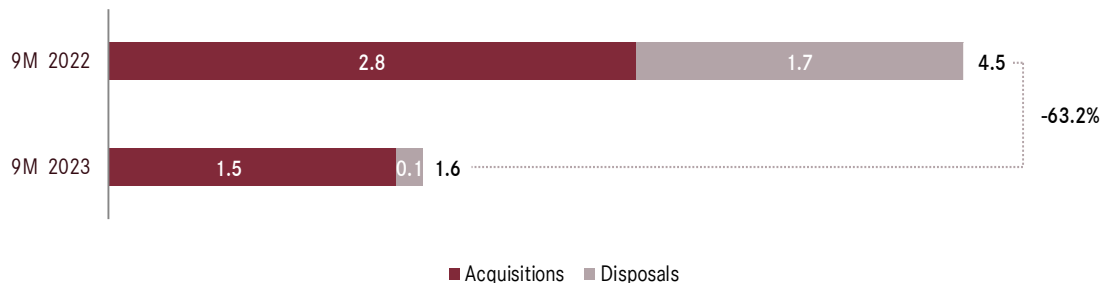
- ◆ **EBITDA margin** compares EBITDA with the sum of total service fee income and net sales revenues and co-investment income. The EBITDA margin decreased year-on-year by 9.2 percentage points to 21.6% (9M 2022: 30.8%) due to tangible decrease in total service fee income and at the same time moderate increase in net operating expenses due to the lower positive one-off effects.

Detailed reconciliation to EBITDA

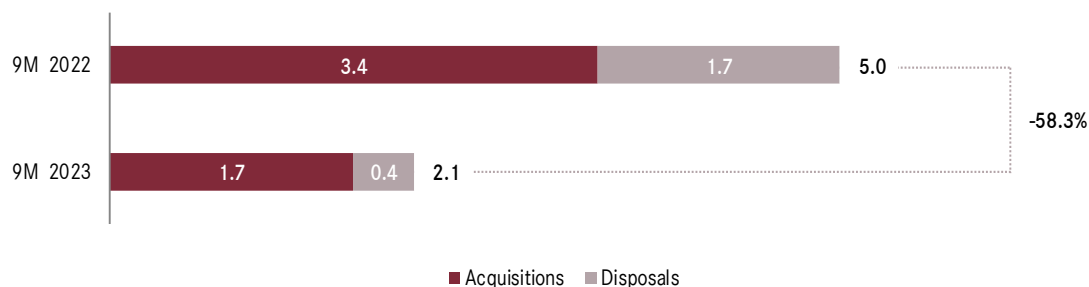
EUR k	9M 2023	9M 2022	Change	Table in the current report
Management fees (excluding result from participations)	180,989	176,957	2.3%	Reconciliation of total service fee income
Shareholder contribution for management services (in result from participations)	6,721	7,098	-5.3%	Reconciliation of total service fee income
Management fees	187,710	184,055	2.0%	
Transaction fees	8,828	14,492	-39.1%	Reconciliation of total service fee income
Performance fees (excluding result from participations)	11,834	29,376	-59.7%	Reconciliation of total service fee income
Performance fees (in result from participations)	19,908	20,408	-2.4%	Reconciliation of total service fee income
Performance fees	31,743	49,784	-36.2%	
Total service fee income	228,280	248,331	-8.1%	Reconciliation of total service fee income
Revenues from the sale of principal investments	0	17,978	-100.0%	Revenues
Changes in inventories	0	-15,856	-100.0%	Consolidated income statement
Cost of materials	-1,322	-1,555	-15.0%	Consolidated income statement
Rental revenues	3,212	4,481	-28.3%	Revenues
Revenues from ancillary costs	75	115	-34.8%	Revenues
Net sales revenues	1,953	5,163	-62.2%	
Earnings from companies accounted for using the equity method	-996	-189	426.1%	Consolidated income statement
Remaining result from participations	3,474	2,920	18.9%	Consolidated income statement & Reconciliation of total service fee income
Co-Investment result	2,477	2,731	-9.3%	
Net sales revenues and co-investment income	4,430	7,894	-43.9%	
Staff costs	-129,621	-124,717	3.9%	Consolidated income statement
Other operating expenses	-55,476	-60,064	-7.6%	Consolidated income statement
Cost of purchased services	-13,072	-13,601	-3.9%	Consolidated income statement
Other operating income	12,957	7,090	82.7%	Consolidated income statement
Other revenues	2,431	490	396.0%	Revenues
Income from the deconsolidation of subsidiaries	1,077	18,087	-94.0%	Consolidated income statement
Cost from the deconsolidation of subsidiaries	-13	-2,134	-99.4%	Consolidated income statement
Impairment result for trade receivables and contract assets	-71	-42	70.7%	Consolidated income statement
Reorganisation expenses	-805	-2,489	-67.7%	Consolidated income statement
Reorganisation Income	54	0	/	Consolidated income statement
Net operating expenses	-182,540	-177,379	2.9%	
EBITDA	50,170	78,846	-36.4%	

2.3 Further KPIs

Transaction volume based on signed transactions (EUR bn)



Transaction volume based on closed transactions (EUR bn)



- ◆ In the reporting period, the transaction market continued to be subject to high uncertainties about the economic environment, high inflation rates and rising interest rates, resulting in negative impacts on transaction activity overall. Nevertheless, PATRIZIA was able to sign and close **successful transactions** for national and international clients thanks to its strong platform and diversified product offering. For PATRIZIA, the signed transactions are, among other things, relevant for the amount of transaction fees and the closed transactions have an impact on the changes in Assets under Management.

Equity raised (EUR bn)



- ◆ **New equity raised** from institutional and semi-professional investors for various German and international real asset investments in the first nine months of 2023 was influenced by the lower overall transaction activity in the market. Based on its global platform and broadly diversified product offering, PATRIZIA nevertheless expects to once again successfully exploit market opportunities for its institutional, semi-professional and private investors in the form of attractive real estate and infrastructure fund products. PATRIZIA is ready to take opportunities for its clients once they arise, backed by EUR 3.7bn client firepower in the funds managed.

3 Capital allocation

PATRIZIA's capital allocation as at 30 September 2023

	Assets under Management EUR m	Invested capital (fair value) EUR m	Invested capital (at cost) EUR m	Participations in %
Third-party business	47,990.1	0.0		
Co-Investments and Warehousing	10,166.8	829.8	372.4	
Real estate - residential	5,372.4	611.6	156.5	
thereof Dawonia GmbH	5,372.4	173.8 ¹	51.7	5.1
thereof Dawonia profit entitlements		333.0 ¹	0.0	0.1
Real estate - balanced	2,809.2	102.0	103.3	
Real estate - commercial	695.7	63.0 ¹	58.4	
Infrastructure	1,276.1	49.7	50.7	
Venture capital	13.4	3.5	3.6	
Principal investments	2.0	2.2		
Other balance sheet items		413.1 ²		
Tied-up investment capital	58,158.8	1,245.1		
Available liquidity		282.0		
Total investment capital	58,158.8	1,527.0		
of which debt (bonded loans - PATRIZIA Group corporate financing)		158.0		
of which debt (financing for temporarily consolidated assets and portfolios)		148.9		
of which equity PATRIZIA (without non-controlling interests)		1,220.2		

¹ Net of deferred taxes from valuation in accordance with IFRS 9

² Incl. goodwill and fund management contracts (included in other intangible assets)

- ◆ PATRIZIA selectively invests Group equity in partnership with its institutional clients, in the form of co-investments, of which Dawonia GmbH is the largest co-investment. In addition, PATRIZIA uses equity to temporarily consolidate assets and portfolios with the aim of later contributing them to funds financed by clients.
- ◆ PATRIZIA holds a stake in a very attractive residential real estate portfolio via Dawonia GmbH. With around 27,000 flats, Dawonia is one of the largest housing companies in Munich and southern Germany. For 80 years, Dawonia has been planning, developing, building and managing high-quality, affordable apartments which are in high demand, particularly in urban growth regions. The company therefore is very well positioned in this market segment. Around 80% of the housing stock is concentrated in the 20 largest locations in southern Germany, i.e. in conurbations such as Munich and the surrounding area, as well as Nuremberg, Erlangen, Regensburg and Würzburg. Dawonia is now also active outside Bavaria, for example in Hesse.
- ◆ Furthermore, PATRIZIA holds an interest in OSCAR Lux Carry SCS (Dawonia profit entitlements – see table above), which entitles PATRIZIA to a variable profit share in connection with the Dawonia investment. The investor consortium and PATRIZIA recently agreed to extend the investment phase of the fund mid-term. The initial investment phase was previously set for 10 years and would have ended in 2023. Against this backdrop, a decision on the possible sale or retention of the 5.1% stake in Dawonia GmbH and the realisation of the entitlement to the variable profit share is now expected mid-term accordingly.
- ◆ In the first nine months of 2023, further seed investments were made in line with strategy, particularly in the area of infrastructure. The temporarily consolidated investments have a total debt component of EUR 148.9m attached and temporarily increase PATRIZIA's balance sheet debt levels.

4 Consolidated income statement

EUR k	Q3 2023	Q3 2022	9M 2023	9M 2022	Change
Revenues	76,572	85,413	207,369	243,890	-15.0%
Changes in inventories	0	94	0	-15,856	-100.0%
Other operating income	8,856	1,463	12,957	7,090	82.7%
Income from the deconsolidation of subsidiaries	0	0	1,077	18,087	-94.0%
Total operating performance	85,415	86,971	221,389	253,211	-12.6%
Cost of materials	-1,203	-1,061	-1,322	-1,555	-15.0%
Cost of purchased services	-4,531	-4,245	-13,072	-13,601	-3.9%
Staff costs	-43,833	-42,218	-129,621	-124,717	3.9%
Other operating expenses	-17,043	-18,198	-55,476	-60,064	-7.6%
Impairment result for trade receivables and contract assets	-18	31	-71	-42	70.7%
Result from participations	3,569	3,227	30,103	30,426	-1.1%
Earnings from companies accounted for using the equity method	-47	-0	-996	-189	426.1%
Cost from the deconsolidation of subsidiaries	-10	-12	-13	-2,134	-99.4%
EBITDAR	22,299	24,494	50,921	81,334	-37.4%
Reorganisation income	0	0	54	0	/
Reorganisation expenses	-494	-182	-805	-2,489	-67.7%
EBITDA	21,806	24,312	50,170	78,846	-36.4%
Appreciation/amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	-6,923	-7,301	-21,148	-31,839	-33.6%
Earnings before interest and taxes (EBIT)	14,883	17,011	29,022	47,007	-38.3%
Financial income	2,939	372	8,340	1,024	714.3%
Financial expenses	-1,931	-1,206	-6,380	-5,183	23.1%
Other financial result	-1,246	-1,448	-1,969	-1,448	35.9%
Result from currency translation	1,117	959	-2,311	684	-437.6%
Earnings before taxes (EBT)	15,761	15,687	26,702	42,085	-36.6%
Income taxes	-7,138	-4,561	-12,344	-15,912	-22.4%
Net profit for the period	8,623	11,126	14,358	26,173	-45.1%
Attributable to shareholders of the parent company	8,751	11,101	14,815	24,510	-39.6%
Attributable to non-controlling interests	-128	25	-457	1,664	-127.4%
Earnings per share (undiluted) in EUR	0.10	0.13	0.17	0.28	-37.6%
Earnings per share (diluted) in EUR	0.10	0.13	0.17	0.28	-37.6%

Consolidated income statement

- ◆ In the 9M 2023 reporting period, **total operating performance** decreased by -12.6% to EUR 221.4m.
 - The significant decrease in **revenues** is mainly due to the reduction in transaction fees as well as performance fees. Furthermore, the reduction of revenues is due to the sale of the Principal Investment Trocoll House (UK) in the previous year in the amount of EUR 17.7m, which was partially offset by the **change in inventories** of EUR 15.7m, resulting in a net positive effect in the consolidated income statement of EUR 2.0m.
 - On the other hand, **other operating income** increased strongly, which is primarily attributable to tax refunds in the amount of EUR 4.6m and the profitable sale of PATRIZIA's share in the tech company control.IT, resulting in a net positive effect in the consolidated income statement of EUR 1.1m.
 - The material reduction in **income from the deconsolidation of subsidiaries** mainly results from the deconsolidation of Silver Swan C 2018 S.á.r.l. in the financial year 2022. The background was the profitable disposal of a project development in Hamburg, which was temporarily held on the company's own balance sheet.
- ◆ **Cost of purchased services** comprises the purchase of fund management services for external label funds, for which PATRIZIA is the service asset management company. This item also includes transaction costs which are incurred to generate revenues and can generally be transferred to clients. Compared to the same period of the previous year, cost of purchased services in 9M 2023 decreased by 3.9% from EUR 13.6m to EUR 13.1m.
- ◆ **Staff costs** in the 9M 2023 reporting period came in at EUR 129.6m (9M 2022: EUR 124.7m; +3.9%). The moderate increase is mainly driven by general inflation-related salary adjustments and long-term incentive provisions. Furthermore, the increase is driven by consolidation effects of the M&A transactions of Whitehelm Capital (initial consolidation as from 1 February 2022; only included for eight months in the prior-year period) and of ADVANTAGE Investment Partners (initial consolidation as from 1 December 2022; not included in the prior-year-period). The number of full-time employees in the Group amounted to 978 FTE as at 30 September 2023 (30 September 2022: 1,008 FTE).
- ◆ **Other operating expenses** decreased in the 9M 2023 reporting period from EUR 60.1m to EUR 55.5m (-7.6%). The decrease is, besides overall moderate cost containments in 2023, due to one-off effects in the previous year arising from transaction costs for M&A transactions as well as one-off items relating to VAT payments in the Netherlands.
- ◆ **Result from participations** remained stable, in particular due to performance fees from the co-investment Dawonia, and therefore decreased only slightly by 1.1% to EUR 30.1m (9M 2022: EUR 30.4m).
- ◆ Ongoing **appreciation/amortisation** strongly decreased by 33.6% to EUR 21.1m (9M 2022: EUR 31.8m). The decrease in appreciation/amortisation and depreciation mainly results from the extraordinary depreciation of the intangible assets of the technology investment BrickVest in the previous period amounting to EUR 9.7m.
- ◆ After the first nine months of the year 2023, the **financial result** (result of financial income, financial expenses, other financial result and result from currency translation) increased by 52.9% to EUR -2.3m (9M 2022: EUR -4.9m). This was mainly due to the current positive interest rates on cash and term deposits.
- ◆ **Income taxes** decreased by 22.4% to EUR 12.3m (9M 2022: EUR 15.9m) compared to the same period last year, mainly due to lower EBT and valuation effects on deferred taxes.
- ◆ **Net profit for the period** 9M 2023 amounted to EUR 14.4m (9M 2022: EUR 26.2m; -45.1%).

5 Consolidated balance sheet

Assets

EUR k	30.09.2023	31.12.2022
A. Non-current assets		
Goodwill	376,264	381,253
Other intangible assets	96,849	107,134
Software	6,746	8,080
Rights of use	22,080	26,715
Investment property	1,892	1,892
Equipment	11,090	9,721
Participations in companies accounted for using the equity method	3,777	6,545
Participations	652,399	664,612
Non-current borrowings and other loans	52,096	28,194
Other non-current assets	2,569	3,497
Deferred taxes	8,285	8,341
Total non-current assets	1,234,046	1,245,986
B. Current Assets		
Inventories	239,641	159,781
Securities	19,108	29,602
Short-term derivatives	756	444
Current tax assets	25,050	29,312
Current receivables and other current assets	165,330	231,231
Cash and cash equivalents	334,495	349,518
Total current assets	784,380	799,888
Total assets	2,018,426	2,045,874

- ◆ The change in **Goodwill** result from exchange rate changes due to the exchange rate development of the British pound as well as the Australian Dollar.
- ◆ **Other intangible assets** decreased as scheduled by 9.6% due to scheduled depreciations on fund management contracts.
- ◆ **Participations in companies accounted for using the equity method** decreased essentially due to the profitable sale of the 10.0% participation in control.IT Unternehmensberatung GmbH in the first quarter of 2023 (Carrying Amount as at 31 December 2022: EUR 2.8m). Furthermore, as at 30 June 2023, the participation Cognotekt GmbH was impaired (no value in use).
- ◆ **Non-current borrowings and other loans** increased due to the addition of debt being provided to investments in the position other loans. The increase is due to the business expansion of PATRIZIA Infrastructure Debt Partners II SCP of EUR 24.6m in the second quarter of 2023.
- ◆ **Inventories** increased by 50.0% as at 30 September 2023. The increase is attributable to the properties held by PATRIZIA German Residential Fund IV of EUR 35.0m (progress of construction as scheduled) as well as to properties held by PATRIZIA TransEuropean Property VIII SCSp of EUR 48.0m – both temporarily consolidated on PATRIZIA's Group balance sheet.
- ◆ **Current receivables and other current assets** decreased by 28.5% as at 30 September 2023. This was mainly due to the reduction in term deposits of EUR 62.0m.
- ◆ **Cash and cash equivalents** decreased by 4.3% from EUR 349.5m to EUR 334.5m in the reporting period. For the development of this item please refer to the cash flow statement in the appendix. For details regarding the available liquidity please refer to the following page.

Equity and liabilities

EUR k	30.09.2023	31.12.2022
A. Equity		
Share capital	85,792	86,175
Capital reserves	62,664	67,181
Retained earnings		
Legal reserves	505	505
Currency translation difference	-4,976	-2,502
Remeasurements of defined benefit plans according to IAS 19	4,809	4,807
Revaluation reserve according to IFRS 9	189,609	189,691
Consolidated unappropriated profit	881,774	913,135
Non-controlling interests	48,972	66,346
Total equity	1,269,149	1,325,338
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	115,103	121,417
Retirement benefit obligations	17,106	17,715
Bonded loans	69,000	158,000
Long-term accruals	10,127	10,122
Non-current liabilities	133,821	134,628
Leasing liabilities	16,542	18,339
Total non-current liabilities	361,699	460,221
CURRENT LIABILITIES		
Short-term bank loans	148,855	91,688
Short-term bonded loans	89,000	0
Other provisions	11,734	17,238
Current liabilities ¹	124,241	124,031
Short-term leasing liabilities	6,231	8,950
Income tax liabilities ¹	7,516	18,407
Total current liabilities	387,577	260,315
Total equity and liabilities	2,018,426	2,045,874

¹ The previous year's figures were restated in line with the new table structure in the year under review

- ◆ The Group's **total equity and liabilities** continues to be stable at EUR 2.0bn as at 30 September 2023.
- ◆ **Equity** (excluding non-controlling interests) amounted to EUR 1.2bn as at 30 September 2023. The net equity ratio remained strong at 71.3% (31 December 2022: 70.1%; +1.2 PP).
- ◆ In the first half-year 2023 the short-term bonded loan tranche in the amount of EUR 89.0m was reclassified. Remaining bonded loan tranches as at 30 September 2023 are recognised under **non-current bonded loans** with EUR 69.0m (maturing in 2027) and under **current bonded loans** with EUR 89.0m (maturing in 2024).
- ◆ **Short-term bank loans** increased relating to temporary interim financing for assets for several funds managed by PATRIZIA.

Available Liquidity

EUR k	30.09.2023	31.12.2022
Cash and cash equivalents	334,495	349,518
Term deposits	10,377	72,380
Liquidity	344,871	421,898
Regulatory reserve for asset management companies	-46,438	-41,265
Liquidity, PATRIZIA cannot freely access	-16,472	-5,518
Available liquidity	281,961	375,115

- ◆ **Liquidity** amounted to EUR 344.9m (31 December 2022: EUR 421.9m). The decline since the beginning of the year is in particular due to the dividend payment to the shareholders for 2022, payments for purchase of shares of non-controlling interests as well as the share buy-back programme.
- ◆ However, PATRIZIA cannot freely access the full amount. Cash and cash equivalents of EUR 46.4m (31 December 2022: EUR 41.3m) in total must be permanently retained for asset management companies and closed-ended funds in order to comply with the relevant regulatory requirements. Furthermore, liquidity in the amount of EUR 16.5m (31 December 2022: EUR 5.5m) is tied up in consolidated companies, which PATRIZIA cannot freely access.
- ◆ Hence, PATRIZIA had **available liquidity** of EUR 282.0m as at 30 September 2023 compared to EUR 375.1m at the end of 2022.

6 Guidance for the fiscal year 2023

Guidance ranges for fiscal year 2023 confirmed – EBITDA expected to come in at lower end of range

Following a strong first quarter of 2023, a muted second quarter but a solid third quarter of 2023 helped by other operating income, PATRIZIA's management expects a muted fourth quarter of 2023.

To offset potential further market-driven pressure on revenues going into 2024, management initiated a comprehensive review of the cost base which is expected to lead to reorganisation expenses of between EUR 10.0 – 20.0m in Q4 2023.

Therefore, management expects FY 2023 EBITDA to come in at the lower end of the so far communicated guidance range of EUR 50.0 – 70.0m. The measures should bring PATRIZIA's recurring cost base (personnel expenses, other operating expenses, cost of purchased services) closer to the level of FY 2021, which reflects a cost base before consolidation of two M&A transactions and before inflation started to accelerate.

The details are shown in the following table.

Guidance FY 2023

		2022	9M 2023	Guidance range 2023	
				min	max
Assets under Management	EUR bn	59.1	58.2	57.0	62.0
EBITDA	EUR m	78.9	50.2	50.0	70.0
EBITDA margin	%	24.0%	21.6%	16.7%	21.2%

7 Responsibility statement by the legal representatives

of PATRIZIA SE (Group)

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial interim statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of 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.

Augsburg, 13 November 2023

The Executive Directors



Dr Asoka Wöhrmann
CEO



Christoph Glaser
CFO



Slava Shafir
COO



Wolfgang Egger
Founder

8 The PATRIZIA share

PATRIZIA share

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	PAT
Issued shares as at 30.09.2023	92,351,476 shares
Outstanding shares as at 30.09.2023 ¹	85,792,307 shares
Treasury shares as at 30.09.2023	6,559,169 shares
9M 2023 high ²	EUR 12.38
9M 2023 low ²	EUR 7.34
Closing price as at 30.09.2023 ²	EUR 7.52
Share price performance 9M 2023 ²	-27.4%
Market capitalisation as at 30.09.2023	EUR 0.7bn
Average trading volume per day 9M 2023 ³	74,698 shares

Indices

SDAX, MSCI World Small Cap Index and others (CDAX, Classic All Share, DAX International Mid 100, DAXsector Financial Services, DAXsubsector Real Estate, Solactive DIMAX Deutschland, Prime All Share, S&P GIVI Global Index, S&P Global BMI, S&P Intrinsic Value Weighted Global Index, S&P Low Beta Global Index)

¹ Reduced number of shares compared to the issued shares due to share buybacks

² Closing price on Xetra-trading

³ All German stock exchanges

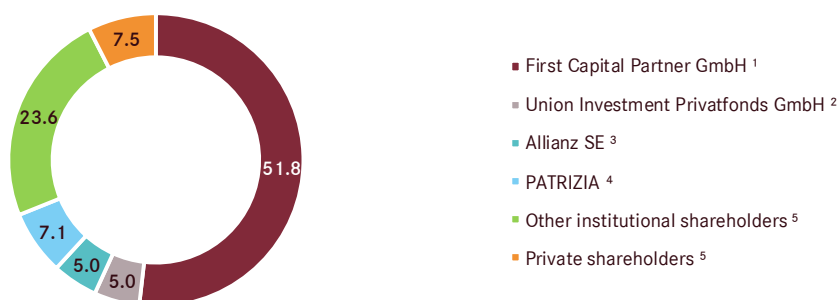
Treasury shares

	Number of shares	Price per share in EUR ¹	Total Value in EUR
As at 01.01.2023	6,176,119		97,412,120
Share buyback programme	655,379	11.34	7,432,000
Disposal and transfer of shares	272,329	9.34	2,544,105
As at 30.09.2023²	6,559,169		102,300,015

¹ Average price per share in EUR from several share purchases/ sales (incl. transaction costs)

² The total value of treasury shares is calculated by adding up all share buyback programmes up to the current reporting date, less all sales of treasury shares in the context of purchase price payments of M&A transactions

PATRIZIA shareholder structure as at 30 September 2023 | by shareholder group | Specification in %



¹ First Capital Partner GmbH is attributable to CEO Wolfgang Egger

² According to the voting rights notification of 15 February 2023

³ According to the voting rights notification of 14 December 2020

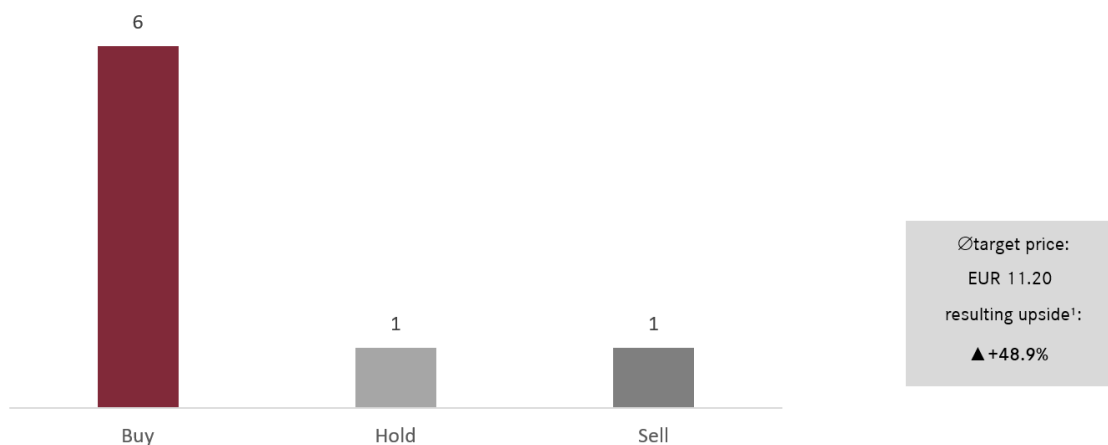
⁴ Treasury shares

⁵ Source: PATRIZIA share register

PATRIZIA share performance as at 30 September 2023



Analyst recommendations as at 30 September 2023



¹Based on closing price of EUR 7.52

Earnings per share

EUR k	9M 2023 adjusted ¹	9M 2022 adjusted ¹	9M 2023	9M 2022
Share of earnings attributable to shareholders of the Group	15,565	26,998	14,815	24,510
Number of shares ²	85,792,307	87,464,138	85,792,307	87,464,138
Weighted number of shares undiluted ²	85,704,701	88,430,491	85,704,701	88,430,491
Earnings per share (undiluted) in EUR	0.18	0.31	0.17	0.28
Weighted number of shares diluted ³	85,704,701	88,430,491	85,704,701	88,430,491
Earnings per share (diluted) in EUR³	0.18	0.31	0.17	0.28

¹Adjusted = not including reorganisation result

²Outstanding after share buybacks/ transfer of shares

³Share-based payment, if serviced by new shares

9 Supplementary report

To offset potential further market-driven pressure on revenues going into 2024, management initiated a comprehensive review of the cost base which is expected to lead to reorganisation expenses of between EUR 10.0 – 20.0m in Q4 2023.

Therefore, management expects FY 2023 EBITDA to come in at the lower end of the so far communicated guidance range of EUR 50.0 – 70.0m. The measures should bring PATRIZIA's recurring cost base (personnel expenses, other operating expenses, cost of purchased services) closer to the level of FY 2021, which reflects a cost base before consolidation of two M&A transactions and before inflation started to accelerate.

Management of PATRIZIA will review and adjust the current dividend policy with the aim to link payouts more closely to Group profitability. The current dividend policy is based on growth of AUM and growth of management fees. Management will provide an update and a dividend proposal for FY 2023 together with preliminary financial results in February 2024.

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

10 Appendix

Revenues and earnings

EUR k	9M 2023	9M 2022	Change
Revenues	207,369	243,890	-15.0%
Total operating performance	221,389	253,211	-12.6%
EBITDA	50,170	78,846	-36.4%
EBIT	29,022	47,007	-38.3%
EBT	26,702	42,085	-36.6%
Consolidated net profit	14,358	26,173	-45.1%

Structure of assets and capital

EUR k	30.09.2023	31.12.2022	Change
Non-current assets	1,234,046	1,245,986	-1.0%
Current assets	784,380	799,888	-1.9%
Equity (excl. non-controlling interests)	1,220,177	1,258,992	-3.1%
Equity ratio (excl. non-controlling interests)	60.5%	61.5%	-1.1 PP
Net equity ratio	71.3%	70.1%	1.2 PP
Non-current liabilities	361,699	460,221	-21.4%
Current liabilities	387,577	260,315	48.9%
Total assets	2,018,426	2,045,874	-1.3%

PP = percentage points

Consolidated statement of changes in equity

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 01.01.2022	88,620	89,831	505	2,317	99	179,716	921,720	1,282,809	35,694	1,318,503
Net profit for the period	0	0	0	0	0	0	24,510	24,510	1,664	26,173
Other comprehensive income	0	0	0	-6,219	-252	29,675	0	23,204	28	23,232
Total comprehensive Income	0	0	0	-6,219	-252	29,675	24,510	47,713	1,692	49,406
Disposal of shares of non-controlling interests arising from sale	0	0	0	12	0	0	0	12	0	12
Dividend distribution to shareholders in cash	0	0	0	0	0	0	-28,316	-28,316	0	-28,316
Payout of profit shares to non-controlling	0	0	0	0	0	0	0	0	-441	-441
Share buy-back	-1,987	-27,018	0	0	0	0	0	-29,005	0	-29,005
Disposal of shares	831	15,207	0	0	0	0	0	16,038	0	16,038
As at 30.09.2022	87,464	78,020	505	-3,889	-153	209,393	917,913	1,289,253	36,944	1,326,196
As at 01.01.2023	86,175	67,181	505	-2,502	4,807	189,691	913,135	1,258,992	66,346	1,325,338
Net profit of the period	0	0	0	0	0	0	14,815	14,815	-457	14,358
Other comprehensive income	0	-0	0	-2,521	2	-16,392	0	-18,911	-1,156	-20,067
Total comprehensive Income	0	-0	0	-2,521	2	-16,392	14,815	-4,097	-1,612	-5,709
Disposal Group	0	0	0	49	0	0	0	49	0	49
Capital increase	0	0	0	0	0	0	0	0	775	775
Dividend distribution to shareholders in cash	0	0	0	0	0	0	-28,288	-28,288	0	-28,288
Payout of profit shares to non-controlling interests	0	0	0	0	0	0	-53	-53	-343	-396
Reclassification	0	0	0	0	0	0	440	440	-440	0
Purchases of shares of non-controlling interests	0	0	0	-1	0	16,309	-17,357	-1,048	-15,753	-16,801
Other Changes	0	0	0	0	0	0	-918	-918	-0	-918
Share buy-back	-655	-6,789	0	0	0	0	0	-7,444	0	-7,444
Disposal of shares	272	2,272	0	0	0	0	0	2,544	0	2,544
As at 30.09.2023	85,792	62,664	505	-4,976	4,809	189,609	881,774	1,220,177	48,972	1,269,149

Consolidated statement of cash flows (I)

EUR k	9M 2023	9M 2022
Net profit for the period	14,358	26,173
Income taxes recognised through profit or loss	12,344	15,912
Financial expenses recognised through profit or loss	6,380	5,183
Financial income recognised through profit or loss	-8,340	-1,024
Income from participations through profit or loss	-30,103	-30,426
Earnings from companies accounted for using the equity method	996	189
Income from unrealised currency translation recognised through profit or loss	359	355
Income from unrealised other financial results	-110	-3,024
Income from the disposal of other intangible assets, software, rights of use and equipment recognised through profit or loss	-32	51
Income from divestments of financial assets recognised through profit or loss	-1,060	6
Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	21,513	31,929
Write-ups long-term assets	-365	-90
Income from the sale of investment property	13	0
Results from fair value adjustments to loans	625	0
Results from fair value adjustments to hedges	-202	0
Expenses of the deconsolidation of subsidiaries	13	2,134
Income from the deconsolidation of subsidiaries	-1,077	-18,087
Other non-cash items	1,394	4,626
Changes in inventories, receivables and other assets that are not attributable to investment activities	4,783	4,916
Proceeds and payments from the temporarily consolidation of investment properties (Inventories) and related financing (Loans) for items in which the turnover is quick, the amounts are large, and the maturities are short	-4,814	73
Changes in liabilities that are not attributable to financing activities	4,952	5,965
Distributed income from participations	29,853	30,392
Interest paid	-6,642	-6,341
Interest received	7,734	845
Income tax payments	-22,131	-13,381
Cash flow from operating activities	30,439	56,375

Consolidated statement of cash flows (II)

EUR k	9M 2023	9M 2022
Payments for investments in other intangible assets, software and equipment	-3,754	-4,251
Payments received from the disposal of intangible assets and equipment	275	119
Payments received from the sale of investment property	-13	0
Payments for the acquisition of securities and short-term investments	0	-30,127
Payments received from the disposal of securities and short-term investments	72,417	123,584
Payments for the acquisition of participations	-7,752	-13,568
Payments received from the disposal of participations	471	1,499
Payments for investments in companies accounted for using the equity method	-932	-25,318
Payment received through distributions of companies accounted for using the equity method	18	7,575
Payments received from the repayment of shares of companies accounted for using the equity method	0	9,595
Payments received from the disposal of companies accounted for using the equity method	2,821	0
Payments received from the repayment of loans to companies with participation interest	482	0
Payments for loans to companies with participation interest	0	-123
Payments received from the repayment of other loans	1,133	39,019
Payments for other loans	-25,584	-922
Changes from hedges	-312	0
Payments received from the disposal of consolidated companies and other business units	42	25,838
Payments for the disposal of consolidated companies and other business units	0	-18,973
Payments for the acquisition of consolidated companies and other business units	-25,950	-45,231
Cash flow from investing/divesting activities	13,362	68,716
Repayment of loans	0	-103,450
Repayment of leasing liabilities	-7,087	-7,841
Interest paid	-189	-215
Payments for purchase of shares of non-controlling interests	-16,801	0
Payments of profit shares to non-controlling interests	-396	-274
Payments of dividends to shareholders	-28,288	-28,316
Payments for buy-backs of own shares	-7,444	-28,520
Payments received from increase of capital stock	775	0
Cash flow from financing activities	-59,432	-168,616
Change in cash and cash equivalents	-15,630	-43,525
Cash and cash equivalents as at 01.01.	349,518	341,260
Effects of changes in foreign exchange rates on cash and cash equivalents	607	-1,827
Cash and cash equivalents as at 30.09.	334,495	295,907

Consolidated statement of comprehensive income

EUR k	Q3 2023	Q3 2022	9M 2023	9M 2022
Net profit for the period	8,623	11,126	14,358	26,173
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	-154	-4,044	-2,452	-6,384
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)	-9,510	13,401	-17,617	29,886
Value adjustments resulting from remeasurements of defined benefit plans (IAS 19)	0	0	2	-270
Other comprehensive income	-9,664	9,358	-20,067	23,232
Total comprehensive income for the reporting period	-1,041	20,484	-5,709	49,406
Attributable to shareholders of the parent company	-908	20,491	-4,097	47,716
Attributable to non-controlling interests	-133	-7	-1,612	1,690

Revenues

EUR k	9M 2023	9M 2022	Change
Revenues from management services	201,651	220,825	-8.7%
Proceeds from the sale of principal investments	0	17,978	-100.0%
Rental revenues	3,212	4,481	-28.3%
Revenues from ancillary costs	75	115	-34.8%
Other	2,431	490	396.0%
Revenues	207,369	243,890	-15.0%

Reconciliation of total service fee income

EUR k	9M 2023	9M 2022	Change
Management fees (excluding result from participations)	180,989	176,957	2.3%
Performance fees (excluding result from participations)	11,834	29,376	-59.7%
Transaction fees	8,828	14,492	-39.1%
Revenues from management services	201,651	220,825	-8.7%
Performance fees (in result from participations)	19,908	20,408	-2.4%
Shareholder contribution for management services (in result from participations)	6,721	7,098	-5.3%
Total service fee income	228,280	248,331	-8.1%

Reconciliation of total operating performance

EUR k	9M 2023	9M 2022	Change
Revenues	207,369	243,890	-15.0%
Changes in inventories	0	-15,856	-100.0%
Other operating income	12,957	7,090	82.7%
Income from the deconsolidation of subsidiaries	1,077	18,087	-94.0%
Total operating performance	221,389	253,211	-12.6%

Reconciliation of EBITDA

EUR k	9M 2023	9M 2022	Change
Total operating performance	221,389	253,211	-12.6%
Cost of materials	-1,322	-1,555	-15.0%
Cost of purchased services	-13,072	-13,601	-3.9%
Staff costs	-129,621	-124,717	3.9%
Other operating expenses	-55,476	-60,064	-7.6%
Impairment result for trade receivables and contract assets	-71	-42	70.7%
Result from participations	30,103	30,426	-1.1%
Earnings from companies accounted for using the equity method	-996	-189	426.1%
Cost from the deconsolidation of subsidiaries	-13	-2,134	-99.4%
EBITDAR	50,921	81,334	-37.4%
Reorganisation result	-751	-2,489	-69.8%
EBITDA	50,170	78,846	-36.4%

Staff costs

EUR k	9M 2023	9M 2022	Change
Fixed salaries	76,236	73,994	3.0%
Variable salaries	34,585	31,746	8.9%
Social security contributions	16,145	17,842	-9.5%
Effect of long-term variable remuneration ¹	-322	-1,947	-83.5%
Other	2,977	3,082	-3.4%
Total	129,621	124,717	3.9%

¹ Changes in value of long-term variable remuneration due to change in the company's share price

Other operating expenses

EUR k	9M 2023	9M 2022	Change
Tax, legal, other advisory and financial statement fees	14,402	15,685	-8.2%
IT and communication costs and cost of office supplies	12,636	13,246	-4.6%
Rent, ancillary costs and cleaning costs	3,033	2,898	4.7%
Other taxes	502	2,455	-79.6%
Vehicle and travel expenses	5,460	4,878	11.9%
Advertising costs	2,703	2,789	-3.1%
Recruitment and training costs and cost of temporary workers	4,765	4,391	8.5%
Contributions, fees and insurance costs	3,623	3,577	1.3%
Commission and other sales costs	717	1,259	-43.0%
Costs of management services	2,119	1,671	26.8%
Indemnity/reimbursement	59	319	-81.7%
Donations	812	1,242	-34.6%
Other	4,646	5,653	-17.8%
Total	55,476	60,064	-7.6%

Result from participations

EUR k	9M 2023	9M 2022	Change
Dawonia GmbH	29,047	29,923	-2.9%
TRIUVA	11	9	22.2%
Closed-end funds business	33	513	-93.6%
Other	1,013	-19	<-1,000.0%
Result from participations	30,103	30,426	-1.1%
Earnings from companies accounted for using the equity	-996	-189	426.1%
Total	29,107	30,237	-3.7%

Reconciliation of net profit for the period

EUR k	9M 2023	9M 2022	Change
EBITDA	50,170	78,846	-36.4%
Appreciation/amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment as well as financial investments	-21,148	-31,839	-33.6%
Earnings before interest and taxes (EBIT)	29,022	47,007	-38.3%
Finance income	8,340	1,024	714.3%
Financial expenses	-6,380	-5,183	23.1%
Other financial result	-1,969	-1,448	35.9%
Result from currency translation	-2,311	684	-437.6%
Net finance costs	-2,320	-4,922	-52.9%
Earnings before taxes (EBT)	26,702	42,085	-36.6%
Income taxes	-12,344	-15,912	-22.4%
Net profit for the period	14,358	26,173	-45.1%

¹ In particular fund management contracts transferred as part of the recent acquisitions

PATRIZIA's key asset and financial data at a glance

EUR k	30.09.2023	31.12.2022	Change
Total assets	2,018,426	2,045,874	-1.3%
Equity (excl. non-controlling interests)	1,220,177	1,258,992	-3.1%
Equity Ratio	60.5%	61.5%	-1.1 PP
Cash and cash equivalents	334,495	349,518	-4.3%
+ Term deposits	10,377	72,380	-85.7%
- Bank loans	-148,855	-91,688	62.3%
- Bonded loans	-158,000	-158,000	0.0%
= Net cash (+) / net debt (-)	38,016	172,209	-77.9%
Net Equity Ratio¹	71.3%	70.1%	1.2 PP

¹ 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

Contact Investor Relations and financial calendar



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- ◆ **Most recent publications:** Report, Investor Relations release, CFO video, results presentation, recording of the conference call, transcript of the conference call, company presentation, parent company report (HGB), remuneration report

Financial calendar 2024:

- ◆ **29 February** 2023 Preliminary results with investor and analyst conference
- ◆ **22 March** 2023 Annual Report
- ◆ **15 May** 3M 2024 Interim statement with investor and analyst conference
- ◆ **12 June** 2024 Annual General Meeting
- ◆ **14 August** H1 2024 Financial Report with investor and analyst conference
- ◆ **14 November** 9m 2024 Interim Statement with investor and analyst conference

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13 November 2023, PATRIZIA SE