

PATRIZIA

The European Real Estate Investment Company

Q.1 2017 Results Presentation

10 May 2017



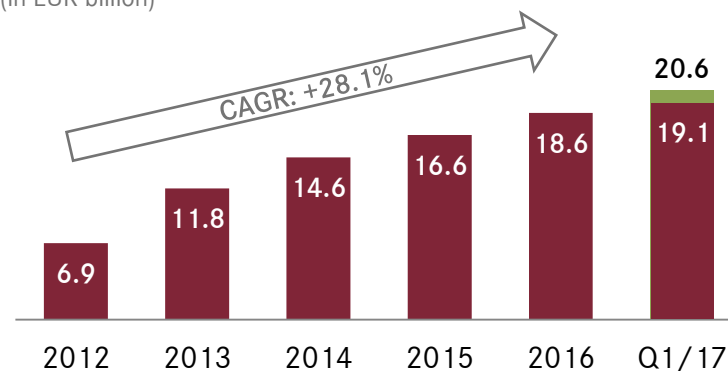
PATRIZIA – The European Real Estate Investment Company

HIGHLIGHTS

- Q1 2017 – fully on track to achieve 2017 guidance
 - Strong AuM growth of EUR 0.5bn achieved
 - Robust operating income of EUR 9.3m
 - Asset management fees increased
- Tailwind from strong Q4 2016 drives operating performance and demonstrates scalability of European investment management platform
- 2017 Guidance confirmed
 - Total outstanding transaction pipeline of EUR 1.5bn signed, but not yet completed transactions are a good start into an encouraging 2017
 - Operating income guidance 2017 confirmed at EUR 60-75m
 - AuM expected to grow by about EUR 2bn net to EUR 20.6bn

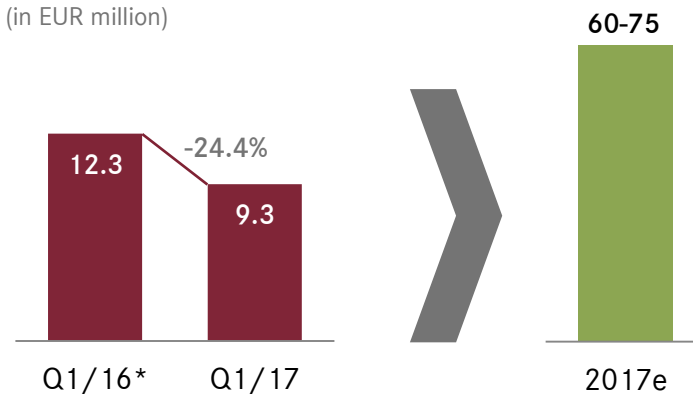
ASSETS UNDER MANAGEMENT

(in EUR billion)



OPERATING INCOME

(in EUR million)

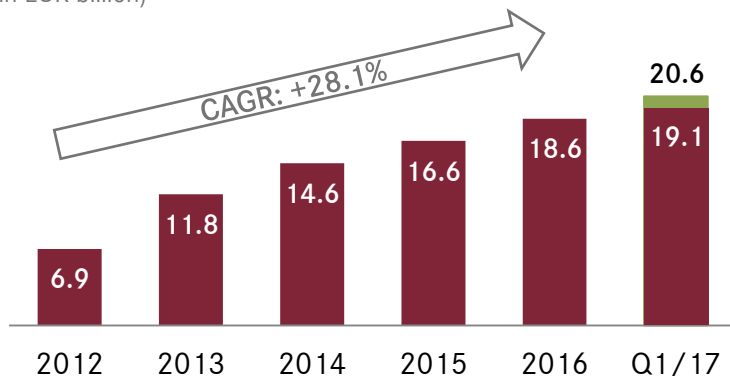


* Adjusted for Harald

PATRIZIA continues on its growth path

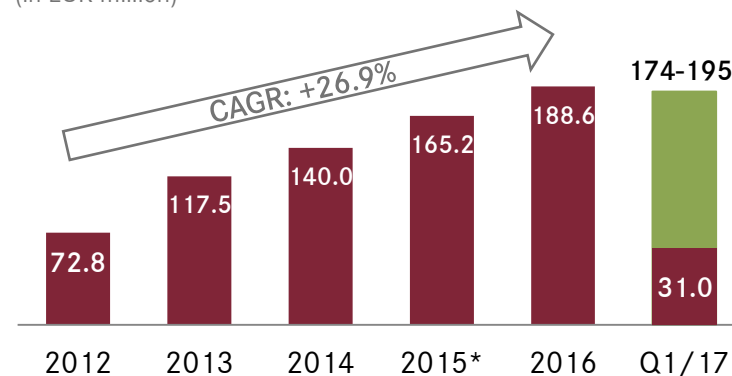
ASSETS UNDER MANAGEMENT

(in EUR billion)



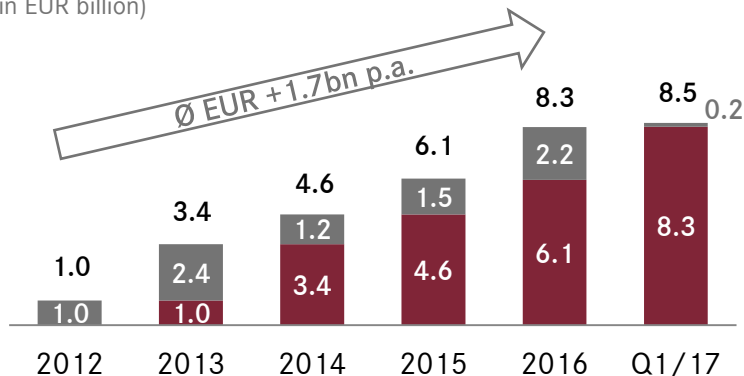
TOTAL RECURRING FEE INCOME

(in EUR million)



EQUITY RAISED

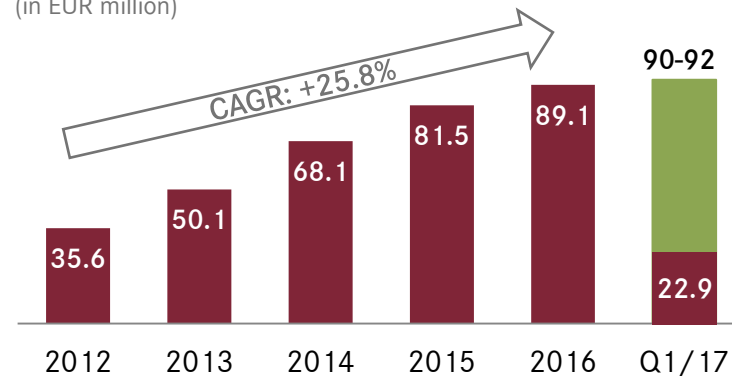
(in EUR billion)



- New equity raised
- Equity raised in previous years accumulated

ASSET MANAGEMENT FEE INCOME

(in EUR million)



* Excluding EUR 103.4m of exceptional fee income from SÜDEWO

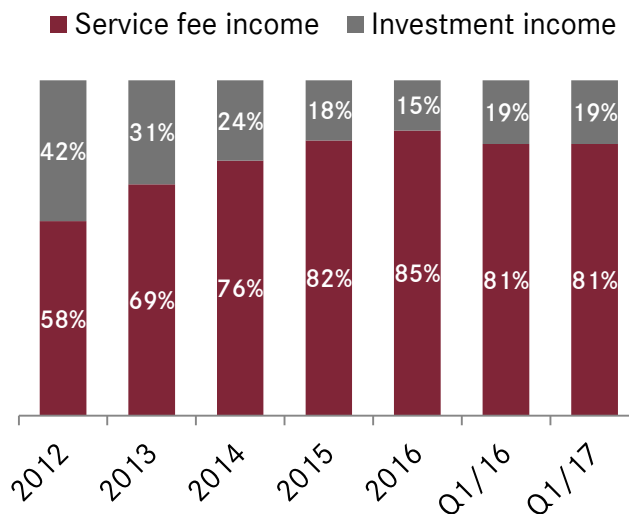
Successful transformation of volatile investment to stable fee income

- Fee income from investment management services is consistent and sustainable
- Sales proceeds from own assets held on the balance sheet are steadily diminishing
- Co-investment income continues to deliver attractive return on equity
- Development in operating income demonstrates the reliability and scalability of the fee streams from the investment management business and underlines PATRIZIA 's track record

PROFIT & LOSS HIGHLIGHTS

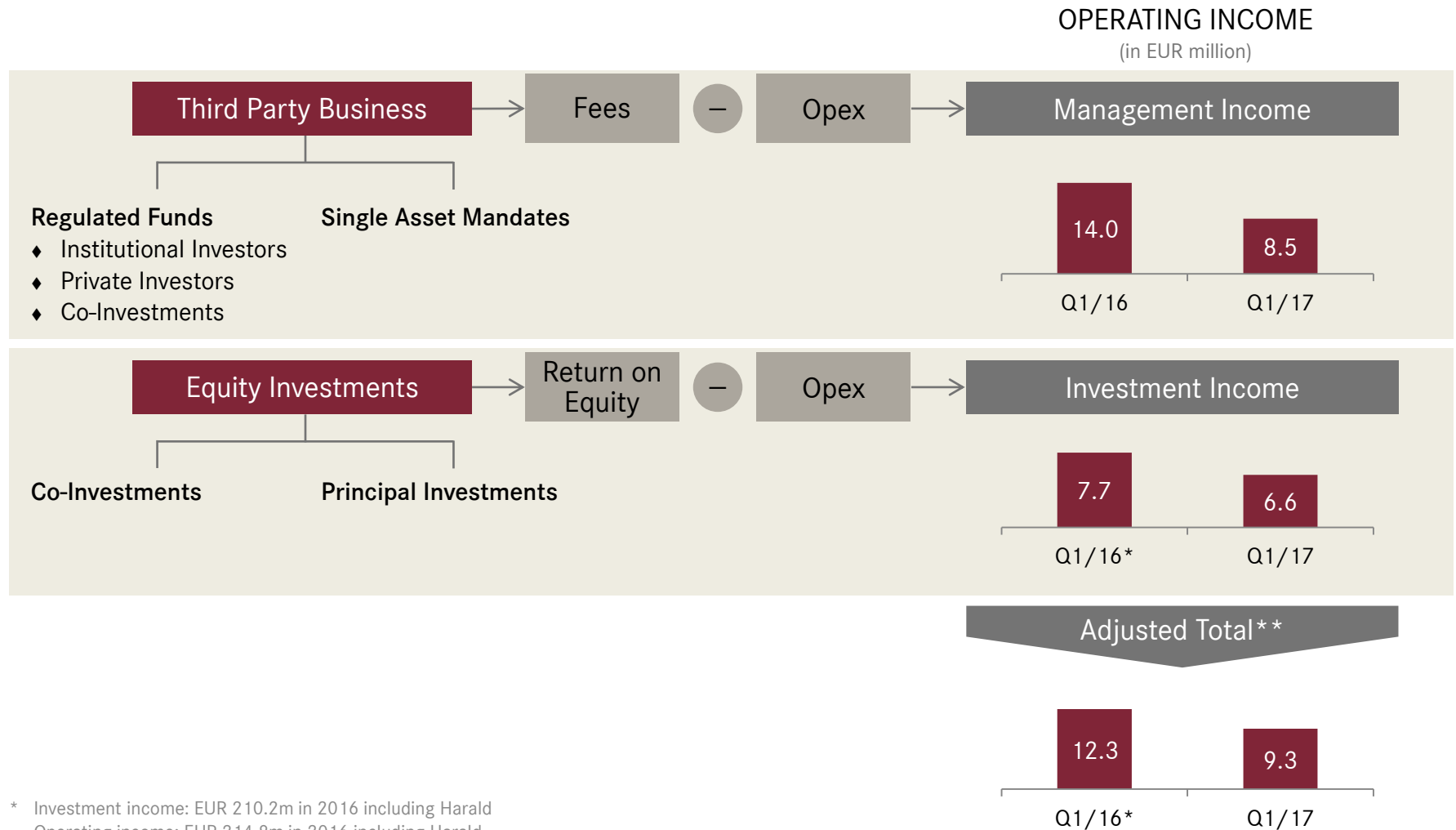
in EUR million	2012	2013	2014	adjusted* 2015	adjusted* 2016	adjusted* Q1/16	adjusted* Q1/17
Management fees	35.6	50.1	68.1	81.5	89.1	20.9	22.9
Transaction fees	37.2	54.1	52.2	58.7	70.3	15.6	8.1
Performance fees	0.0	13.4	19.7	25.0	29.2	1.2	0.0
Total Service fee income	72.8	117.5	140.0	165.2	188.6	37.7	31.0
Net sales revenues and Co-investment income	51.9	52.6	44.6	35.6	32.0	8.9	7.4
Net operating expenses incl. Personnel expenses	-68.3	-112.4	-128.8	-153.1	-143.9	-31.5	-27.8
EBITDAR	56.3	57.7	55.9	47.7	76.6	15.1	10.6
Reconciliation to Operating EBT	-12.4	-19.5	-5.7	-5.0	-4.4	-2.8	-1.3
Operating EBT	43.9	38.1	50.2	42.7	72.2	12.3	9.3

DEVELOPMENT OF INCOME STREAMS



* 2015 excluding SÜDEWO exit fee; 2016 excluding Harald profit

Q1 2017 results good progress to achieve full years financial goals



* Investment income: EUR 210.2m in 2016 including Harald
 Operating income: EUR 214.8m in 2016 including Harald

** Total operating income reduced by corporate expenses of EUR 9.4m in Q1/16 and EUR 5.8m in Q1/17

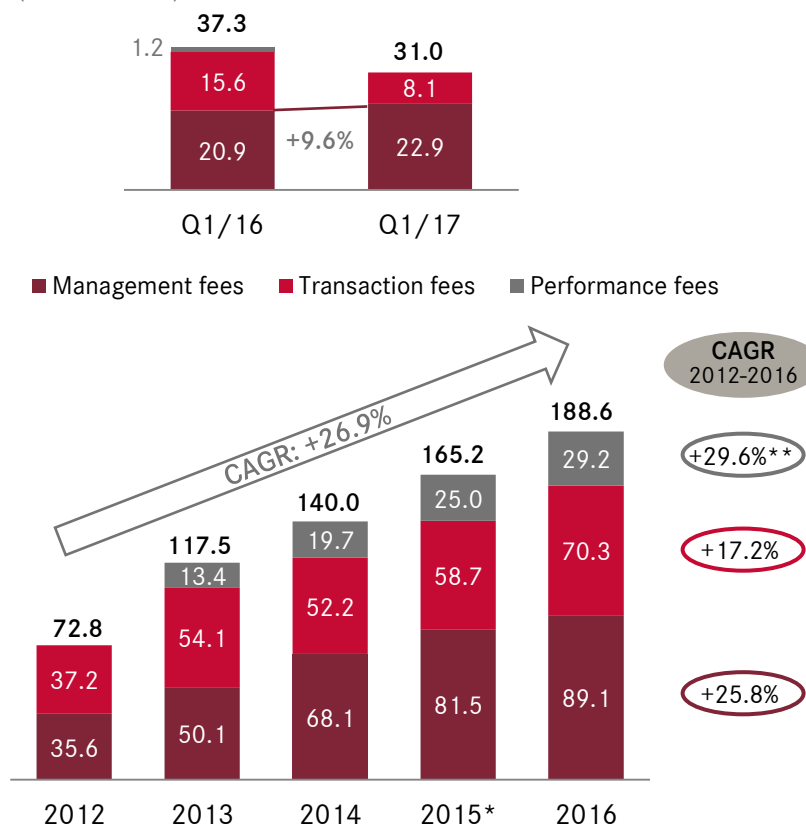
Promising fee income confirms scalability of PATRIZIA's platform

FEE INCOME DEVELOPMENT

- Total fee income of EUR 31.0m in Q1 2017
- Management fees increased in line with AuM growth
- Guidance for performance fees of EUR 29m-38m confirmed, which – as usual – will kick-in later in the year
- Outstanding transaction pipeline of EUR 1.5bn will further accelerate income streams
- Future top line growth prospects are promising due to
 - already signed deals
 - further European expansion of platform
 - broadening of national and international investor base

TOTAL FEE INCOME

(in EUR million)



* Excluding SÜDEWO exit fee; **CAGR: 2013-2016

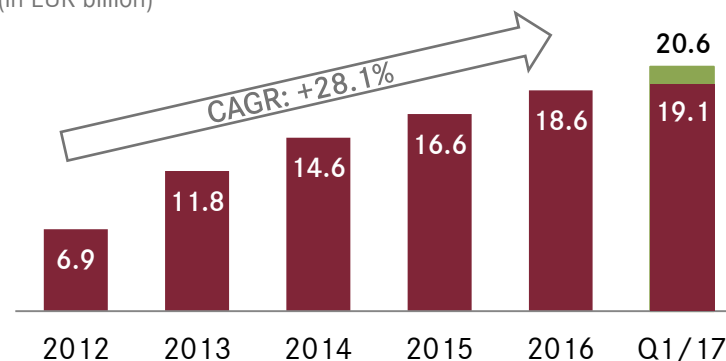
Rise in AuM increases recurring asset management fee income...

ASSET MANAGEMENT FEES STEADILY IMPROVING

- PATRIZIA receives recurring service fees for managing real estate assets from more than 200 international investors
- Fee income is steadily growing, as assets under management are further broadening on a pan-European basis and across all asset classes
- Strong growth of asset management fees over-compensated loss of property management fees
- Progressive increase in asset management fees demonstrates the reliability and scalability of PATRIZIA's integrated investment management platform

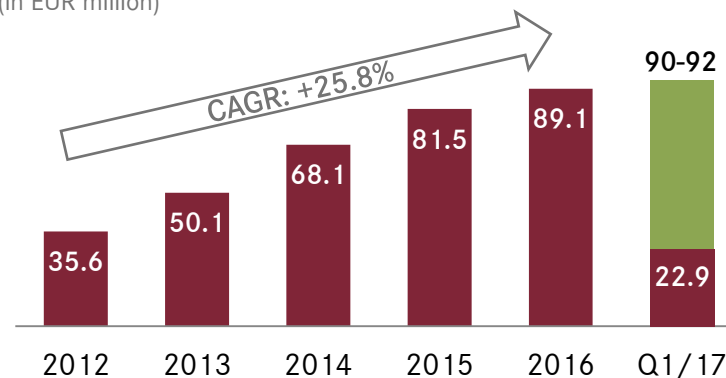
ASSETS UNDER MANAGEMENT

(in EUR billion)



ASSET MANAGEMENT FEE INCOME

(in EUR million)



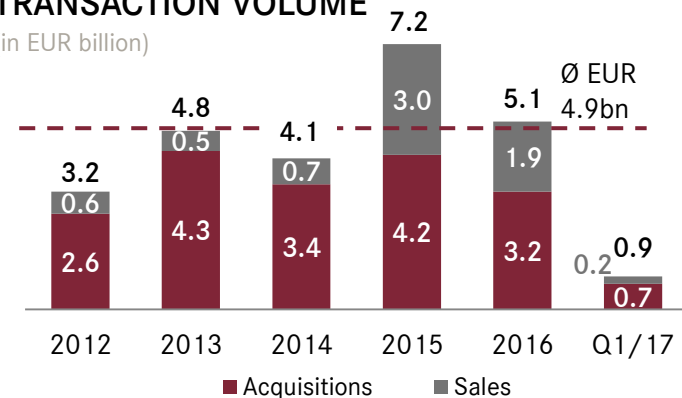
...with transaction fees remaining a consistent part of total income...

TRANSACTION FEES OF EUR 8.1M IN Q1 2017

- Transactions of EUR 0.9bn completed in Q1 2017, broadly in line with annual long term average
- Promising deal pipeline ahead: signed transactions worth EUR 1.5bn to be completed mainly in 2017
- Transaction volume in 2016 includes EUR 1.1bn from the sale of the Harald-portfolio

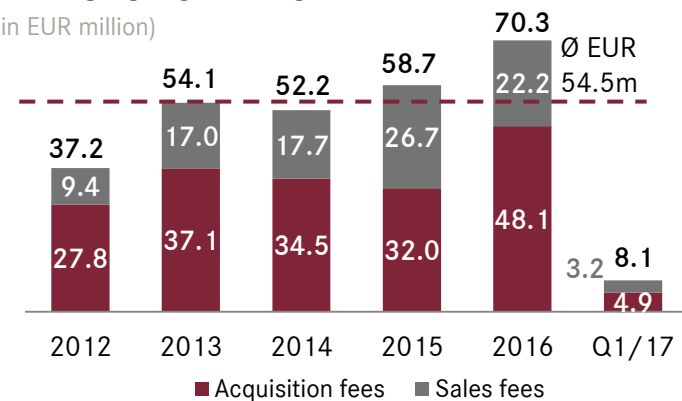
TRANSACTION VOLUME

(in EUR billion)



TRANSACTION FEES

(in EUR million)



...and performance fees emphasising PATRIZIA's track record

PERFORMANCE FEES AS RELIABLE PART OF ANNUAL FEE STREAM

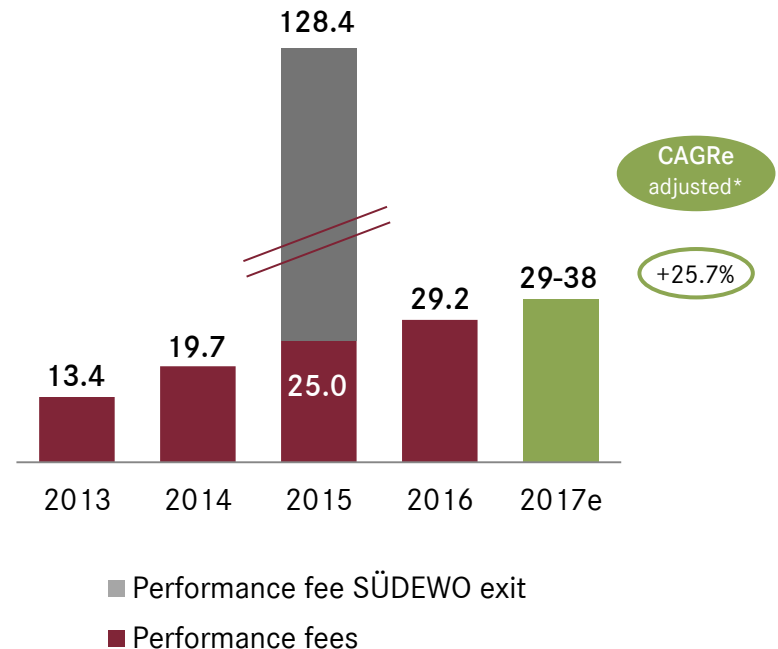
- Third party funds and co-investments generate performance fees upon exceeding pre-determined return hurdles
- Return hurdles largely relate to realised annual cash returns during investment period and at exit
- As more and more investments turn into their harvesting period, performance fees have become recurring in nature
- Guidance for performance fees of EUR 29m-38m in 2017 confirmed, which – as usual - will kick-in later in the year

Non-Realised Profits

- In addition to annual performance fees from third party business, PATRIZIA owns a pipeline of at least EUR 300m unrealised performance fees and investment income (from co-investments) from potential future disposals

PERFORMANCE FEES

(in EUR million)



* CAGR on performance fees, excluding performance fee for SÜDEWO exit

Well positioned to capture opportunities via balance sheet strength

- Strong balance sheet ratios and capital structure to facilitate further substantial profitable growth
- Issuance of bonded loan of EUR 300m significantly increases financial flexibility and growth options
- Total available cash now amounts to about EUR 700m
- Options to deploy cash very carefully include:
 - Continue European expansion
 - Consider corporate M&A opportunities – prudently
 - Take advantage of investment opportunities, if they arise – as co-investment
- Increase in shareholder value and high degree of financial discipline remain priority

Strong Balance Sheet

in EUR million	31.03.2017
Total Assets	1,037.3
Equity (excl. minorities)	755.9
Equity ratio	72.9%
Bank Loans	110.5
Bonded Loan 2013	22.0
- Cash and cash equivalents	454.3
= Net cash (-)/net debt (+)	-321.8
Net equity ratio	83.5%

Significant Liquidity

in EUR million	31.03.2017
Bank balances and cash	454.3
- Transaction-based liabilities Harald	35.3
- Regulatory reserve investment companies (KVGs)	11.4
= Available cash 31 March 2017	407.6
+ Bonded Loan 2017	300.0
= Total available cash May 2017	707.6
Pro-forma equity ratio	56.5%
Pro-forma net equity ratio	83.5%

Bonded loan further strengthens PATRIZIA's growth options

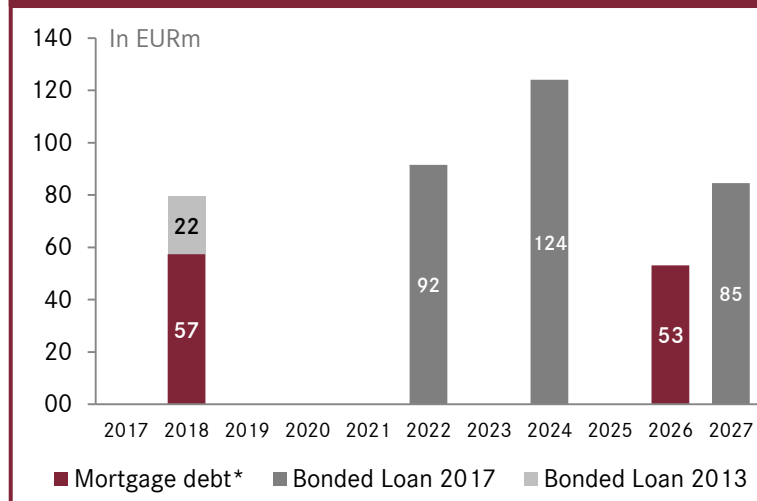
Rationale

- Issuance is strengthening PATRIZIA's financial firepower
- Including the company's current liquidity, deployable cash increases to EUR 700m
- Favourable bond conditions reflect PATRIZIA's strong cash flow profile
- Management sees multiple opportunities for both co-investments and external growth
- With the cash on hand, PATRIZIA is able to guarantee transaction security as a competitive edge
- Management is committed to remain highly disciplined deploying the cash position
- Accretion of long-term shareholder value remains main goal
- Average coupon of 1.50%

Terms at a glance

in EURm	5yrs	7yrs	10yrs	TOTAL
Volume	91.5m	124.0m	84.5m	300.0m
fix	76.0m	89.0m	69.0m	234.0m
variable	15.5m	35.0m	15.5m	66.0m
Fixed coupon	1.14%	1.60%	2.16%	} Ø1,50%
Var. Margin	0.90%	1.10%	1.30%	

Debt Maturity Profile



* Relates to warehoused assets for retail funds

Outlook for 2017 confirmed – Operating Income of EUR 60m - 75m

ASSUMPTIONS

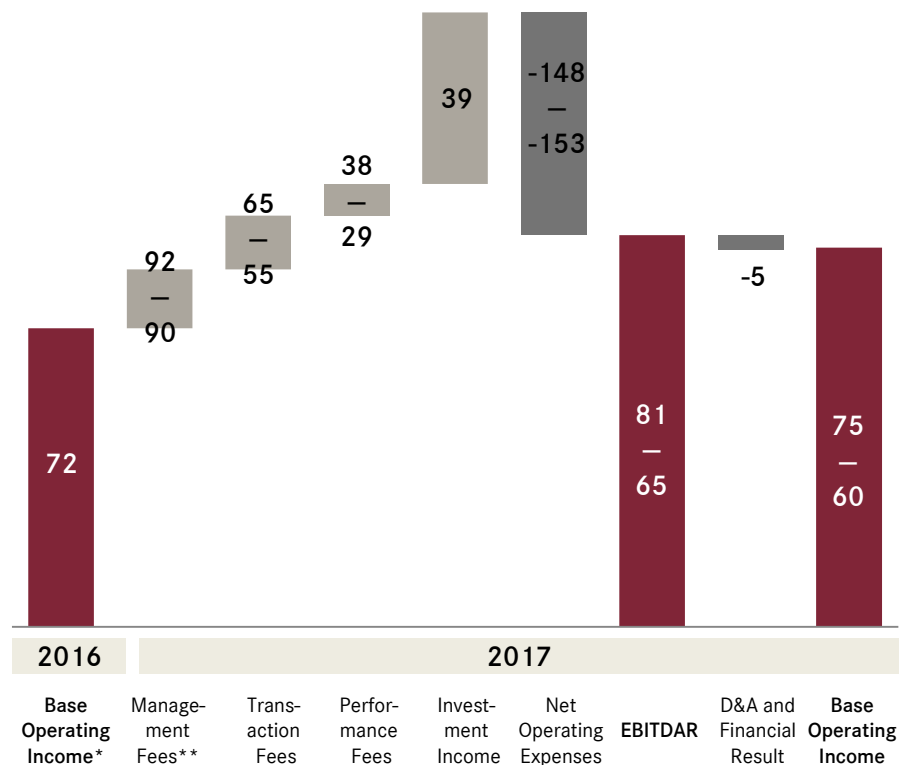
- Asset management fees based on average AuM of EUR 19.5bn – EUR 20.5bn
- Transaction volume: EUR 4.0bn – EUR 5.5bn
- Investment income: remaining principal investments and income from participations
- Net opex include additional costs for fundraising and marketing (estimated at EUR 7m)

Further potential upside

- Higher transaction volume and performance fees
- Deployment of about EUR 700m cash
- EUR 300m of unrealised profits from performance fees and investment income from co-investments, which will emerge in case of future disposals

INCOME BRIDGE

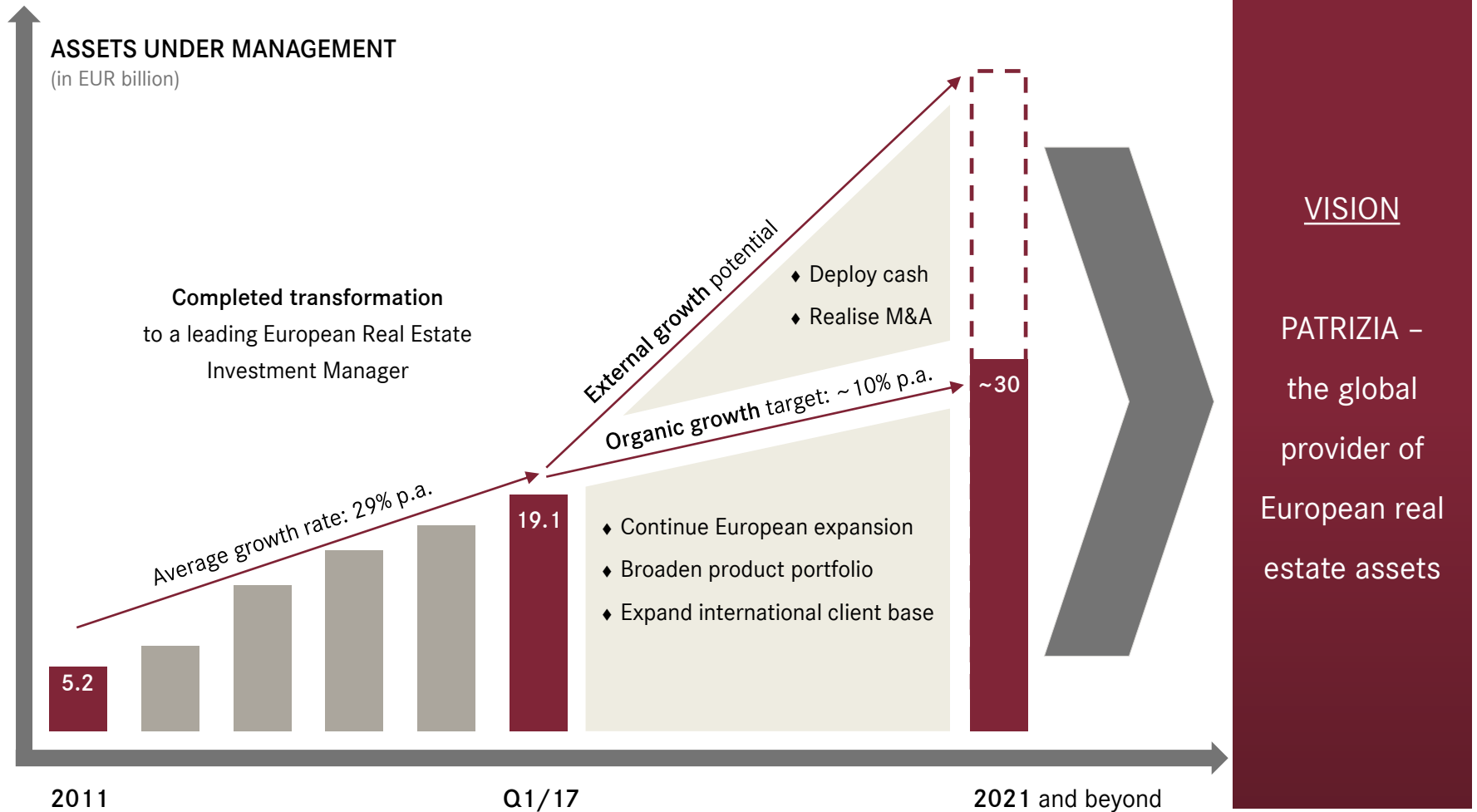
(in EUR million)



* Adjusted for non-recurring effects like Harald and SÜDEWO

** 2017 fees will be comparatively EUR 10m lower due to the sale of the property management business

PATRIZIA's strategic bridge to the future



Appendix

Consolidated Income Statement Q1 2017

in EUR k	1. Quarter 2017	1. Quarter 2016*
	01.01.-31.03.2017	01.01.-31.03.2016
Revenues	40,949	62,009
Income from the sale of investment property	164	333
Changes in inventories	-4,798	-14,893
Other operating income	6,114	835
Income from the deconsolidation of subsidiaries	0	281
Total operating performance	42,429	48,565
Cost of materials	-3,410	-2,637
Cost of purchased services	-3,529	-3,379
Staff costs	-20,413	-21,393
Other operating expenses	-10,395	-9,995
Income from participations	5,915	3,172
Earnings from companies accounted for using the equity method	44	794
EBITDAR	10,641	15,127
Reorganisation expenses	-501	0
EBITDA	10,140	15,127
Amortisation of fund management contracts, depreciation of software and fixed assets	-1,355	-1,650
Earnings before finance income and income taxes (EBIT)	8,785	13,477
Finance income	202	415
Finance costs	-850	-2,139
Currency result	12	911
Earnings before income taxes (EBT)	8,149	12,664
Income tax	-2,281	-2,191
Net profit for the period	5,868	10,473

* Adjusted for Harald

Consolidated Balance Sheet 31 March 2017 – assets

ASSETS		
in EUR k	31.03.2017	31.12.2016
A. Non-current assets		
Goodwill	610	610
Other intangible assets	34,918	35,416
Software	10,712	10,772
Investment property	10,709	12,226
Equipment	4,477	4,460
Participations in associated companies	85,967	85,923
Participations	102,332	102,033
Loans	7,020	7,015
Long-term tax assets	35	35
Deferred taxes	171	323
Total non-current assets	256,951	258,813
B. Current assets		
Inventories	237,542	182,931
Securities	210	44
Short-term tax assets	10,280	11,941
Current receivables and other current assets	77,950	99,311
Bank balances and cash	454,317	440,219
Total current assets	780,299	734,446
TOTAL ASSETS	1,037,250	993,259

Consolidated Balance Sheet 31 March 2017 – equity/liabilities

EQUITY AND LIABILITIES		
in EUR k	31.03.2017	31.12.2016
A. Equity		
Share capital	83,956	83,956
Capital reserve	184,005	184,005
Retained earnings		
Legal reserves	505	505
Non-controlling shareholders	1,691	1,691
Currency translation differences	-10,114	-10,803
Consolidated unappropriated profit	497,547	491,679
Total equity	757,590	751,033
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	17,915	17,992
Retirement benefit obligations	693	648
Bonded loan	22,000	22,000
Non-current liabilities	5,479	6,866
Total non-current liabilities	46,087	47,506
CURRENT LIABILITIES		
Short-term bank loans	110,500	53,200
Bonded loan	0	5,000
Short-term financial derivatives	0	0
Other accruals	19,910	27,627
Current liabilities	72,278	75,343
Tax liabilities	30,885	33,550
Total current liabilities	233,573	194,720
TOTAL EQUITY AND LIABILITIES	1,037,250	993,259

Financial calendar

2017

- | | | |
|----------|----|--|
| March | 14 | ➤ Financial Statements 2016 |
| May | 10 | ➤ Interim report for the first quarter of 2017 |
| June | 22 | ➤ Annual General Meeting, Augsburg |
| August | 9 | ➤ Interim report for the first half of 2017 |
| November | 7 | ➤ Interim report for the first nine months of 2017 |

Conference calls about financial reports are usually held at 3 pm CET.
Invitations and dial-in numbers are provided in advance.

To stay informed, visit www.patrizia.ag

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