

Dear Shareholders,
Ladies and Gentlemen,

In 2019, PATRIZIA AG once again demonstrated the capabilities of its pan-European investment management platform. Considerable inflows of global client funds and a record transaction volume contributed to strong organic growth in assets under management and the corresponding fee income. At the same time, with its existing investment products the Company again achieved an attractive outperformance for national and international clients, thus maintaining the performance fees at a high level. All in all, PATRIZIA thus exceeded its own expectations for the financial year and is excellently positioned to continue actively shaping the industry.

Cooperation between the Management Board and the Supervisory Board

In the 2019 financial year, the Supervisory Board of PATRIZIA AG carefully performed all the duties assigned to it by law, by the Articles of Association and by its rules of procedure. We regularly advised the Management Board in its management of the Company and monitored its activities. We were also involved in all decisions of material importance to the Company at an early stage. The Management Board complied fully with its reporting obligations in accordance with the law and its rules of procedure and informed us regularly in written and oral reports about all fundamental aspects of the business development of the Company and the Group. We were also informed extensively about the current opportunities and risks of the earnings and liquidity situation. The Management Board of PATRIZIA AG provided a detailed discussion and explanation of the Company's business plan and any deviations between this plan and the actual course of business.

Supervisory Board meetings

The Supervisory Board held five ordinary meetings and one extraordinary meeting in the year under review. The Supervisory Board met without the attendance of the Management Board where required. Every member of the Supervisory Board attended all the meetings. There was also a regular exchange of information between the Management Board and the Supervisory Board, represented by the Chairman of the Supervisory Board outside of the scheduled meetings. In addition, before the publication of the quarterly figures of the first three quarters there was a conference call with the CFO to discuss the quarterly figures. Where the Supervisory Board was required to approve individual measures in accordance with the law, the Articles of Association or its rules of procedure, we made our decisions on the basis of comprehensive reports and resolution proposals by the Management Board. Urgent resolutions were adopted by the Supervisory Board by written procedure where required. As the Supervisory Board of PATRIZIA AG comprises three members, it did not form any committees.

Key areas of advisory and supervisory activities

The first ordinary meeting of the Supervisory Board on 19 March 2019 included the approval of the annual accounts for the 2018 financial year. In addition to its examination of the annual financial statements for the 2018 financial year, the consolidated financial statements and the combined management report of the Company and the Group, the Supervisory Board approved the dependent company report prepared by the Company for the 2018 financial year following its own review. The Supervisory Board concurred with the Management Board's recommendation to pay the shareholders a dividend of EUR 0.27 per share for the 2018 financial year. In addition, in this meeting the agenda for the Annual General Meeting was approved.

In the ordinary meeting on 26 March 2019, Simon Woolf was introduced as the new Head of Human Resources and informed the Supervisory Board on the major projects in the HR division. In addition, there was a report on the implementation of the target structure for the compliance function within the Group and on the status of compliance projects. There were also reports on current topics relating to the operating business. Furthermore, the Management Board reported on the integration of the companies bought in 2017 and 2018 and on the purchase of the Kenzo Corporation. Reports were also given on the improvement of effectiveness and efficiency in terms of strategy and targets, while at the same time maintaining quality.

The Supervisory Board held its third ordinary meeting after the Annual General Meeting on 22 May 2019. Here the Supervisory Board elected its Chairman and its First Deputy and Second Deputy Chairman. In addition to the current situation in the operating areas, as well as reports on the project to harmonise the remuneration system and on the purchase of the Kenzo Corporation, the CFO provided detailed information on his division and individual projects. In addition, the Supervisory Board resolved on determining targets for the share of women in the Management Board and Supervisory Board.

In an extraordinary meeting on 25 June 2019, after intensive discussion the Supervisory Board resolved the new harmonised remuneration system for PATRIZIA employees including the Management Board, which had been drafted in cooperation with Willis Towers Watson. Furthermore, the Management Board reported on the results of the project developments with the remaining company properties (principal investments) and on the internal control system.



Supervisory Board f.l.t.r.: Alfred Hoschek, Dr Theodor Seitz, Uwe H. Reuter

The Supervisory Board met for its fourth ordinary meeting on 30 September 2019, where it heard reports on the operational divisions, as well as on the division and projects of the CEO. There were also reports on the implementation status of the new remuneration system and the cavern funds. The Management Board also presented the Supervisory Board its Strategy 2023 which describes the company strategy for the next three to five years. The Supervisory Board approved Strategy 2023 together with its targets and measures for the business development of the Company.

At the final ordinary meeting of the financial year on 17 December 2019, the Supervisory Board discussed the annual budget for 2020 in detail. In addition, the Management Board reported on the operating business, the implementation of the new remuneration system and the topic of compliance. Furthermore, there were detailed reports from the CIO on the division and its projects.

Further resolutions

In addition to the resolutions adopted during meetings of the Supervisory Board, there were further written resolutions on establishing companies and extending rental agreements, on updating the Articles of Association and rules of procedure for the Supervisory Board and Management Board and on purchasing real estate (portfolios).

The Supervisory Board discussed expanding the Management Board and the candidates and resolved on the appointment of members of the Management Board, on the conclusion and extension of Management Board employment contracts and the reallocation of the divisions within the Management Board.

Corporate Governance

The Management Board and Supervisory Board prepared a Corporate Governance Report that is published in connection with the Corporate Governance Statement on the PATRIZIA website at www.patrizia.ag/en/shareholders/corporate-governance/our-basic-principles/. This declaration also contains comments on the diversity concepts specific to the executive bodies approved by the Management Board and the Supervisory Board in 2018, and the objectives to which the Supervisory Board is committed in terms of its own composition.

On 17 December 2019, the Management Board and Supervisory Board approved the Declaration of Conformity in accordance with section 161 of the Aktiengesetz (AktG – German Stock Corporation Act). The Supervisory Board believes that at present all members of the Supervisory Board are independent as defined by section 5.4.2 of the German Corporate Governance Code. Barring a few exceptions, the Company also complies with the other recommendations and suggestions of the German Corporate Governance Code. The current Declaration of Conformity and all previous declarations are also permanently available on the PATRIZIA website. My colleagues on the Supervisory Board and I also examined the efficiency of our work and discussed the results. The efficiency of the cooperation between the members of the Supervisory Board and with the Management Board was again deemed to be extremely good.

Audit of the 2019 single-entity and consolidated financial statements

The annual financial statements of PATRIZIA AG prepared in accordance with the German Commercial Code, the IFRS consolidated financial statements and the combined management report of PATRIZIA AG and the Group for the 2019 financial year were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, together with the books and records and were issued with an unqualified audit opinion in each case. The members of the Supervisory Board of PATRIZIA AG received the aforementioned documents and the audit reports by Deloitte GmbH Wirtschaftsprüfungsgesellschaft in good time. At the meeting to approve the annual accounts on 17 March 2020, the Management Board and the responsible auditors discussed the results of the audit and provided additional information. Deloitte also stated that the Management Board had established a suitable system for the early identification of risks. The Supervisory Board conducted its own detailed examination of the annual financial statements of PATRIZIA AG, the consolidated financial statements, the combined management report of the Company and the Group for the 2019 financial year and the Management Board's proposal for the

appropriation of the unappropriated profit and did not raise any objections. We agreed with the audit result of the external auditor. The Supervisory Board approved the single-entity and consolidated financial statements. The annual financial statements of PATRIZIA AG for the 2019 financial year have therefore been adopted. The Supervisory Board agrees with the Management Board's proposal for the appropriation of profits for the 2019 financial year and supports the payment of a dividend of EUR 0.29 per share. The remainder of the unappropriated profit according to HGB will be carried forward to new account.

Audit of the dependent company report

The report by the Management Board of PATRIZIA AG on relationships with related parties (dependent company report) for the 2019 financial year was also examined by the external auditor. All the legal and business relationships with related parties described therein are conducted at arm's length conditions such as would have been agreed between the PATRIZIA Group and a third party. The auditor issued the dependent report with the following audit opinion:

"Having duly examined and assessed the report, we confirm that

1. the factual statements contained in the report are correct,
2. the Company's consideration with respect to the legal transactions listed in the report was not inappropriately high."

The dependent company report prepared by the Management Board and examined by the external auditor and the associated audit report were made available to all members of the Supervisory Board in good time. Based on the result of its examination, the Supervisory Board raises no objections to the report and the concluding statement by the Management Board contained therein.

In 2019, PATRIZIA continued to move forwards on its successful growth track. It gained new clients, concluded important transactions and increased market share. Our sincere thanks therefore go to the Management Board and all employees for what has been achieved. Your expertise and hard work have made a very crucial contribution to this positive business performance.

Augsburg, 17 March 2020

For the Supervisory Board of PATRIZIA AG



Dr Theodor Seitz
Chairman