

Report of the Supervisory Board

Dear shareholders,
Dear ladies and gentlemen,

Following our recent successful years, the past fiscal year has again been extremely pleasing. PATRIZIA posted further strong growth and continued to strengthen its presence across Europe.

Cooperation between the Managing Board and the Supervisory Board

The Supervisory Board of PATRIZIA Immobilien AG performed all the duties incumbent upon it in accordance with the law, the Articles of Association and the bylaws with great care in the fiscal year 2014. We regularly advised the Managing Board on corporate management issues and monitored the measures taken. We were always involved from an early stage in all major decisions affecting the Company and the Group. The Managing Board fulfilled its reporting duties as prescribed by law and the bylaws in full and provided us with regular written and verbal information regarding all fundamental aspects of the Company's and the Group's business performance. We were provided with equally detailed information about the current risks and opportunities concerning the earnings and liquidity situation. The PATRIZIA Managing Board always discussed corporate planning and deviations from the planned course of business with us in detail and provided us with corresponding explanations.

Meetings of the Supervisory Board

In 2014 the Supervisory Board came together in four regular meetings. The Supervisory Board also met on four occasions without members of the Managing Board being present. Each member attended every meeting. Regular exchanges between the Supervisory Board and the Managing Board also took place outside of the scheduled meetings. Where the law, the Articles of Association or the bylaws required the agreement of the Supervisory Board for individual measures, we made our decisions on the basis of the reports and proposed resolutions of the Managing Board. When necessary, urgent resolutions of the Supervisory Board were passed by circulation. Contrary to the recommendations of the German Corporate Governance Code, we refrained from forming committees owing to the number of three Supervisory Board members. The Supervisory Board considers it expedient to base the size of the Supervisory Board of PATRIZIA Immobilien AG on the statutory minimum number of members in order to enable it to work efficiently and to allow an intensive exchange of ideas.

Focus of advisory and control activities

The first ordinary meeting of the Supervisory Board that was held on 24 March 2014 was also the accounts meeting for the past 2013 fiscal year. The Supervisory Board performed an associated review of the 2013 annual financial statements of PATRIZIA Immobilien AG and of the consolidated financial statements, as well as of the combined management report of the Company and the Group. Following a separate examination, it also approved the dependent company report for the 2013 fiscal year. The Supervisory Board agreed with the proposal on the appropriation of net profit made by the Managing Board. We also addressed the performance of the individual operating segments and liquidity planning.

Following the Annual General Meeting on 27 June 2014, the newly elected Supervisory Board met for its second meeting. All previous members of the Supervisory Board were confirmed in their positions for a further three years. Dr. Theodor Seitz was once again elected Chairman of the Supervisory Board in the constituent meeting. As the Annual General Meeting had earlier agreed to a 10% increase in the share capital from company resources in order to issue bonus shares, the Supervisory Board decided,

in accordance with Article 16 of the Articles of Association, to amend the wording of the first sentence of Article 4 (4) of the Articles of Association (Contingent Capital 2012). As a regular part of every meeting we discussed the liquidity situation in detail and also the report from the operational areas. The Supervisory Board unanimously approved the establishment of PATRIZIA Netherlands B.V. as a further international subsidiary as part of the European growth strategy. We also discussed the structure of the remuneration system for the Managing Board with regard to the Corporate Governance Code's requirement to consider the comparable environment and agreed the bonus payments for the 2013 fiscal year. Finally, my Supervisory Board colleagues and I agreed to supplement the Managing Board's bylaws concerning transactions requiring approval. We are thus ensuring that despite an expansion in business activity, the Supervisory Board can always fulfil its advisory and control function.

Our meeting on 26 September 2014 focussed on the international subsidiaries. For each subsidiary, the Managing Board outlined its structure and organisation, its key areas of operational activities and its assets under management, as well as its current deal pipeline. The status of PATRIZIA's internal Compliance Project and its key milestones were also discussed.

At the last Supervisory Board meeting of the fiscal year on 19 December 2014, we discussed planning for 2015 in detail and approved the budget in full. The Supervisory Board was also given a detailed report on the performance of the operational areas and on staffing within the company.

Corporate Governance

The Managing Board and Supervisory Board prepared a separate Corporate Governance Report, which together with the statement on the Company's management is published on PATRIZIA's website at www.patrizia.ag/investor-relations/corporate-governance. In December 2014, the Managing Board and the Supervisory Board issued the Declaration of Conformity pursuant to Article 161 of the Aktiengesetz (AktG – German Stock Corporation Act). The recommendations and suggestions of the Code are followed through with a few exceptions. The current and all previous declarations of conformity are also permanently available for viewing on the website of PATRIZIA. My colleagues on the Supervisory Board and I also examined the efficiency of our Supervisory Board activities and discussed the findings. The efficiency of our collaboration with each other and with the Managing Board was again found to be good.

Further Supervisory Board Resolutions

The Supervisory Board passed a circular resolution agreeing to PATRIZIA Immobilien AG's investment in the acquisition of the "Leo I" portfolio. This also included the temporary acquisition of share certificates in the special fund and interim financing of EUR 64.4 million, which was repaid in full at the start of April. We also adopted circular resolutions on the establishment of PATRIZIA Institutional Clients & Advisory GmbH with a view to centralising and coordinating sales activities and of PATRIZIA GrundInvest GmbH for the creation of real estate funds for private investors.

Examination of the Annual and Consolidated Financial Statements 2014

The annual financial statements of PATRIZIA Immobilien AG, which are prepared in accordance with the Handelsgesetzbuch (HGB – German Commercial Code), and the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS), as well as the combined management report for PATRIZIA Immobilien AG and the Group were examined by Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Munich, together with the bookkeeping, and each issued with an unqualified audit opinion. The aforementioned documents as well as the audit reports from Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft were made available on time to the members of the Supervisory Board. The Managing Board and the responsible auditors explained the

findings of the audit to us at the accounts meeting on 23 March 2015 and were available to provide additional information. Deloitte & Touche also stated that the Managing Board has a suitable early risk detection system and that the system does not present any major weaknesses.

The Supervisory Board also thoroughly examined the annual financial statements of PATRIZIA Immobilien AG, the consolidated financial statements, the combined management report for the Company and for the Group as well as the Managing Board's proposal on the appropriation of net profit and did not raise any objections. We concurred with the findings of the examination by the auditor. The Supervisory Board approved the annual and consolidated financial statements. The annual financial statements of PATRIZIA Immobilien AG are thus adopted. The Supervisory Board agreed with the proposal on the appropriation of net profit made by the Managing Board and supports a renewed capital increase from company funds in order to issue bonus shares instead of paying a dividend.

Examination of the Dependent Company Report

The Managing Board's report on relationships with related parties for the 2014 fiscal year was also checked by the auditors. All legal and business relationships with related parties listed therein are in line with current market conditions also applicable to such relationships concluded between the PATRIZIA Group and third parties. The dependent company report was given the following opinion by the auditors:

"Following our dutiful audit and assessment, we hereby confirm that:

1. The information given in the report is correct.
2. With regard to any legal transactions listed in the report, the sum paid by the Company was not unduly high."

The dependent company report prepared by the Managing Board and checked by the auditors and also the associated audit report was made available to all members of the Supervisory Board in good time. In accordance with the concluding findings of its examination, the Supervisory Board raises no objections to the report and the concluding declaration of the Managing Board contained therein.

We should like to take this opportunity to express our sincere thanks to the Managing Board and all employees who have shown such commitment and enthusiasm in contributing to PATRIZIA's present and future success. The notable efforts by everyone enabled us to end the past year on a successful note.

Augsburg, 23 March 2015

For the Supervisory Board



Dr. Theodor Seitz
Chairman