

PATRIZIA

The European Real Estate Investment Company

H1 2017 Results Presentation

9 August 2017



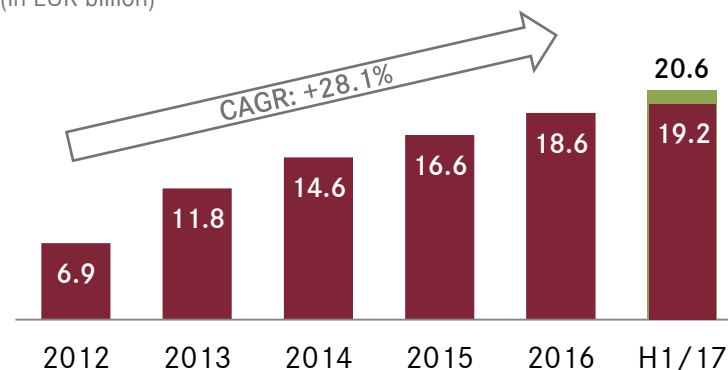
PATRIZIA – The European Real Estate Investment Company

HIGHLIGHTS

- Strong H1 2017 confirms successful continuation of growth strategy
 - AUM of EUR 19.2bn as of 30.06.17
 - AUM of EUR 19.8bn as of 31.07.17
 - Increase in operating income to EUR 35.1m
- Profitable AUM growth demonstrates scalability of European investment management platform
- Well on track to achieve full-year 2017 guidance
 - Outstanding pipeline of EUR 0.9bn signed, but not yet completed transactions (as of 31.07.17)
 - Operating income guidance for 2017 confirmed at EUR 60-75m
 - AUM expected at EUR 20.6bn by year-end

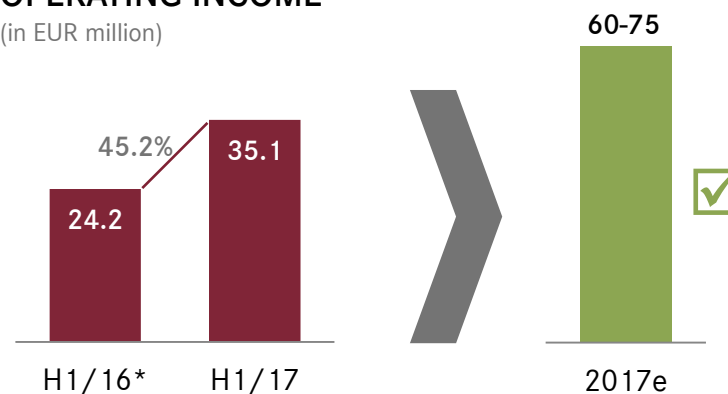
ASSETS UNDER MANAGEMENT

(in EUR billion)



OPERATING INCOME

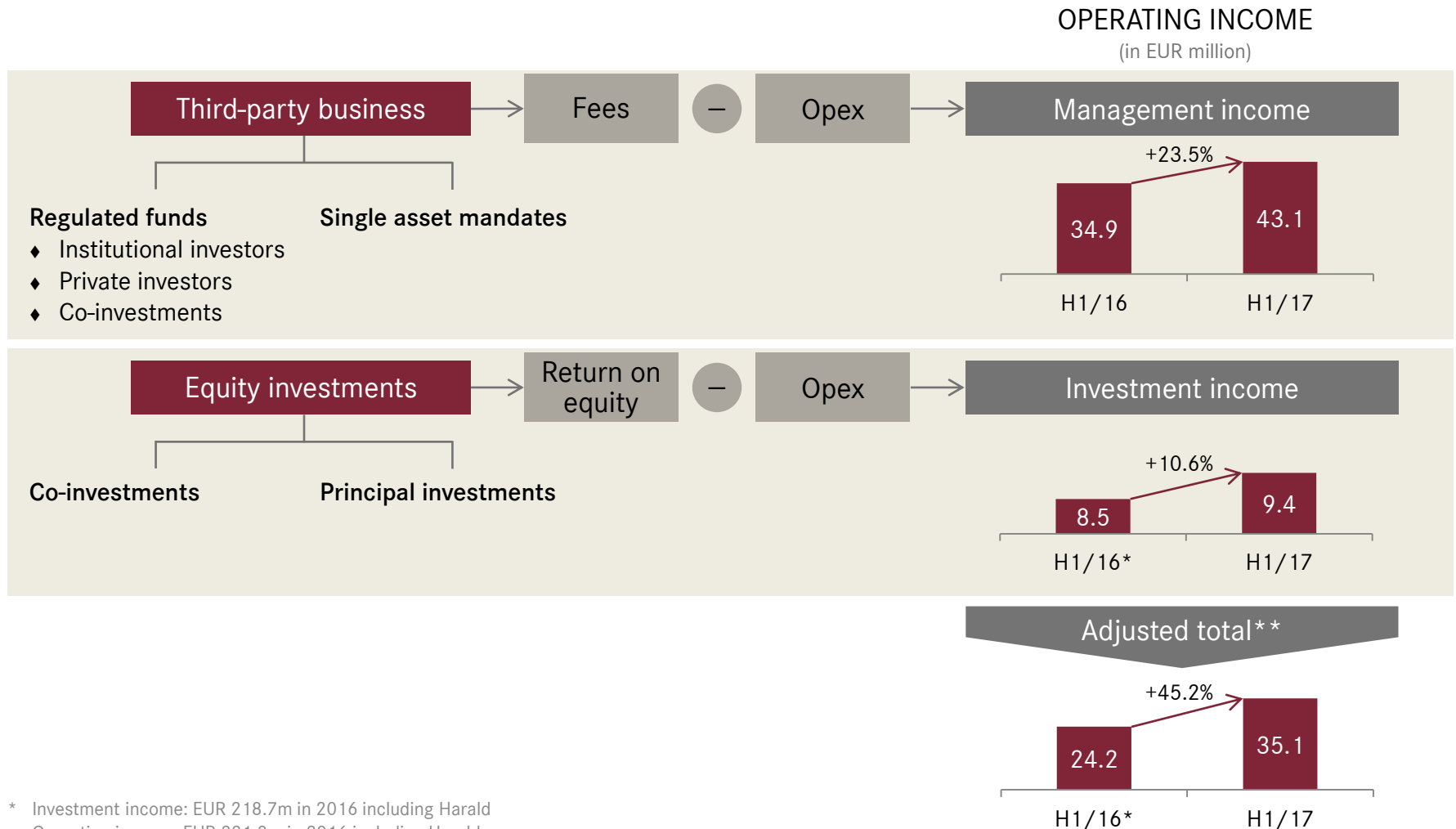
(in EUR million)



■ Full-year 2017 guidance

* Adjusted for Harald

H1 2017 results fully on track to achieve full-year financial goals



* Investment income: EUR 218.7m in 2016 including Harald
 Operating income: EUR 231.8m in 2016 including Harald

** Total operating income reduced by corporate expenses of EUR 19.2m in H1/16 and EUR 17.4m in H1/17

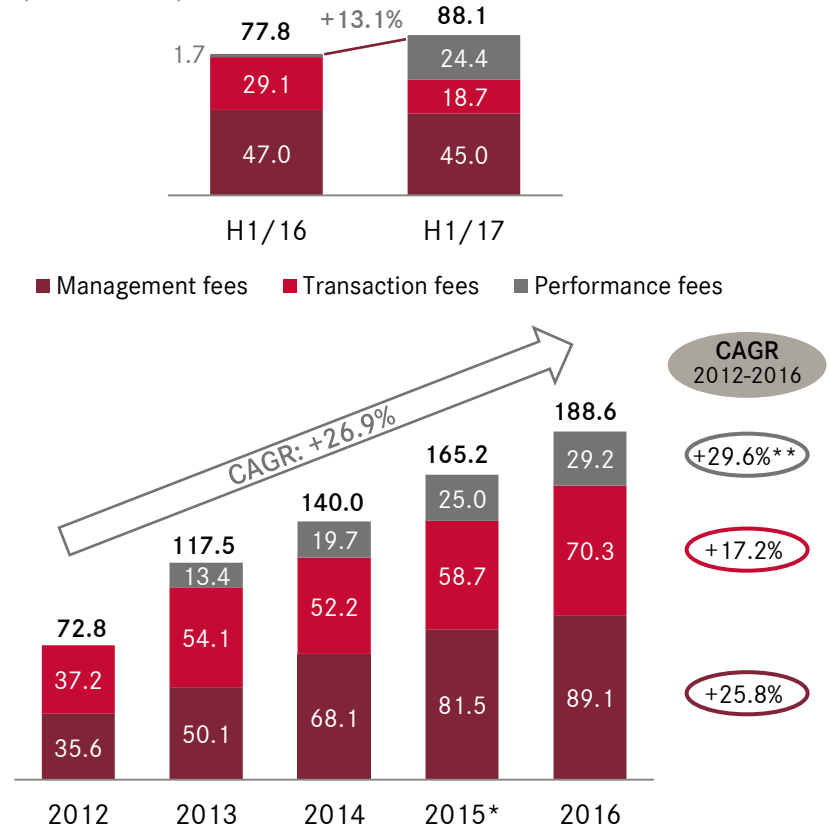
Increasing fee income confirms scalability of PATRIZIA's platform

FEE INCOME DEVELOPMENT

- Total fee income up 13.1% to EUR 88.1m in H1 2017
- Stable management fees despite sale of property management business
- Performance fees resulting from superior returns produced for repeat clients
- Total fee income in line with full-year guidance
- Outstanding transaction pipeline of EUR 0.9bn will further accelerate income streams
- Promising future top line growth prospects
 - 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

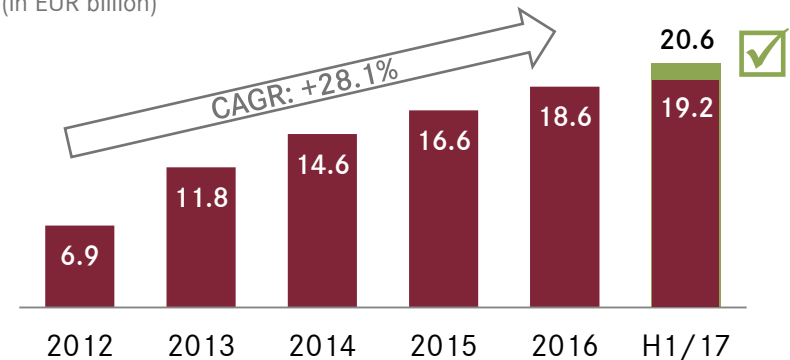
AUM growth drives recurring asset management fee income...

ASSET MANAGEMENT FEES STEADILY GROWING

- PATRIZIA receives recurring service fees for managing real estate assets for 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 organic growth of asset management fees compensated sale of property management business
- Progressive increase in asset management fees demonstrates the reliability and scalability of PATRIZIA's integrated investment management platform

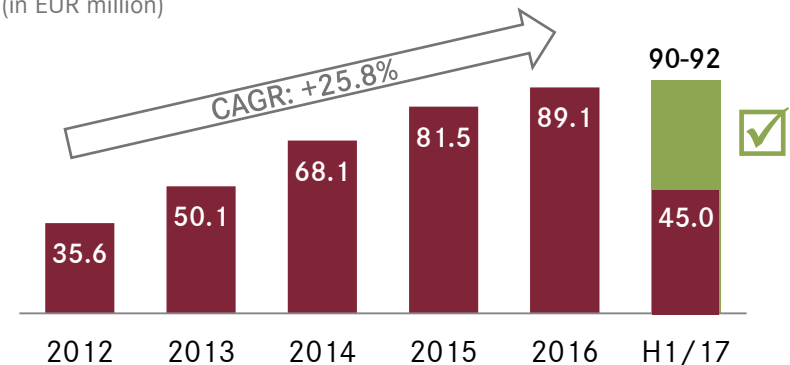
ASSETS UNDER MANAGEMENT

(in EUR billion)



ASSET MANAGEMENT FEE INCOME

(in EUR million)



■ Full-year 2017 guidance

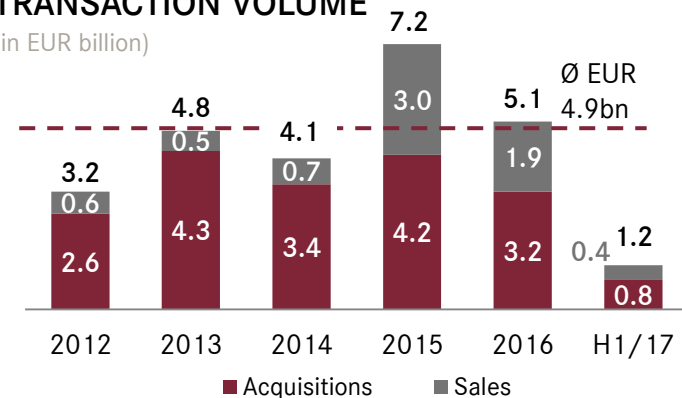
...with transaction fees remaining a consistent part of total income...

TRANSACTION FEES OF EUR 18.7M IN H1 2017

- Transactions of EUR 1.2bn completed in H1 2017; another EUR 0.7bn transaction closed in July
- Promising deal pipeline ahead: signed transactions worth EUR 0.9bn to be completed by year-end
- Current transaction level broadly in line with annual long term average
- 2016 transaction volume includes EUR 1.1bn from the sale of the Harald-portfolio
- 2015 transaction volume includes sale of SÜDEWO and acquisition of Harald totalling EUR 2.5bn

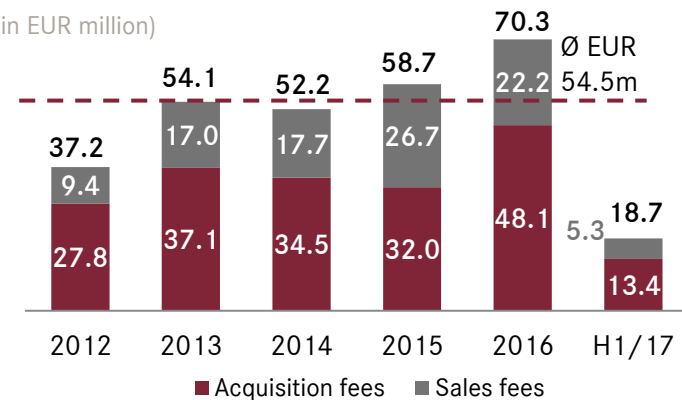
TRANSACTION VOLUME

(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

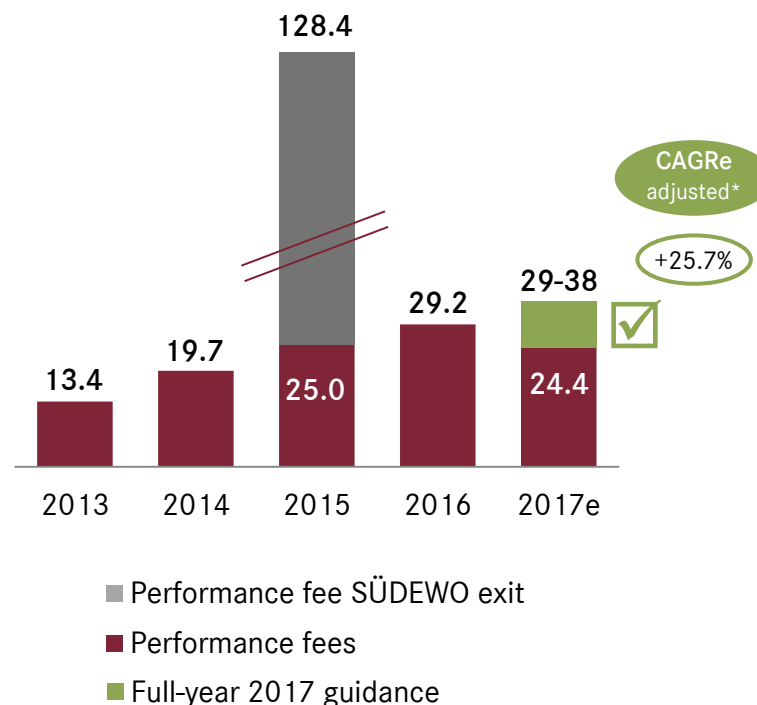
- Third-party funds and co-investments generate performance fees upon exceeding pre-determined return hurdles
- EUR 24.4m of performance fees in H1 2017 underline strong asset management results
- Guidance for performance fees of up to EUR 38m in 2017 confirmed

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

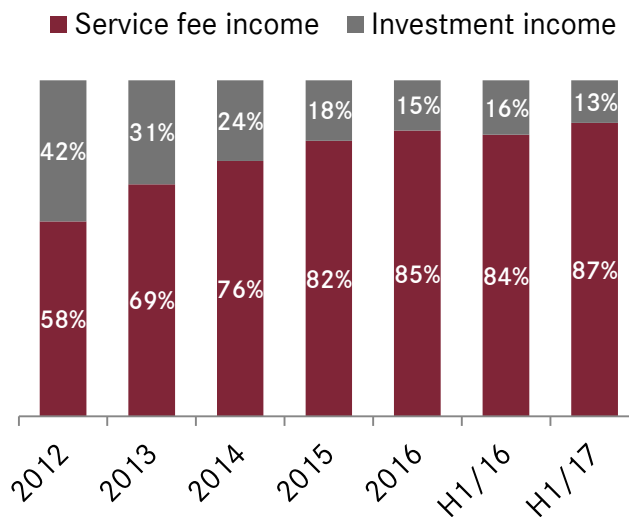
Successful evolution to significant recurring fee based cash flow

- Recurring fee income from investment management services represents 87% of total income
- Sales proceeds from own assets held on the balance sheet are running out
- Co-investment income continues to deliver an 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* H1/16	adjusted* H1/17
Management fees	35.6	50.1	68.1	81.5	89.1	47.0	45.0
Transaction fees	37.2	54.1	52.2	58.7	70.3	29.1	18.7
Performance fees	0.0	13.4	19.7	25.0	29.2	1.7	24.4
Total Service fee income	72.8	117.5	140.0	165.2	188.6	77.8	88.1
Net sales revenues and Co-investment income	51.9	52.6	44.6	35.6	32.0	15.1	12.8
Net operating expenses incl. Personnel expenses	-68.3	-112.4	-128.8	-153.1	-143.9	-64.5	-62.9
EBITDAR	56.3	57.7	55.9	47.7	76.6	28.5	37.9
Reconciliation to Operating EBT	-12.4	-19.5	-5.7	-5.0	-4.4	-4.3	-2.8
Operating EBT	43.9	38.1	50.2	42.7	72.2	24.2	35.1

DEVELOPMENT OF INCOME STREAMS



* 2015 excluding SÜDEWO exit fee; 2016 excluding Harald profit

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 more than 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 priorities

Strong Balance Sheet

in EUR million	30.06.2017
Total assets	1,337.1
Equity (excl. minorities)	773.3
Equity ratio	57.8%
Bank loans	107.0
Bonded loans	322.0
- Cash and cash equivalents	689.6
- Deposits and securities	96.0
= Net cash (-)/net debt (+)	-356.6
Net equity ratio	85.1%

Significant Liquidity

in EUR million	30.06.2017
Bank balances, cash and deposits	785.6
- Transaction-based liabilities Harald	35.3
- Regulatory reserve KVGs (investment companies)	6.9
- Cash in PGK object companies (retail fund entities)	5.9
= Available cash 30 June 2017	737.5

Public share buy-back offer to start on 10 August 2017

RATIONALE

- Key rationale: Use shares as additional M&A currency
 - Increase options of means of purchase price consideration
 - Avoid dilution of existing shareholders
 - Align goals of target's existing management team with PATRIZIA
- Other usage options include inter alia cancellation of shares and employee participation programs

OFFER TERMS

- Public offer to buy back approx. 2.3m shares within a price range of EUR 15.90 up to EUR 17.40 per share
- Price range equals premium of approx. 0.2% to 9.7% above arithmetic mean of closing prices of last three trading days before announcement
- Final purchase price/share will be determined at the end of the acceptance period

OFFER DETAILS

- Shares offered for purchase correspond to a proportion of approx. 2.5% of PATRIZIA's current share capital or a maximum of approx. 3.4% considering the option to increase the offering
- Acceptance period: 10 August 2017 to 7 September 2017
- In case of over-acceptance of the offer, PATRIZIA has reserved the option to additionally purchase up to approx. 846k shares at the final purchase price

Disclaimer: This share buy-back offer is not being made to US shareholders

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

ASSUMPTIONS

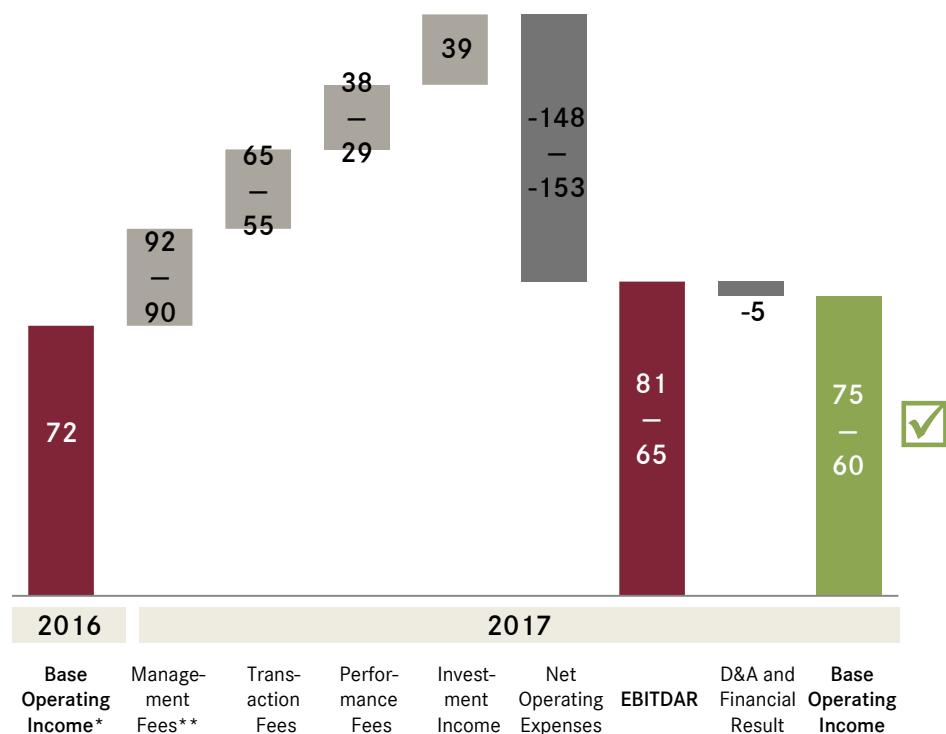
- Asset management fees based on average AUM of EUR 19.5bn – EUR 20.5bn
- Transaction volume: EUR 4.0bn – EUR 5.5bn
- Investment income: remaining principal investments and income from participations
- Net opex include additional costs for fundraising and marketing (estimated at EUR 7m)

Further potential upside

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

INCOME BRIDGE

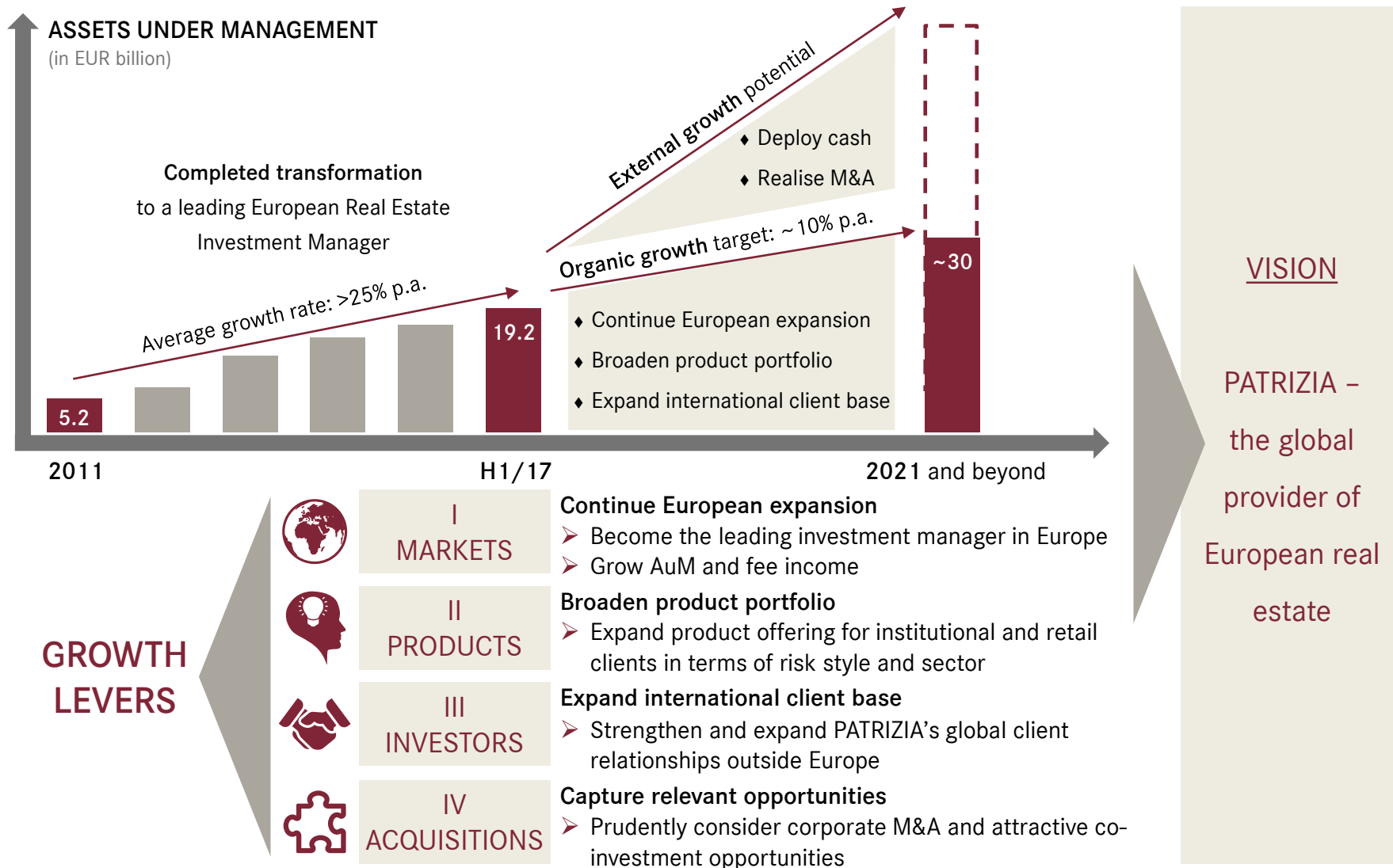
(in EUR million)



* 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

Evolution to the global provider of European real estate



Appendix

Consolidated Income Statement H1 2017

in EUR k	1 st half 2017 01.01.-30.06.2017	1 st half 2016* 01.01.-30.06.2016
Revenues	105,903	110,712
Income from the sale of investment property	227	901
Changes in inventories	-7,367	-19,606
Other operating income	11,343	3,027
Income from the deconsolidation of subsidiaries	0	3,691
Total operating performance	110,106	98,725
Cost of materials	-7,478	-6,741
Cost of purchased services	-6,249	-10,353
Staff costs	-39,916	-42,622
Other operating expenses	-28,582	-20,650
Income from participations	9,376	6,839
Earnings from companies accounted for using the equity method	670	3,253
EBITDAR	37,927	28,451
Reorganisation expenses	-915	-11,313
EBITDA	37,012	17,138
Amortisation of fund management contracts, depreciation of software and fixed assets	-2,769	-3,293
Earnings before finance income and income taxes (EBIT)	34,243	13,845
Finance income	531	796
Finance costs	-1,840	-4,076
Currency result	-1,844	-4,295
Earnings before income taxes (EBT)	31,090	6,270
Income tax	-6,744	-2,110
NET PROFIT FOR THE PERIOD	24,346	4,160

* Adjusted for Harald

Consolidated Balance Sheet 30 June 2017 – assets

ASSETS		
in EUR k	30.06.2017	31.12.2016
A. Non-current assets		
Goodwill	610	610
Other intangible assets	34,420	35,416
Software	10,940	10,772
Investment property	10,062	12,226
Equipment	4,357	4,460
Participations in associated companies	86,803	85,923
Participations	101,182	102,033
Loans	7,028	7,015
Long-term tax assets	35	35
Deferred taxes	258	323
Total non-current assets	255,695	258,813
B. Current assets		
Inventories	233,035	182,931
Securities	11,010	44
Short-term tax assets	7,451	11,941
Current receivables and other current assets	140,388	99,311
Bank balances and cash	689,554	440,219
Total current assets	1,081,438	734,446
TOTAL ASSETS	1,337,133	993,259

Consolidated Balance Sheet 30 June 2017 – equity/liabilities

EQUITY AND LIABILITIES		
in EUR k	30.06.2017	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	-11,241	-10,803
Consolidated unappropriated profit	516,025	491,679
Total equity	774,941	751,033
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	17,088	17,992
Retirement benefit obligations	693	648
Bonded loans	300,000	22,000
Non-current liabilities	4,978	6,866
Total non-current liabilities	322,759	47,506
CURRENT LIABILITIES		
Short-term bank loans	107,000	53,200
Bonded loans	22,000	5,000
Short-term financial derivatives	0	0
Other accruals	16,041	27,627
Current liabilities	66,965	75,343
Tax liabilities	27,427	33,550
Total current liabilities	239,433	194,720
TOTAL EQUITY AND LIABILITIES	1,337,133	993,259

Financial calendar

2017

August 9 ➤ **Interim report for the first half of 2017**

November 14 ➤ **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

Contact details

KARIM BOHN
CFO



PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg

MARTIN PRAUM
HEAD OF IR



PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg

T +49 821 50910-402
F +49 821 50910-399
M +49 151 19685445
martin.praum@patrizia.ag
www.patrizia.ag

LAURA WANZL
MANAGER IR



PATRIZIA Immobilien AG
PATRIZIA Bürohaus
Fuggerstrasse 26
86150 Augsburg

T +49 821 50910-347
F +49 821 50910-399
M +49 151 41411174
laura.wanzl@patrizia.ag
www.patrizia.ag

Disclaimer

This document does not constitute an offer or invitation to purchase or subscribe for any securities, and neither this document nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer of securities or commitment to make an offer whatsoever in any jurisdiction.

This document contains specific forward-looking statements that relate in particular to the business development of PATRIZIA and 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 estimate or statement inaccurate or cause actual results to differ from the results currently expected. PATRIZIA does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this publication.