

PATRIZIA AG  
Speech of the CEO Wolfgang Egger  
to the Annual General Meeting on 14 October 2021

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- the spoken word prevails -

\*\*\* Convenience translation \*\*\*

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**to the Annual General Meeting on 14 October 2021**

**- the spoken word prevails -**

Dear Shareholders,  
Dear friends and partners of PATRIZIA,  
Ladies and gentlemen,

Welcome also from my side to our Annual General Meeting this year! As we did last year, we are coming together virtually today. We have learned from the Corona pandemic: virtual formats work well. And it still applies: Safety and health first! Unfortunately, we have not yet overcome the Corona pandemic and it will certainly continue to accompany us for some time. But direct, personal exchange with you is important to us. I therefore encourage you to take the opportunity to contact our Investor Relations team and ask questions, even outside the Annual General Meeting.

Before I give you an overview of the 2020 fiscal year and our plans for the future, I would like to address an important item on today's agenda. This year's Annual General Meeting will mark the end of the term of office of the current PATRIZIA Supervisory Board. The Supervisory Board proposes to expand the body from three to five members in the future.

Dear shareholders, you have five strong candidates to choose from. At the same time, we are ensuring continuity on the Supervisory Board. Mr. Reuter, who has been a member of PATRIZIA's Supervisory Board since 2017, will also stand for election as Chairman of the Board once he has been elected into the body.

With the new candidates, the Supervisory Board gains important new competencies and becomes significantly more international and diverse. The Supervisory Board is thus optimally positioned to actively support PATRIZIA's international, technology-driven growth course. With more members, the Supervisory Board can deal with more issues, distribute tasks across several shoulders and advise the Management Board better. For example, in future the Supervisory Board will have enough members to form further committees. The first committee to be set up will be an Audit Committee. This will further improve PATRIZIA's corporate governance.

- My sincere thanks go to the Supervisory Board for managing the handover to the new Supervisory Board so well.
- I would like to personally thank our Supervisory Board Chairman Dr. Seitz and the entire Supervisory Board for selecting these excellent candidates.
- And, of course, a special thank you to you, Mr. Reuter, for your willingness to assume the position as Chairman of the Supervisory Board after the election. This will allow the Supervisory Board to seamlessly continue its excellent work of the past.

The election of the new Supervisory Board is also an occasion to look back on the successful development of the past years. With Mr. Hoschek and Dr. Seitz, two very deserving members of the Supervisory Board are leaving. Both have played a decisive role in shaping PATRIZIA's success in recent years.

- Thank you very much, Mr. Hoschek, for the way you have supported the further development of PATRIZIA AG on the Supervisory Board since 2015! PATRIZIA has successfully set the course for international growth in recent years. We have successfully acquired and integrated TRIUVA, Rockspring and Sparinvest Property Investors (SPI). You have been a critical and constructive advisor to the Management Board during these - and many other - important steps. Many thanks for this!
- Many thanks also to Dr. Seitz! When you took over as Chairman of the Supervisory Board in 2002, PATRIZIA was not comparable to our company today. You have shaped more than half of our company's history as Chairman of the Supervisory Board. With your advice and support, we have closed groundbreaking transactions for PATRIZIA. We have continuously developed our business model and invested more in new technologies. And this is also part of it - together we have mastered the global financial and economic crisis of 2008 and 2009 and other challenging situations.
- Thank you again, Mr. Hoschek and Dr. Seitz, on behalf of the entire PATRIZIA Management Board and - I believe - on behalf of all PATRIZIA shareholders for your great commitment to our Company.
- And a very big personal thank you from me for the good and very trusting cooperation over the past years. With you, I have always had strong partners at my side!

Dear Sirs,

Dr. Seitz has asked me to give you an overview of the candidates for today's election of the Supervisory Board. I am very happy to comply with this request.

**Axel Hefer is CEO and member of the board of Trivago N.V..** Trivago is a leading search engine and platform. It compares hotel prices from more than 300 booking sites for more than 5 million hotels and other accommodation types in over 190 countries. Mr. Hefer is an experienced manager and executive. He brings extensive knowledge of technology and online consumer platforms to PATRIZIA. In addition, he is a financial expert. Before becoming CEO, he was CFO at Trivago. As CFO and COO of home24, one of Germany's largest online furniture stores, he was responsible for finance, logistics and customer service. Previously, he worked for McKinsey, Permira and One Equity Partners as an investment manager and managing director.

**Marie Lalleman was Executive Vice President and Global Strategic Partner for France and the U.S. at Nielsen Company,** a leading global market research company and technology partner for media measurement and planning, until January 2021. Nielsen is an S&P 500 company with operations in more than 90 countries. Ms. Lalleman has held various leadership positions at Nielsen over the past 29 years, including managing global key accounts. She will enrich the PATRIZIA Supervisory Board with her international experience and extensive knowledge in the areas of research, technology, customer retention and data analysis.

**Jonathan Feuer is chairman and co-founder of Eigen Technologies.** The FinTech company was founded in 2014 and today employs a team of more than 200 scientists, engineers, strategists and industry experts based in London and New York. Eigen Technologies provides clients in the financial, legal and professional services industries with a flexible, fast and accurate document platform powered by Artificial Intelligence. Recently, the company received a B-Series investment from Goldman Sachs, Temasek, Lakestar, Dawn Capital and ING. Previously, Mr. Feuer was a Managing Partner at CVC Capital Partner, where he spent over 30 years in various positions. Earlier in his career, he worked for Baring Private Equity Partners and Ernst & Young. Mr. Feuer has broad investment experience and has successfully founded a fintech company. In addition, he brings expertise in software solutions for financial services companies driven by artificial intelligence and will thus enhance the skills on PATRIZIA's Supervisory Board. Together with his wife, Mr. Feuer runs his family's charitable foundation and funds and supports an international scholarship program at the University of Warwick that promotes research on artificial intelligence.

**Philippe Vimard is Chief Operating Officer, Chief Technology Officer and member of the Board of Directors of Doctolib SAS.** Doctolib is an e-health company and an online booking platform for appointments and video consultations with doctors and healthcare professionals. Doctolib was founded in 2013. It serves 60 million patients and 150,000 doctors and health specialists in France and Germany. Prior to Doctolib, Mr. Vimard worked as Chief Technology Officer at Klarna, a Swedish fintech start-up. Prior to that, he was CTO and COO of EDreams Odigeo, one of the world's largest online travel agencies, part of Opodo. He also spent eight years at Expedia, a US-based online travel agency, in various roles in the US and Canada. Mr. Vimard is a successful and globally experienced technology leader with strong operational skills and broad expertise in various industries.

**Uwe Reuter is the first Deputy Chairman of the PATRIZIA Supervisory Board and was appointed to this position in 2017.** He has contributed to the further professionalisation of the PATRIZIA Supervisory Board over the past three years. Mr. Reuter brings broad experience in the financial sector to PATRIZIA. He has held various positions and management roles at Citibank, SwissRe / Allianz Group. He was also CEO of Zurich Financial Services and VHV Holding AG in Hanover. Mr. Reuter is an experienced executive and has gained extensive supervisory board experience in various mandates. As mentioned above, Mr. Reuter is ready to support PATRIZIA as the next Chairman of the Supervisory Board in this important transition phase to an SE. He will thus ensure continuity in the work and leadership responsibilities of the next Supervisory Board.

I think I speak here also on behalf of my fellow board members - we are very much looking forward to working with this internationally experienced team!

Dear Shareholders,

We presented our medium-term strategy to you at the last Annual General Meeting. Let us now turn our attention to the progress we have made in implementing it. To this end, I would like to go into the following points in more detail:

- 1) Why we are a stable and reliable partner and will emerge stronger from the Corona pandemic
- 2) How we are expanding our product range and consistently internationalising PATRIZIA
- 3) How we think ahead for our customers and employees, but also for society as a whole.

**First: We are a stable and reliable partner**

This was demonstrated by our 2020 financial year. Our CFO Karim Bohn will present our business results for the past year in detail in a moment. Therefore, I will only cite three key figures as evidence:

- We increased our assets under management (AUM) by 5.7 percent to 47 billion euros.
- We closed transactions worth EUR 6.9 billion for our global clients.
- We achieved an operating income of € 116.5 million. This means that we performed only about 13% below the strong level of the previous year. And this in a year that was massively impacted by the Corona pandemic.

Ladies and gentlemen, why are we such a stable and reliable partner?

**Firstly, we are active in a structural growth market.** We surveyed our investors at the beginning of the year. The result: more than 70% of institutional investors want to increase their real estate quota in the next five years.<sup>1</sup> This is in line with long-term market trends. Society, especially in the affluent industrial nations, is getting older and older. As a result, the demand for capital investments for old-age provision is rising. Investors are looking for strong and reliable partners for their large investment volumes. They are therefore increasingly concentrating their investments with the leading investment managers - of which we are one. In addition, the persistently low interest rate environment makes investments in real assets, such as real estate and infrastructure, attractive, especially compared with bonds. All of this supports the long-term growth of our industry.

**Secondly, PATRIZIA has a strong network of long-term partners.** With around 880 employees and 24 PATRIZIA offices worldwide, we are close to our clients, the assets we manage and our tenants. This has also enabled us to actively manage the consequences of the Corona pandemic on rents and tenants. And we have built long-term partnerships in all real estate segments. This gives us access to transactions and deals even in a difficult market environment.

**Third, we have excellent and highly motivated employees.** We went the "extra mile" during the pandemic and actively managed the impact on our business. And we switched to home office and remote working virtually "overnight". This was not easy, not least because many employees had to look after children and relatives at the same time. But together we managed it. And we achieved great things. Many thanks to our employees for their great commitment! To me, this achievement shows once again what a strong corporate culture PATRIZIA has. Without the commitment, entrepreneurial thinking and our "customer first" mentality, PATRIZIA would not be where we are today. And we would not have come through the pandemic so well either. This stability is important. It shows our customers, transaction and financing partners, as well as you, dear shareholders:

**PATRIZIA also masters difficult market situations.**

New opportunities arise from this strength. We need to take advantage of them and expand our business. And that is exactly what we have done. That is why PATRIZIA is emerging stronger from the Corona pandemic.

**This brings me to my second point: We are expanding our product range and internationalizing PATRIZIA**

At our last Annual General Meeting, we outlined how we intended to expand our investment offering, attract more international clients and, in particular, grow our "real assets" business, i.e. infrastructure investments. We have delivered what we promised:

- We acquired more than 30 new domestic and foreign institutional clients in 2020. This has increased our client base to over 450 institutional investors. This broad, diverse client base - from German savings banks to Asian pension funds - is one of our strengths.
- We launched seven new institutional fund products in 2020. Our investment offering is thus broader and more comprehensive than ever.
- And in recent years, we have consistently expanded our expertise in the various real estate segments, for example in logistics as well as in food retailing. As a result, we now offer our clients even more opportunities to diversify their investments across all real estate segments.

**Most notably, we have recently expanded our infrastructure investment offering.** I'm sure you've read about it: We entered into a purchase agreement to acquire Whitehelm Capital about a month ago. We expect the transaction to close and thus be included in our financials in the first quarter of 2022.

Whitehelm is a long-established international infrastructure manager. With Whitehelm, we are tripling our infrastructure assets under management to around EUR 5bn. Our goal is to expand the segment to EUR 15 to 20 billion in the medium term. This is because global infrastructure investments are growing rapidly. It currently amounts to USD 2.8 trillion per year. By 2040, this figure will have risen to over USD 3.8 trillion.<sup>2</sup> Such a growth segment offers many investment opportunities. We want our customers to be able to take advantage of them!

Whitehelm has already realised more than 100 successful infrastructure investments. This experience will help us to quickly and successfully expand our investment offering in this area. Whitehelm is therefore a perfect fit for our strategy.

But not only that. We are also a very good cultural fit. We both - Whitehelm and PATRIZIA - stand out for our entrepreneurship, clear client focus, first-class services and our track record as independent investment managers. We are therefore very much looking forward to working with our new colleagues from Whitehelm!

**With this transaction, we are also further expanding our international presence.** Whitehelm has offices in Sydney, Canberra and London and an international client base. Whitehelm thus strengthens our reach in the Asia-Pacific region in particular. We see great growth potential there. For this reason, we further strengthened our office in Japan this July with a new President, Katsumi Nakamoto. Katsumi has been involved in real estate investment management in Japan, the US and Asia for more than 30 years and has long worked for the asset arm of Mitsubishi Cooperation. With his excellent client contacts, he will help us to significantly expand our business in Japan over the next three to four years.

As you can see: Our clients are becoming increasingly international and so is our investment horizon. With Whitehelm and our increased presence in Japan, we will further expand our investments outside Europe. PATRIZIA is also becoming increasingly international. We already employ people from 35 nations.

We will continue to consistently expand our international presence. This is why we also initiated the conversion of PATRIZIA AG into the legal form of a European Company, a "Societas Europaea" or "SE", in July of this year. The SE is an internationally known and recognized legal form. It is therefore more in line with PATRIZIA's international profile and business.

We want to complete the conversion in 2022 and present it to you - dear shareholders - for a vote at next year's Annual General Meeting. You will receive further information on this with the invitation to the Annual General Meeting 2022.

Dear Sirs,

We are already creating the investment opportunities for our clients of tomorrow. Because the investment volume of our clients continues to grow. They expect ever more, ever better diversified and ever more international investment opportunities. The broader we are positioned, the faster we will be able to expand our product portfolio. This will increase our recurring income from management fees. And with that, we strengthen our financial power to be able to offer attractive investment opportunities in the future and to invest in technology & innovation.

And this is where the circle closes: In order to remain the strong and reliable partner that we are today, we are developing PATRIZIA step by step.

This brings me to my third point:

**We think ahead for customers, employees and society**

- We think ahead in technology & innovation.
- We set ourselves ambitious goals for sustainability.
- And we are thinking about the working world of tomorrow - in English: New Work.

Dear Sirs,

Let me briefly address the topic of technology and innovation. I am asked time and again: What do these investments bring? What is the "return on investment" for our "Technology & Innovation" division and thus also for PATRIZIA's shareholders?

That is a legitimate question. But it is only one of many perspectives on this important topic. The crucial question is: What will it cost us in the long run, what will we miss out on if we do not engage and invest in Technology & Innovation today?

The real estate industry is certainly not currently a software industry, but digitalisation and technological change will also fundamentally change our industry. And those who do not invest in new technologies at an early stage will pay dearly later.

This will not happen to us! We have been shaping the digital transformation of our industry for years with our Technology & Innovation team:

- We have built a global ecosystem for innovation. Through partnerships with technology investors, so-called venture capital funds, on all continents and through systematic "scouting", we discover promising technologies at an early stage.
- We use new technologies to improve our products, processes, services and asset management. This enables us to further develop the technologies and gain important insights.
- We want to develop solutions for the entire industry from the best technologies. This takes time. Not every technology will become a successful product in the long term. But it is clear to us that the potential is huge. We will use technology to make our core business even more efficient. And we will gradually build up new successful business areas with our technology portfolio!

We have built up a promising prop tech portfolio over the past few years - these are young technology companies that focus in particular on innovative solutions for the real estate sector. For example, we invested in BrickVest in 2020. BrickVest has the potential to become a global digital investment platform for direct real estate investments.

In addition, we have entered into partnerships with three venture capital firms:

- with PiLabs in Europe,
- with CamberCreek in the U.S,
- and with Taronga Ventures in Asia.

We thus have access to innovative start-ups worldwide and can participate in innovative technologies at an early stage. These innovations will fundamentally change our future services. Smart data analytics will further improve our investment decisions. And they will make it much easier to manage real estate efficiently. All this will save costs and create competitive advantages.

In addition, we all need to live and work more sustainably in order to stop climate change. To do this, we need new technologies and innovations. Buildings account for around 40 percent of the world's energy demand and CO2 emissions. So we have a lot of leverage and a lot of responsibility.

Around half of the total emissions are generated in the construction phase. We therefore need innovations in construction, such as lightweight construction with concrete. However, we cannot focus solely on new construction. Real estate is used for decades. This means that we must continuously improve the use of existing buildings. Today, we need to further develop real estate into smart, networked buildings. With data and modern analytics, we can control energy and water consumption, but also waste and building management, much better. Not only that. We can also improve indoor air quality, especially in offices, and make buildings safer. In this way, we increase the well-being and productivity of users at the same time.

For me, there is no question: In the future, tenants and buyers alike will pay increasing attention to the sustainability of a property. Anyone who wants to rent or sell high-quality real estate in the future will not be able to avoid innovations and new technologies.



Dear Sirs,

At PATRIZIA, we also see sustainability as a mandate to invest in new technologies. After all, without new technologies, we cannot manage and measure progress in the context of sustainability activities. So the two go hand in hand.

We have set ourselves ambitious sustainability targets. By 2040, we want to achieve CO2 neutrality for more than 70 percent of our assets under management (AUM). This is an ambitious goal. We will only achieve it by consistently integrating sustainability criteria into our processes. Today, we have around 40 sustainability experts in our company worldwide. They implement our sustainability goals in all our business functions.

Let me also mention the acquisition of Whitehelm again in this context. Because it will help us to achieve our sustainability goals. Whitehelm has an A+ rating from the United Nations Principles for Responsible Investments (UN PRI). This is the highest rating in the world for the implementation of ESG criteria in strategy and governance activities. To this end, Whitehelm already offers funds for sustainable investments in infrastructure. We will leverage Whitehelm's expertise for investments in renewable energy. This will allow us to make our real estate portfolio more sustainable and at the same time more attractive for our clients.

There is no question about it: sustainability remains a major and ongoing task. At the same time, we have already made some progress here. Let me give you just a few examples here: We already use renewable energies for 70 percent of our managed portfolio. We have also continuously improved our rating in the Global Real Estate Sustainability Benchmark in recent years. And we are continuing to expand our capacity in impact investing. To this end, we strengthened our team at the beginning of the year with the Dutch impact investment expert Mathieu Elshout. With him, we will be able to offer our clients more impact funds in the future - and make our fund portfolio more sustainable overall.

Dear Sirs,

Being sustainable also means being - and remaining - an attractive employer. We therefore invest in the further development of our employees. In 2019, the year before the Corona pandemic, we offered our employees around 14,000 hours of training and development. And we are investing in modern workplaces. We have created modern, attractive New Work work environments in our new offices in Frankfurt and Luxembourg. The office of the future promotes creativity, exchange and collaboration. On the other hand, we do individual work flexibly, when and where we want. This is all possible thanks to innovative technologies. The experiences in Frankfurt and Luxembourg have been very positive. We will therefore gradually convert further PATRIZIA offices to a New Work environment.

Dear Shareholders,

Finally, I would like to talk about something close to my heart: the PATRIZIA Foundation.

In more than 20 years, the foundation has given more than 230,000 children worldwide the chance of a better education. In doing so, it has laid the foundation for thousands of children to lead a better life. The Corona pandemic has once again shown how important this social contribution is. Corona has not only caused the world's biggest health crisis, but also the world's biggest education crisis. And through the Foundation's work, we are creating new digital education opportunities for children with no chance of a good education. The Foundation's work is an expression of our "Purpose", or the meaning of our business: "Building Communities & Sustainable Futures". The Foundation brings PATRIZIAns and like-minded people together to do good. For example, more than 230 PATRIZIAns and friends of PATRIZIA participated in the "Cycle to Nepal" fundraiser. The donations benefited the PATRIZIA School Dhoksan in Nepal. We are now building a digital classroom there. This joint commitment is very important to me. It strengthens us as a team, creates identification and is enormously motivating.

Dear Shareholders,

We have remained true to ourselves in the Corona pandemic and have assumed social responsibility. We continued to perform well economically in fiscal 2020. Since our last meeting, we have made great progress in this regard with regard to our medium-term strategy. We have delivered what we promised:

- We have expanded PATRIZIA's investment offering,
- we are driving the internationalisation of our customer base, our investments and the company as a whole.
- And: With Whitehelm, we have succeeded in making a groundbreaking acquisition to become a truly global real asset player.

As you can see: PATRIZIA is on course and thinking ahead!

Thank you very much for your support on our way!

Karim Bohn will now detail our financial performance in fiscal 2020.

Thank you for your attention! Stay healthy!

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<sup>1</sup> <https://www.patrizia.ag/de/news-detail/patrizia-investorenbefragung-mehr-als-70-der-institutionellen-investoren-wollen-ihre-immobilienquote-in-den-naechsten-fuenf-jahren-erhoehen-digitale-services-als-wichtiges-differenzierungsmerkmal/>

<sup>2</sup> G20 Global Infrastructure Outlook, <https://outlook.gihub.org/>