

## Supervisory Board report

*Dear Shareholders,*

*Dear Readers,*

Although fiscal year 2021 was once again dominated by the global Covid-19 pandemic, PATRIZIA AG once again realised numerous attractive investment opportunities for its national and international clients. Both the transaction volume and the equity raised increased significantly compared to the previous year. This once again underlines PATRIZIA's strong market position as a leading partner for global real assets.

### Composition of the Supervisory Board and Committees

In the period until the entry of the amendment to the Articles of Association resolved at the Annual General Meeting on 14 October 2021 in the commercial register, the Supervisory Board consisted of three members. With the entry of the amendment to the Articles of Association in the commercial register on 3 November 2021, the Supervisory Board was expanded to five members.

Dr Theodor Seitz and Mr Alfred Hoschek retired from the Supervisory Board at the end of the Annual General Meeting on 14 October 2021. The Supervisory Board thanks Dr Seitz and Mr Hoschek for their many years of successful service. The Annual General Meeting elected Mr Axel Hefer and Ms Marie Lalleman as new members with effect from the end of the Annual General Meeting, and Mr Jonathan Feuer and Mr Philippe Vimard as new members with effect from the entry of the amendment to the Articles of Association in the commercial register.

For the period in which the Supervisory Board consisted of only three Supervisory Board members, the Supervisory Board had not formed any committees. An Audit Committee was established from 15 November 2021 and a Nomination and Remuneration Committee from 15 December 2021.

### Cooperation between the Management Board and the Supervisory Board

In the fiscal year 2021, the Supervisory Board of PATRIZIA AG diligently performed all the duties assigned to it by law, the Articles of Association and the Rules of Procedure. We regularly advised and monitored the Management Board on its management of the Company. At the same time, we were involved in all key decisions at an early stage. The Management Board regularly informed us in writing and verbally about the fundamental aspects of business development for the company and the Group, fundamental questions of corporate management, the current opportunities and risks of the earnings and liquidity situation as well as the intended business policy. The Management Board of PATRIZIA AG provided detailed explanations and reasons for the corporate planning and deviations in the course of business from the planning.

### Meetings of the Supervisory Board

Fourteen Supervisory Board meetings were held in the reporting year. The high number can be explained in particular by strategic M&A activities, the planned conversion of the company into an SE (Societas Europaea) and the reconstitution of the Supervisory Board. In addition, an Audit Committee meeting was held for the first time on 13 December 2021. Due to the Covid-19 pandemic, most of the meetings were held virtually. Where necessary, the Supervisory Board met without the Management Board. There was also a regular exchange between the Management Board and the Supervisory Board, represented by the Chairman of the Supervisory Board, outside of the regular meetings. In addition, a conference call was held with the CFO prior to the publication of the half-year and quarterly figures to discuss the financial results - if these were not discussed in meetings. Where the approval of the Supervisory Board was required by law, the Articles of Association or the Rules of Procedure for individual measures, we made our decisions on the basis of comprehensive reports and resolution proposals from the Management Board. If necessary, urgent resolutions of the Supervisory Board were passed by circulation.

### Focal points of advisory and supervisory activities

The subject of the meetings were important fundamental and individual issues, the strategy of the Group as well as the economic situation including the risk situation and risk management.

In a first extraordinary meeting on 2 March 2021, the targets for the variable remuneration of the Management Board for the current financial year were discussed. In another extraordinary meeting on 11 March 2021, the Supervisory Board decided on the budget for the financial year 2021 and a maximum remuneration for the Management Board.

The extraordinary meeting of the Supervisory Board on 16 March 2021 was also the meeting to approve the financial statements for the past financial year 2020, at which the auditors of Deloitte GmbH Wirtschaftsprüfungsgesellschaft also reported on their auditing activities for the financial year 2020. After examining the annual financial statements 2020 and the consolidated financial statements as well as the combined management report on the situation of the Company and the Group, the Supervisory Board adopted the annual financial statements and approved the consolidated financial statements. The Supervisory Board also examined the Company's dependency report for the financial year 2020. The Supervisory Board concurred with the Management Board's recommendation to pay a dividend of EUR 0.30 per share to the shareholders for the financial year 2020.

In the first ordinary meeting on 17 March 2021 the CFO explained the current business development including relevant key figures. In addition, reports were given on the topic of compliance, the CDO's business area and projects, the digitalisation strategy and PATRIZIA's ESG and sustainability strategy. Information was also provided on current topics from the operating business, the effects of the Covid-19 pandemic on the course of business and pending legal disputes. Finally, an adjustment to the business allocation plan for the Management Board, as well as the approval of interim financing for an acquisition project, was resolved.

On 29 March 2021, an extraordinary meeting was held in which the Supervisory Board decided on the targets for the variable remuneration of the Management Board members.

In another extraordinary meeting on 11 May 2021, the CFO explained the business figures for the first quarter of 2021. In addition, the programme proposed by the Management Board to buy back shares in PATRIZIA AG was resolved.

On 23 June 2021, the Supervisory Board met for its second ordinary meeting. Reports were given on the current business figures, the effects of the Covid-19 pandemic on the course of business, current developments in the Technology & Innovation department and the CFO's department, and in particular on risk management, the risk management system and internal auditing. Finally, the Management Board informed the Supervisory Board in detail that a conversion of PATRIZIA AG into a monistic SE was currently being examined. Furthermore, the variable targets for Management Board remuneration for the fiscal year 2021 (both corporate targets and individual targets for the individual Management Board members) and regulations on dealing with conflicts of interest were resolved.

On 30 July 2021, an extraordinary meeting was held in which a basic decision was made on the implementation of the SE conversion. In addition, ongoing projects and planned M&A transactions were discussed and the CFO reported on the expected financial results for the first half of the year 2021.

Further extraordinary meetings were held on 3 and 6 September 2021 to discuss and pass resolutions on the acquisition of the infrastructure investment manager Whitehelm Capital.

On 14 September 2021 the Supervisory Board met for its third ordinary meeting and was informed about the product profitability of the company, in addition to the report from the operational areas and the effects of the Covid-19 pandemic on the course of business. Another topic was the results of a project to optimise internal processes in the area of fund administration, including a benchmark study by McKinsey & Company, Inc. and a process optimisation study conducted by Porsche Consulting GmbH. The results of these studies and the steps to be derived from them for the further strategy were subsequently discussed in detail. In addition, regular information was provided on the topics of compliance, risk management and litigation.

In an extraordinary meeting on 3 December 2021, the newly constituted Supervisory Board was given a comprehensive presentation of all PATRIZIA AG business areas and discussed current topics.

In another extraordinary meeting on 13 December 2021, the CFO reported on the current business figures and the impact of the Covid-19 pandemic on business performance. In addition, rules on the cooperation between the Management Board and the Supervisory Board were discussed and the relevant targets for the Long-Term Incentive Plan of the executives participating in it for the financial year 2021 were decided.

In the last ordinary meeting of the reporting year on 15 December 2021, the Supervisory Board dealt in detail with the annual planning and corporate goals for the financial year 2022. In addition to a strategic update by the Co-CEO, the Supervisory Board was briefed on D&O insurance issues, ongoing litigation and current corporate governance topics. Furthermore, a new edition of the PATRIZIA AG share buy-back programme was discussed in detail and approved by the Supervisory Board.

## Individual attendance of meetings by Supervisory Board members in 2021

The respective members of the Supervisory Board in office attended all meetings of the Supervisory Board in the 2021 business year - with the exception of two meetings, at each of which one member was not present. At five meetings of the Supervisory Board in the financial year 2021 the Supervisory Board also met without the Management Board. Details on individual meeting attendance can be found in the following overview:

### Individual meeting attendance of Supervisory Board members in 2021

| Supervisory Board member                   | Total meeting attendance | Total meeting attendance in % |
|--|--------------------------|-------------------------------|
| Uwe H. Reuter                              | 14/14                    | 100%                          |
| Dr Theodor Seitz - (until 14 October 2021) | 11/11                    | 100%                          |
| Alfred Hoschek - (until 14 October 2021)   | 10/11                    | 91%                           |
| Axel Hefer - (since 14 October 2021)       | 3/3                      | 100%                          |
| Marie Lalleman - (since 14 October 2021)   | 3/3                      | 100%                          |
| Jonathan Feuer - (since 3 November 2021)   | 3/3                      | 100%                          |
| Philippe Vimard - (since 3 November 2021)  | 2/3                      | 67%                           |

No conflicts of interest were known in the Supervisory Board during the reporting year. The members of the Supervisory Board regularly undertook further training on their own. The Company supported the members of the Supervisory Board in training and further education measures. For this purpose, the Company provided the members of the Supervisory Board with information on current legal requirements relevant to the Supervisory Board. In addition, regular capital markets updates were provided to the Management Board and the Supervisory Board.

### Other resolutions

In addition to the resolutions passed during the Supervisory Board meetings, circular resolutions were passed, among others, on the reappointment of Management Board members, on amendments to Management Board employment contracts, on the election of a new Chairman of the Supervisory Board and a Deputy Chairman of the Supervisory Board, as well as on the remuneration system of the Management Board.

### Corporate Governance

The Management Board and Supervisory Board published the Corporate Governance Statement on the PATRIZIA website at [www.patrizia.ag/en/shareholders/corporate-governance/corporate-governance-statement/](http://www.patrizia.ag/en/shareholders/corporate-governance/corporate-governance-statement/) on 15 March 2022. Among other things, this declaration contains information on the working methods of the Management Board and Supervisory Board, the diversity concept, age limits and the targets for the share of women on the Supervisory Board, the Management Board and the first two management levels below the Management Board.

On 15 December 2021, the Supervisory Board adopted the Declaration of Conformity with the recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with §161 AktG (German Stock Corporation Act; GCGC 2020). The recommendations were complied with during the year, with a few exceptions. With the reorganisation of the Supervisory Board and the formation of the Audit Committee and the Nomination and Remuneration Committee, the final deviations were eliminated in the fourth quarter of 2021, so that PATRIZIA now fully complies with the Code. The current and all previous Declarations of Conformity are also permanently available on the PATRIZIA website.

As an exception, my colleagues on the Supervisory Board and I have decided not to conduct a self-assessment in 2021 due to the expansion of the Supervisory Board and the fact that it is largely made up of new members. In the coming year, however, such an assessment will take place again as usual.

### Audit of the 2021 annual and consolidated financial statements

The annual financial statements of PATRIZIA AG prepared in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with IFRS, the combined management report for PATRIZIA AG and the Group for the fiscal year 2021 and the remuneration report were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, including the accounting records, and were each given an unqualified audit opinion. The members of the Supervisory Board of PATRIZIA AG received the aforementioned documents and the audit reports of Deloitte GmbH Wirtschaftsprüfungsgesellschaft in good time. The Management Board and the responsible auditors explained the results of the audit to us at the balance sheet meeting on 11 and 15 March 2022 and provided additional information. Deloitte also determined that the Management Board has established an appropriate early risk detection system. No material weaknesses in the internal control system and the risk management system related to the accounting process were reported. In addition, the Management Board explained the financial statements of PATRIZIA AG and the Group as well as the risk management system at this meeting.

The Supervisory Board and its committees have also examined the annual financial statements of PATRIZIA AG, the consolidated financial statements, the combined management report for the Company and the Group for the fiscal year 2021, the remuneration report and the Management Board's proposal for the appropriation of net retained profits and have raised no objections. We noted the auditor's findings and approved the annual and consolidated financial statements. The annual financial statements of PATRIZIA AG for the fiscal year 2021 are thus adopted. The Supervisory Board concurred with the Management Board's proposal for the appropriation of profits for the fiscal year 2021 and supports the payment of a dividend of EUR 0.32 per share. The remaining amount of the balance sheet profit according to HGB will be carried forward to new account.

The Audit Committee and the Supervisory Board also dealt with the non-financial statement included in chapter 1.5 in the combined management report of the Company and the Group. The Management Board explained the relevant pages in detail at the meetings and answered supplementary questions from the Supervisory Board members. The Supervisory Board had no objections after its examination.

### Audit of the dependency report

The report by the Management Board of PATRIZIA AG on relationships with related parties for the fiscal year 2021 was also examined by the auditor. All legal and business relationships with related parties listed therein correspond to standard market conditions as they would have been concluded between the PATRIZIA Group and third parties. There were no transactions with related parties within the meaning of Sections 107 and 111a to 111c AktG (German Stock Corporation Act) which would have required the approval of the Supervisory Board in the fiscal year 2021. The auditor issued the following statement on the dependency report:

"Following our statutory audit and assessment, we confirm that

- the actual information in the report is correct,
- in the legal transactions listed in the report, the company's performance was not unreasonably high."

The dependency report prepared by the Management Board and audited by the auditor as well as the associated audit report were made available to all members of the Supervisory Board in due time. After concluding its examination, the Supervisory Board raises no objections to the report and the final declaration of the Management Board contained therein.

PATRIZIA has managed to continue to grow and generate solid results for its stakeholders in 2021 despite the ongoing economic challenges caused by the Covid-19 pandemic. Our sincere thanks therefore go to the Management Board and all employees for what has been achieved. With your expertise and hard work, you have contributed significantly to this positive business development.

Augsburg, 15 March 2022

For the Supervisory Board of PATRIZIA AG



**Uwe H. Reuter**  
Chairman



Supervisory Board f. i. t. r.: Philippe Vimard, Axel Hefer, Marie Lalleman, Uwe H. Reuter, Jonathan Feuer