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REMUNERATION REPORT 2021

Remuneration report of the Management Board and the Supervisory Board

The remuneration report was audited in accordance with § 162 (3) AktG and in compliance with the auditing standard of the IDW: Audit of the Remuneration Report pursuant to § 162 (3) AktG (IDW AuS 870 (08/2021)). The audit focused on formal completeness. The Supervisory Board of PATRIZIA AG intends to appoint an auditor also for audit of the remuneration report in terms of content and disclosure from FY 2022 onwards.

The remuneration report pursuant to Section 162 of the German Stock Corporation Act (AktG) presents the principles and main features of the remuneration system for the Management Board and Supervisory Board of PATRIZIA AG. It explains the remuneration paid out, due and granted to the individual members of the Management Board and Supervisory Board for the 2021 fiscal year and discloses the amount of remuneration received in the fiscal year accordingly. Beyond the legal requirements and in order to maintain the previous transparency, individual remuneration tables for the members of the Management Board of the company are also shown in this report. The granted and paid out remuneration can be seen in the tables from the information on the current and previous financial year.

"Remuneration granted" are - irrespective of the time of payment - all remuneration components that were granted to a member of the Management Board in the financial year and whose future amount is shown in some cases in ranges. A target value based on a target achievement of 100% is assumed as a basis for the variable components.

§ 162 (1) sentence 1 AktG also uses the term "remuneration granted and due", which is interpreted in this report as remuneration received in the financial year and is presented in the tables as "remuneration granted (paid)". In the opinion of the company, there was no remuneration due to members of the Management Board or Supervisory Board at the end of the 2021 financial year.

Remuneration system

The Management Board's remuneration system shall follow the same principles and clear lines as the system implemented for all other employees and senior managers of PATRIZIA, in particular with regard to the remuneration structure and elements, but also with regard to the target agreement approach behind the performance-related remuneration elements.

The remuneration system for Management Board members was introduced in its present form on 1 January 2021 and submitted to the shareholders of the company for a vote at the Annual General Meeting 2021. The shareholders approved the system with a large majority on 14 October 2021.

The remuneration system was fully complied with in the 2021 financial year; there were no deviations from the remuneration system of the Management Board.

Remuneration of the Management Board

The Management Board of the company continued to consist of the following seven persons in the financial year: Wolfgang Egger (CEO), Thomas Wels (Co-CEO), Alexander Betz (CDO), Karim Bohn (CFO), Dr Manuel Käsbauer (CTIO), Anne Kavanagh (CIO) and Simon Woolf (CHRO).

Already now, six out of a total of seven Management Board members participate in the new remuneration system for the Management Board, which is described below. For future contract extensions or contract conclusions for Management Board members, only the new remuneration system will be applied.

The following principles were taken into account when designing the remuneration system:

- Harmonisation of the Management Board's remuneration structure and elements with PATRIZIA employees and PATRIZIA's senior leaders (management level below the Management Board).
- Supporting the achievement of PATRIZIA's corporate strategy and vision of becoming the leading partner for global real assets and ensuring its continued long-term success.
- Consideration of PATRIZIA's diverse stakeholder interests by incorporating various objectives with a focus on sustainability.
- Ensuring market competitiveness in line with legal requirements and recommendations (e.g. §87a AktG, German Corporate Governance Code).
- Enabling a clear performance orientation by focusing on the achievement of collective and individual goals.

The remuneration system contributes to the strategy, long-term interest and sustainable success of PATRIZIA and its stakeholders through the following principles:

- Diverse individual and corporate goals that reflect the company's strategy and are geared towards long-term value creation.
- Oriented towards key performance indicators used for strategic decision-making and regular financial reporting (e.g. for 2021: assets under management, operating income and cost coverage ratio (CCR)).
- Focus on further improving recurring profitability/cost leadership, efficiency and growth of the corporate platform to remain competitive and secure PATRIZIA's leading market position.
- Relevant performance indicators with a direct impact on Management Board remuneration were reviewed again in the 2021 financial year and will be adjusted from the 2022 financial year onwards. More details on the mentioned changes are presented in the further course of this remuneration report.

The structure and amount of the remuneration of the Management Board members are determined and regularly reviewed by the Supervisory Board. The review takes into account all assessment criteria recommended in Section G of the German Corporate Governance Code as well as the requirements of §87 AktG. It also includes a market comparison of the level of remuneration with the market practice of important competitors in the same industry. Due to PATRIZIA's increasing international orientation, the diverse portfolio and the background of the Management Board members, the benchmark is based on two comparison groups, a German and a European peer group. The list of comparable peer group will be reviewed regularly. An external independent expert was consulted to determine the peer groups. The European peer group focuses primarily on capital investment companies and is supplemented by financial services companies with a focus on real estate financing. As the number of comparable investment management companies in Germany is limited, the German peer group focuses on the real estate sector and companies that are comparable to PATRIZIA in terms of their business model and size, number of employees and geographical and industry/business focus.

The remuneration of Management Board members is based on their respective areas of responsibility, their individual performance, the performance of the Management Board as a whole and the economic and financial situation and success of PATRIZIA. The remuneration of Management Board members aims to be appropriate, performance-oriented and in line with the market. It is made up of the following non-performance-related and performance-related components with short-term and long-term incentive effects:

- Fixed annual remuneration (basic salary, pension contribution, fringe benefits)
- Short Term Incentive (STI)
- Long-Term Incentive (LTI)

Share of the variable component in the total remuneration of the Management Board

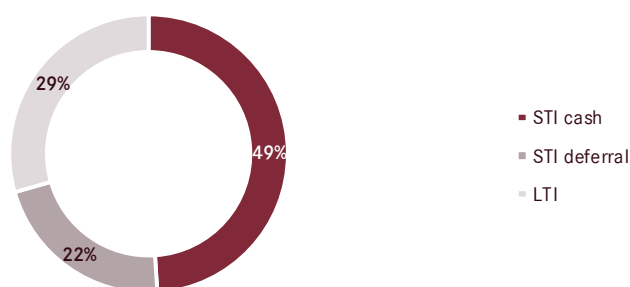
Taking into account the different target percentages for the individual Management Board members based on their area of responsibility, the total variable remuneration from the annual Short-Term Incentive amounts to 70-140% of the basic salary if the corporate and personal targets are fully achieved (100% target achievement). The variable remuneration from the long-term incentive amounts to 31-60% of the basic salary in the case of full target achievement (100% target achievement). In total, 52-63% of the total remuneration (basic salary + STI + LTI) is thus attributable to performance-related remuneration elements.

This results in the following average remuneration structure of non-performance-related (fixed) and performance-related (STI + LTI) remuneration components:

Structure total remuneration



Structure variable remuneration



In accordance with the recommendations of the German Corporate Governance Code, the variable part of the target remuneration at PATRIZIA has a predominantly long-term character. Thus, more than 50% of the annual variable remuneration (variable remuneration understood as STI and LTI award together) ("long-term threshold") is granted in share-based instruments awarded as deferred remuneration from the short-term incentive and/or through the long-term incentive plan. These awards are subject to multi-year performance periods.

In order to meet the requirements of the German Corporate Governance Code, performance shares with a three-year performance period and a two-year holding period are granted as part of PATRIZIA's long-term incentive plan; in addition, the part of the short-term incentive required to reach the deferral threshold is granted in phantom shares and deferred for four years. The values of the performance shares and phantom shares depend on the performance of the PATRIZIA share price.

The predominantly long-term character of the variable remuneration is also favoured by a structure in which more than 50% of the variable remuneration is based on the achievement of long-term targets. The targets used in the STI and LTI, such as "Growth in Assets under Management (AUM)" or "Cost Coverage Ratio (CCR)", have a long-term performance character. AUM correlates with a long product life and ensures stable and recurring management fees over several years. The CCR reflects the company's profitability ratio, with income mainly based on management fees. In addition, the performance shares granted under the LTI are linked to the development of PATRIZIA's CCR and the development of the Company's Total Shareholder Return (TSR) compared to peer indices. Both CCR and TSR represent PATRIZIA's long-term and sustainable success.

Remuneration independent of performance

The fixed annual remuneration is a non-performance-related component of remuneration. This consists of a basic salary, which is paid as a monthly salary and corresponds to the function of the Management Board member, pension contributions, benefits in kind and other benefits, which essentially include the tax-deductible amounts for insurance contributions and the use of a company car.

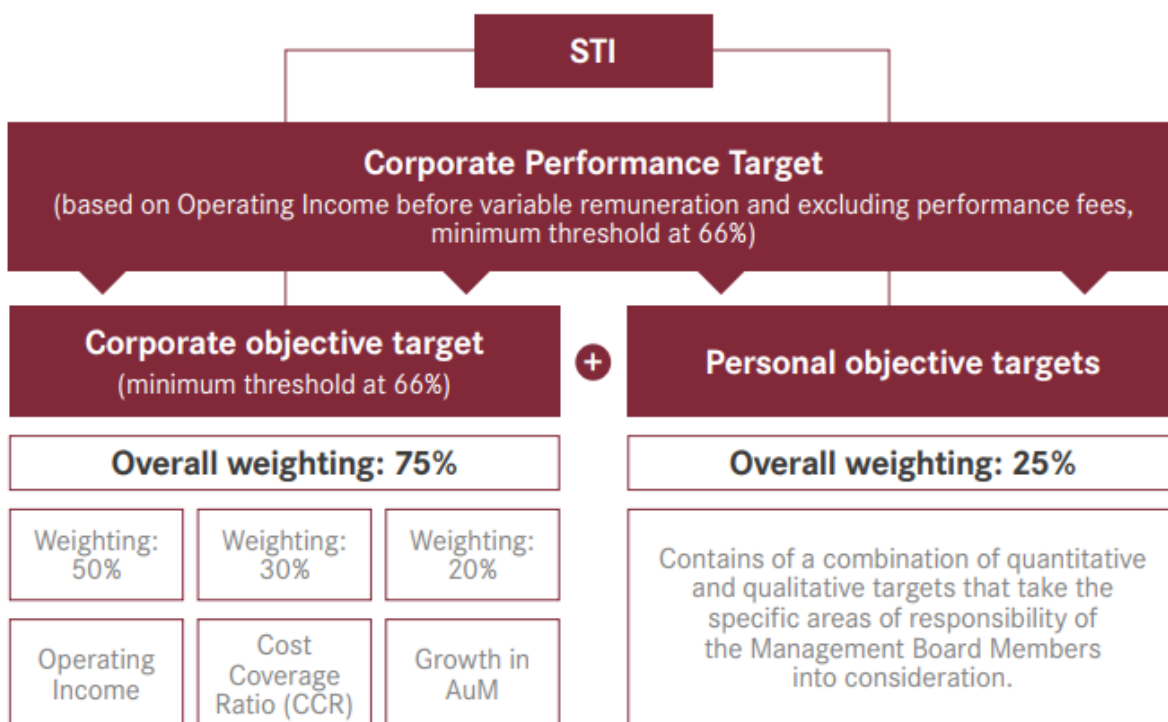
Performance-related remuneration

Short-term variable remuneration components

The Short-Term Incentive (STI) rewards the achievement of PATRIZIA's short- to medium-term corporate target, which was set as part of the target agreement for the performance of the respective fiscal year.

The absolute and relative amount of the STI remuneration differs between the Management Board members and is based on a contractually agreed target value between 70-140% of the basic salary. The amount of the short-term variable remuneration component granted is determined on the basis of qualitative and quantitative targets defined at the beginning of the financial year.

Overview of the Short Term Incentive (STI)



In order for the Management Board to receive an STI for the fiscal year, a minimum threshold of 66% must be achieved for the Corporate Performance Target, which is measured against PATRIZIA's operating income (before variable remuneration and excluding performance fees). There is no additional minimum threshold for the personal targets to be achieved.

Provided that the Corporate objective target reaches its minimum threshold, annual payouts are determined by the achievement of two subcomponents - a Corporate objective target and the Personal objective targets - with the Corporate objective target being weighted at 75% and the Personal objective targets at 25% in the performance evaluation. Both positive and negative developments are taken into account in the performance evaluation.

The Corporate objective targets are set by the Supervisory Board at the beginning of each financial year and are defined and applied uniformly for all Management Board members. For the year 2021, the Corporate objective targets include the following financial KPIs:

- Operating income - 50% weighting
- Cost Coverage Ratio (CCR) - 30% weighting
- Growth in Assets under Management (AUM) - 20% weighting

Following a comprehensive review of the above-mentioned Corporate objective targets, these will be adjusted with the start of the 2022 financial year, oriented towards the update of the company's financial performance indicators. The growth in AUM target will remain. The operating income will be replaced by EBITDA. The Supervisory Board furthermore intends to replace the Cost Coverage Ratio (CCR) with a cost KPI. The respective weightings will be retained.

Performance achieved against these targets is assessed at the end of the financial year. Depending on the performance achieved, payouts for the corporate component (Corporate objective target) can vary between 0%-200% of the target bonus.

According to the German Corporate Governance Code, more than 50% of the variable remuneration is linked to the achievement of long-term targets ("long-term threshold"). In order to follow this guideline, the part of the STI allocation required to reach this long-term threshold (in addition to the LTI allocation) is deferred and converted into phantom shares. The value of a phantom share corresponds to the value of a PATRIZIA AG share based on the average of the Xetra closing prices in the period beginning 30 days before and ending 30 days after 31 December of the respective performance year.

The equivalent value of the phantom shares is paid out to the Management Board member after a "lock-up period" of four years following the respective fiscal year. The value of a phantom share relevant for payment corresponds to the value of a PATRIZIA AG share according to the average of the Xetra closing prices in the period beginning 30 days before and ending 30 days after 31 December of the fourth year following the "lock-up period". This ensures that the above-mentioned part of the STI is value-creating in that it fully reflects the long-term price performance of the PATRIZIA share. The phantom shares do not carry voting or dividend rights.

For the year 2021, the following target values for corporate objectives were set and achieved:

Corporate objective target 2021

Targets ¹	Weighting	Min	Target	Max	Target achievement ²
Operating income (EUR m)	50%	80	100	130	161%
Cost Coverage Ratio (CCR) (%)	30%	120%	122%	127%	0%
AUM growth (EUR bn)	20%	2	4	6	0%

¹ Performance corridor translates into Corporate objective target achievement levels of 0% - 200%

² The attainment of the above targets is subject to the Supervisory Board's final decision. Final figures are being published in the following remuneration report

Target achievement for operating income and AUM growth were derived from the 2021 financial statements. Target achievement for the Cost Coverage Ratio (CCR) was calculated at 113.9%. For compensation purposes for the financial year 2021 a different definition for the calculation of the CCR was used. This resulted in an overall corporate target achievement rate in 2021 of 80.5% for all Management Board members.

The achievement of the Corporate Performance Target was calculated at 95% for the financial year 2021. As the final target achievement is above 66% an STI award is granted to the Management Board members.

For the individual objectives, the achievement of objectives is assessed after the end of the business year for each member of the Management Board. The following is an overview of the subject areas considered for the personal goals:

Topic areas taken into account for the personal objective targets FY2021

Member of the Management Board	Topic areas for individual targets - FY2021	Alignment with purpose, vision & strategy
Wolfgang Egger	<ul style="list-style-type: none"> · Develop PATRIZIA's strategy further and build a strong brand · Leading the Company to deliver on mid-term growth targets · Drive client growth and increase client satisfaction and retention · Drive ESG, Technology & Innovation initiatives 	<ul style="list-style-type: none"> · Building communities & sustainable futures
Thomas Wels	<ul style="list-style-type: none"> · Build the SE (Societas Europaea) and "virtual holding" structure to prepare for future growth · Performance Improvement and Organisational Effectiveness · Drive PATRIZIA's Sustainability Strategy and implementation · Identify and execute M&A strategic transactions 	<ul style="list-style-type: none"> · Becoming the leading partner for global real assets
Alexander Betz	<ul style="list-style-type: none"> · Simplify processes, digitalise and automate workflows along mid-term strategy · Create and transform existing services into a central AIFM service provider · Enable efficiency gains and effectively increase performance quality · Enable standardised ESG reporting including risks and opportunities 	<ul style="list-style-type: none"> · Simplification - we make things simple to unleash our strengths
Karim Bohn	<ul style="list-style-type: none"> · Build the SE (Societas Europaea) and "virtual holding" structure to prepare for future growth · Drive capital markets & Investor Relations activities forward · Support PATRIZIA's sustainability strategy and reporting · Further refine product profitability calculation and amend reporting to new requirements 	<ul style="list-style-type: none"> · Stability - we will be a stable and reliable partner for our customers and shareholders
Dr Manuel Käsbauer	<ul style="list-style-type: none"> · Drive PATRIZIA's T&I investments and build a tech portfolio future-proofing PATRIZIA · ESG - Identify and implement ESG tech solutions in line with PATRIZIA'S Sustainability Strategy · Prepare independent T&I set-up and reporting · Global T&I trend-scouting 	<ul style="list-style-type: none"> · Services - we create value with first-class services for our customers, tenants and employees
Anne Kavanagh	<ul style="list-style-type: none"> · Secure investment performance for our clients · Support mid-term strategy by a best in class Research & Investment approach · Drive innovative product development to ensure it is relevant and sustainable · ESG - Collaborate closely with T&I on new tech solutions 	<ul style="list-style-type: none"> · Scope - we create investment opportunities with attractive return profiles
Simon Woolf	<ul style="list-style-type: none"> · Implement Culture Change at PATRIZIA with focus on Diversity, Equality, Inclusion and ESG · Build the SE (Societas Europaea) and "virtual holding" structure to prepare for future growth · Further develop performance and young talent programmes · Further development of software-based HR management systems 	<ul style="list-style-type: none"> · Become the employer of choice

The individual achievement of the personal targets is still subject to the final decision of the Supervisory Board. The final target achievements will be published in the following remuneration report.

The total, final target achievement of the individual Management Board members can be taken from the previous year's information in the following individual remuneration tables on the granted awards (STI). In addition, the target achievement levels of the individual Management Board members (STI) for the grants made in the financial years 2021 and 2020 regarding the performance periods 2020 and 2019 can be taken from the following target achievement table 2020/2019.

STI - Target achievement¹

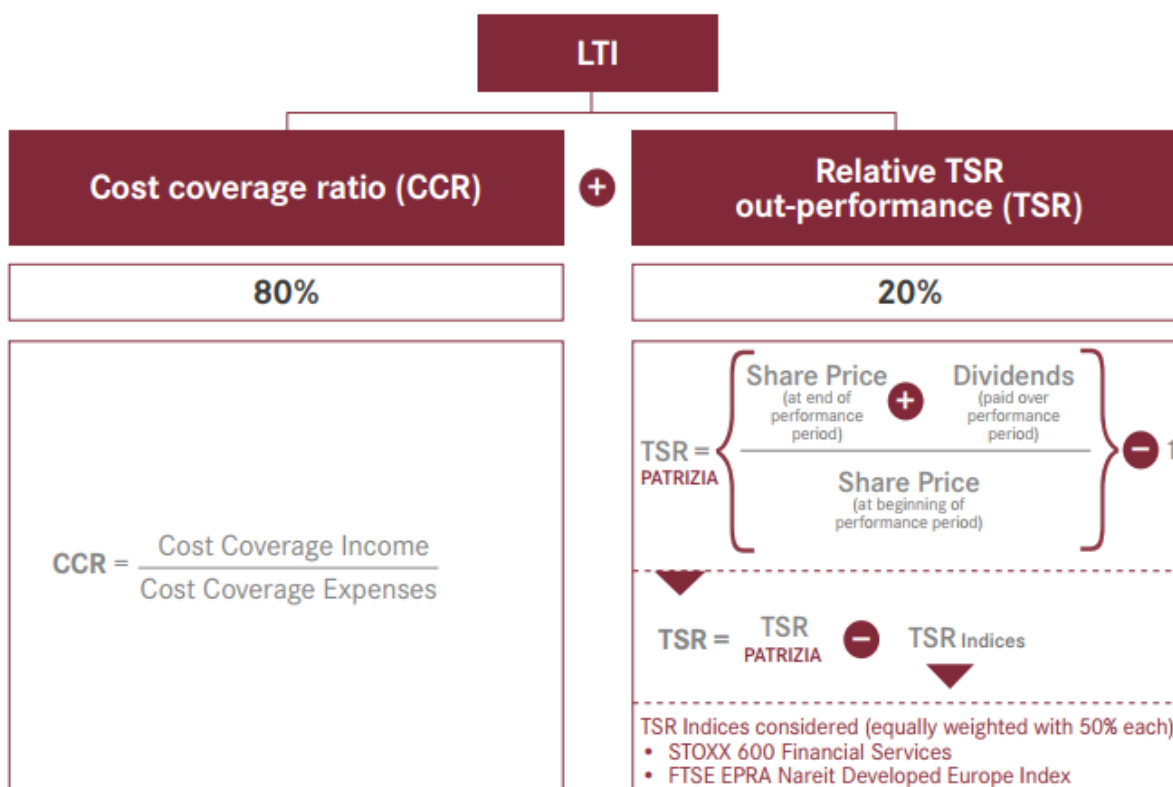
EUR k	2020	2019
<i>Serving members of the Management Board</i>		
Wolfgang Egger	108%	123%
Thomas Wels	110%	-
Alexander Betz	117%	-
Karim Bohn	108%	120%
Dr Manuel Käsbauer	108%	-
Anne Kavanagh	108%	116%
Simon Woolf	127%	-
<i>Former members of the Management board</i>		
Klaus Schmitt	107%	115%

¹ Target achievement in % of target bonus (STI 100%)

Long-term variable remuneration components

The Long-Term Incentive (LTI) Plan aligns the interests of shareholders, PATRIZIA Management Board members and the Company's Senior Leaders. The plan aims to focus Management Board members on the long-term and sustainable success of the Company by measuring performance against the achievement of multi-year targets and by considering the Company's performance relative to the development of the market environment. It also supports the share ownership of individual board members.

Overview of the Long Term Incentive (LTI)



Cost Coverage Income: Calculated from the management fees of a current financial year and 25% of the average transaction fees of the last 5 financial years (but at least EUR 14.1m)
 Cost Coverage Expenses: The sum of personnel expenses (without taking into account variable compensation components) and net operating expenses, without taking into account extraordinary expenses (e.g. from M&A transactions or expensed investments in the future).

The LTI remuneration component is based on a contractually agreed target value ranging from EUR 150,000 and EUR 232,678 (equivalent to GBP 200,000) for each Management Board member.

Participants in the LTI Plan have the opportunity to receive new grants each financial year. The LTI plan uses performance shares to measure the Company's success over a three financial year period, which defines a performance period of the LTI plan.

The award in 2021 is subject to the following performance conditions measured over three financial years to the end of 2023

- Development of the company's Cost Coverage Ratio (CCR) - 80% weighting
- Development of relative total shareholder return (TSR) - 20% weighting

Following a comprehensive review of the above performance conditions the Supervisory Board intends to replace the Cost Coverage Ratio (CCR) with a cost KPI from the start of the 2022 financial year. The respective weightings will be retained.

The Company's target CCR is defined on the basis of the Company's business plan. For the LTI grant in 2021, the targets are in line with PATRIZIA's overall strategy and the objectives set out in the Company's medium-term business plan. The Company's TSR performance is measured against two indices (STOXX 600 Financial Services Index and FTSE EPRA/NAREIT Developed Europe Index), which are equally weighted. A performance corridor is defined to determine how much of the performance shares will vest depending on the three-year performance of the two performance measures CCR and TSR. Therefore, a lower limit, a target value and a maximum value (cap) for vesting are defined. Below the threshold, no performance shares will vest and the number that will vest between the lower limit and the target value and the target value and the maximum value will be determined on a straight-line basis. Payment may be made in shares of the Company or in cash settlement.

The LTI awards granted relate to a certain number of shares in the capital of the Company and are referred to as performance shares. The performance shares granted relate to a nominal value on the date of grant, which corresponds to a certain cash amount. The performance shares may be considered as a right to receive a cash amount or a right to receive shares in the Company if the performance conditions are met at the end of the performance period.

The performance shares vest to the Management Board members after the three-year performance period and are held in trust by the Company during the following additional two-year holding period - in total, the shares are transferred to the plan participants after a total of five years. At the end of the holding period, a payout is made in cash or by transferring the vested shares to the participant.

In 2020, the LTI Award was granted to the Management Board members for the first time. Therefore, no payment is due until 2025.

LTI-Award

Members of the Management Board	Award date	Performance period	Vesting date	End of holding	Total number of performance shares granted
Wolfgang Egger	04.01.2021	3 years	31.12.2023	31.12.2025	7,970
	02.01.2020	3 years	31.12.2022	31.12.2024	10,541
Thomas Wels	04.01.2021	3 years	31.12.2023	31.12.2025	7,970
	01.05.2020	3 years	31.12.2022	31.12.2024	10,541
Alexander Betz	04.01.2021	3 years	31.12.2023	31.12.2025	5,978
	02.01.2020	3 years	31.12.2022	31.12.2024	7,906
Karim Bohn	0	0 years	0	0	0
	0	0 years	0	0	0
Dr Manuel Käsbauer	04.01.2021	3 years	31.12.2023	31.12.2025	5,978
	02.01.2020	3 years	31.12.2022	31.12.2024	7,906
Anne Kavanagh	04.01.2021	3 years	31.12.2023	31.12.2025	8,840
	02.01.2020	3 years	31.12.2022	31.12.2024	12,459
Simon Woolf	04.01.2021	3 years	31.12.2023	31.12.2025	6,630
	02.01.2020	3 years	31.12.2022	31.12.2024	9,344

Relevant vesting provisions for outstanding awards relating to termination of employment are contained in the terms and conditions of the LTI Plan. Depending on the nature of the termination of employment, the outcome may typically be full vesting, partial vesting or full forfeiture. The discretion is determined by the Board, if applied.

A change-of-control clause is provided for the LTI plan. In the event of a change of control where the company is subject to a takeover by an acquiring company, the performance shares will vest pro rata or continue to be invested depending on the

acquiring company. In the event that a takeover results in a winding up of the Company, unvested awards will vest on a pro rata basis, i.e. the number of shares granted will be divided by the number of years accrued over the vesting period. Performance shares are downgraded by reference to the number of years elapsed from the date of grant to the date of change of control in proportion to the length (in years) of the vesting period. In the event that a takeover results in the Company being organised under a new holding parent company, there will be no immediate vesting of awards and participants will be offered a replacement award by the acquiring company.

The following overview shows the remuneration granted to the Management Board members for the financial year 2021. In addition, the remuneration actually paid out in the financial year 2021, the "remuneration granted (paid out)", is shown, which also includes services rendered in previous years.

Remuneration granted Wolfgang Egger, CEO

Appointed: 21.08.2002

Appointed until: 30.06.2024

EUR k	2020	2021	2021 (in %)	2021 (min)	2021 (max)
Fixed remuneration	420	500	35%	500	500
Fringe benefits ¹	0	9	1%	9	9
Sub-total	420	509	36%	509	509
Short-term variable remuneration (STI)	635	700	49%	0	1,400
<i>STI in cash</i>	409	441	31%	0	882
<i>STI Deferral (in phantom shares)²</i>	226	259	18%	0	518
Long-term variable remuneration (LTI) ²	200	200	14%	0	400
Total	1,255	1,409	99%	509	2,309
Service cost ³	12	12	1%	12	12
Total remuneration	1,267	1,421	100%	521	2,321

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

Remuneration granted Thomas Wels, Co-CEO

Appointed: 01.05.2020

Appointed until: 30.04.2023

EUR k	2020 ⁴	2021	2021 (in %)	2021 (min)	2021 (max)
Fixed remuneration	433	650	35%	650	650
Fringe benefit ¹	16	25	1%	25	25
Sub-total	450	675	36%	675	675
Short-term variable remuneration (STI)	670	910	49%	0	1,820
<i>STI in cash</i>	426	544	29%	0	1,088
<i>STI Deferral (in phantom shares)²</i>	244	366	20%	0	732
Long-term variable remuneration (LTI) ²	200	200	11%	0	400
Total	1,320	1,785	96%	675	2,895
Service cost ³	44	65	4%	65	65
Total remuneration	1,363	1,850	100%	740	2,960

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

⁴ Pro rata temporis as from 01.05.2020

Remuneration granted Alexander Betz, CDO

Appointed: 01.01.2020

Appointed until: 31.12.2024

EUR k	2020	2021	2021 (in %)	2021 (min)	2021 (max)
Fixed remuneration	420	420	45%	420	420
Fringe benefits ¹	18	18	2%	18	18
Sub-total	438	438	47%	438	438
Short-term variable remuneration (STI)	392	336	36%	0	672
<i>STI in cash</i>	266	238	25%	0	476
<i>STI Deferral (in phantom shares)²</i>	127	98	10%	0	196
Long-term variable remuneration (LTI) ²	150	150	16%	0	300
Total	980	924	99%	438	1,410
Service cost ³	12	12	1%	12	12
Total remuneration	992	936	100%	450	1,422

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

Remuneration granted Karim Bohn, CFO

Appointed: 01.11.2015

Appointed until: 31.10.2023

EUR k	2020	2021	2021 (in %)	2021 (min)	2021 (max)
Fixed remuneration	420	420	35%	420	420
Fringe benefits ¹	18	17	1%	18	18
Sub-total	438	437	36%	438	438
Short-term variable remuneration (STI)	812	750	63%	375	1,125
<i>STI in cash</i>	541	500	42%	250	750
<i>STI Deferral (in phantom shares)²</i>	271	250	21%	125	375
Long-term variable remuneration (LTI) ²	0	0	0%	0	0
Total	1,250	1,187	99%	813	1,563
Service cost ³	12	12	1%	12	12
Total remuneration	1,262	1,199	100%	825	1,575

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

Remuneration granted Dr Manuel Käsbauer, CTIO

Appointed: 01.01.2020

Appointed until: 31.12.2024

EUR k	2020	2021	2021 (in %)	2021 (min)	2021 (max)
Fixed remuneration	250	250	40%	250	250
Fringe benefits ¹	14	19	3%	19	19
Sub-total	264	269	44%	269	269
Short-term variable remuneration (STI)	189	175	28%	0	350
<i>STI in cash</i>	166	159	26%	0	319
<i>STI Deferral (in phantom shares)²</i>	23	16	3%	0	32
Long-term variable remuneration (LTI) ²	150	150	24%	0	300
Total	603	594	96%	269	919
Service cost ³	24	24	4%	24	24
Total remuneration	627	618	100%	293	943

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

Remuneration granted Anne Kavanagh, CIO

Appointed: 15.04.2017

Appointed until: 15.04.2022

EUR k	2020	2021	2021 (in %)	2021 (min)	2021 (max)
Fixed remuneration	472	489	34%	489	489
Fringe benefits ¹	0	0	0%	0	0
Sub-total	472	489	34%	489	489
Short-term variable remuneration (STI)	737	684	47%	0	1,368
<i>STI in cash</i>	475	449	31%	0	898
<i>STI Deferral (in phantom shares)²</i>	262	235	16%	0	470
Long-term variable remuneration (LTI) ²	225	233	16%	0	465
Total	1,434	1,405	97%	489	2,322
Service cost ³	45	47	3%	47	47
Total remuneration	1,479	1,452	100%	535	2,369

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

Remuneration granted Simon Woolf, CHRO

Appointed: 01.01.2020

Appointed until: 31.05.2024

EUR k	2020	2021	2021 (in %)	2021 (min)	2021 (max)
Fixed remuneration	281	338	39%	338	338
Fringe benefits ¹	16	17	2%	17	17
Sub-total	297	355	41%	355	355
Short-term variable remuneration (STI)	258	302	35%	0	604
<i>STI in cash</i>	212	233	27%	0	467
<i>STI Deferral (in phantom shares)²</i>	46	69	8%	0	137
Long-term variable remuneration (LTI) ²	169	175	20%	0	349
Total	723	832	96%	355	1,308
Service cost ³	28	34	4%	34	34
Total remuneration	751	865	100%	389	1,342

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

Former members of the Management Board:

Remuneration granted Klaus Schmitt, COO

Appointed: 01.01.2006

Appointed until: 30.06.2020

EUR k	2020	2021	2021 (min)	2021 (max)
Fixed remuneration	420	0	0	0
Fringe benefits ¹	22	0	0	0
Sub-total	442	0	0	0
Short-term variable remuneration (STI)	801	0	0	0
<i>STI in cash</i>	534	0	0	0
<i>STI Deferral (in phantom shares)²</i>	267	0	0	0
Long-term variable remuneration (LTI) ²	0	0	0	0
Total	1,242	0	0	0
Service cost ³	24	0	0	0
Total remuneration	1,266	0	0	0

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² STI Deferral and LTI maximum amounts based on average share price at award date

³ The item primarily includes pension contributions

The following remuneration was paid to the individual members of the Management Board for the respective financial year:

Remuneration paid out Wolfgang Egger, CEO

EUR k	2020	2021	2021 (in %)
Fixed remuneration	420	500	39%
Fringe benefits ¹	0	9	1%
Sub-total	420	509	40%
STI in cash	617	409	32%
STI Deferral (in phantom shares)			
<i>Tranche 2017-2019</i>	386	0	0%
<i>Tranche 2018-2020</i>	0	349	27%
Long-term variable remuneration (LTI)	0	0	0%
Total	1,423	1,268	99%
Service cost ²	12	12	1%
Total remuneration	1,435	1,280	100%

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

Remuneration paid out Thomas Wels, Co-CEO

EUR k	2020	2021	2021 (in %)
Fixed remuneration	433	650	56%
Fringe benefits ¹	16	25	2%
Sub-total	450	675	58%
One-time sign-on bonus	0	0	0%
STI in cash	0	426	37%
STI Deferral (in phantom shares)			
<i>Tranche 2017-2019</i>	0	0	0%
<i>Tranche 2018-2020</i>	0	0	0%
Long-term variable remuneration (LTI)	0	0	0%
Total	450	1,101	94%
Service cost ²	44	65	6%
Total remuneration	493	1,166	100%

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

Remuneration paid out Alexander Betz, CDO

EUR k	2020	2021	2021 (in %)
Fixed remuneration	420	420	59%
Fringe benefits ¹	18	18	3%
Sub-total	438	438	61%
STI in cash	0	266	37%
STI Deferral (in phantom shares)			
<i>Tranche 2017-2019</i>	0	0	0%
<i>Tranche 2018-2020</i>	0	0	0%
Long-term variable remuneration (LTI)	0	0	0%
Total	438	704	98%
Service cost ²	12	12	2%
Total remuneration	450	716	100%

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

Remuneration paid out Karim Bohn, CFO

EUR k	2020	2021	2021 (in %)
Fixed remuneration	420	420	34%
Fringe benefits ¹	18	17	1%
Sub-total	438	437	35%
STI in cash	479	541	44%
STI Deferral (in phantom shares)			
<i>Tranche 2017-2019</i>	284	0	0%
<i>Tranche 2018-2020</i>	0	244	20%
Long-term variable remuneration (LTI)	0	0	0%
Total	1,201	1,223	99%
Service cost ²	12	12	1%
Total remuneration	1,213	1,235	100%

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

Remuneration paid out Dr Manuel Käsbauer, CTIO

EUR k	2020	2021	2021 (in %)
Fixed remuneration	250	250	54%
Fringe benefits ¹	14	19	4%
Sub-total	264	269	59%
STI in cash	0	166	36%
STI Deferral (in phantom shares)			
<i>Tranche 2017-2019</i>	0	0	0%
<i>Tranche 2018-2020</i>	0	0	0%
Long-term variable remuneration (LTI)	0	0	0%
Total	264	435	95%
Service cost ²	24	24	5%
Total remuneration	288	459	100%

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

Remuneration paid out Anne Kavanagh, CIO

EUR k	2020	2021	2021 (in %)
Fixed remuneration	472	489	38%
Fringe benefits ¹	0	0	0%
Sub-total	472	489	38%
STI in cash	579	475	37%
STI Deferral (in phantom shares)			
<i>Tranche 2017-2019</i>	0	0	0%
<i>Tranche 2018-2020</i>	0	271	21%
Long-term variable remuneration (LTI)	0	0	0%
Total	1,051	1,235	96%
Service cost ²	45	47	4%
Total remuneration	1,096	1,282	100%

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

Remuneration paid out Simon Woolf, CHRO

EUR k	2020	2021	2021 (in %)
Fixed remuneration	281	338	56%
Fringe benefits ¹	16	17	3%
Sub-total	297	355	59%
STI in cash	0	212	35%
STI Deferral (in phantom shares)			
<i>Tranche 2017-2019</i>	0	0	0%
<i>Tranche 2018-2020</i>	0	0	0%
Long-term variable remuneration (LTI)	0	0	0%
Total	297	567	94%
Service cost ²	28	34	6%
Total remuneration	325	601	100%

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

Former members of the Management Board:

Remuneration paid out Klaus Schmitt, COO

EUR k	2020	2021
Fixed remuneration	420	0
Fringe benefits ¹	22	0
Sub-total	442	0
STI in cash	576	534
STI Deferral (in phantom shares)	0	0
<i>Tranche 2017-2019</i>	346	0
<i>Tranche 2018-2020</i>	0	349
Long-term variable remuneration (LTI)	0	0
Total	1,018	883
Service cost ²	24	0
Total remuneration	1,042	883

¹ The item primarily contains benefits for insurance premiums and the use of a company car or car allowance

² The item primarily includes pension contributions

In addition, the former Management Board member Arwed Fischer received a pension payment of EUR 6k in financial year 2021.

The following table shows a comparative presentation of the annual change in the remuneration granted (paid out) to the Management Board members compared to the average remuneration of employees, Supervisory Board members as well as the development of relevant financial performance indicators, such as the company's earnings development over the last five financial years. In order to report key figures consistent with the previous year's report, the average target remuneration (at 100% target achievement) of employees on a full-time equivalent basis was used for the previous financial years. From financial year 2021 onwards, average employee remuneration refers to the share of personnel expenses allocated to employees divided by the average number of employees.

With regard to the annual changes in employee target remuneration, it should be noted that these are based on a very heterogeneous employee population due to the strong inorganic growth of the company in the past (especially outside of Germany) and therefore do not allow for a complete consideration on a comparable basis ("like for like").

Development of remuneration paid out to Management Board members and Supervisory Board members compared to employees and financial KPIs

EUR k	2017	Change 2017/18	2018	Change 2018/19	2019	Change 2019/20	2020 ¹	Change 2020/21	2021
Serving members of the Management Board as at 31 December 2021									
Wolfgang Egger	1,020	14.7%	1,170	0.0%	1,170	3.2%	1,208	5.9%	1,280
Thomas Wels	0	0.0%	0	0.0%	0	0.0%	1,240	-6.0%	1,166
Alexander Betz	0	0.0%	0	0.0%	0	0.0%	906	-21.0%	716
Karim Bohn	780	30.8%	1,020	0.0%	1,020	14.7%	1,170	5.5%	1,235
Dr Manuel Käsbauer	0	0.0%	0	0.0%	0	0.0%	575	-20.2%	459
Anne Kavanagh	998	10.3%	1,101	6.1%	1,168	16.2%	1,358	-5.6%	1,282
Simon Woolf	0	0.0%	0	0.0%	1	0.0%	646	-7.0%	601
Former members of the Management Board									
Klaus Schmitt	1,020	14.7%	1,170	0.0%	1,170	0.0%	1,170	-24.5%	883
Arwed Fischer	0	0.0%	0	0.0%	0	0.0%	0	0.0%	6
Serving members of the Supervisory Board as at 31 December of the financial year									
Uwe H. Reuter, Chairman	18	100.0%	36	0.0%	36	26.1%	45	60.1%	72
Jonathan Feuer, Deputy Chairman	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	19
Axel Hefer	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	20
Marie Lalleman	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	20
Philippe Vimard	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	15
Former members of the Supervisory Board									
Dr Theodor Seitz	48	0.0%	48	0.0%	48	26.1%	60	5.1%	63
Alfred Hoschek	36	0.0%	36	0.0%	36	26.1%	45	5.1%	47
Vertical comparison									
Management Board (Average)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,034	-6.9%	962
Supervisory Board (Average)	33	0.0%	33	0.0%	33	50.0%	50	26.9%	37
Employees (Average) ²	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	116	25.4%	146
Financial KPIs									
Net profit for the year (parent company, HGB)	270,405	-78.5%	58,028	1.2%	58,711	-51.5%	28,494	-105.2%	-1,491
Operating Income	82,185	72.0%	141,373	-4.8%	134,523	-13.4%	116,453	1.6%	118,342

¹ Until 2020 based on target remuneration, from 2021 onwards based on remuneration paid out

² Until 2020 based on target remuneration, from 2021 onwards based on booked expenses divided by average number of FTEs.

Maximum remuneration

Under the new remuneration system, the total remuneration to be granted for a financial year (sum of all remuneration amounts spent for the financial year in question, including fixed annual salary, variable remuneration (STI and LTI Award) and fringe benefits) of a Management Board member is limited to a maximum amount. This applies regardless of whether the remuneration amounts are paid in the respective financial year or at a later point in time. Accordingly, the total remuneration of the Chairperson of the Management Board may not exceed an amount of EUR 7.0m gross for a financial year. The same applies to the total remuneration of the Co-CEO. The total remuneration for each other Management Board member under this system may not exceed an amount of EUR 6.2m gross, or GBP 5.4m gross if a service contract provides for remuneration in GBP, for a financial year.

For the following Management Board members, a maximum remuneration to be granted for a financial year (total of all remuneration components paid for the financial year in question including fixed annual salary, variable remuneration (STI and LTI Award) and fringe benefits) (gross) has been agreed:

– Wolfgang Egger:	EUR 6.1m
– Thomas Wels:	EUR 6.1m
– Alexander Betz:	EUR 3.0m
– Dr. Manuel Käsbauer:	EUR 2.2m
– Anne Kavanagh:	GBP 4.5m
– Simon Woolf:	GBP 2.2m

For the financial year 2021, the maximum remuneration for none of the aforementioned Management Board members has been exceeded.

Malus and Clawback

Following the recommendation of the German Corporate Governance Code, malus and clawback regulations have been implemented to ensure further alignment with the interests of the Company's shareholders. PATRIZIA is entitled to reclaim an appropriate portion of the variable remuneration paid in accordance with the STI or LTI component if a malus or clawback event occurs. This could relate to, among other things, a material misstatement of the Company's financial results or a breach of relevant external or internal codes of conduct. In the 2021 fiscal year, no malus or clawback rule was applied to the Management Board of PATRIZIA AG, as no malus or clawback event occurred.

Pension entitlements

PATRIZIA AG grants allowances for statutory pension insurance or contributions to a private pension plan if the Management Board member takes out a corresponding insurance policy. Depending on the plan, the allowances are paid monthly or annually and in gross amounts.

Directors & Officers liability insurance (D&O)

The company has taken out insurance for the members of the Management Board to cover their personal liability arising from their Management Board activities. The D&O insurance provides for a deductible of 10% of the damage up to 150% of the fixed annual remuneration of the Management Board member.

Total remuneration for the financial year 2021

The total remuneration granted to the current and former members of the Management Board for the financial year 2021 on the basis of 100 per cent target achievement amounts to EUR 8.3m (2020: EUR 9.0m), of which EUR 3.4m is non-performance-related and EUR 5.0m is performance-related remuneration. Part of this amount has not yet been paid out. The target value for 2021 includes EUR 2.4m phantom shares and performance share units that were granted to the Management Board members. Of the phantom shares, the cash value equivalent will be paid 2025 out in the financial year, while the performance shares will be handed over to the Management Board members in 2025 or paid out as cash value equivalent after expiry of the combined vesting and holding period.

The total remuneration of current and former members of the Management Board amounted to EUR 7.6m in the reporting year (2020: EUR 6.9m).

Further information pursuant to § 162 (2) AktG:

No benefits were granted or paid out to the Management Board members by third parties in the reporting year with regard to their activities as Management Board members.

In the event of a premature termination of Management Board activities, payments including fringe benefits to the departing Management Board member may not exceed the value of two years' remuneration (severance payment cap) and may not compensate more than the remaining term of the Management Board employment contract. The severance payment cap shall be calculated on the basis of the total remuneration for the past financial year and the expected total remuneration for the current financial year, unless a lower amount results from the provisions of the German Corporate Governance Code.

In the event of a regular termination of the Management Board activity, the amount of the STI to be paid for the financial year is determined pro rata temporis in the event of an end of employment during the year. STI claims already earned from previous years - but deferred in share-based instruments - are paid out regularly according to their payment schedule. Existing LTI entitlements, insofar as they have already accrued on the date of termination of employment, shall remain in force. Further accrual of existing LTI entitlements shall be subject to the reasonable discretion of the Supervisory Board.

In the reporting year, no members of the Management Board left and accordingly no benefits were granted in this context.

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board is laid down in the Articles of Association. The Supervisory Board receives a fixed remuneration in line with the market, which is paid in four equal instalments at the end of each quarter. Variable remuneration is not paid.

Within the framework of the 2021 Annual General Meeting, the remuneration of the Supervisory Board was adjusted as follows: In addition to an annual fixed remuneration, members of a committee receive an additional annual remuneration. Furthermore, members of the Supervisory Board receive an attendance fee for each personal attendance at a meeting of the Supervisory Board and its committees.

If a Supervisory Board member does not belong to the Supervisory Board for the entire financial year, the respective fixed remuneration shall be paid pro rata temporis. The members of the Supervisory Board are also reimbursed for their expenses and the value added tax payable on their remuneration and expenses. No remuneration was paid to former members of the Supervisory Board beyond the data provided in the table below.

The following remuneration was paid out to the Supervisory Board in the financial year 2021:

Remuneration of the Supervisory Board

EUR k	Fixed remuneration	Committee remuneration	Attendance fees	2021	2020
<i>Serving members of the Supervisory Board as at 31 December of the financial year</i>					
Uwe H. Reuter, Chairman	69	2	2	72	45
Jonathan Feuer, Deputy Chairman (since 3 November 2021)	15	3	2	19	0
Alex Hefer (since 14 October 2021)	17	1	2	20	0
Marie Lalleman (since 14 October 2021)	17	1	2	20	0
Philippe Vimard (since 3 November 2021)	13	0	2	15	0
<i>Former members of the Supervisory Board</i>					
Dr Theodor Seitz	63	0	0	63	60
Alfred Hoschek	47	0	0	47	45
Total	241	7	8	256	150

In addition, members of the Supervisory Board were reimbursed expenses of EUR 32k in the 2021 financial year.

The reporting of amounts in thousands of Euro (EUR k) can result in rounding differences. However, individual items are calculated on the basis of non-rounded figures.

Report of the Independent Auditor on the Audit of the Remuneration Report in accordance with Section 162 (3) AktG

To PATRIZIA AG, Augsburg/Germany

Audit Opinion

We conducted a formal audit of the remuneration report of PATRIZIA AG, Augsburg/Germany, for the financial year from 1 January to 31 December 2021, to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we did not audit the content of the remuneration report.

In our opinion, the attached remuneration report includes all significant disclosures pursuant to Section 162 (1) and (2) AktG. Our audit opinion does not cover the content of the remuneration report.

Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the *IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (08.2021))*. Our responsibilities under those requirements and this standard are further described in the “Auditor’s Responsibilities” section of our auditor’s report. We used the requirements of the *IDW Quality Assurance Standards as Audit Practices: Quality Assurance Requirements in Audit Practices (IDW QS 1)* promulgated by the Institut der Wirtschaftsprüfer (IDW). We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

Responsibilities of the Executive Board and the Supervisory Board

The executive board and the supervisory board are responsible for the preparation of the remuneration report including the corresponding disclosures, which comply with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Responsibilities of the German Public Auditor

Our objective is to obtain reasonable assurance about whether all significant disclosures pursuant to Section 162 (1) and (2) AktG were provided in the remuneration report and to issue an audit opinion in form of a report on this matter.

We planned and conducted our audit in such a way that we were able to ascertain the formal completeness of the required disclosures pursuant to Section 162 (1) and (2) AktG by comparing these to the information provided in the remuneration report. In accordance with Section 162 (3) AktG, we have not audited the information provided in respect of the accuracy of the content, the completeness of the content of the individual disclosures or the appropriate presentation of the remuneration report.

Munich/Germany, 15 March 2022

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft



Franz Klinger
Wirtschaftsprüfer
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