



H1 2023
Financial Report



EXPERTISE
PERFORMANCE
PARTNER

**IN REAL
ASSETS**

Contents

Key figures	3
Interim group management report	4
1 Economic report.....	4
2 Development of opportunities and risks	24
3 Guidance	24
Consolidated financial statements	25
Consolidated balance sheet.....	25
Consolidated income statement	27
Consolidated statement of comprehensive income	28
Consolidated cash flow statement.....	29
Consolidated statement of changes in equity.....	31
Notes to the interim consolidated financial statements	32
1 Principles applied in the preparation of the interim consolidated financial statements	32
2 Consolidated group	33
3 Notes to the balance sheet and income statement	36
4 Segment reporting	53
5 Information on the consolidated cash flow statement	56
6 Other explanations	56
7 Responsibility Statement by the legal representatives	57
The PATRIZIA share	58
Financial calendar and contact details.....	60

Key figures

Financial performance indicators

	H1 2023	H1 2022	Change
Assets under Management (AUM) ¹	EUR 57.9bn	EUR 56.2bn	3.0%
EBITDA	EUR 28.4m	EUR 54.5m	-48.0%
EBITDA margin	18.3%	32.2%	-13.9 PP

¹ AUM as at 31 December 2022: EUR 59.1bn (change 30 June 2023 vs. 31 December 2022: -2.1%)

PP = percentage points

Revenues and earnings

EUR k	H1 2023	H1 2022	Change
Revenues	130,797	158,476	-17.5%
Total operating performance	135,975	166,241	-18.2%
EBITDA	28,365	54,534	-48.0%
EBIT	14,139	29,996	-52.9%
EBT	10,941	26,398	-58.6%
Consolidated net profit	5,735	15,047	-61.9%

Structure of assets and capital

EUR k	30.06.2023	31.12.2022	Change
Non-current assets	1,246,672	1,245,986	0.1%
Current assets	742,472	799,888	-7.2%
Equity (excl. non-controlling interests)	1,221,692	1,258,992	-3.0%
Equity ratio (excl. non-controlling interests)	61.4%	61.5%	-0.1 PP
Net equity ratio	71.4%	70.1%	1.3 PP
Non-current liabilities	362,028	460,221	-21.3%
Current liabilities	356,998	260,315	37.1%
Total assets	1,989,144	2,045,874	-2.8%

PP = percentage points

PATRIZIA share

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	PAT
Issued shares as at 30.06.2023	92,351,476 shares
Outstanding shares as at 30.06.2023 ¹	85,802,808 shares
Treasury shares as at 30.06.2023	6,548,668 shares
H1 2023 high ²	EUR 12.38
H1 2023 low ²	EUR 8.16
Closing price as at 30.06.2023 ²	EUR 10.90
Share price performance H1 2023 ²	5.2%
Market capitalisation as at 30.06.2023	EUR 1.0bn
Average trading volume per day H1 2023 ³	71,480 shares
Indices	SDAX, MSCI World Small Cap Index and others (CDAX, Classic All Share, DAX International Mid 100, DAXsector Financial Services, DAXsubsector Real Estate, Solactive DIMAX Deutschland, Prime All Share, S&P GIVI Global Index, S&P Global BMI, S&P Intrinsic Value Weighted Global Index, S&P Low Beta Global Index)

¹ Reduced number of shares compared to the issued shares due to share buybacks

² Closing price on Xetra-trading

³ All German stock exchanges

Interim group management report

as at 30 June 2023 (first half-year 2023)

1 Economic report

1.1 Business performance

PATRIZIA's operating business during the first half of the year 2023 was impacted by an environment of market uncertainty, high inflation and rising financing costs. Recurring management fees continued to grow, but were unable to compensate for declining transaction fees due to subdued transaction market activity as well as declining performance fees compared to last year. Nevertheless, recurring management fees strongly continued to support financial results, making PATRIZIA a more diversified investment manager with an increasingly recurring earnings profile in line with its strategy.

As a result of the overall decline in total service fee income and the absence of positive one-off effects compared to the same period in the previous year, EBITDA in the first half of 2023 recorded a decline of 48.0% to EUR 28.4m in the 2023 reporting period after EUR 54.5m in the previous year.

Nevertheless, with a solid net equity ratio of 71.4% and available liquidity of EUR 305.2m, PATRIZIA is well positioned to take advantage of market opportunities as they arise, even in a subdued market environment.

Guidance adjustment for FY 2023

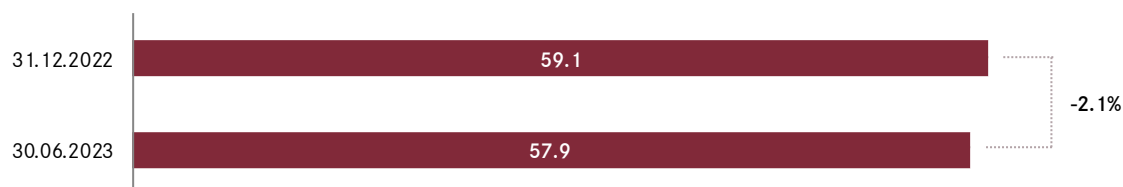
Due to the investment restraint of the Company's global clients and currently very low transaction volumes in the market for real estate and infrastructure, the Company's management no longer expects a significant recovery in business activities in the second half of 2023. For this reason, PATRIZIA is adjusting its forecast for assets under management to a range of EUR 57.0 - 62.0bn (from previously EUR 60.0 - 65.0bn) for the 2023 fiscal year. EBITDA is expected to be in a range of EUR 50.0 - 70.0m (from previously EUR 50.0 - 90.0m). The EBITDA margin is expected to be in a range of 16.7 - 21.2% (from previously 15.6 - 24.3%).

Development of financial performance indicators (KPIs)

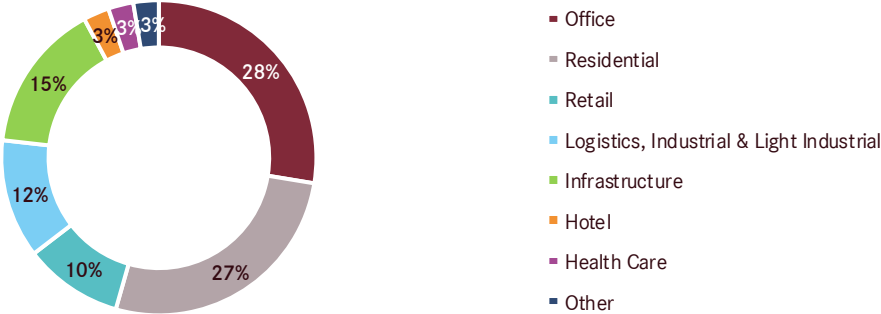
Assets under management

As at 30 June 2023, PATRIZIA held Assets under Management (AUM) of EUR 57.9bn, down from EUR 59.1bn as at 31 December 2022, corresponding to a moderate decrease of EUR 1.2bn or -2.1% mainly due to valuation effects. The general resilience of AUM is attributable to its broad geographical and sectorial diversification. At the reporting date, the share of AUM outside of Germany amounted to 47.5% or EUR 27.5bn of AUM (31 December 2022: 47.9% or EUR 28.3bn) while the infrastructure sector accounted for 15.4% of PATRIZIA's AUM (compared to 14.9% as at 31 December 2022).

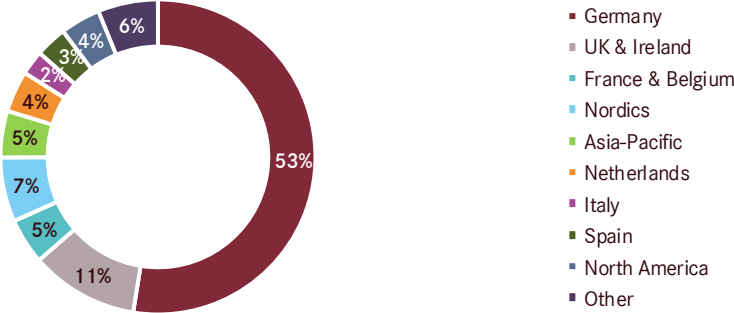
Assets under Management (EUR bn)



Assets under Management as at 30 June 2023 | Sectoral distribution

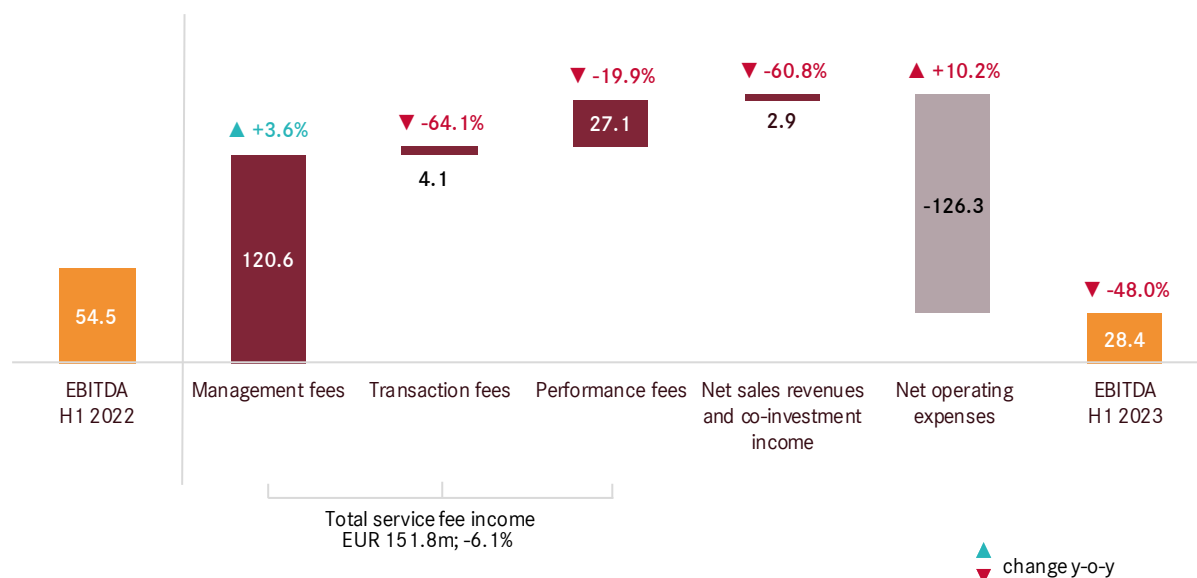


Assets under Management as at 30 June 2023 | Geographical distribution



EBITDA and EBITDA margin

Composition of EBITDA (EUR m)



During the reporting period 2023, **total service fee income** decreased by -6.1% to EUR 151.8m (H1 2022: EUR 161.6m). In line with the Group's strategy, management fees increased moderately year-on-year. This supports the company's objective to further improve the quality of fee income. However, this improvement could not fully compensate for the strong decline in transaction fees and, to a lesser extent, in performance fees. The individual components of total service fee income are explained below:

Management fees: All services provided by PATRIZIA are remunerated in form of fees. Management fees include remuneration for real asset services such as asset, fund and portfolio management and are highly recurring. Management fees of EUR 120.6m were received in the first half-year 2023 (H1 2022: EUR 116.4m). By achieving a moderate growth rate of 3.6%, PATRIZIA has reached an additional achievement on its path towards becoming a more diversified investment manager with an increasingly recurring earnings profile.

Transaction fees: PATRIZIA receives transaction fees for the execution of acquisitions and disposal transactions. These fees amounted to EUR 4.1m in the first half-year 2023 (H1 2022: EUR 11.4m; -64.1%). Acquisitions accounted for EUR 2.6m (H1 2022: EUR 9.1m; -71.0%) and disposals for EUR 1.5m (H1 2022: EUR 2.3m; -36.5%). In addition to the challenging market environment, the strong decrease is also due to the fact that the majority of transactions completed in the first half-year 2023 were for funds with (all-in) management fees.

Performance fees: PATRIZIA receives performance fees if defined target investment yields are met or exceeded. In the first half-year 2023, performance fees of EUR 27.1m were achieved (H1 2022: EUR 33.8m). In the consolidated income statement, these fees are reported partly as revenues (EUR 7.2m; H1 2022: EUR 13.4m) and partly as income from participations (EUR 19.9m; H1 2022: EUR 20.4m). The performance fees mainly result from the co-investment Dawonia, which are incurred annually. The strong decline in performance fees is also due to the current market environment as well as a lower number of disposals for clients.

In the 2023 reporting period, PATRIZIA generated EUR 2.9m in **net sales revenues and co-investment income**, compared to EUR 7.5m in the same period of the previous year (-60.8%). Net sales revenues contributed EUR 1.8m (H1 2022: EUR 5.6m) to this result. The strong decrease is mainly due to the profitable sale of one of the last remaining balance sheet properties in the UK (Trocoll House) in the amount of EUR 2.0m in the previous year. Co-investment income amounted to EUR 1.1m (H1 2022: EUR 1.9m). Thereof, result from participations is on a constant level at EUR 2.1m (H1 2022: EUR 2.1m). Negative earnings from companies accounted for using the equity method of EUR -1.0m (H1 2022: EUR -0.2m) had an offsetting effect.

Despite tangible cost containment in the operating expenses, **net operating expenses** increased by 10.2% from EUR 114.6m in the previous year to EUR 126.3m in the reporting period 2023. In addition to the moderate increase in personnel expenses due to general inflation-related salary adjustments and long-term incentive provisions as well as consolidation effects from two M&A transactions, this was mainly due to the profitable deconsolidation of a project development in Hamburg (Silver Swan) in the previous year, which was held temporarily on the balance sheet and had a relieving effect of EUR 17.8m on net operating expenses in 2022.

Due to the aforementioned factors, **EBITDA** totaled EUR 28.4m in the H1 2023 reporting period after EUR 54.5m in the same period of the previous year.

EBITDA margin

in %	H1 2023	H1 2022	Change
EBITDA margin	18.3%	32.2%	-13.9 PP

PP = percentage points

EBITDA margin compares EBITDA with the sum of total service fee income and net sales revenues and co-investment income. The EBITDA margin decreased year-on-year by 13.9 percentage points to 18.3% (H1 2022: 32.2%) due to tangible decrease in total service fee income and at the same time significant increase in net operating expenses due to the absence of positive one-off effects.

Detailed reconciliation to EBITDA

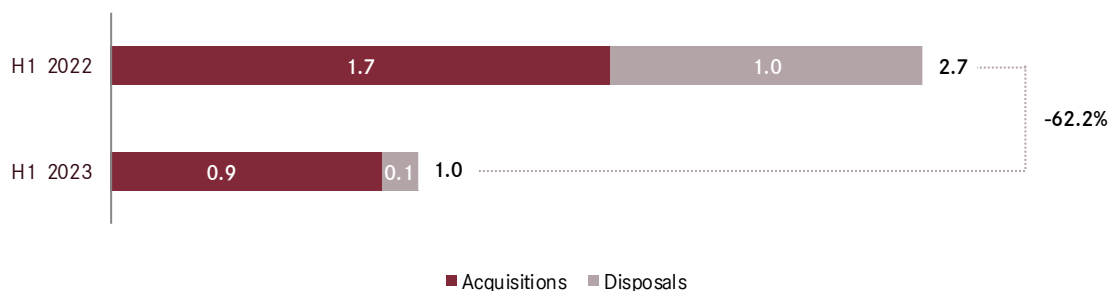
The individual components of EBITDA and their respective line items, in particular within the consolidated income statement, are explained below.

Detailed reconciliation to EBITDA

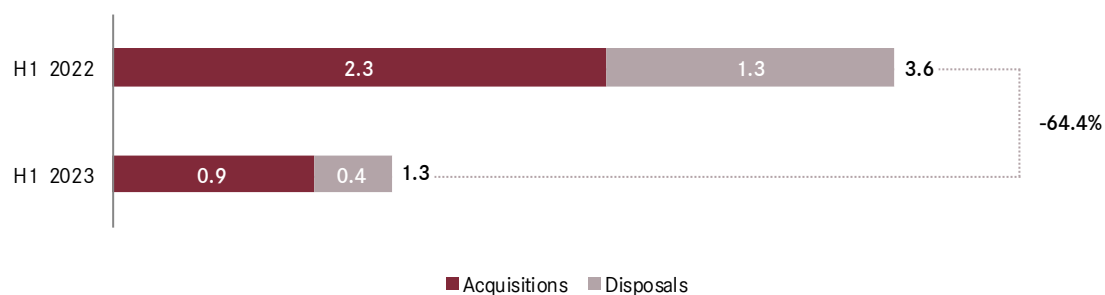
EUR k	H1 2023	Table in the current report
Management fees (excluding result from participations)	116,011	Reconciliation of total service fee income
Shareholder contribution for management services (in result from participations)	4,558	Reconciliation of total service fee income
Management fees	120,568	
Transaction fees	4,103	Reconciliation of total service fee income
Performance fees (excluding result from participations)	7,172	Reconciliation of total service fee income
Performance fees (in result from participations)	19,908	Reconciliation of total service fee income
Performance fees	27,081	
Total service fee income	151,753	Reconciliation of total service fee income
Revenues from the sale of principal investments	0	Revenues
Changes in inventories	0	Consolidated income statement
Cost of materials	-118	Consolidated income statement
Rental revenues	1,890	Revenues
Revenues from ancillary costs	43	Revenues
Net sales revenues	1,815	
Earnings from companies accounted for using the equity method	-950	Consolidated income statement
Remaining result from participations	2,068	Consolidated income statement & Reconciliation of total service fee income
Co-Investment result	1,119	
Net sales revenues and co-investment income	2,933	
Staff costs	-85,789	Consolidated income statement
Other operating expenses	-38,433	Consolidated income statement
Cost of purchased services	-8,541	Consolidated income statement
Other operating income	4,101	Consolidated income statement
Other revenues	1,578	Revenues
Income from the deconsolidation of subsidiaries	1,077	Consolidated income statement
Cost from the deconsolidation of subsidiaries	-3	Consolidated income statement
Impairment result for trade receivables and contract assets	-53	Consolidated income statement
Reorganisation expenses	-311	Consolidated income statement
Reorganisation Income	54	Consolidated income statement
Net operating expenses	-126,321	
EBITDA	28,365	

Further KPIs

Transaction volume based on signed transactions (EUR bn)



Transaction volume based on closed transactions (EUR bn)



The transaction market continues to be subject to high uncertainties about the economic environment, high inflation rates and rising interest rates, resulting in negative impacts on transaction activity overall. Nevertheless, PATRIZIA was able to sign and close smaller transactions for national and international clients thanks to its strong platform and diversified product offering.

Equity raised (EUR m)



New equity raised from institutional and semi-professional investors for various German and international real asset investments in the first six months of 2023 was influenced by the lower overall transaction activity in the market. Based on its global platform and broadly diversified product offering, PATRIZIA nevertheless expects to once again successfully exploit market opportunities for its institutional, semi-professional and private investors in the form of attractive real estate and infrastructure fund products. PATRIZIA is ready to take opportunities for its clients once they arise, backed by EUR 3.8bn client firepower in the funds managed.

1.2 Business Model

Company Profile

PATRIZIA is a leading European independent real asset investment manager¹ with 993 employees (FTE) as at 30 June 2023 in 28 locations worldwide. The Company's core business is real asset investment management, offering a comprehensive product portfolio of private and listed equity funds, private debt funds and fund of fund products in line with individual return expectations, diversification objectives and risk styles to more than 500 institutional and 7,000 semi-professional or private investors.

PATRIZIA's strategic focus on further expanding and diversifying its product portfolio and international footprint lead to the acquisition of infrastructure investment manager Whitehelm Capital in September 2021 (closing 1 February 2022) and the diversified multi-manager ADVANTAGE Investment Partners in July 2022 (closing 1 December 2022). Both acquisitions lever important synergies and point the way towards becoming a leading partner for global real assets.

Products and Services

PATRIZIA's offering spans from real assets funds, bespoke account solutions, Global Partner solutions, multi strategy solutions to landmark single asset & portfolio deal opportunities to meet client preferences and requirements extensively and specifically. The Company provides a wide range of services, from asset and portfolio management to the execution of acquisitions and disposal transactions for almost all real estate and infrastructure sectors to alternative investments and project developments. Investors receive an "all-round solution" that covers all services and the entire value chain of real asset investments. Specific parts from this assortment can be chosen as well.

PATRIZIA's fund strategies are built on specialist expertise in various investment strategies and risk classes of real estate and infrastructure. In recent years as well as through the acquisition of Whitehelm Capital and ADVANTAGE Investment Partners, the Company has enriched its historically private markets-based equity product offering by listed equity, private debt and additional fund of fund strategies to offer investors comprehensive diversification opportunities.

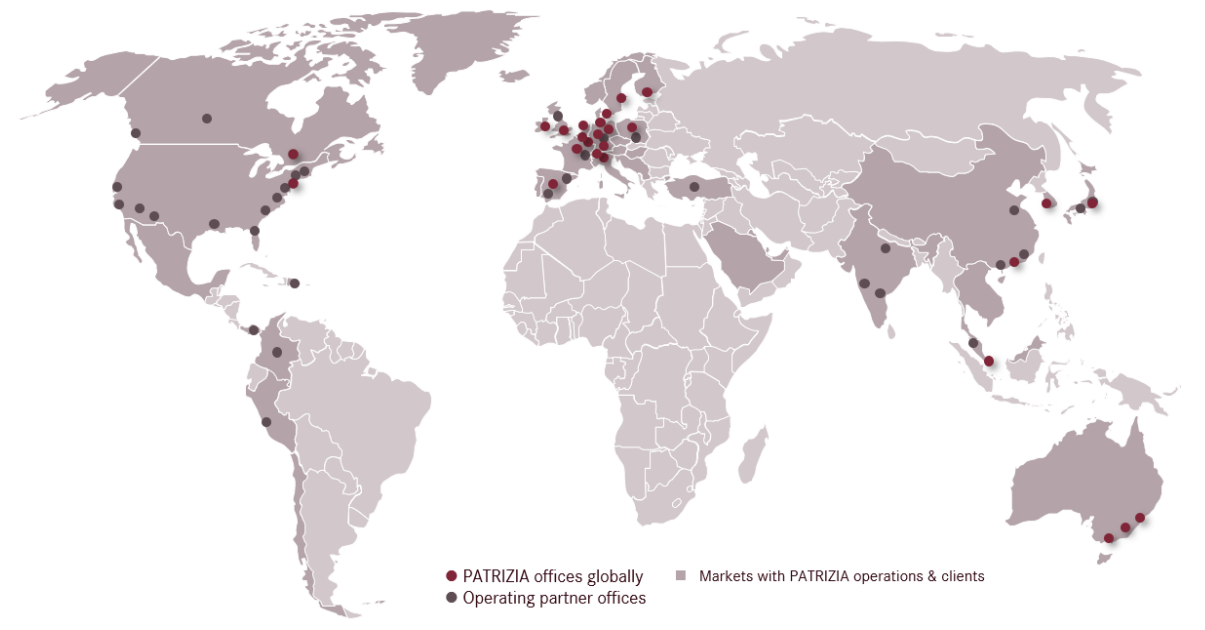
The product shelf covers a broad range of real estate and infrastructure assets. The scope of real estate asset classes ranges from residential, office, retail and logistics properties to hotels and care homes. The product offering in infrastructure covers nearly all infrastructure sectors, such as energy, including renewables, distribution networks for electricity, communications, gas and heat, water and waste management as well as underground energy storage facilities, so called caverns, transport or social infrastructure, like schools and kindergardens.

PATRIZIA also offers its clients broad access to multi-manager products, so-called funds of funds, to invest in real estate, global infrastructure and private equity funds in Europe, Asia and the Americas.

The assets held by the funds typically have a planned initial holding period of between five and ten years, with a propensity for ten years.

¹ Source: IREI Global Investment Managers, published in September 2022 (latest available set). Ranking based on Assets under Management.

PATRIZIA's regional platforms cover 28 locations globally to service clients and manage real assets locally



Clients and regional platforms

PATRIZIA's clients include institutional and semi-professional investors such as insurance firms, pension fund institutions and sovereign funds from Germany, Europe, the US and Asia, high-net-worth individuals (HNWI) and private investors.

PATRIZIA seeks for a trust-based and reliable partnership with business partners and successful transactions for investors, and deems sustainable, prudent, and successful business operations to be the basis for this. Its brand and associated trust are considered essential for attracting new clients and extending existing business relationships. This is why the Company places great value on fostering the PATRIZIA brand and earning the trust of investors with every investment.

Overall, clients entrusted PATRIZIA with new equity of EUR 0.2bn in the first half year 2023 to be invested in various real asset strategies. PATRIZIA currently has outstanding equity commitments amounting to EUR 3.8bn, which are available to make opportunistic asset acquisitions on behalf of its clients if and when opportunities arise.

PATRIZIA's regional platforms are well established throughout Europe and growing globally towards the Asian-Pacific region with a regional hub established in Singapore in 2022 but also towards the North American region where the Company currently maintains two offices. In total, regional platforms cover 28 locations of PATRIZIA offices to service clients and manage real assets locally as at 30 June 2023.

PATRIZIA is represented in all markets by teams or partners with long-standing and, above all, local expertise. The Company's regionally and nationally established network give direct access to current market developments and tracks virtually all transactions relevant to its clients. It enables PATRIZIA to identify and pursue attractive investment opportunities in nearly all infrastructure and real estate asset classes as well as risk profiles.

PATRIZIA has various entities that are designed to manage investment assets, including German asset management companies and a regulated platform (AIFM) in each of Luxembourg, France, Denmark, the United Kingdom and Australia. They make global investments in various real estate and infrastructure sectors, on behalf of their clients via the funds launched. The funds act as holding agents.

This provides the pre-requisites to offer investments within the legal and regulatory framework preferred by the respective clients according to their local regulations. Relationships with clients have been and continue to be expanded worldwide. Local contacts have been established in Australia, Singapore, Hong Kong, Japan, South Korea, the US and Canada. The existing client base in Germany and the rest of Europe is equally being expanded further. The aim is to build a long-term, stable relationship with international clients similarly to the relationship PATRIZIA already enjoys with its existing predominantly German investors.

Megatrends that impact PATRIZIA's business

PATRIZIA believes there are four fundamental secular trends which support allocations to real estate and infrastructure in the medium and long term: demographics, urbanisation, digitalisation and decarbonisation.

Demographic trends, such as evolving age pyramids and human capital agglomeration, affect how people “consume” real estate, driving demand for emerging alternative subsectors such as student housing and senior living.

In parallel, urbanisation trends are expected to underpin where the demand will rise and fall within urban areas. Technology and digitalisation trends, such as the rise of e-commerce and hybrid/remote work, bring about the need for last mile logistics, data centres and tech-enabled buildings.

Finally, decarbonisation is closely linked to ESG trends and impact investment. In light of the threat posed by climate change, PATRIZIA seeks to make its clients' assets future-proof by preserving and increasing asset values.

Revenue Generation

The primary source of revenues for the Company are service fees in form of management, transaction and performance fees. However, revenues from co-investments and occasional rental revenues from assets temporarily held on the balance sheet also contribute to total revenues, albeit to a small level.

PATRIZIA structures, places and manages fund vehicles for clients. The majority of these funds are launched without any equity investment on the part of PATRIZIA. The Company generates stable and recurring income in the form of management fees for managing assets and project developments. The size of assets under management (AUM) therefore impacts the level of recurring fee income. AUM accounted for EUR 57.9bn as of 30 June 2023 (31 December 2022: EUR 59.1bn). Additional revenue streams stem from the acquisition and disposal of assets, so called transaction fees. PATRIZIA also receives performance fees if defined individual yield targets of funds or assets are exceeded.

PATRIZIA selectively invests Group equity in partnership with its institutional clients, in the form of co-investments. In addition to committing to the client and the transaction, PATRIZIA generates fees and additional investment income and thus allows PATRIZIA's shareholders to participate indirectly in the performance of the underlying real asset portfolio. In total, PATRIZIA has invested EUR 0.1bn of its own equity in moderately sized and well diversified co-investments. Current market values of the own equity invested as co-investments are usually significantly above the historic investment costs. As at 30 June 2023, co-investments related to assets under management in the amount of EUR 9.7bn (31 December 2022: EUR 9.9bn). Thereof, the largest co-investment is Dawonia GmbH with EUR 5.4bn in assets under management. Further details on co-investments can be found in the capital allocation in chapter 1.3.

As an investment manager for institutional, semi-professional and private investors, PATRIZIA aims to avoid conflicts of interest with its own balance sheet investments, so called principal investments. Principal investments were strategically reduced in recent years. As at 30 June 2023 remaining Principal investments amounted to EUR 1.9m (unchanged to 31 December 2022).

Independent from principal investments, certain assets are in some cases temporarily consolidated at the Company as interim financing for closed-end funds or as early-phase investments with the purpose of subsequent contribution to funds.

Segments

The segments Management Services and Investments categorise whether PATRIZIA acts as a service provider or an own balance sheet investor. In the Management Services segment, PATRIZIA generates fee income for the client services it performs. In the Investment segment, PATRIZIA generates income from principal investments, co-investments and occasionally rental revenues.

The Management Services segment covers a broad range of real assets services such as the acquisition and sale of real estate and infrastructure assets or portfolios (Acquisition und Disposals), value-oriented property management (asset management), strategic consulting on investment strategy, portfolio planning and allocation (portfolio management) and the execution of complex, non-standard investments (alternative investments).

Through the Group's own asset management entities special funds are also set up and managed according to individual client requests. The service fee income generated from both co-investments and third-party business is reported in the Management Services segment. This also includes management and performance fees realised in income from participations due to services rendered as a shareholder contribution for the asset management of the co-investment Dawonia GmbH.

The Investments segment bundles remaining principal investments as well as moderately sized and well diversified strategic co-investments and occasional rental revenues.

Consolidated Group

As at 30 June 2023, PATRIZIA Group with its parent company PATRIZIA SE consists of 139 subsidiaries, five at-equity entities and 25 branches. Currently, the legal entities and branches are mainly located in Europe, whereby the global presence is consistently extended as part of PATRIZIA's growth strategy.

1.3 Economic situation

EBITDA

In the first half-year 2023, PATRIZIA generated an EBITDA of EUR 28.4m.

The EBITDA is the Group's key performance indicator. The detailed reconciliation and development of the EBITDA is shown in the table below:

Reconciliation of EBITDA

EUR k	H1 2023	H1 2022	Change
Total operating performance	135,975	166,241	-18.2%
Cost of materials	-118	-494	-76.1%
Cost of purchased services	-8,541	-9,356	-8.7%
Staff costs	-85,789	-82,499	4.0%
Other operating expenses	-38,433	-41,867	-8.2%
Impairment result for trade receivables and contract assets	-53	-73	-26.7%
Result from participations	26,534	27,200	-2.4%
Earnings from companies accounted for using the equity method	-950	-189	402.1%
Cost from the deconsolidation of subsidiaries	-3	-2,122	-99.9%
EBITDAR	28,622	56,840	-49.6%
Reorganisation result	-257	-2,307	-88.9%
EBITDA	28,365	54,534	-48.0%

The individual components of the EBITDA are explained in more detail below according to their order in the consolidated income statement.

Revenues

In the first half-year 2023, **revenues** decreased from EUR 158.5m to EUR 130.8m (-17.5%) compared to the same period of the previous year.

Revenues

EUR k	H1 2023	H1 2022	Change
Revenues from management services	127,287	136,527	-6.8%
Proceeds from the sale of principal investments	0	18,079	-100.0%
Rental revenues	1,890	3,840	-50.8%
Revenues from ancillary costs	43	113	-62.0%
Other	1,578	-81	<-1,000.0%
Revenues	130,797	158,476	-17.5%

Revenues from management services fell by -6.8% from EUR 136.5m to EUR 127.3m in the reporting period compared to the previous year. However, revenues alone only provide a limited information value as certain profit and loss items are not included in revenues, such as the result from participations, which must also be taken into account in order to fully assess the Group's performance.

Including the income from the Dawonia GmbH co-investment, which is reported in result from participations, total service fee income amounted to EUR 151.8m, which corresponds to a reduction of -6.1% compared to the previous year's figure of EUR 161.6m. Driven by growth in assets under management, management fees including result from participations increased by 3.6% year-on-year to EUR 120.6m (H1 2022: EUR 116.4m). Transaction fees decreased by -64.1% to EUR 4.1m (H1 2022: EUR 11.4m) due to the current market environment. Furthermore, also due to the current market environment as well as lower number of disposals for clients, performance fees including the result of co-investment Dawonia GmbH decreased to EUR 27.1m (H1 2022: EUR 33.8; -19.9%).

If the result from participations is shown separately within total service fee income, the following picture emerges:

Reconciliation of total service fee income

EUR k	H1 2023	H1 2022	Change
Management fees (excluding result from participations)	116,011	111,714	3.8%
Performance fees (excluding result from participations)	7,172	13,397	-46.5%
Transaction fees	4,103	11,416	-64.1%
Revenues from management services	127,287	136,527	-6.8%
Performance fees (in result from participations)	19,908	20,408	-2.4%
Shareholder contribution for management services (in result from participations)	4,558	4,706	-3.2%
Total service fee income	151,753	161,641	-6.1%

Proceeds from the sale of principal investments amounted to EUR 0m after EUR 18.1m compared to the previous year's period. In the first half-year 2022, this position mainly included the sale of the principal investment Trocoll House in the UK in the amount of EUR 17.9m, which was partially offset by the change in inventories of EUR 15.9m, resulting in a net positive effect in the consolidated income statement of EUR 2.0m. The reduction in principal investments is in line with the stronger strategic focus on investment management services.

In the reporting period, PATRIZIA generated **rental revenues** of EUR 1.9m, compared with EUR 3.8m in H1 2022, in particular for properties only temporarily held on the balance sheet.

Revenues from ancillary costs relate to rental ancillary costs and amounted to EUR 0m in the period under review (H1 2022: EUR 0.1m).

Other essentially comprises transaction costs that are charged on to the corresponding investment vehicles. This item increased from EUR -0.1m in the same period of the previous year to EUR 1.6m in the first half-year 2023.

Total operating performance

Total operating performance reflects PATRIZIA's operating performance more comprehensively than revenues. Other relevant parameters are considered in total operating performance. In the first half-year 2023, total operating performance decreased by -18.2% to EUR 136.0m, compared to EUR 144.0m in the same period of the previous year.

Reconciliation of total operating performance

EUR k	H1 2023	H1 2022	Change
Revenues	130,797	158,476	-17.5%
Changes in inventories	0	-15,950	-100.0%
Other operating income	4,101	5,627	-27.1%
Income from the deconsolidation of subsidiaries	1,077	18,087	-94.0%
Total operating performance	135,975	166,241	-18.2%

Changes in inventories of EUR 0m were reported in the first half-year 2023 (H1 2022: EUR -16.0m). The reduction is mainly due to the sale of the principal investment Trocoll House in the UK in the previous reporting period.

Other operating income amounted to EUR 4.1m in the first half-year 2023 (H1 2022: EUR 5.6m) and mainly includes income from expired obligations of EUR 1.7m (H1 2022: EUR 4.5m) as well as the profitable sale of the control.IT Unternehmensberatung GmbH, which was accounted for using the equity method, of EUR 1.1m (H1 2022: EUR 0m).

Income from the deconsolidation of subsidiaries mainly results from the deconsolidation of Silver Swan C 2018 S.á.r.l. in the financial year 2022. The background of the deconsolidation was the profitable disposal of a project development in Hamburg, which was temporarily held on the company's own balance sheet.

Cost of materials

The **cost of materials** includes construction and maintenance work for principal investments, which are usually capitalised and must be seen in connection with changes in inventories. Compared to the same period of the previous year, the cost of materials decreased by 76.1% year-on-year from EUR 0.5m to EUR 0.1m.

Costs for purchased services

The **cost of purchased services** includes in particular the purchase of fund management services for external label funds for which PATRIZIA Immobilien Kapitalverwaltungsgesellschaft mbH acts as a service KVG. In order to ensure an improved presentation of the earnings situation, transaction costs that are incurred to generate sales revenue and can generally be charged on have also been reported in this item. In the first half-year 2023, the cost of purchased services amounted to EUR 8.5m (H1 2022: EUR 9.4m).

Staff costs

As at 30 June 2023 PATRIZIA had 993 employees based on full-time equivalents (FTE) (30. June 2022: 1,009 employees).

Staff costs

EUR k	H1 2023	H1 2022	Change
Fixed salaries	50,356	49,030	2.7%
Variable salaries	22,675	21,339	6.3%
Social security contributions	10,505	12,114	-13.3%
Effect of long-term variable remuneration ¹	150	-1,805	-108.3%
Other	2,103	1,821	15.5%
Total	85,789	82,499	4.0%

¹ Changes in value of long-term variable remuneration due to change in the company's share price

Overall, **staff costs** increased in the first half-year 2023, in particular due to general inflation-related salary adjustments and long-term incentive provisions. Furthermore, there were consolidation effects due to the acquisition of Whitehelm Capital (initial consolidation as from 1 February 2022; only included for five months in the prior-year period) and of ADVANTAGE Investment Partners (initial consolidation as from 1 December 2022; not included in the prior-year period).

As a result of the positive PATRIZIA share price performance in the first half-year 2023, the valuation of long-term variable remuneration had a negative effect on staff costs of EUR 0.2m in the reporting period (H1 2022: income EUR -1.8m).

The Other item mainly includes non-cash benefits.

Other operating expenses

At a level of EUR 38.4m, **other operating expenses** in the first half-year 2023 were -8.2% lower than in the same period of the previous year. Below is a detailed breakdown:

Other operating expenses

EUR k	H1 2023	H1 2022	Change
Tax, legal, other advisory and financial statement fees	9,301	11,101	-16.2%
IT and communication costs and cost of office supplies	8,721	9,137	-4.5%
Rent, ancillary costs and cleaning costs	1,945	1,835	6.0%
Other taxes	400	2,564	-84.4%
Vehicle and travel expenses	3,959	3,116	27.1%
Advertising costs	1,782	1,966	-9.4%
Recruitment and training costs and cost of temporary workers	3,748	2,819	33.0%
Contributions, fees and insurance costs	2,759	2,501	10.3%
Commission and other sales costs	560	951	-41.1%
Costs of management services	1,284	1,137	13.0%
Indemnity/reimbursement	59	315	-81.4%
Donations	797	1,190	-33.0%
Other	3,118	3,236	-3.7%
Total	38,433	41,867	-8.2%

Tax, legal, other advisory and financial statement fees of EUR 9.3m (H1 2022: EUR 11.1m) include, among others:

- Costs related to personnel-related legal advice in the amount of EUR 1.0m (H1 2022: EUR 0.6m)
- Audit fees of EUR 0.8m (H1 2022: 0.6m)
- Tax consulting fees of EUR 0.6m (H1 2022: EUR 0.2m)
- Project-related consulting services in the context of digitalisation as well as costs of initial testing, acquisition and use of new technologies in the amount of EUR 0.5m (H1 2022: EUR 0.5m).
- Costs related to the acquisition and integration of Whitehelm Capital of EUR 0m (H1 2022: EUR 1.7m)

The decrease in other taxes is attributable to a one-off item in the previous period relating to VAT payments for previous years in the Netherlands.

Vehicle and travel expenses as well as advertising were again on an increasing level after the declining travel and contact restrictions in connection with the Covid-19 pandemic.

Recruitment, training and temporary employment costs increased mainly due to higher recruitment costs related to global growth and the reorganisation of management structures and the leadership team.

The item contributions, fees and insurance costs break down into contributions of EUR 1.1m (H1 2022: EUR 1.2m), insurance in the amount of EUR 1.5m (H1 2022: EUR 0.9m) and bank fees of EUR 0.2m (H1 2022: EUR 0.4m).

The donations include donations to charitable organisations such as the PATRIZIA Foundation. In 2022, the Group's management had decided to support charitable organisations annually with up to 1% of the Company's EBITDA (since 2018 until 2021 with up to 1% of operating income).

Impairment losses for trade receivables and contract assets

This item includes **impairment losses for other trade receivables and other assets** in the amount of EUR -0.1m (H1 2022: EUR -0.1m).

Result from participations and earnings from companies accounted for using the equity method

PATRIZIA generated a **result from participations** of EUR 26.5m in H1 2023 (H1 2022: EUR 27.4m, -2.4%). Overall, income from participations of EUR 26.1m (H1 2022: EUR 26.7m) was related to the Dawonia GmbH co-investment.

The **earnings from companies accounted for using the equity method** totaled EUR -0.9m in the reporting period (H1 2022: EUR -0.2m).

The result from participations and earnings from companies accounted for using the equity method reflect the investment income from the co-investments and, in the case of Dawonia GmbH, the investment result also includes management fees and performance-related fees.

Result from participations

EUR k	H1 2023	H1 2022	Change
Dawonia GmbH	26,078	26,725	-2.4%
TRIUVA	11	9	22.2%
Closed-end funds business	23	513	-95.6%
Other	424	-47	-993.5%
Result from participations	26,534	27,200	-2.4%
Earnings from companies accounted for using the equity method	-950	-189	402.1%
Total	25,585	27,011	-5.3%

Cost from the deconsolidation of subsidiaries

Cost from the deconsolidation of subsidiaries mainly relate to the deconsolidation of property companies in which properties are temporarily held on the own balance sheet.

Reorganisation result

Compared to the same period last year, **reorganisation expenses** totalled EUR 0.3m (H1 2022: EUR 2.3m). The reorganisation expenses recognised in the previous period mainly result from continued strategic investments to further diversify and globalise the company. These were mainly expenses for severance payments and current salaries during the release phase. Reorganisation expenses recognised in the current period related to the “Rebalance for growth” programme implemented in November 2022. Provisions from the reorganisation that are no longer required are released to the income statement. In the first half-year 2023, **reorganisation income** amounted to EUR 0.1m (H1 2022: EUR 0m) due to reversals of provisions recognised in the income statement.

Net profit for the period

In the first half-year 2023, the **net profit for the period** declined to EUR 5.7m (H1 2022: EUR 15.0m; -61.9%), which is mainly due to the reduction of EBITDA and in line with management expectations.

Reconciliation of net profit for the period

EUR k	H1 2023	H1 2022	Change
EBITDA	28,365	54,534	-48.0%
Appreciation/amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment as well as financial investments	-14,226	-24,537	-42.0%
Earnings before interest and taxes (EBIT)	14,139	29,996	-52.9%
Finance income	5,401	652	727.9%
Financial expenses	-4,449	-3,977	11.9%
Other financial result	-722	0	/
Result from currency translation	-3,428	-274	>1,000.0%
Net finance costs	-3,198	-3,599	-11.1%
Earnings before taxes (EBT)	10,941	26,398	-58.6%
Income taxes	-5,206	-11,351	-54.1%
Net profit for the period	5,735	15,047	-61.9%

¹ In particular fund management contracts transferred as part of the recent acquisitions

The following section discusses the relevant items of the reconciliation of consolidated net profit.

Appreciation/amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments

Appreciation/amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments decreased to EUR 14.2m (H1 2022: EUR 24.5m; -42.0%) and mainly includes amortisation of fund management contracts and licenses of EUR 6.4m (H1 2022: EUR 6.3m), amortisation of rights of use of EUR 5.0m (H1 2022: EUR 5.0m), amortisation of software and depreciation of operating and office equipment of EUR 2.5m (H1 2022: EUR 7.2m).

The decrease in appreciation/amortisation and depreciation mainly results from the extraordinary depreciation of the intangible assets of the technology investment BrickVest in the previous period. These impairment losses consisted of the impairment of goodwill of EUR 5.6m and the amortisation of software of EUR 4.1m.

Net finance costs

Financial income increased to EUR 5.4m, after EUR 0.7m in the previous year (+727.9%), which was primarily due to the current positive interest rates on cash and term deposits.

Financial income was offset by **financial expenses** of EUR 4.4m (H1 2022: EUR 4.0m, +11.9%), mainly due to interest on bonded loans and interest from the compounding of pension obligations as well as earn-out liabilities.

The other financial result amounted to EUR -0.7m (H1 2022: EUR 0m) and mainly includes expenses regarding the valuation of financial assets.

In the first half-year 2023, the **result from currency translation** amounted to EUR -3.4m (H1 2022: EUR -0.3m). This includes realised exchange rate effects of EUR -1.8m (H1 2022: EUR 1.6m) as well as non-cash exchange rate effects of EUR -1.6m (H1 2022: EUR -1.9m). The change in realised exchange rate effects is mainly due to the change in the exchange rate of the Japanese yen against the euro.

Income taxes

Income taxes amounted to EUR 5.2m in the first half-year 2023 compared to EUR 11.4m in the previous period (-54.1%). The tax rate (income taxes in relation to EBT) was 47.6% in the reporting period (H1 2022: 43.0%). The reason for the increase mainly results from additional tax expenses for previous years as well as valuation effects on deferred taxes.

Key asset and financial data

PATRIZIA's strong balance sheet and financial situation continue to provide a good basis for the successful implementation of its mid-term strategy.

PATRIZIA's key asset and financial data at a glance

EUR k	30.06.2023	31.12.2022	Change
Total assets	1,989,144	2,045,874	-2.8%
Equity (excl. non-controlling interests)	1,221,692	1,258,992	-3.0%
Equity Ratio	61.4%	61.5%	-0.1 PP
Cash and cash equivalents	306,332	349,518	-12.4%
+ Term deposits	50,492	72,380	-30.2%
- Bank loans	-120,554	-91,688	31.5%
- Bonded loans	-158,000	-158,000	0.0%
= Net cash (+) / net debt (-)	78,270	172,209	-54.5%
Net Equity Ratio¹	71.4%	70.1%	1.3 PP

¹ Net equity ratio: Equity (excl. non-controlling interests) divided by total net assets (total assets less financial liabilities covered by cash in hand)
PP = Percentage points

Total assets

The Group's **total assets** is almost stable with EUR 2.0bn as at 30 June 2023.

Equity

Equity (excluding non-controlling interests) decreased moderately to EUR 1.2bn (31 December 2022: 1.3bn). This is, among other things, due to the dividend payment to shareholders in the reporting period for financial year 2022. In addition, the reduction of the capital reserve due to the share buy-back programme in the reporting period had a negative impact on equity.

The **net equity ratio** slightly improved to 71.4% (31 December 2022: 70.1%).

We refer to the statement of changes in equity for further information on changes in equity of the first half-year 2023.

Liquidity

PATRIZIA had available liquidity of EUR 305.2m as at 30 June 2023 compared to EUR 375.1m at the end of 2022.

Available Liquidity

EUR k	30.06.2023	31.12.2022
Cash and cash equivalents	306,332	349,518
Term deposits	50,492	72,380
Liquidity	356,824	421,898
Regulatory reserve for asset management companies	-45,196	-41,265
Liquidity, PATRIZIA cannot freely access	-6,417	-5,518
Available liquidity	305,210	375,115

Total Liquidity amounted to EUR 356.8m (31 December 2022: EUR 421.9m). The decline since the beginning of the year is in particular due to the dividend payment to the shareholders, payments for purchase of shares of non-controlling interests as well as the share buy-back programme. A total of EUR 50.5m is invested in short-term deposits.

However, PATRIZIA cannot freely access the full amount. Cash and cash equivalents of EUR 45.2m in total must be permanently retained for asset management companies and closed-ended funds in order to comply with the relevant regulatory requirements. Furthermore, liquidity in the amount of EUR 6.4m is tied up in consolidated companies, which PATRIZIA cannot freely access.

Financial liabilities

The **financial liabilities** increased from EUR 249.7m to EUR 278.6m as at 30 June 2023 compared to 31 December 2022, in particular due to the addition of interim financing.

The bonded loan with an original loan amount of EUR 300.0m raised in 2017 consists of tranches of five, seven and ten years. The outstanding loan amount totals EUR 158.0m, with fixed interest rate payments only. In the first half-year 2023 the short-term bonded loan tranche in the amount of EUR 89.0m was reclassified due to repayment in the first half year of 2024. Remaining bonded loan tranches as at 30 June 2023 are recognised under non-current bonded loans with EUR 69.0m (maturing in 2027) and under current bonded loans with EUR 89.0m (maturing in 2024).

The short-term bank loans of EUR 120.6m relate to interim financing of assets temporarily consolidated on PATRIZIA's balance sheet.

Financial liabilities developed as follows as against the end of 2022:

Financial liabilities

EUR k	30.06.2023	31.12.2022	Change
Non-current bonded loans	69,000	158,000	-56.3%
Short-term bonded loans	89,000	0	/
Short-term bank loans	120,554	91,688	31.5%
Total financial liabilities	278,554	249,688	11.6%

A detailed maturity profile of the financial liabilities (financial liabilities used as part of the key assets and financial data for calculating net cash/net debt as well as the net equity ratio: bank, mortgage and bonded loans) as well as other financial liabilities can be found in note 3 in the notes to the consolidated interim financial statements.

Capital Allocation

An overview of all PATRIZIA's participations, assets under management and invested capital can be found in the following table.

PATRIZIA's capital allocation as at 30 June 2023

	Assets under Management EUR m	Invested capital (fair value) EUR m	Invested capital (at cost) EUR m	Participations in %
Third-party business	48,165.0	0.0		
Co-Investments	9,757.4	601.3	132.4	
Real estate - residential	5,372.4	517.7	53.0	
thereof Dawonia GmbH	5,372.4	176.4 ¹	51.7	5.1
thereof Dawonia profit entitlements		340.1 ¹	0.0	0.1
Real estate - balanced	2,595.3	14.0	15.4	
Real estate - commercial	657.4	14.9 ¹	10.3	
Infrastructure	1,118.8	51.5	50.3	
Venture capital	13.4	3.2	3.4	
Principal investments	2.0	2.2		
Other balance sheet items		471.0 ²		
Tied-up investment capital	57,924.3	1,074.5		
Available liquidity		305.2		
Total investment capital	57,924.3	1,379.7		
of which debt (bonded loans)		158.0		
of which equity PATRIZIA (without non-controlling interests)		1,221.7		

¹ After deduction of deferred taxes from the valuation according to IFRS 9

² Including goodwill and fund management contracts

PATRIZIA selectively invests Group equity in partnership with its institutional clients, in the form of co-investments, of which Dawonia GmbH is the largest co-investment.

PATRIZIA holds a stake in a very attractive residential real estate portfolio via Dawonia GmbH. With around 27,000 flats, Dawonia is one of the largest housing companies in Munich and southern Germany. For 80 years, Dawonia has been planning, developing, building and managing high-quality, affordable apartments which are in high demand, particularly in urban growth regions. The company therefore is very well positioned in this market segment. Around 80% of the housing stock is concentrated in the 20 largest locations in southern Germany, i.e. in conurbations such as Munich and the surrounding area, Nuremberg, Erlangen, Regensburg and Würzburg. Dawonia is now also active outside Bavaria, for example in the state of Hesse.

Furthermore, PATRIZIA holds an interest in OSCAR Lux Carry S.C.S (Dawonia performance fee claims – see table above), which entitles PATRIZIA to a variable profit share in connection with the Dawonia investment. The investor consortium and PATRIZIA recently agreed to extend the investment phase of the fund mid-term. The initial investment phase was previously set for 10 years and could have ended in 2023. Against this backdrop, a decision on the possible retention or sale of the 5.1% stake in Dawonia GmbH and the realisation of the entitlement to the variable profit share is now expected mid-term accordingly.

In the first half of 2023, further co-investments were made in line with strategy, particularly in the area of infrastructure.

2 Development of opportunities and risks

PATRIZIA is exposed to both opportunities and risks as part of its business activities. PATRIZIA's risk management process is designed to identify, record and monitor relevant risk positions and to define and implement suitable control measures.

The risk environment in the first half of 2023 was ongoing strongly influenced by developments in connection with the Ukraine crisis. In addition, the current dynamic market environment, particularly with regards to interest rate developments and inflation, poses major challenges for key areas of PATRIZIA's business activities. However, the assessment of the developments in the risk environment during the year does not lead to any substantial changes in the statements made in the Group Annual Report 2022 with regard to PATRIZIA's risk coverage potential.

Furthermore, statements made in the risk report contained in PATRIZIA's 2022 Group Annual Report continue to apply. For a detailed presentation of the opportunities and risks in the Group, please refer to the explanations in chapter 4 of the 2022 Group Annual Report.

3 Guidance

Guidance adjustment for FY 2023

Due to the investment restraint of the Company's global clients and currently very low transaction volumes in the market for real estate and infrastructure, the Company's management no longer expects a significant recovery in business activities in the second half of 2023. For this reason, PATRIZIA is adjusting its forecast for assets under management to a range of EUR 57.0 - 62.0bn (from previously EUR 60.0 - 65.0bn) for the 2023 fiscal year as a precautionary measure. EBITDA is expected to be in a range of EUR 50.0 - 70.0m (from previously EUR 50.0 - 90.0m). The EBITDA margin is expected to be in a range of 16.7 - 21.2% (from previously 15.6 - 24.3%).

The details of the adjusted forecast for the 2023 financial year are shown in the following table.

Guidance FY 2023

		2022	H1 2023	Guidance range 2023		Previous Guidance range 2023	
				min	max	max	max
Assets under Management	EUR bn	59.1	57.9	57.0	62.0	60.0	65.0
EBITDA	EUR m	78.9	28.4	50.0	70.0	50.0	90.0
EBITDA margin	%	24.0%	18.3%	16.7%	21.2%	15.6%	24.3%

Augsburg, 10 August 2023

The Executive Directors



Dr Asoka Wöhrmann
CEO



Christoph Glaser
CFO



Slava Shafir
COO



Wolfgang Egger
Founder

This report contains certain forward-looking statements that relate in particular to the business development of PATRIZIA, the general economic and regulatory environment and other factors to which PATRIZIA is exposed. These forward-looking statements are based on current estimates and assumptions by the company made in good faith and are subject to various risks and uncertainties that could render a forward-looking statement or estimate inaccurate or cause actual results to differ from the results currently expected.

Consolidated financial statements

Consolidated balance sheet

as at 30 June 2023

Assets

EUR k	30.06.2023	31.12.2022
A. Non-current assets		
Goodwill	376,213	381,253
Other intangible assets	100,094	107,134
Software	7,251	8,080
Rights of use	23,183	26,715
Investment property	1,892	1,892
Equipment	10,713	9,721
Participations in companies accounted for using the equity method	3,786	6,545
Participations	660,379	664,612
Non-current borrowings and other loans	51,977	28,194
Other non-current assets	2,866	3,497
Deferred taxes	8,318	8,341
Total non-current assets	1,246,672	1,245,986
B. Current Assets		
Inventories	191,946	159,781
Securities	20,841	29,602
Short-term derivatives	0	444
Current tax assets	20,712	29,312
Current receivables and other current assets	202,641	231,231
Cash and cash equivalents	306,332	349,518
Total current assets	742,472	799,888
Total assets	1,989,144	2,045,874

Equity and liabilities

EUR k	30.06.2023	31.12.2022
A. Equity		
Share capital	85,803	86,175
Capital reserves	62,655	67,181
Retained earnings		
Legal reserves	505	505
Currency translation difference	-4,868	-2,502
Remeasurements of defined benefit plans according to IAS 19	4,809	4,807
Revaluation reserve according to IFRS 9	199,112	189,691
Consolidated unappropriated profit	873,677	913,135
Non-controlling interests	48,427	66,346
Total equity	1,270,119	1,325,338
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	114,938	121,417
Retirement benefit obligations	17,293	17,715
Bonded loans	69,000	158,000
Long-term accruals	10,214	10,122
Non-current liabilities	134,032	134,628
Leasing liabilities	16,550	18,339
Total non-current liabilities	362,028	460,221
CURRENT LIABILITIES		
Short-term bank loans	120,554	91,688
Short-term financial derivatives	267	0
Short-term bonded loans	89,000	0
Other provisions	10,921	17,238
Current liabilities ¹	113,122	124,031
Short-term leasing liabilities	7,427	8,950
Income tax liabilities ¹	15,706	18,407
Total current liabilities	356,998	260,315
Total equity and liabilities	1,989,144	2,045,874

¹ The previous year's figures were restated in line with the new table structure in the year under review.

Consolidated income statement

for the period from 1 January to 30 June 2023

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Revenues	67,935	77,545	130,797	158,476	-17.5%
Changes in inventories	0	-77	0	-15,950	-100.0%
Other operating income	1,333	4,969	4,101	5,627	-27.1%
Income from the deconsolidation of subsidiaries	1,055	18,087	1,077	18,087	-94.0%
Total operating performance	70,322	100,525	135,975	166,241	-18.2%
Cost of materials	-59	-154	-118	-494	-76.1%
Cost of purchased services	-4,431	-3,628	-8,541	-9,356	-8.7%
Staff costs	-45,430	-43,462	-85,789	-82,499	4.0%
Other operating expenses	-21,564	-23,987	-38,433	-41,867	-8.2%
Impairment result for trade receivables and contract assets	-48	-68	-53	-73	-26.7%
Result from participations	3,523	3,518	26,534	27,200	-2.4%
Earnings from companies accounted for using the equity method	-1,012	-189	-950	-189	402.1%
Cost from the deconsolidation of subsidiaries	-3	-2,122	-3	-2,122	-99.9%
EBITDAR	1,299	30,431	28,622	56,840	-49.6%
Reorganisation income	54	0	54	0	/
Reorganisation expenses	-169	-2,307	-311	-2,307	-86.5%
EBITDA	1,184	28,124	28,365	54,534	-48.0%
Appreciation/amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	-7,101	-16,853	-14,226	-24,537	-42.0%
Earnings before interest and taxes (EBIT)	-5,917	11,272	14,139	29,996	-52.9%
Financial income	3,183	241	5,401	652	727.9%
Financial expenses	-2,601	-2,297	-4,449	-3,977	11.9%
Other financial result	-878	0	-722	0	/
Result from currency translation	-3,405	-141	-3,428	-274	>1,000.0%
Earnings before taxes (EBT)	-9,618	9,074	10,941	26,398	-58.6%
Income taxes	2,917	-6,610	-5,206	-11,351	-54.1%
Net profit for the period	-6,701	2,464	5,735	15,047	-61.9%
Attributable to shareholders of the parent company	-6,411	1,722	6,064	13,408	-54.8%
Attributable to non-controlling interests	-291	741	-329	1,639	-120.1%
Earnings per share (undiluted) in EUR	-0.07	0.02	0.07	0.15	-53.2%
Earnings per share (diluted) in EUR	-0.07	0.02	0.07	0.15	-53.2%

Consolidated statement of comprehensive income for the period from 1 January to 30 June 2023

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022
Net profit for the period	-6,701	2,464	5,735	15,047
Items of other comprehensive income reclassified to net profit for the period				
Profit/loss arising on the translation of the financial statements of foreign operations	2,456	-1,639	-2,297	-2,340
Items of other comprehensive income without reclassification to net profit for the period				
Value adjustments resulting from equity instruments measured including capital gains (IFRS 9)	-7,956	15,895	-8,107	16,485
Value adjustments resulting from remeasurements of defined benefit plans (IAS 19)	0	-270	2	-270
Other comprehensive income	-5,500	13,986	-10,403	13,874
Total comprehensive income for the reporting period	-12,201	16,450	-4,668	28,921
Attributable to shareholders of the parent company	-10,734	15,738	-3,189	27,225
Attributable to non-controlling interests	-1,467	712	-1,479	1,696

Consolidated cash flow statement

for the period from 1 January to 30 June 2023

EUR k	H1 2023	H1 2022
Net profit for the period	5,735	15,047
Income taxes recognised through profit or loss	5,206	11,351
Financial expenses recognised through profit or loss	4,449	3,977
Financial income recognised through profit or loss	-5,401	-652
Income from participations through profit or loss	-26,534	-27,200
Earnings from companies accounted for using the equity method	950	164
Income from unrealised currency translation recognised through profit or loss	1,609	2,650
Income from unrealised other financial results	711	0
Income from the disposal of other intangible assets, software, rights of use and equipment recognised through profit or loss	-9	60
Income from divestments of financial assets recognised through profit or loss	-1,060	6
Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	14,590	24,627
Write-ups longterm assets	-365	-90
Expenses of the deconsolidation of subsidiaries	3	2,122
Income from the deconsolidation of subsidiaries	-1,077	-18,087
Other non cash-items	-522	-4,983
Changes in inventories, receivables and other assets that are not attributable to investment activities	7,556	27,520
Proceeds and payments from the temporarily consolidation of investment properties (Inventories) and related financing (Loans) for items in which the turnover is quick, the amounts are large, and the maturities are short	-6,435	73
Changes in liabilities that are not attributable to financing activities	-11,391	-9,865
Distributed income from participations	27,689	28,000
Interest paid	-5,587	-5,911
Interest received	5,169	695
Income tax payments	-4,231	-7,476
Cash flow from operating activities	11,055	42,071

EUR k	H1 2023	H1 2022
Payments for investments in other intangible assets, software and equipment	-2,668	-2,055
Payments received from the disposal of intangible assets and equipment	248	62
Payments received from the disposal of securities and short-term investments	32,800	75,584
Payments for the acquisition of participations	-4,307	-5,142
Payments received from the disposal of participations	244	1,477
Payments for investments in companies accounted for using the equity method	-1,811	-25,319
Payment received through distributions of companies accounted for using the equity	18	7,575
Payments received from the repayment of shares of companies accounted for using the equity method	0	9,595
Payments received from the disposal of companies accounted for using the equity method	3,724	0
Payments received from the repayment of loans to companies with participation interest	482	0
Payments for loans to companies with participation interest	0	-123
Payments received from the repayment of other loans	1,130	39,019
Payments for other loans	-25,583	0
Changes from hedges	711	0
Payments received from the disposal of consolidated companies and other business units	1	25,885
Payments for the disposal of consolidated companies and other business units	0	-18,973
Payments for the acquisition of consolidated companies and other business units	-2,616	-45,231
Cash flow from investing/divesting activities	2,371	62,356
Repayment of loans	0	-103,450
Repayment of leasing liabilities	-4,741	-5,221
Interest paid	-120	-153
Payments for purchase of shares of non-controlling interests	-16,803	0
Payments of profit shares to non-controlling interests	-274	-274
Payments of dividends to shareholders	-28,288	-28,316
Payments for buy-backs of own shares	-7,445	-18,895
Payments received from increase of capital stock	637	0
Cash flow from financing activities	-57,034	-156,308
Change in cash and cash equivalents	-43,608	-51,881
Cash and cash equivalents as at 01.01.	349,518	341,260
Effects of changes in foreign exchange rates on cash and cash equivalents	422	-891
Cash and cash equivalents as at 30.06.	306,332	288,487

Consolidated statement of changes in equity

for the period from 1 January to 30 June 2023

EUR k	Share capital	Capital reserve	Retained earnings (legal reserves)	Currency translation difference	Remeasurements of defined benefit plans according to IAS 19	Revaluation reserve according to IFRS 9	Consolidated unappropriated profit	Equity of the shareholders of the parent company	Equity of non-controlling interests	Total
As at 01.01.2022	88,620	89,831	505	2,317	99	179,716	921,720	1,282,809	35,694	1,318,503
Net profit for the period	0	0	0	0	0	0	13,408	13,408	1,639	15,047
Other comprehensive income	0	0	0	-2,269	-252	16,338	0	13,817	58	13,874
Total comprehensive Income	0	0	0	-2,269	-252	16,338	13,408	27,225	1,696	28,921
Dividend distribution to shareholders in cash	0	0	0	0	0	0	-28,316	-28,316	0	-28,316
Payout of profit shares to non-controlling interests	0	0	0	0	0	0	0	0	-441	-441
Share buy-back	-1,212	-18,441	0	0	0	0	0	-19,652	0	-19,652
Disposal of shares	831	15,207	0	0	0	0	0	16,038	0	16,038
As at 30.06.2022	88,240	86,597	505	48	-153	196,054	906,813	1,278,104	36,949	1,315,053
As at 01.01.2023	86,175	67,181	505	-2,502	4,807	189,691	913,132	1,258,989	66,346	1,325,336
Net profit of the period	0	0	0	0	0	0	6,064	6,064	-329	5,735
Other comprehensive income	0	-0	0	-2,366	2	-6,889	0	-9,253	-1,150	-10,403
Total comprehensive Income	0	-0	0	-2,366	2	-6,889	6,064	-3,189	-1,479	-4,668
Capital increase	0	0	0	0	0	0	0	0	637	637
Dividend distribution to shareholders in cash	0	0	0	0	0	0	-28,288	-28,288	0	-28,288
Non-controlling interests arising from the sale of shares	0	0	0	0	0	0	838	838	-838	0
Payout of profit shares to non-controlling interests	0	0	0	0	0	0	0	0	-274	-274
Reclassification	0	0	0	0	0	0	440	440	-440	0
Purchases of shares of non-controlling interests	0	0	0	-1	0	16,309	-16,804	-495	-16,308	-16,803
Other Changes	0	0	0	0	0	0	-923	-923	0	-923
Share buy-back	-655	-6,789	0	0	0	0	0	-7,444	0	-7,444
Disposal of shares	283	2,263	0	0	0	0	0	2,545	0	2,545
As at 30.06.2023	85,803	62,655	505	-4,869	4,809	199,112	874,459	1,222,474	47,645	1,270,119

Notes to the interim consolidated financial statements

for the period from 1 January to 30 June 2023

General information

PATRIZIA SE (hereinafter also referred to as PATRIZIA or the Group) is a listed stock corporation. The registered office of the company is Fuggerstraße 26, 86150 Augsburg (Augsburg Local Court, HRB 37716).

PATRIZIA is a leading partner for global real assets and one of the leading independent real estate investment companies in Europe. As at 30 June 2023, 993 employees (FTE) serve its clients across 28 locations worldwide. PATRIZIA provides a wide range of services from asset and portfolio management and implementation of purchase and sales transactions for almost all real estate and infrastructure classes to alternative investments and project developments. Its clients include institutional, (semi-)professional and private investors such as insurance firms, pension providers and sovereign wealth funds from Germany, Europe, the US and Asia. PATRIZIA develops bespoke products for its clients in line with their individual return expectations, diversification objectives and risk styles.

1 Principles applied in the preparation of the interim consolidated financial statements

The interim consolidated financial statements of PATRIZIA for the first half of 2023 (1 January to 30 June 2023) have been prepared in accordance with § 115 of the German Securities Trading Act (WpHG) in compliance with IAS 34 “Interim Financial Reporting” and the IFRS as well as in compliance with the supplementary commercial law regulations to be applied in accordance with § 315e of the Handelsgesetzbuch (HGB – German Commercial Code). All mandatory pronouncements of the International Accounting Standards Board (IASB) that were adopted by the EU as part of the endorsement process, i.e. published in the Official Journal of the EU (by the balance sheet date) have been applied.

In the opinion of the Group’s management, the present unaudited interim consolidated financial statements as at 30 June 2023 contain all necessary information to ensure a true and fair view of the company’s performance and financial position in the reporting period. A review according to IDW PS 900 has been performed by the auditor. A certificate was not issued in accordance with the engagement. The results achieved in the first six months of 2023 are not necessarily an indicator of future results or an overall result to be expected for the financial year 2023 as a whole.

As part of the preparation of the consolidated interim financial statements for the interim report in accordance with IAS 34 “Interim Financial Reporting”, the management of PATRIZIA must make assessments and estimates as well as assumptions that influence the application of accounting principles in the Group and the reporting of assets and liabilities as well as income and expenses. The actual amounts may differ from these estimates.

These interim consolidated financial statements are fundamentally based on the accounting policies as those applied to the consolidated financial statements for the 2022 financial year. A detailed description of the basis of preparation of the consolidated financial statements and the accounting policies can be found in the IFRS notes to the consolidated financial statements as at 31 December 2022 in the 2022 PATRIZIA Group Annual Report.

New standards and interpretations to be applied as of 1 January 2023 have no material impact on the interim consolidated financial statements.

These interim financial statements are prepared in Euro (EUR). Unless otherwise stated, the amounts including the previous year’s figures are shown in thousands of Euro (EUR k). It should be noted that differences may occur in the use of rounded amounts and percentages due to commercial rounding.

2 Consolidated group

All subsidiaries are included in the interim consolidated financial statements of PATRIZIA. The group of subsidiaries includes all companies that are controlled by PATRIZIA. In addition to the parent company, the consolidated group includes 139 subsidiaries (31 December 2022: 137). They are included in the interim consolidated financial statements in accordance with the rules of full consolidation.

In addition, there are five equity investments (31 December 2022: six), listed below, that are accounted for using the equity method in the consolidated financial statements.

Participations in companies accounted for using the equity method

Entity	Head office	Equity Investment	30.06.2023	31.12.2022
			Carrying amounts EUR k	Carrying amounts EUR k
PATRIZIA WohnModul I SICAV-FIS	Luxemburg	10.10%	1,241	1,553
Evana AG	Saarbrücken	16.45%	1,141	1,423
Cognotekt GmbH	Köln	35.67%	0	278
control.IT Unternehmensberatung GmbH ¹	Bremen	n.a.	0	2,824
ASK PATRIZIA (GQ) LLP	Manchester	50.00%	438	424
PATRIZIA MBK FUND MANAGEMENT PTY LTD	Sydney	50.00%	966	44

¹ Profitable sale of the 10.00% share in Q1 2023

Furthermore, there are holdings of 30.0% in the limited liability capital of a project development company (legal form: GmbH & Co. KG) and 30.0% in the associated general partner GmbH. There is no significant influence over this company as it cannot be managed or significantly influenced on account of company law regulations and there is no right to make appointments to its executive bodies. The shares in this project development company are measured at fair value through other comprehensive income (FVTOCI).

As at 30 June 2023, 46 companies (31 December 2022: 47) have not been included in the consolidated group as at the end of the reporting period as they have only minor or no business operations and are immaterial to the Group and a true and fair view of its financial position and performance.

Business combinations, disposals and intragroup restructuring

The number of Group companies included in the consolidated financial statements developed as follows in the reporting period:

Group companies

Transactions material to the Group are explained below under business combinations, disposals and intragroup restructuring.

Subsidiaries

As at 01.01.2023	137
Companies founded	6
Companies deconsolidated	-4
As at 30.06.2023	139

Acquisitions of subsidiaries

ADVANTAGE Investment Partners

By way of a purchase agreement dated 6 July 2022, PATRIZIA acquired the entire issued share capital of ADVANTAGE Investment Partners A/S (“ADVANTAGE Investment Partners”), a diversified multi-manager with both institutional and wholesale distribution channels. The closing of the transaction took place on 1 December 2022.

Located in Copenhagen, ADVANTAGE Investment Partners manages AUM of over EUR 1.2bn as at purchase agreement date.

The initial consolidation was carried out as at 1 December 2022.

a) Acquired assets and liabilities

Within the share deal, 100% of the shares of ADVANTAGE Investment Partners were acquired. The following fair values regarding assets and liabilities have been identified based on the Purchase Price Allocation (PPA).

Fair value

EUR k	
Other intangible assets	4,910
Rights of use	334
Equipment	62
Participations	41
Total non-current assets	5,437
Current receivables and other current assets	535
Cash and cash equivalents	1,951
Total current assets	2,486
Total assets	7,833
Deferred tax liabilities	1,080
Leasing liabilities	344
Total non-current liabilities	1,424
Other provisions	32
Current liabilities	561
Tax liabilities	148
Total current liabilities	742
Total liabilities	2,165
Net assets	5,667
Goodwill	13,252
Total consideration paid	18,919

The finalisation of the purchase price allocation took part in the measurement period under IFRS 3.

The resulting preliminary goodwill from the acquisition amounts to EUR 13,252k. The acquisition rationale includes potentials arising from the expansion of business areas and products, the presence in geographical markets, future earnings prospects as well as synergy potentials.

The goodwill will not be deductible for tax purposes in future periods.

b) Consideration transferred and transaction costs

The consideration paid (without transaction costs) of EUR 18,919k consists of cash and cash equivalents of EUR 12,909k, treasury shares of EUR 2,221k as well as a contingent consideration (earn-out) of EUR 3,790k. The earn-out component is only payable on achievement of certain, pre-defined business targets in the future. The 231,321 treasury shares were measured at their closing price (XETRA) of EUR 9.60 as at the acquisition date (closing).

In the financial year 2022, the transaction costs already incurred in the amount of EUR 1,200k (2021: EUR 0k) were recognised through profit and loss and reported under other operating expenses.

c) Net cash outflow for the acquisition**Net outflow of cash funds for the acquisition**

EUR k	
Consideration paid in the form of cash	12,909
Less cash acquired	1,951
Net cash outflow	10,958

d) Effects of the acquisition on consolidated profit

From the net profit for the period as at 30 June 2023, EUR -18k is attributable to the acquired ADVANTAGE Investment Partners subsidiaries. Of the revenues in the first half of 2023, EUR 1,927k results from the operations of the acquired subsidiaries and mainly relates to total service fee income.

Disposal of subsidiaries

The companies listed below left the PATRIZIA consolidated group with income from deconsolidation of EUR 1,077k (H1 2022: EUR 18,087k) and an expense from deconsolidation of EUR -3k (H1 2022: EUR -2,122k) in the reporting period.

Companies - result from deconsolidation

EUR k	H1 2023
PATRIZIA GrundInvest Augsburg Acht GmbH & Co. KG	1,055
PATRIZIA GrundInvest Augsburg Zwölf GmbH & Co. KG	22
SPF III US HUH GP ApS	-3
Total	1,074

Intragroup restructuring

In the reporting period there were no internal restructuring activities recognised within the Group.

Consolidation methods

These interim consolidated financial statements are generally based on the same consolidation methods that were applied to the consolidated financial statements for the 2022 financial year. A detailed description of the basis for preparing the consolidated financial statements and the accounting and valuation methods can be found in the IFRS Notes to the Consolidated Financial Statements as at 31 December 2022.

3 Notes to the balance sheet and income statement

3.1 Financial instruments

3.1.1 Classification and measurement of financial assets and liabilities

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Financial assets and liabilities 30.06.2023

EUR k	Carrying amounts				Fair value		
	Mandatory FVTPL	FVTOCI-equity instruments	Financial assets at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3 ¹
Financial assets at fair value							
Participations		659,955					X
Other non-current financial assets	6,720						X
Other Loans	4,109						X
Securities	20,841				X		
Derivative financial instruments	0						
	31,669	659,955					
Financial assets not measured at fair value							
Other loans			41,149				
Trade receivables and other financial assets			197,280				
Cash and Cash Equivalents			306,332				
			544,760				
Financial liabilities not measured at fair value							
Financial liabilities (bank, mortgage and bonded loans)				278,554			
Trade payables				1,906			
Liabilities from services purchased before the end of the reporting period				43,422			
Contractual liabilities of prepayments from property sales				2			
Liabilities from settled performance fees owed attributable to future periods				0			
Other liabilities				164,631			
				488,516			

¹ see chapter 3.1.3 assessment of the fair value

Financial assets and liabilities 31.12.2022

EUR k	Carrying amounts				Fair value		
	Mandatory FVTPL	FVTOCI- equity instruments	Financial assets at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
Financial assets at fair value							
Participations		664,377					x
Other non-current financial assets	6,720						x
Other Loans	3,300						x
Securities	29,602				x		
Derivative financial instruments	444				x		
	40,066	664,377					
Financial assets not measured at fair value							
Other loans			18,174				
Trade receivables and other financial assets			225,024				
Cash and Cash Equivalents			349,518				
			592,716				
Financial liabilities not measured at fair value							
Financial liabilities (bank, mortgage and bonded loans)				249,688			
Trade payables				4,123			
Liabilities from services purchased before the end of the reporting period				45,073			
Contractual liabilities of prepayments from property sales				0			
Liabilities from settled performance fees owed attributable to future periods				0			
Other liabilities				169,965			
				468,849			

3.1.2 Participations

Participations showed the following development in the business year:

Participations

	30.06.2023				31.12.2022			
	Dawonia	Dawonia Carry	Other participations	Total carrying amount	Dawonia	Dawonia Carry	Other participations	Total carrying amount
As at 01.01.	179,680	421,593	63,340	664,612	177,418	416,229	40,329	633,976
Additions	0	0	4,416	4,416	0	0	23,762	23,762
Changes in the consolidated group	0	0	0	0	0	0	73	73
Disposals	0	0	-370	-370	0	0	-5,684	-5,684
Positive changes in market value	0	0	583	583	6,764	22,407	8,344	37,515
Negative changes in market value	-1,317	-4,338	-3,866	-9,521	-4,502	-17,042	-2,523	-24,067
Foreign exchange differences	0	0	659	659	0	0	-961	-961
Closing Balance	178,363	417,255	64,761	660,379	179,680	421,593	63,340	664,612

PATRIZIA holds a stake in a very attractive residential real estate portfolio via Dawonia GmbH. With around 27,000 flats, Dawonia is one of the largest housing companies in Munich and southern Germany. For 80 years, Dawonia has been planning, developing, building and managing high-quality, affordable apartments which are in high demand, particularly in urban growth regions. The company therefore is very well positioned in this market segment. Around 80% of the housing stock is concentrated in the 20 largest locations in southern Germany, i.e. in conurbations such as Munich and the surrounding area, Nuremberg, Erlangen, Regensburg and Würzburg. Dawonia is now also active outside Bavaria, for example in the state of Hesse.

Furthermore, PATRIZIA holds an interest in OSCAR Lux Carry S.C.S (Dawonia performance fee claims – see table above), which entitles PATRIZIA to a variable profit share in connection with the Dawonia investment. The investor consortium and PATRIZIA recently agreed to extend the investment phase of the fund mid-term. The initial investment phase was previously set for 10 years and could have ended in 2023. Against this backdrop, a decision on the possible retention or sale of the 5.1% stake in Dawonia GmbH and the realisation of the entitlement to the variable profit share is now expected mid-term accordingly.

Result from participations

The result from participations of EUR 26,534k in the reporting period (H1 2022: EUR 27,000k) stems from the participations in Dawonia GmbH, TRIUVA / IVG Logistik and from the closed-end funds business for private and semi-professional investors.

Result from participations

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Performance-based shareholder remuneration	0	0	19,908	20,408	-2.4%
Services provided as shareholder contributions	2,264	2,353	4,558	4,706	-3.2%
Return on equity employed	1,258	1,165	2,068	2,086	-0.8%
Total	3,523	3,518	26,534	27,200	-2.4%

3.1.3 Assessment of the fair value of financial assets

The following tables show the valuation techniques used to assess level 3 fair values and the significant unobservable inputs used.

Valuation technique fair value

Type	Valuation technique	Important non-observable input factors	Context between Important non-observable input factors and the valuation at fair value
Equity investments	Valuation model considers the individual shares of participations as well as assessment basis in particularly the fair value of the net assets (Net asset value). The essential value driver is the respective Fair Value of the contained property assets.	- Shares of participations (0.01% - 100%) - important assessment basis: the fair value of the net assets 2023 of the participations (EUR 0m - EUR 3,539m)	Estimated fair value would increase (decrease), if the assessment basis increase (decrease)
Non-current loans	Since these are convertible loans, the valuation model considers the fair value of the net assets of the borrowers.	- the fair value of the net assets 2022: (EUR 7.2m - EUR 8.6m)	Estimated fair value would increase (decrease), if the assessment basis increase (decrease)

Sensitivity analysis of level 3 fair values

A 10% increase (reduction) in the basis of measurement for equity investments with all other inputs remaining constant would result in an increase (reduction) of EUR 82,857k (31 December 2022: EUR 83,176k).

An increase (reduction) of net assets would result in an increase (reduction) of EUR 899k (31 December 2022: EUR 899k) in the fair value of long-term loans.

Reconciliation of level 3 fair values

The following table shows the reconciliation from opening to closing level 3 fair values.

Reconciliation of level 3 fair values - 30.06.2023

EUR k	Equity investments	Convertible loans
As at 01.01.2023	664,377	10,020
Profit/loss, including in the other comprehensive income (IFRS 9)		
<i>changes of the fair value</i>	-8,938	0
Profit/loss, including in the net profit for the period		
<i>changes of the fair value</i>	0	0
<i>Interest cover</i>	0	0
Additions in the financial year	4,010	850
Disposals in the financial year	-153	-41
Foreign exchange differences	659	0
As at 30.06.2023	659,955	10,829

Net gains/losses by category

EUR k	30.06.2023	31.12.2022
Financial assets and liabilities, which are mandatory measured at FVTPL	1,471	-5,009
Financial assets, which are measured at amortised cost	2,853	2,355
Financial liabilities, which are measured at amortised cost	-3,774	-5,892
Equity investments, which are measured at FVTOCI (without recycling) ¹	-6,889	10,528

¹ Amount after tax

Equity investments measured at fair value through other comprehensive income

Dividend income from equity investments measured at fair value through other comprehensive income amounted to EUR 26,534k in the financial year (H1 2022: EUR 27,436k). The dividends received result exclusively from participations still held at the end of the reporting period. The fair value of equity investments disposed of as at the date of disposal is EUR 153k (31 December 2022: EUR 5,661k).

No gains were realised in the statement of comprehensive income in connection with the final disposal of equity investments.

3.1.4 Non-current borrowings and other loans

As at 30 June 2023, non-current borrowings and other loans amount to EUR 51,977k (31 December 2022: EUR 28,184k). The increase is mainly due to the addition in other loans regarding business expansion of PATRIZIA Infrastructure Debt Partners II SCP of EUR 24,637k in the second quarter of 2023.

The book value of non-current borrowings and other loans classified at amortised cost is EUR 41,149k as at 30 June 2023 (31 December 2022: EUR 18,174k) and the corresponding fair value is EUR 40,781k as at 30 June 2023 (31 December 2022: EUR 17,447k). Long-term loans measured at FVTPL amount to EUR 10,829k as at 30 June 2023 (31 December 2022: EUR 10,020k).

3.1.5 Securities

Securities of EUR 20,841k (31 December 2022: 29,602) reported under current assets relate to the temporary acquisition of shares in the PATRIZIA Low Carbon Core Infrastructure fund. During the financial year 2023, pro rata disposal of EUR 9,803k and offsetting valuation effects were recognised.

3.1.6 Current receivables and other current assets

Current receivables and other current assets are composed as follows:

Current receivables and other current assets

EUR k	30.06.2023	31.12.2022
Trade receivables	123,920	136,581
Receivables from services	70,755	102,629
Receivables from property sales	29	38
Other	53,136	33,914
Other current assets	78,721	94,650
Term deposits	50,492	72,380
Receivables from other investees and investors	2,465	4,024
Other	25,764	18,246
Closing Balance	202,641	231,231

Other trade receivables essentially include accrued purchase and performance fees that were earned at the end of the year and will become cash in later periods.

Due to the term of the time deposits of EUR 50,492k (31 December 2022: EUR 72,380k) of more than 3 months, these are reported in the balance sheet under current receivables and other current assets instead of bank balances and cash in hand.

The item "Other" essentially includes loan receivables, deposits, creditors with debit balances and accruals and deferrals.

Receivables and other current assets have a remaining term of less than one year. The carrying amount of the receivables and other current assets corresponds to their fair value.

3.1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits held by the Group. The carrying amount of these assets corresponds to their fair value.

Cash funds were invested in short-term, money market securities in the context of active liquidity management. These are shown separately in the balance sheet. An amount of EUR 50,492k (31 December 2022: EUR 72,380k) was invested in short-term term deposits with a maturity of more than 3 months. These term deposits are reported in the consolidated balance sheet under current receivables and other current assets.

Besides liquidity in consolidated companies PATRIZIA cannot freely access, cash and cash equivalents must be permanently retained for asset management companies and closed-end funds in order to comply with the relevant regulatory requirements.

Available Liquidity

EUR k	30.06.2023	31.12.2022
Cash and cash equivalents	306,332	349,518
Term deposits	50,492	72,380
Liquidity	356,824	421,898
Regulatory reserve for asset management companies	-45,196	-41,265
Liquidity, PATRIZIA cannot freely access	-6,417	-5,518
Available liquidity	305,210	375,115

3.1.8 Financial liabilities

The maturity profile of financial liabilities is as follows:

Maturity of undiscounted financial liabilities including interest payments 30.06.2023

EUR k	Carrying amount	Total amount	2023	2024	2025	2026	2027
Bank loans	91,709	103,584	103,584	0	0	0	0
Mortgage loans	28,845	28,951	28,951	0	0	0	0
Bonded loans	158,000	165,394	0	91,914	1,490	1,490	70,499
Other financial liabilities	134,733	137,110	5,383	19,680	100,796	0	11,250
Derivative financial instruments	267	267	267	0	0	0	0
Total financial liabilities undiscounted	413,555	435,306	138,186	111,595	102,287	1,490	81,749

Maturity of undiscounted financial liabilities including interest payments 31.12.2022

EUR k	Carrying amount	Total amount	2023	2024	2025	2026	2027
Bank loans	91,688	103,584	103,584	0	0	0	0
Bonded loans	158,000	168,308	2,914	91,914	1,490	1,490	70,499
Other financial liabilities	140,494	142,870	11,076	19,747	100,796	0	11,250
Total financial liabilities undiscounted	390,182	414,762	117,574	111,661	102,286	1,490	81,749

In the 2017 fiscal year, PATRIZIA issued a bonded loan on the capital market for a total of EUR 300,000k. The bonded loan had terms of 5, 7 and 10 years and fixed and variable interest rates. The outstanding loan amount totals EUR 158,000k, with fixed interest rate payments only.

The short-term bank loans of EUR 91,709k relate to temporary interim financing. The mortgage loan of EUR 28,845k is due to the loan of the property in the development phase of German Residential Fund IV.

Other financial liabilities mainly result due to earn-out liabilities regarding the transaction of Whitehelm Capital.

For the financial liabilities with a carrying amount of EUR 413,555 as at 30 June 2023 (31 December 2022: EUR 390,182k), the fair value is EUR 397,940k (31 December 2022: EUR 369,594k).

3.1.9 Financial result

Financial result

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Interest on bank deposits and loans	2,695	116	4,476	363	>1,000.0%
Interest from participations	134	94	242	172	40.6%
Interest from taxes	163	0	307	2	>1,000.0%
Other interest	191	30	376	115	228.3%
Financial income	3,183	241	5,401	652	727.9%
Interest on overdraft facilities and loans	-749	-1,139	-1,484	-2,446	-39.3%
Interest expenses from taxes	-296	-521	-554	-525	5.6%
Interest expenses from participations	-109	-107	-218	-214	1.6%
Interest expenses - Leasing IFRS 16	-60	-74	-120	-153	-21.1%
Other financial expenses	-1,388	-456	-2,073	-640	224.0%
Financial expenses	-2,601	-2,297	-4,449	-3,977	11.9%
Other financial result	-878	0	-722	0	0.0%
Result from currency translation	-3,405	-141	-3,428	-274	>1,000.0%
Financial result	-3,701	-2,198	-3,198	-3,599	-11.1%

Financial income of EUR 5,401k (H1 2022: EUR 652k) increased in interest on bank deposits and loans mainly due to the current positive interest rates on cash and term deposits.

Other interests mainly result due to receivables from employees.

The financial expenses of EUR 4,449k (H1 2022: EUR 3,977k) are attributable to financial liabilities measured at amortised cost and recognised at effective interest.

The interest on overdrafts and loans mainly contains interest on bonded loans.

The other financial expenses mainly relate to interest from the compounding of pension obligations and from the compounding of earn-out liabilities.

The other financial result mainly includes expenses regarding the revaluation of financial assets.

In the first half-year of 2023, the currency result was EUR -3,428k (H1 2022: EUR -274k). This includes realised exchange rate effects of EUR -1,819k (H1 2022: 1,564k) as well as non-cash exchange rate effects of EUR -1,609k (H1 2022: -1,838k).

3.2 Goodwill

Goodwill

EUR k	30.06.2023			31.12.2022		
	Cost	Amortisation	Carrying amounts	Cost	Amortisation	Carrying amounts
As at 01.01.	386,647	-5,394	381,253	216,444	0	216,444
Additions	0	0	0	0	-5,394	-5,394
Changes in the consolidated group	316	0	316	172,164	0	172,164
Disposals	0	0	0	0	0	0
Foreign exchange differences	-5,356	0	-5,356	-1,961	0	-1,961
Closing Balance	381,607	-5,394	376,213	386,647	-5,394	381,253

The change in total goodwill compared to 31 December 2022 is mainly due to the exchange rate changes of EUR -5,356k (31 December 2022: EUR -1,961k). These are mainly due to the exchange rate development of the British pound and the Australian dollar.

Changes in the consolidated group resulting due to the finalisation of the corresponding purchase price allocation of ADVANTAGE Investment Partners within the measurement period in accordance with IFRS 3.

These values are tested for impairment at least once a year by the Group as part of an impairment test in accordance with IAS 36. As at 30 June 2023, there were no events that would justify further impairment test and the resulting need for impairment.

3.3 Other intangible assets

Other intangible assets

EUR k	30.06.2023			31.12.2022		
	Cost	Amortisation	Carrying amounts	Cost	Amortisation	Carrying amounts
As at 01.01.	254,530	-147,396	107,134	227,492	-135,750	91,742
Additions	0	-6,383	-6,383	0	-15,327	-15,327
Changes in the consolidated group	-408	0	-408	32,168	0	32,168
Disposals	-278	278	0	-489	489	0
Foreign exchange differences	1,313	-1,562	-249	-4,641	3,192	-1,449
Closing Balance	255,157	-155,064	100,094	254,530	-147,396	107,134

As at 30 June 2023, other intangible assets decreased mainly due to the ongoing depreciation of the fund management contracts.

In the first half of 2023, write-downs were made on fund management contracts totaling EUR 6,339k (H1 2022: EUR 6,332k), on licenses of EUR 17k (H1 2022: EUR 0k) and on other rights and assets totaling EUR 27k (H1 2022: EUR 406k).

Changes in the consolidated group resulting due to the finalisation of the corresponding purchase price allocation of ADVANTAGE Investment Partners within the measurement period in accordance with IFRS 3.

The negative currency effects of EUR -249k (31 December 2022: EUR -1,449k) mainly result from the currency translation of the fund management contracts of PATRIZIA PROPERTY INVESTMENT MANAGERS LLP as at the reporting date.

3.4 Participations in companies accounted for using the equity method

Participations in companies accounted for using the equity method

EUR k	30.06.2023			31.12.2022		
	Cost	At equity adjustment	Carrying amounts	Cost	At equity adjustment	Carrying amounts
As at 01.01.	10,641	-4,096	6,545	26,819	-3,072	23,747
Additions	861	115	977	1,575	-1,620	-46
Changes in the consolidated group	0	0	0	89	0	89
Disposals	-3,724	0	-3,724	-9,607	-7,614	-17,221
Foreign exchange differences	-11	0	-11	-25	0	-25
Closing Balance	7,767	-3,980	3,786	18,851	-12,306	6,545

The decrease in participations in companies accounted for using the equity method resulted mainly due to the profitable sale of PATRIZIA's 10% share in the tech company control.IT Unternehmensberatung GmbH (Carrying amount as at 31 December 2022: EUR 2,824k). As at 30 June 2023, there was an impairment occurring with the participation Cognotekt GmbH (no value in use).

The earnings from companies accounted for using the equity method is made up as follows:

Earnings from companies accounted for using the equity method

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
PATRIZIA WohnModul I SICAV-FIS	-384	-25	-322	-25	>1,000.0%
Evana AG	-647	-286	-647	-286	125.8%
Cognotekt GmbH	-28	-90	-28	-90	-69.1%
Others	47	212	47	212	-78.0%
Total	-1,012	-189	-950	-189	402.1%

3.5 Inventories

Inventories include assets held for sale in the normal course of business.

Inventories

EUR k	30.06.2023	31.12.2022
Properties intended for sale	88,104	88,104
Properties in the development phase	103,843	71,678
Total	191,946	159,781

The change in inventories of EUR 32,165k in "properties in the development phase" results primarily due to PATRIZIA German Residential Fund IV.

3.6 Equity

We refer to the statement of changes in equity for information on changes in equity.

Share capital

The share capital of the company amounts, after offsetting treasury shares in the amount of EUR 6,549k or 6,548,668 no-par-value shares (31 December 2022: EUR 6,176k), to EUR 85,803k (31 December 2022: EUR 86,175k) as at the end of the reporting period and was divided into 85,720,791 no-par-value registered shares.

Capital reserves

The capital reserves reduced by 4,526k from EUR 67,181k to EUR 62,655k as at 30 June 2023. The capital reserve is reduced due to the share buyback programme. The disposal and transfer of shares in connection with the Whitehelm Capital M&A transaction had a partially offsetting effect here.

Treasury shares

In the reporting period the total number of treasury shares increased to 6,548,668 and their total value up to EUR 102,299k.

Treasury shares

	Number of shares	Price per share in EUR ¹	Total Value in EUR
As at 01.01.2023	6,176,119		97,412,120
Share buyback programme	655,379	11.34	7,432,000
Disposal and transfer of shares	282,830	9.00	2,545,470
As at 30.06.2023²	6,548,668		102,298,649

¹ Average price per share in EUR from several share purchases/ sales (Incl. transaction costs)

² The total value of treasury shares is calculated by adding up all share buyback programmes up to the current reporting date, less all sales of treasury shares in the context of purchase price payments of M&A transactions

Non-controlling interests

There were non-controlling interests of EUR 48,427k as at 30 June 2023 (31 December 2022: EUR 66,346k).

A profit share of EUR -329k (H1 2022: EUR 1,639k) was allocated to non-controlling interests in the reporting period.

As at 30 June 2023, profit shares of EUR 274k (H1 2022: EUR 441k) had been withdrawn by non-controlling interests.

3.7 Non-current liabilities

Non-current liabilities of EUR 134,032k (31 December 2022: EUR 134,628k) essentially consist of the earn-out liability in connection with the Whitehelm Capital M&A transaction of EUR 110,285k. Other positions are the long-term component of the management participation model, the TRIUVA guaranteed dividend to non-controlling interests and other non-current financial liabilities.

3.8 Tax

Income tax liabilities

The income tax liabilities essentially comprise EUR 15,706k (31 December 2022: EUR 18,407k) of corporation and trade tax on the profits of German and non-German subsidiaries.

Deferred taxes

Deferred income tax relating to components of other comprehensive income

EUR k	H1 2023			H1 2022		
	Before tax	Tax	Net	Before tax	Tax	Net
Profit/loss arising on the translation of the financial statements of foreign operations	-2,297	0	-2,297	-2,340	0	-2,340
Value adjustments resulting from equity instruments measured including capital gains (IFRS 9)	-8,938	831	-8,107	19,026	-2,541	16,485
Value adjustments resulting from remeasurements of defined benefit plans (IAS 19)	2	0	2	-270	0	-270
Total	-11,234	831	-10,403	16,416	-2,541	13,874

Income taxes

Income taxes

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Current income taxes	-6,410	-8,843	-10,644	-12,958	-17.9%
Deferred taxes	9,327	2,232	5,437	1,607	238.3%
Income tax	2,917	-6,610	-5,206	-11,351	-54.1%

The tax rate (income taxes in relation to EBT) was 47.6% in the reporting period (H1 2022: 43.0%). The reason for the increase mainly results from additional tax expenses for previous years as well as valuation effects on deferred taxes.

3.9 Revenues

Revenues by Country

EUR k	Germany	Luxembourg	United Kingdom	Rest of world	Total
Q2 2023					
Revenues from management services	41,317	9,300	9,393	5,789	65,799
Management fees	33,710	9,412	7,307	5,649	56,078
Performance fees	6,790	-112	0	9	6,687
Transaction fees	817	0	2,086	131	3,033
Proceeds from the sale of principal investments	0	0	0	0	0
Rental revenues	95	945	0	0	1,040
Revenues from ancillary costs	13	0	0	0	13
Other	33	424	150	477	1,083
Revenues	41,457	10,669	9,543	6,266	67,935
Q2 2022					
Revenues from management services	51,595	7,799	11,087	6,003	76,484
Management fees	35,153	6,785	11,513	5,952	59,403
Performance fees	7,922	0	-32	2	7,892
Transaction fees	8,519	1,014	-394	49	9,188
Proceeds from the sale of principal investments	279	-128	0	0	151
Rental revenues	983	183	0	340	1,506
Revenues from ancillary costs	12	78	0	0	90
Other	-1,217	246	166	119	-686
Revenues	51,651	8,179	11,253	6,462	77,545
H1 2023					
Revenues from management services	76,998	20,744	17,947	11,597	127,287
Management fees	68,497	20,338	15,862	11,314	116,011
Performance fees	6,801	362	0	9	7,172
Transaction fees	1,701	45	2,084	274	4,103
Proceeds from the sale of principal investments	0	0	0	0	0
Rental revenues	193	1,697	0	-0	1,890
Revenues from ancillary costs	30	13	0	0	43
Other	65	544	371	598	1,578
Revenues	77,286	22,998	18,318	12,195	130,797
H1 2022					
Revenues from management services	91,563	13,501	21,084	10,379	136,527
Management fees	65,850	13,947	21,590	10,328	111,714
Performance fees	14,845	-1,418	-32	2	13,397
Transaction fees	10,868	972	-473	49	11,416
Proceeds from the sale of principal investments	272	17,806	0	0	18,079
Rental revenues	2,765	382	0	693	3,840
Revenues from ancillary costs	24	89	0	0	113
Other	-1,205	406	264	454	-81
Revenues	93,419	32,184	21,349	11,525	158,476

The geographical allocation is based on the registered office of the unit performing the services.

Revenue is measured on the basis of the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control of a good or service to a customer.

The distribution of revenue from contracts with customers with regard of timing of revenue recognition is as follows:

Revenues from contracts with clients

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022
Transferred products/services at a period of time	9,720	17,232	11,276	42,891
Transferred products/services over a period of time	57,175	58,807	117,631	111,745
Revenues from client contracts	66,895	76,039	128,907	154,637

3.10 Other operating income

Other operating income essentially relates to:

Other operating income

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Income from discontinued obligations	893	4,375	1,730	4,475	-61.3%
Income from payments in kind	262	253	505	482	4.8%
Insurance compensation	0	7	0	7	-95.6%
Income from reimbursement of lawyers' fees, court costs and transaction costs and compensation	3	12	3	90	-96.8%
Income from sales of financial assets	7	0	7	0	>1,000.0%
Other	168	321	1,855	574	223.4%
Total	1,333	4,969	4,101	5,627	-27.1%

Income from discontinued obligations essentially results from the final settlement of bonuses and variable salaries as well as liabilities for goods and services ordered but unclaimed.

In the item "Other" there is mainly the profitable sale of PATRIZIA's share in the tech company control.IT Unternehmensberatung GmbH, which was accounted for using the equity method, of EUR 1,050k in the first quarter 2023.

3.11 Costs for purchased services

The "Cost of purchased services" item totaling EUR 8,541k (H1 2022: EUR 9,356k) essentially comprises the purchase of fund management services for external label funds in the amount of EUR 6,559k (H1 2022: EUR 7,434k), for which PATRIZIA Immobilien Kapitalverwaltungsgesellschaft mbH is the service asset management company.

In order to ensure an improved presentation of the earnings situation, this item also includes transaction costs that are incurred in order to generate revenue and are generally passed on.

3.12 Staff costs**Staff costs**

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Wages and salaries	39,869	37,377	75,284	70,385	7.0%
of which valuation of phantom shares	178	-1,069	150	-1,805	-108.3%
Social security contributions	5,561	6,085	10,505	12,114	-13.3%
Total	45,430	43,462	85,789	82,499	4.0%

The number of employees slightly decreased from 1,009 (30 June 2022) to 993 full-time equivalents (30 June 2023). The increase in staff costs is mainly due to general inflation-related salary adjustments and long-term incentive provisions. Furthermore, there were consolidation effects due to the acquisition of Whitehelm Capital (initial consolidation as from 1 February 2022; only included for five months in the prior-year period) and of ADVANTAGE Investment Partners (initial consolidation as from 1 December 2022; not included in the prior-year period).

Correlating to the increase in the price of PATRIZIA shares, expenses of EUR 150k (H1 2022: income EUR -1,805k) arose in connection with the remeasurement of the value of phantom shares in the reporting period.

3.13 Other operating expenses

At a level of EUR 38,433k, other operating expenses in H1 2023 were -8.2% lower than in the same period of the previous year. Below is a detailed breakdown:

Other operating expenses

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Tax, legal, other advisory and financial statement fees	5,598	5,382	9,301	11,101	-16.2%
IT and communication costs and cost of office supplies	4,204	4,541	8,721	9,137	-4.5%
Rent, ancillary costs and cleaning costs	676	969	1,945	1,835	6.0%
Other taxes	141	2,468	400	2,564	-84.4%
Vehicle and travel expenses	2,143	2,107	3,959	3,116	27.1%
Advertising costs	733	1,261	1,782	1,966	-9.4%
Recruitment and training costs and cost of temporary workers	2,648	1,317	3,748	2,819	33.0%
Contributions, fees and insurance costs	1,633	1,369	2,759	2,501	10.3%
Commission and other sales costs	434	614	560	951	-41.1%
Costs of management services	644	559	1,284	1,137	13.0%
Indemnity/reimbursement	50	315	59	315	-81.4%
Donations	790	1,183	797	1,190	-33.0%
Other	1,871	1,900	3,118	3,236	-3.7%
Total	21,564	23,987	38,433	41,867	-8.2%

Tax, legal, other advisory and financial statement fees in the amount of EUR 9,301k (H1 2022: EUR 11,101k) include, among others:

- Costs related to personnel-related legal advice in the amount of EUR 1,009k (H1 2022: EUR 586k)
- Audit fees of EUR 785k (H1 2022: 586k)
- Tax consulting fees of EUR 636k (H1 2022: EUR 173k)
- Project-related consulting services in the context of digitalisation as well as costs of initial testing, acquisition and use of new technologies in the amount of EUR 462k (H1 2022: EUR 492k).
- Costs related to the acquisition and integration of Whitehelm Capital of EUR 0k (H1 2022: EUR 1,665k)

The decrease in other taxes is attributable to a one-off item in the previous period relating to VAT payments for previous years in the Netherlands.

Vehicle and travel expenses as well as advertising were again on an increasing level after the declining travel and contact restrictions in connection with the Covid-19 pandemic.

Recruitment, training and temporary employment costs increased mainly due to higher recruitment costs related to global growth and the reorganisation of management structures and the leadership team.

The item contributions, fees and insurance costs break down into contributions of EUR 1,096k (H1 2022: EUR 1,224), insurance in the amount of EUR 1,465k (H1 2022: EUR 890k) and bank fees of EUR 192k (H1 2022: EUR 388k).

The donations include donations to charitable organisations such as the PATRIZIA Foundation. In 2022, the Group's management had decided to support charitable organisations annually with up to 1% of the Company's EBITDA (since 2018 until 2021 with up to 1% of operating income).

3.14 Reorganisation income/expenses

Compared to the same period last year, reorganisation expenses totalled EUR 311k (H1 2022: EUR 2,307k). The reorganisation expenses recognised in the previous period mainly result from continued strategic investments to further diversify and globalise the company. These were mainly expenses for severance payments and current salaries during the release phase. Reorganisation expenses recognised in the current period related to the “Rebalance for growth” programme implemented in November 2022. Provisions from the reorganisation that are no longer required are released to the income statement. In the first half-year 2023, reorganization income amounted to EUR 54k (H1 2022: EUR 0k) due to reversals of provisions recognised in the income statement.

3.15 Appreciation, amortisation and depreciation

Appreciation, amortisation and depreciation break down as follows:

Appreciation, amortisation and depreciation

EUR k	Q2 2023	Q2 2022	H1 2023	H1 2022	Change
Amortisation of fund management contracts and licences	3,166	2,688	6,356	6,332	0.4%
Amortisation of rights of use	2,529	2,540	4,957	5,042	-1.7%
Depreciation of software and fixed assets	1,233	5,698	2,465	7,189	-65.7%
Depreciation of goodwill	0	5,641	0	5,641	>1,000.0%
Value adjustments of loans granted to subsidiaries/ affiliated companies	0	-0	0	17	>1,000.0%
Amortisation of other rights and assets	288	375	563	406	>1,000.0%
Value adjustment in associated participations	250	0	250	0	0.0%
Appreciation in associated participations	-365	-90	-365	-90	305.7%
Total	7,101	16,853	14,226	24,537	-42.0%

The decrease in appreciation/amortisation and depreciation mainly results from the impairment of intangible assets regarding the BrickVest investment in the previous period. These impairment losses in the first half-year 2022 consisted of the impairment of goodwill of EUR 5,641k and the amortisation of software of EUR 4,098k.

3.16 Earnings per share

Earnings per share

EUR k	H1 2023 adjusted ¹	H1 2022 adjusted ¹	H1 2023	H1 2022
Share of earnings attributable to shareholders of the Group	6,321	15,715	6,064	13,408
Number of shares ²	85,720,791	88,239,576	85,720,791	88,239,576
Weighted number of shares undiluted ²	85,695,240	88,724,941	85,695,240	88,724,941
Earnings per share (undiluted) in EUR	0.07	0.18	0.07	0.15
Weighted number of shares diluted ³	85,695,240	88,724,941	85,695,240	88,724,941
Earnings per share (diluted) in EUR³	0.07	0.18	0.07	0.15

¹ Adjusted = without reorganisation effort

² Pending after share buyback/ transfer of shares

³ Share-based payment, If served by new shares

4 Segment reporting

Segment reporting categorises the segments according to whether PATRIZIA acts as a service provider or an investor. In line with the Group's reporting for management purposes and in accordance with the definition of IFRS 8 "Operating Segments", two segments have been identified based on functional criteria: Investments and Management Services.

The Investments segment bundles principal investments and participations.

The Management Services segment covers a broad range of real assets services such as the acquisition and sale of residential and commercial properties or portfolios (Acquisition und Disposals), value-oriented property management (asset management), strategic consulting on investment strategy, portfolio planning and allocation (portfolio management) and the execution of complex, non-standard investments (alternative investments). Through the Group's own asset management companies special funds are also set up and managed according to individual client requests. The service fee income generated from both co-investments and third-party business is reported in the Management Services segment. This also includes income from participations that takes the form of services rendered as a shareholder contribution for the asset management of the co-investment Dawonia GmbH.

Internal controlling and reporting within PATRIZIA Group is based on IFRS principles. The Group measures the success of its segments using segment earnings indicators, which are referred to for the purpose of internal controlling and reporting as EBITDA.

Segment EBITDA is the net total of revenues, changes in inventories, the result from the deconsolidation of subsidiaries, the cost of materials and staff costs, the cost of purchased services, other operating income and expenses, changes in the value of investment property, reorganisation income and expenses and net income from participations (including companies accounted for using the equity method).

Revenues are generated between reportable segments. These intragroup transactions are settled at market prices.

All relevant consolidation matters to be eliminated, such as intercompany sales, intercompany results and the reversal of intercompany eliminations, take place within the segments.

As in the previous year, non-current assets are mainly held in Germany.

Non-current assets do not include financial investments (with the exception of financial assets accounted for using the equity method), deferred tax assets and employee benefit assets.

Segment information is calculated in line with the accounting policies applied when preparing the consolidated financial statements.

The individual operating segments are set out below. The reporting of amounts in thousands of Euro (EUR k) may result in rounding differences based on the unrounded figures.

Segment Reporting - 2023 (01.01.-30.06.2023)

EUR k	Investments	Management Services	Group
Revenues	74	130,724	130,797
Changes in inventories	0	0	0
Other operating income	1,121	2,980	4,101
Income from the deconsolidation of subsidiaries	1,055	22	1,077
Total operating performance	2,249	133,725	135,975
Cost of materials	-29	-89	-118
Cost of purchased services	0	-8,541	-8,541
Staff costs	-4	-85,785	-85,789
Other operating expenses	-2,101	-36,333	-38,433
Impairment result for trade receivables and contract assets	-49	-4	-53
Result from participations	1,705	24,829	26,534
Earnings from companies accounted for using the equity method	-612	-337	-950
Cost from the deconsolidation of subsidiaries	0	-3	-3
EBITDAR	1,160	27,462	28,622
Reorganisation Income	0	54	54
Reorganisation expenses	0	-311	-311
EBITDA	1,160	27,205	28,365
Appreciation/amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment as well as financial investments	115	-14,341	-14,226
Earnings before interests and taxes (EBIT)	1,275	12,864	14,139
Finance income	130	5,271	5,401
Finance costs	-625	-3,824	-4,449
Other financial result	0	-722	-722
Result from currency translation	-16	-3,413	-3,428
Earnings before taxes (EBT)	765	10,176	10,941
Income tax	-443	-4,763	-5,206
Net profit for the period	322	5,413	5,735

¹ In particular fund management contracts transferred as part of the recent acquisitions

Segment Reporting - 2022 (01.01.-30.06.2022)

EUR k	Investments	Management Services	Group
Revenues	21,552	136,924	158,476
Changes in inventories	-15,950	0	-15,950
Other operating income	95	5,532	5,627
Income from the deconsolidation of subsidiaries	18,087	0	18,087
Total operating performance	23,784	142,456	166,241
Cost of materials	-493	-1	-494
Cost of purchased services	0	-9,356	-9,356
Staff costs	-4	-82,495	-82,499
Other operating expenses	-1,703	-40,164	-41,867
Impairment result for trade receivables and contract assets	-12	-61	-73
Result from participations	1,689	25,511	27,200
Earnings from companies accounted for using the equity method	-405	216	-189
Cost from the deconsolidation of subsidiaries	-2,122	0	-2,122
EBITDAR	20,733	36,107	56,840
Reorganisation expenses	0	-2,307	-2,307
EBITDA	20,733	33,800	54,534
Appreciation/amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment as well as financial investments	90	-24,627	-24,537
Earnings before interests and taxes (EBIT)	20,823	9,173	29,996
Finance income	0	652	652
Finance costs	-1,149	-2,828	-3,977
Result from currency translation	31	-305	-274
Earnings before taxes (EBT)	19,706	6,692	26,398
Income tax	-1,055	-10,296	-11,351
Net profit for the period	18,651	-3,604	15,047

¹ In particular fund management contracts transferred as part of the recent acquisitions

5 Information on the consolidated cash flow statement

The consolidated cash flow statement was prepared in accordance with the provisions of IAS 7.

In the consolidated cash flow statement, cash flows are presented according to the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. In principle, the derivation of these cashflows remains valid as shown in the 2022 Group Annual Report.

The amounts shown in the consolidated cash flow statement correspond only partially to the changes in the statement of financial positions observable from one reporting period to the next, as they do not take into account non-cash items such as changes in exchange rates or changes in the scope of consolidation.

6 Other explanations

6.1 Related party transactions

The presentation on related party transactions under 7.2 of the notes to the consolidated financial statements in PATRIZIA 's 2022 Group Annual Report remains valid.

In addition, the legal representatives are not aware of any circumstances, contracts or legal transactions with affiliated or related parties for which the company does not receive fair and appropriate consideration. All business relationships are in line with standard market conditions and do not fundamentally differ from the trade relationships with other persons or companies.

6.2 Contingent liabilities and contractual payment obligations

As at the balance sheet date, PATRIZIA has contingent liabilities from obligations to make additional financial contributions to participations amounting to EUR 71,593k (31 December 2022: EUR 9,584k) in relation to participations and participations in companies accounted for using the equity method. These are capital calls that the management of the respective companies can make as needed without further consent of PATRIZIA. There are also contractual payment obligations from pending transactions in the amount of EUR 57,400k (31 December 2022: EUR 76,874k).

6.3 Events after the end of the reporting period

There were no events after the balance sheet date with an impact on the asset, financial and earnings situation.

7 Responsibility Statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined interim management report for the Company and the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Augsburg, 10 August 2023

The Executive Directors



Dr Asoka Wöhrmann
CEO



Christoph Glaser
CFO



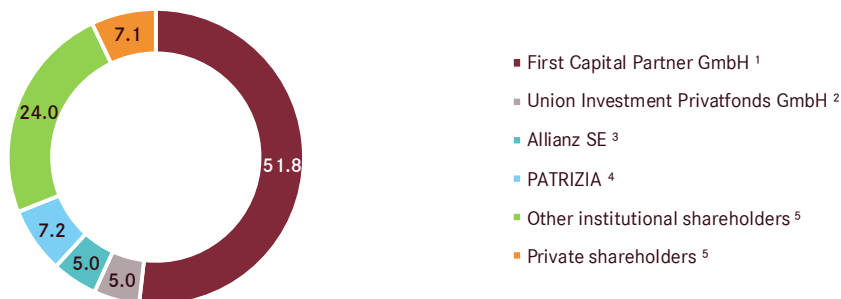
Slava Shafir
COO



Wolfgang Egger
Founder

The PATRIZIA share

PATRIZIA shareholder structure as at 30 June 2023 | by shareholder group | Specification in %



¹ First Capital Partner GmbH is attributable to Founder Wolfgang Egger

² According to the voting rights notification of 15 February 2023

³ According to the voting rights notification of 14 December 2020

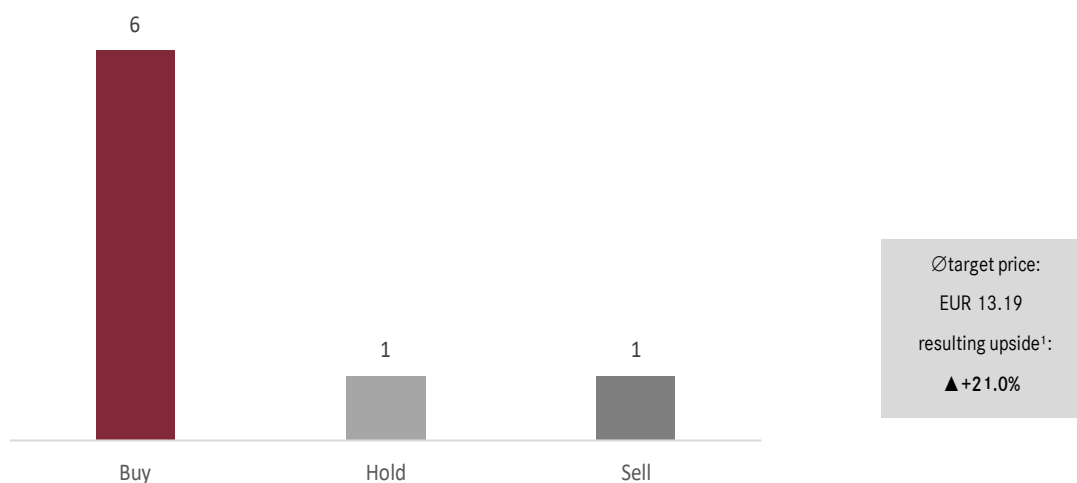
⁴ Treasury shares

⁵ Source: PATRIZIA share register

PATRIZIA share performance as at 30 June 2023



Analyst recommendations as at 30 June 2023



¹ Based on closing price of EUR 10.90

Treasury shares

The number of treasury shares as at 30 June 2023 amount to 6,548,668 with a total value of EUR 102,299k based on average share prices.

Treasury shares

	Number of shares	Price per share in EUR ¹	Total Value in EUR
As at 01.01.2023	6,176,119		97,412,120
Share buyback programme	655,379	11.34	7,432,000
Disposal and transfer of shares	282,830	9.00	2,545,470
As at 30.06.2023²	6,548,668		102,298,649

¹ Average price per share in EUR from several share purchases/ sales (Incl. transaction costs)

² The total value of treasury shares is calculated by adding up all share buyback programmes up to the current reporting date, less all sales of treasury shares in the context of purchase price payments of M&A transactions

Financial calendar and contact details

Financial calendar 2023

Date	
11 August 2023	2023 Half-year Financial Report with investor and analyst conference call
14 November 2023	9M 2023 Interim Statement with investor and analyst conference call

Financial calendar 2024

Date	
29 February 2024	2023 Preliminary results with investor and analyst conference call
22 March 2024	2023 Annual Report
15 May 2024	3M 2024 Interim Statement with investor and analyst conference call
12 June 2024	2024 Annual General Meeting
14 August 2024	H1 2024 Financial Report with investor and analyst conference call
14 November 2024	9M 2024 Interim Statement with investor and analyst conference call

Investor Relations & Group Reporting

Martin Praum

T +49 69 643505-1114

investor.relations@patrizia.ag

Corporate Communications

Christoph Liedtke

T +49 821 50910-636

communications@patrizia.ag

This H1 2023 financial report was published on 10 August 2023. This is a translation of the German H1 2023 Financial Report. In case of doubt, the German version shall apply. Both versions are available on our website:

<https://www.patrizia.ag/de/aktionaere/news-publikationen/zwischenmitteilungen-und-halbjahresfinanzberichte/>

<https://www.patrizia.ag/en/shareholders/news-publications/interim-statements-and-h1-financial-reports/>