

Quarterly Statement
9M 2020
12 November 2020

STRONGER

FOR CLIENTS AND SHAREHOLDERS

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1. Result of operations

PATRIZIA generated an **operating income** of EUR 100.2m after nine months of 2020. This corresponds to an increase of 2.6% compared to the EUR 97.7m of the previous year. This again proves the resilience and relative strength of the business model, even in times of the Covid-19 pandemic.

Assets under management (AUM) increased by 4.0% since 31 December 2019 from EUR 44.5bn to EUR 46.2bn as at 30 September 2020.

In the first nine months of 2020 PATRIZIA successfully closed **transactions** worth EUR 4.9bn on the European real estate market for its national and international clients and signed transactions worth EUR 2.6bn. At the same time, clients entrusted PATRIZIA with **new equity** in the amount of EUR 1.3bn for investments in the European real estate market.

With the growth of assets under management, recurring **management fees** increased by 2.4% y-o-y, from EUR 141.6m to EUR 145.0m. **Transaction fees** also increased by 23.7% y-o-y from EUR 23.5m to EUR 29.1m. **Performance fees** contributed EUR 74.1m, up 8.0% from EUR 68.6m in the previous year. Overall, the **total service fee income** – which combines management, transaction and performance fees – grew 6.2% y-o-y from EUR 233.7m to EUR 248.1m. **Net sales revenues and co-investment income** decreased by 24.4% y-o-y from EUR 19.1m to EUR 14.4m due to planned significantly lower sales of principal investments. **Net operating expenses** increased by 4.4% y-o-y from EUR 147.2m to EUR 153.7m – mainly due to higher current IT expenses, as well as inflation adjustments in personnel costs. Thus, as expected, the cost growth after nine months of 2020 was only moderate.

PATRIZIA's robust business model is additionally supported by a strong balance sheet with equity around EUR 1.3bn and available liquidity of EUR 627.2m.

With its pan-European network of local real estate experts and its diversified customer structure, PATRIZIA has sufficient visibility for the rest of the year despite increasing market uncertainties due to the Covid-19 pandemic and has specified its **guidance for the operating income in 2020** from EUR 110.0m to 130.0m. This is a strong result and confirms the strength of PATRIZIA's business model.

PATRIZIA is a **strong and reliable partner for its clients and shareholders** during the Covid-19 pandemic. Even in the most difficult market environment PATRIZIA is able to close attractive deals and achieve solid results. Real asset investment management remains a structural growth market and its drivers demographic change, low interest rate environment and market consolidation will remain in place over the long term.



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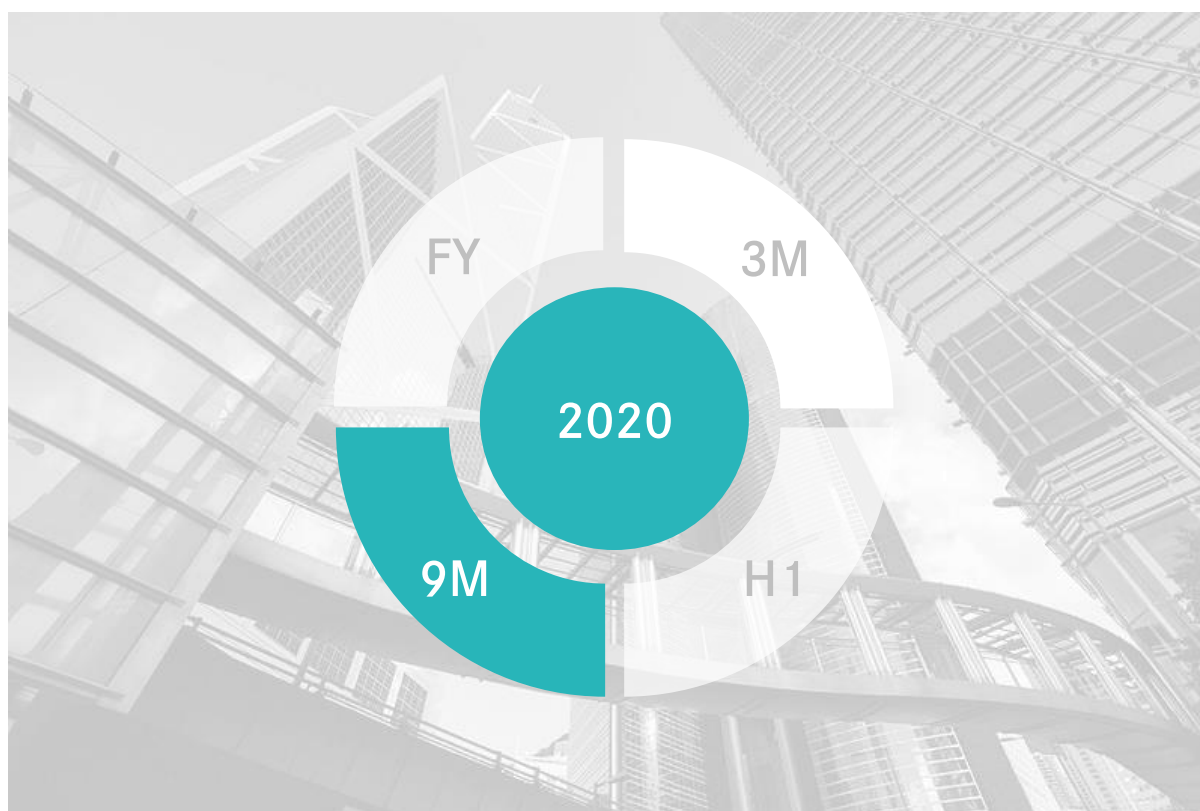
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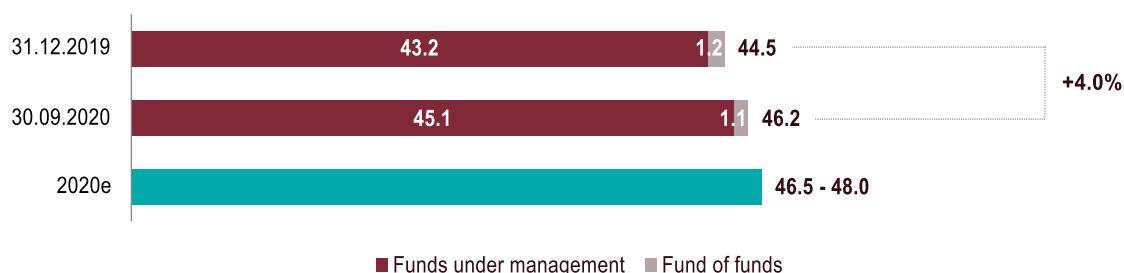
2. Highlights 9M 2020

- ◆ Specified **operating income guidance for fiscal year (FY) 2020** from EUR 110.0m to 130.0m. With its pan-European network of local real estate experts and its diversified client structure, PATRIZIA has sufficient visibility for the rest of the year despite increasing market uncertainties due to the Covid-19 pandemic.
- ◆ Solid and robust business model leads to an **operating income** of EUR 100.2m in 9M 2020 after EUR 97.7m in 9M 2019 (+ 2.6%).
- ◆ Increase in **assets under management** to EUR 46.2bn, compared to EUR 44.5bn as at 31.12.2019 (+4,0%).
- ◆ **Management fees** increased by 2.4% to EUR 145.0m in 9M 2020 due to growth in assets under management.
- ◆ Strong **transaction fee** growth of 23.7% to EUR 29.1m due to ongoing transaction activities for global customer base in 9M 2020 despite the challenging market environment due to the Covid-19 pandemic.
- ◆ **Performance fees** of EUR 74.1m in 9M 2020 continue to be a stable contributor to total service fee income (+8.0%).
- ◆ **Net operating expenses** up 4.4% to EUR 153.7m, mainly due to higher ongoing IT expenses as well as inflation adjustments in personnel costs.
- ◆ **Net sales revenues and co-investment income** of EUR 14.4m in 9M 2020 with good visibility for the rest of the year; FY 2020 guidance unchanged at EUR 20.0m

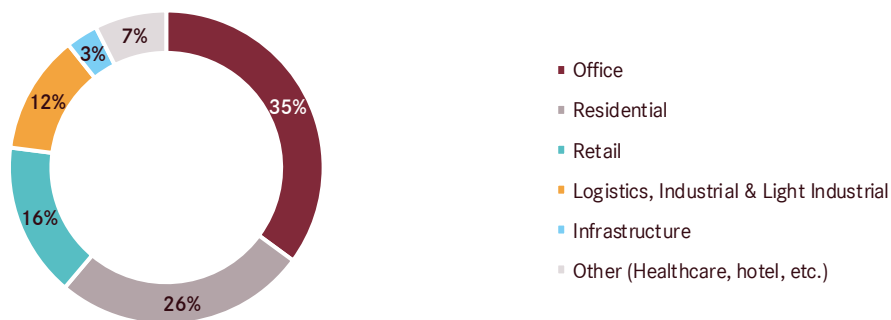


3. Development of key financial performance indicators (KPIs)

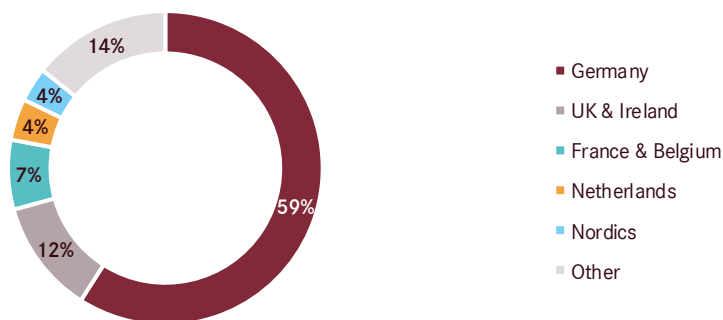
Assets under management (EUR bn)



Assets under management as at 30 September 2020 | Sectoral distribution



Assets under management as at 30 September 2020 | Geographical distribution



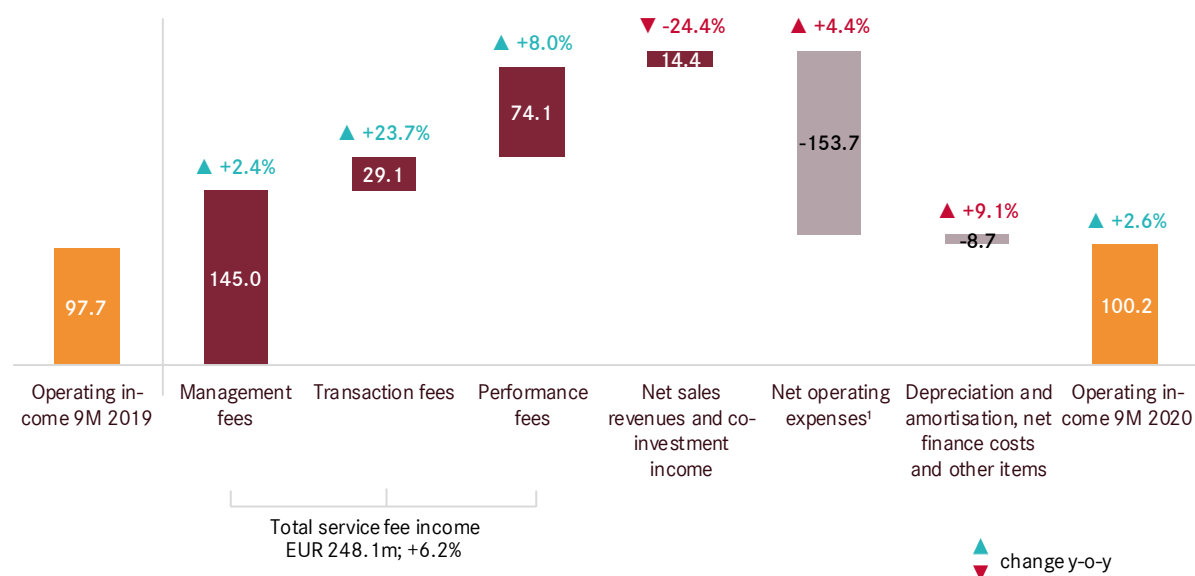
AUM

- ◆ AUM increased to EUR 46.2bn in 9M 2020 compared to EUR 44.5bn at YE 2019
- ◆ EUR 27.3bn (59.0%) of AUM is related to Germany and EUR 18.9bn (41.0%) is related to assets outside of Germany

Specification of the guidance for fiscal year 2020

- ◆ Despite increasing market uncertainties due to the Covid-19 pandemic, PATRIZIA has sufficient visibility for the rest of the year and has specified its **operating income guidance** for FY 2020 from EUR 110.0m to 130.0m.
- ◆ **Organic net AUM growth** unchanged at EUR 2.0 – 3.5bn.
- ◆ **Total AUM** expected between EUR 46.5 – 48.0bn.

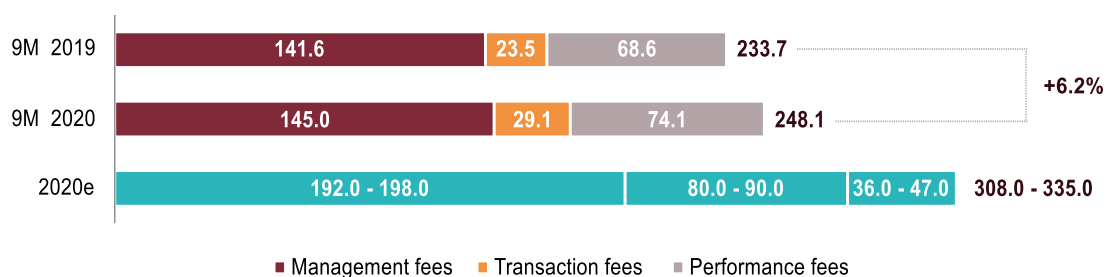
Composition of operating income (EUR m)



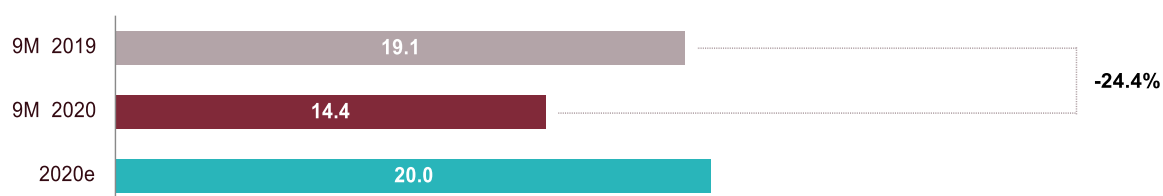
Operating income

- ◆ **Management fees** up 2.4% to EUR 145.0m due to growth of AUM
- ◆ **Transaction fees** significantly up to EUR 29.1m (+23.7%)
- ◆ **Performance fees** rose to EUR 74.1m (+8.0%)
- ◆ **Total service fee income** up 6.2% to EUR 248.1m (9M 2019: EUR 233.7m) due to growth in AUM and successful transactions carried out for clients.
- ◆ **Net sales revenues and co-investment income** of EUR 14.4m. **Principal investments** contribute EUR 1.9m (9M 2019: EUR 10.7m) and **co-investment income** (includes co-investments and Technology & Innovation) EUR 12.5m (9M 2019: EUR 8.4m).
- ◆ **Net operating expenses** up 4.4% to EUR 153.7m mainly due to aperiodic effects, higher ongoing IT expenses, as well as inflation adjustments in staff costs. As expected, cost growth after nine months of 2020 is therefore only moderate.
- ◆ **Depreciation and amortisation, net finance costs and other items** increased 9.1% to EUR 8.7m.
- ◆ **Operating income** of EUR 100.2m up 2.6% compared to 9M 2019.

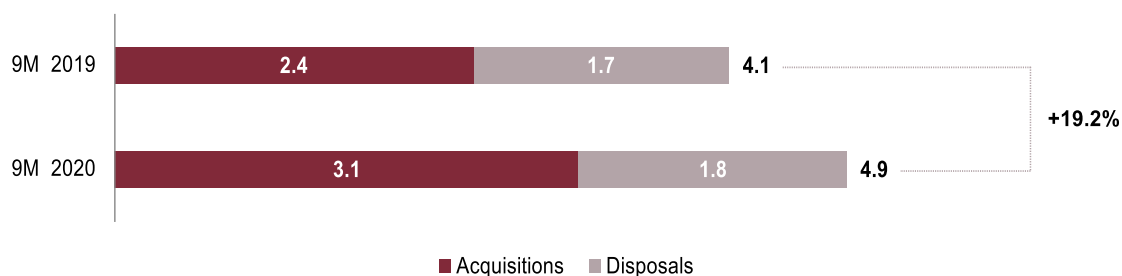
Total service fee income (EUR m)



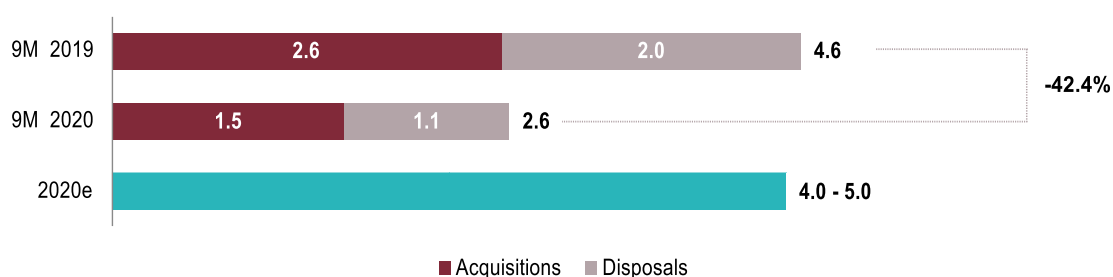
Net sales revenues and co-investment income (EUR m)



Transaction volume on the basis of closed transactions (EUR bn)



Transaction volume on the basis of signed transactions (EUR bn)



- ◆ Successful transaction activity for clients led to an increase in **transaction fees** to EUR 29.1m in 9M 2020.
- ◆ Due to PATRIZIA's strong platform, **successful transactions** were carried out even during the Covid-19 pandemic.

Equity raised (EUR bn)



-
- ◆ **Fresh equity** of EUR 1.3bn was raised from institutional and (semi-)professional investors for various national and international real asset investments (9M 2019: EUR 1.6bn).

4. Capital allocation

as at 30 September 2020

	Assets under Management EUR m	Invested capital (fair value) EUR m	Invested capital (at cost) EUR m	Participations in %
Third-party business	39,876.4	0.0		
Co-Investments	6,315.8	496.5	91.4	
		479.8	77.3	
Dawonia GmbH	4,828.0	158.9 ¹	51.7	5.1
Dawonia performance fee claims		295.3 ¹	0.0	0.1
WohnModul I SICAV-FIS	607.5	25.5	25.5	10.1
Other		0.1	0.1	0.0
Commercial Germany	878.0	14.3	11.3	
Alliance	236.2	5.7 ¹	5.3	5.1
Seneca	159.1	3.4 ¹	1.8	5.1
PATROffice		0.3 ¹	0.2	6.3
TRIUVA/IVG logistics	482.8	4.2 ¹	3.4	2.1
TRIUVA/IVG commercial		0.8 ¹	0.7	11.0
Commercial International	2.3	2.4	2.8	
Citruz Holding LP (UK)	2.3	0.0 ¹	0.4	10.0
First Street Development LTD (UK)		2.4	2.4	10.0
Principal investments	23.4	23.4		
Other balance sheet items		371.2 ²		
Tied-up investment capital	46,215.7	891.1		
Available liquidity		627.2		
Total investment capital	46,215.7	1,518.3		
of which debt (bonded loans)		300.0		
of which equity PATRIZIA (without non-controlling interests)		1,218.3		

¹ Net of deferred taxes from valuation in accordance with IFRS 9² Incl. goodwill and fund management contracts (included in other intangible assets)

5. Consolidated income statement

EUR k	Q3 2020	Q3 2019	9M 2020	9M 2019
Revenues	75,004	63,096	223,157	242,920
Income from the sale of investment property	0	25	0	273
Changes in inventories	1,027	-2,708	-650	-23,130
Other operating income	5,250	3,469	11,501	9,514
Income from the deconsolidation of subsidiaries	0	585	116	585
Total operating performance	81,282	64,466	234,124	230,162
Cost of materials	-1,005	-1,717	-4,117	-3,209
Cost of purchased services	-4,390	-3,326	-12,479	-11,278
Staff costs	-31,601	-29,736	-98,981	-92,677
Other operating expenses	-17,809	-17,075	-51,206	-47,472
Impairment losses for trade receivables and contract assets	35	-26	57	-486
Income from participations	3,666	3,698	27,036	29,126
Earnings from companies accounted for using the equity method	-851	0	9,149	292
Cost from the deconsolidation of subsidiaries	0	0	-1,746	0
EBITDAR	29,326	16,285	101,837	104,458
Reorganisation expenses	0	-2,842	0	-9,354
EBITDA	29,326	13,443	101,837	95,104
Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	-11,398	-7,725	-29,157	-31,473
Earnings before interest and taxes (EBIT)	17,927	5,717	72,680	63,631
Financial income	937	521	2,154	1,384
Financial expenses	-1,532	-1,336	-4,916	-4,349
Result from currency translation	-1,490	205	-8,001	82
Earnings before taxes (EBT)	15,842	5,107	61,917	60,749
Income taxes	-4,210	-2,452	-16,561	-14,760
Net profit for the period	11,632	2,655	45,356	45,989
Earnings per share (undiluted/ diluted) in EUR	0.12	0.02	0.47	0.49
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO:				
Shareholders of the parent company	10,633	1,880	42,243	44,197
Non-controlling interests	1,000	775	3,113	1,791
	11,632	2,655	45,356	45,989

Consolidated income statement

- ◆ **Total operating performance** after nine months of 2020 increased 1.7% to EUR 234.1m, despite significantly lower income from the strategic sale of principal investments.
- ◆ **Changes in inventories** correspond to the book value of principal investments sold (-) and the cost of materials allocated to inventories (+); y-o-y decrease due to a planned lower volume of sales of principal investments
- ◆ **Cost of purchased services** comprises in particular the purchase of fund management services for label funds, for which PATRIZIA Immobilien Kapitalverwaltungsgesellschaft mbH is the service asset management company. This item also includes transaction costs which are incurred to generate revenue and can generally be charged on. Compared to the same period of the previous year, cost of purchased services after nine months of 2020 increased by 10.7% from EUR 11.3m to EUR 12.5m.
- ◆ **Staff costs** after nine months of 2020 rose from EUR 92.7m to EUR 99.0m (+6.8%), mainly due to the planned growth of the company and the resulting higher number of full-time employees (871 FTE as at 30.09.2020 compared to 795 FTE as at 30.09.2019).
- ◆ **Other operating expenses** rose after nine months of 2020 from EUR 47.5m to EUR 51.2m (+7.9%), mainly due to higher ongoing IT expenses which will result in efficiencies going forward.
- ◆ **EBITDA** increased by 7.1% y-o-y from EUR 95.1m to EUR 101.8m, driven by ongoing transaction activity carried out for clients, as well as the absence of reorganisation expenses (EUR 9.4m in 9M 2019) due to the full integration of TRIUVA and Rockspring.
- ◆ **Result from currency translation** changed mainly due to exchange rate losses which are primarily the result of non-cash capital repayments from the strategic sale of principal investments.
- ◆ **Net profit for the period** after nine months of 2020 down 1.4% from EUR 46.0m to EUR 45.4m due to changes in deferred taxes. EBT on the other side up 1.9% y-o-y.

6. Consolidated statement of comprehensive income

EUR k	Q3 2020	Q3 2019	9M 2020	9M 2019
Net profit for the period	11,633	2,655	45,356	45,988
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	329	-932	-5,468	2,429
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)	14,165	-2,150	29,328	34,828
Other comprehensive income	14,494	-3,082	23,861	37,257
Total comprehensive income for the reporting period	26,127	-427	69,216	83,246
Total comprehensive income attributable to:				
Shareholders of the parent company	25,128	-1,224	66,241	81,535
Non-controlling interests	999	798	2,975	1,711
	26,127	-427	69,216	83,246

7. Reconciliation of operating income

EUR k	9M 2020	9M 2019	Change
EBITDA	101,837	95,104	7.1%
Amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment as well as financial investments	-29,157	-31,473	-7.4%
EBIT	72,680	63,631	14.2%
Finance income/expenses	-2,762	-2,965	-6.9%
Result from currency translation	-8,001	82	< - 1,000.0%
EBT	61,917	60,749	1.9%
Amortisation of fund management contracts and licenses as well as financial investments	17,069	19,954	-14.5%
Realised changes in value of investment property (net)	0	3,960	-100.0%
Reorganisation result	0	9,354	-100.0%
Non-cash currency effects	6,389	-643	< - 1,000.0%
Operating income from participations (IFRS 9)	9,001	4,337	107.5%
Investments in the future	5,826	0	/
Operating income	100,202	97,709	2.6%

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

- ◆ **EBITDA** increased 7.1% y-o-y from EUR 95.1 to EUR 101.8m due to continuous transaction activity for global client base as well as the full integration of TRIUVA and Rockspring, which brought the reorganisation result to EUR 0.0 (EUR 9.4m in 9M 2019).
- ◆ **Amortisation of fund management contracts and licenses as well as financial investments** decreased by 14.5% from EUR 20.0m to EUR 17.1m after nine months of 2020. The y-o-y decline is the result of a sale on behalf of clients that was completed earlier than planned, and generated attractive performance fees. As a result, an unscheduled impairment had to be recognised. Furthermore, fund management contracts expired. Both these circumstances reduced the basis for this write-down.
- ◆ **Investments in the future** relate, among others, to implementation costs for new technologies. PATRIZIA expects the costs to be amortised in the coming years due to the resulting efficiencies.

8. Consolidated balance sheet

Assets

EUR k	30.09.2020	31.12.2019
A. Non-current assets		
Goodwill	211,323	210,292
Other intangible assets	115,671	131,895
Software	16,084	10,326
Rights of use	25,801	24,988
Investment property	1,835	1,835
Equipment	6,301	6,056
Associated companies accounted using the equity method	34,322	69,035
Participations	552,917	525,716
Non-current borrowings and other loans	35,048	28,276
Deferred taxes	20,606	17,305
Total non-current assets	1,019,908	1,025,724
B. Current Assets		
Inventories	21,577	113,208
Securities	11	1,011
Current tax assets	16,310	17,318
Current receivables and other current assets	418,443	380,735
Cash and cash equivalents	437,497	449,084
Total current assets	893,838	961,356
Total assets	1,913,745	1,987,080

- ◆ **Other intangible assets** decreased by 12.3% from EUR 131.9m to EUR 115.7m after nine months of 2020 due to current amortisation.
- ◆ The item “**Software**” increased by 55.8% from EUR 10.3m to EUR 16.1m after nine months of 2020 due to the acquisition of the BrickVest technology platform.
- ◆ **Associated companies accounted using the equity method** decreased by 50.3% from EUR 69.0m to EUR 34.3m after nine months of 2020 due to capital repayments from PATRIZIA WohnModul I SICAV-FIS.
- ◆ **Inventories** decreased by 80.9% from EUR 113.2m to EUR 21.6m due to the planned sale of properties for the private customer business. These are only held temporarily on the balance sheet – until they become integrated in later fund product for private and (semi-)professional investors.
- ◆ **Cash and cash equivalents** decreased by 2.6% from EUR 449.1m to EUR 437.5m after nine months of 2020, mainly due to the investment in short-term deposits.

Equity and liabilities

EUR k	30.09.2020	31.12.2019
A. Equity		
Share capital	89,683	91,060
Capital reserves	128,652	155,222
Retained earnings		
Legal reserves	505	505
Currency translation difference	-10,099	-4,818
Remeasurements of defined benefit plans according to IAS 19	-3,459	-3,459
Revaluation reserve according to IFRS 9	108,000	78,721
Consolidated unappropriated profit	905,047	889,160
Non-controlling interests	32,800	30,359
Total equity	1,251,128	1,236,750
B. Liabilities		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	113,742	112,178
Retirement benefit obligations	27,020	27,564
Bonded loans	300,000	300,000
Non-current liabilities	20,581	25,094
Leasing liabilities	18,880	15,841
Total non-current liabilities	480,224	480,677
CURRENT LIABILITIES		
Short-term bank loans	46,900	93,194
Other provisions	8,869	9,254
Current liabilities	95,062	101,186
Short-term leasing liabilities	7,179	9,328
Tax liabilities	24,383	56,692
Total current liabilities	182,393	269,653
Total equity and liabilities	1,913,745	1,987,080

9. Outlook for the fiscal year 2020

	FY 2019	Guidance FY 2020
Assets under management (organic growth)	Growth of EUR 3.4bn	Growth of EUR 2.0 - 3.5bn
Operating income	EUR 134.5m	EUR 110.0 - 130.0m

Assumptions for the more precise guidance

The guidance for **assets under management (AUM)** remains unchanged. PATRIZIA expects growth of between EUR 2.0 and 3.5bn and assets under management of between EUR 46.5 and 48.0bn.

Operating income guidance for FY 2020 specified to EUR 110.0 - 130.0m (previously EUR 100.0 - 140.0m), as PATRIZIA now has sufficient visibility for the rest of the year despite the Covid-19 pandemic.

PATRIZIA is now anticipating **management fees** for asset and portfolio management services of between EUR 192.0 and 198.0m (previously EUR 190.0 - 200.0m). **Transaction fees** are expected to be between EUR 36.0 and 47.0m (previously EUR 30.0 - 40.0m) based on a signed transaction volume of EUR 4.0 and 5.0bn (previously EUR 3.5 - 5.5bn). Income from **performance fees** is determined by the yields achieved in excess of the agreed target yields. These result from the realisation of value-adding measures in particular. PATRIZIA has adjusted its performance fee guidance to between EUR 80.0 and 90.0m in 2020 (previously EUR 80.0 - 110.0m).

Total service fee income is now expected to be between EUR 308.0 and 335.0m (previously EUR 300.0 - 350.0m). In addition, **net sales revenues and co-investment income** guidance remains unchanged at EUR 20.0m.

Net operating expenses, which primarily comprise staff costs and non-staff operating expenses, are now forecasted at between EUR 208.0 and 215.0m (previously EUR 210.0 - 220.0m).

10. Contact Investor Relations and financial calendar



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- ◆ **Events:** Investor Relations Release, Presentation of the conference call, Quarterly Statement, Recording of the conference call, Results video presentation by PATRIZIA CFO Karim Bohn
- ◆ **Presentations:** Results Presentation, Company Presentation

Financial calendar 2021:

- ◆ **25 February:** Preliminary results 2020
- ◆ **18 March:** Annual Report 2020 with investor and analyst conference call
- ◆ **12 May:** Quarterly Statement for the first quarter of 2021 with investor and analyst conference call
- ◆ **23 June:** Annual General Meeting (virtual)
- ◆ **05 August:** Interim Report for the first half of 2021 with investor and analyst conference call
- ◆ **11 November:** Quarterly Statement for the first nine months of 2021

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11. Appendix

Revenues and earnings

EUR k	9M 2020	9M 2019	Change
Revenues	223,157	242,920	-8.1%
Total operating performance	234,124	230,162	1.7%
EBITDA	101,837	95,104	7.1%
EBIT	72,680	63,631	14.2%
EBT	61,917	60,749	1.9%
Amortisation of fund management contracts and licenses as well as financial investments	17,069	19,954	-14.5%
Net profit for the period	45,356	45,989	-1.4%
Operating income ¹	100,202	97,709	2.6%

¹ Please see page 12 for the reconciliation of operating income

Structure of assets and capital

EUR k	30.09.2020	31.12.2019	Change
Non-current assets	1,019,908	1,025,724	-0.6%
Current assets	893,838	961,356	-7.0%
Equity (excl. non-controlling interests)	1,218,329	1,206,391	1.0%
Equity ratio (excl. non-controlling interests)	63.7%	60.7%	3 PP
Non-current liabilities	480,224	480,677	-0.1%
Current liabilities	182,393	269,653	-32.4%
Total assets	1,913,745	1,987,080	-3.7%

PATRIZIA share

ISIN	DE000PAT1AG3
SIN (Security Identification Number)	PAT1AG
Code	PAT
Issued shares as at 30.09.2020	92,351,476 shares
Outstanding shares as at 30.09.2020 ¹	89,682,931 shares
9M 2020 high ²	EUR 25.05
9M 2020 low ²	EUR 22.60
Closing price as at 30.09.2020 ²	EUR 23.25
Share price performance 9M 2020 ²	17.1%
Market Capitalisation as at 30.09.2020	EUR 2.1 bn
Average trading volume per day 9M 2020 ³	94,526 shares
Indices	SDAX, MSCI World Small Cap Index and others (CDAX, Classic All Share, DAX International Mid 100, DAXplus FAMILY 30, DAXsector Financial Services, DAXsubsector Real Estate, DIMAX, Prime All Share, S&P Global BMI)

¹ Reduced number of shares compared to the issued shares due to share buybacks in 2017 and 2020

² Closing price on Xetra-trading

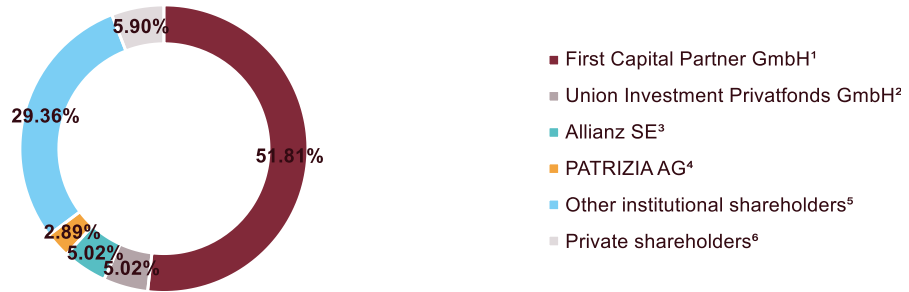
³ All German stock exchange

Supplementary report

No events after the end of the reporting period.

The PATRIZIA share

PATRIZIA shareholder structure as at 30 September 2020 | by shareholder group

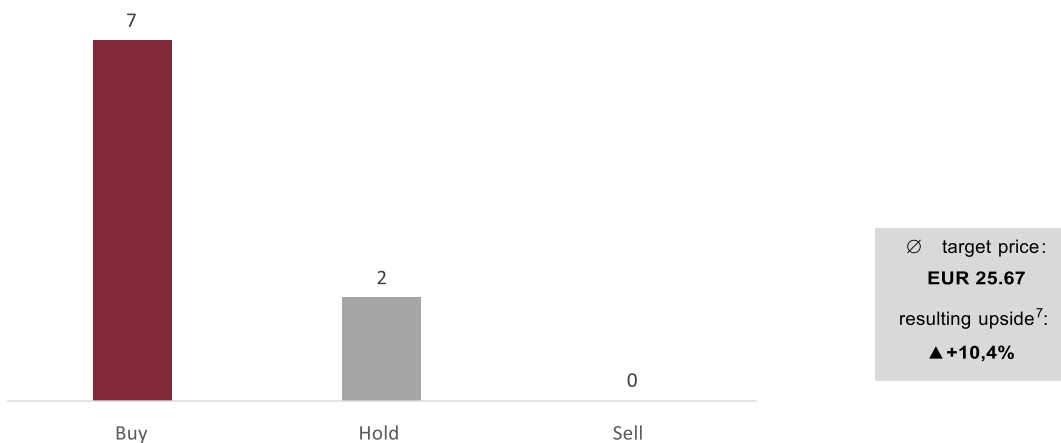


¹ First Capital Partner GmbH is attributable to CEO Wolfgang Egger
² According to the voting rights notification of 31 October 2018
³ According to the voting rights notification of 13 March 2020
⁴ Treasury shares
⁵ Source: PATRIZIA share register
⁶ Source: PATRIZIA share register

PATRIZIA AG share performance | as at 30.09.2020



Analyst recommendations | as at 30.09.2020



⁷ Based on closing price of EUR 23.25

Treasury shares

	Number of shares	Price per share in EUR ¹	Total Value in EUR
As at 01.01.2020	1,291,845		21,678,892
Share buyback programme	1,376,700	20.30	27,947,473
As at 30.09.2020	2,668,545		49,626,365

¹ Average price per share in EUR from several share purchases

Earnings per share

EUR k	9M 2020 adjusted ¹	9M 2019 adjusted ¹	9M 2020	9M 2019
Share of earnings attributable to shareholders of the Group	42,243	51,278	42,243	44,197
Number of shares ²	89,682,931	91,059,631	89,682,931	91,059,631
Weighted number of shares ²	90,259,208	91,059,631	90,259,208	91,059,631
Earnings per share (undiluted/diluted) in EUR	0.47	0.56	0.47	0.49

¹ Adjusted = not including reorganisation expenses

² Outstanding after share buybacks

Consolidated statement of changes in equity (I)

EUR k	Share capital	Capital reserve	Retained earnings (legal reserves)	Currency translation difference	Remeasurements of defined benefit plans according to IAS 19
As at 01.01.2019	91,060	155,222	505	-15,605	0
Net profit for the period	0	0	0	0	0
Other comprehensive income					
Net amount recognised directly in equity, where applicable less income taxes	0	0	0	3,229	0
Changes in course of revaluation of IFRS 9 financial instruments	0	0	0	0	0
Total comprehensive Income	0	0	0	3,229	0
Non-controlling interests arising from the inclusion of new companies	0	0	0	0	0
Dividend distribution to shareholders in cash	0	0	0	0	0
Purchases of shares of non-controlling interests	0	0			
Payout of profit shares to non-controlling interests	0	0	0	0	0
As at 30.09.2019	91,060	155,222	505	-12,376	0
As at 01.01.2020	91,060	155,222	505	-4,818	-3,459
Net profit of the period	0	0	0	0	0
Other comprehensive income					
Net amount recognised directly in equity, where applicable less income taxes	0	0	0	-5,280	0
Changes in course of revaluation of IFRS 9 financial instruments	0	0	0	0	0
Total comprehensive Income	0	0	0	-5,280	0
Dividend distribution to shareholders in cash	0	0	0	0	0
Purchases of shares of non-controlling interests	0	0	0	0	0
Payout of profit shares to non-controlling interests	0	0	0	0	0
Share buy-back	-1,377	-26,571	0	0	0
As at 30.09.2020	89,683	128,652	505	-10,099	-3,459

Consolidated statement of changes in equity (II)

Revaluation reserve according to IFRS 9	Consolidated unappropriated profit	Equity of the shareholders of the parent company	Equity of non-controlling interests	Total	EUR k
49,503	862,421	1,143,105	10,682	1,153,788	As at 01.01.2019
0	44,197	44,197	1,791	45,988	Net profit for the period
					Other comprehensive income
0	-736	2,494	-65	2,429	Net amount recognised directly in equity, where applicable less income taxes
34,844	0	34,844	-16	34,828	Changes in course of revaluation of IFRS 9 financial instruments
34,844	43,462	81,535	1,711	83,246	Total comprehensive Income
0	0	0	4,378	4,378	Non-controlling interests arising from the inclusion of new companies
0	-24,576	-24,576	0	-24,576	Dividend distribution to shareholders in cash
0	-321	-321	321	0	Purchases of shares of non-controlling interests
0	0	0	-213	-213	Payout of profit shares to non-controlling interests
84,348	880,986	1,199,744	16,878	1,216,622	As at 30.09.2019
78,721	889,160	1,206,391	30,359	1,236,750	As at 01.01.2020
0	42,243	42,243	3,113	45,356	Net profit of the period
					Other comprehensive income
0	0	-5,280	-187	-5,468	Net amount recognised directly in equity, where applicable less income taxes
29,279	0	29,279	50	29,328	Changes in course of revaluation of IFRS 9 financial instruments
29,279	42,243	66,241	2,975	69,216	Total comprehensive Income
0	-26,008	-26,008	0	-26,008	Dividend distribution to shareholders in cash
0	-348	-348	-9	-357	Purchases of shares of non-controlling interests
0	0	0	-525	-525	Payout of profit shares to non-controlling interests
0	0	-27,947	0	-27,947	Share buy-back
108,000	905,047	1,218,329	32,800	1,251,128	As at 30.09.2020

Consolidated statement of cash flows (I)

EUR k	9M 2020	9M 2019 ¹
Net profit for the period	45,356	45,988
Income taxes recognised through profit or loss	16,561	14,760
Financial expenses recognised through profit or loss	4,916	4,349
Financial income recognised through profit or loss	-2,154	-1,384
Income from participations through profit or loss	-27,036	-29,126
Earnings from companies accounted for using the equity method	-9,149	-293
Income from unrealised currency translation recognised through profit or loss	389	-643
Income from the disposal of other intangible assets, software, rights of use and equipment recognised through profit or loss	19	3
Income from divestments of financial assets recognised through profit or loss	0	-5
Income from realisation Badwill IFRS 3	-3,885	0
Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment as well as financial investments	29,157	31,473
Income from the sale of investment property	0	-273
Expenses of the deconsolidation of subsidiaries	1,746	0
Income from the deconsolidation of subsidiaries	-116	-585
Other non cash-items	-1,755	-1,545
Changes in inventories, receivables and other assets that are not attributable to investment activities	38,687	39,338
Changes in liabilities that are not attributable to financing activities	-11,762	-47,191
Distributed income from participations	36,766	25,352
Interest paid	-4,855	-4,465
Interest received	2,195	723
Income tax payments	-40,856	-24,570
Cash flow from operating activities	74,222	51,906

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

Consolidated statement of cash flows (II)

EUR k	9M 2020	9M 2019 ¹
Payments for investments in Goodwill	-5,187	0
Payments for investments in other intangible assets, software and equipment	-10,534	-3,174
Payments received from the disposal of intangible assets and equipment	31	74
Payments received from the sale of investment property	0	5,934
Payments for the development of investment property	0	-596
Payments for the acquisition of securities and short-term investments	-35,835	0
Payments received from the disposal of securities and short-term investments	1,010	44,005
Payments for the acquisition of participations	-2,795	-6,850
Payments received from the equity reduction of participations	3,061	7,878
Payments received from the disposal of participations	896	517
Payments for investments in companies accounted for using the equity method	-3,607	0
Payment received through distributions of companies accounted for using the equity method	79	9,090
Payments received from the repayment of shares of companies accounted for using the equity method	41,511	0
Payments received from the repayment of loans to companies with participation interest	0	221
Payments for loans to companies with participation interest	-923	-677
Payments received from the repayment of other loans	5,244	0
Payments for other loans	-61,500	0
Payments received from the disposal of consolidated companies and other business units	0	-36
Payments for the disposal of consolidated companies and other business units	-6,426	0
Payments for the acquisition of consolidated companies and other business units	0	-278,113
Payments received for the acquisition of consolidated companies and other business units	4,052	0
Cash flow from investing/divesting activities	-70,921	-221,725
Borrowing of loans	60,057	80,000
Repayment of loans	-9,040	0
Repayment of leasing liabilities	-7,728	-7,038
Interest paid	-180	-151
Payments of profit shares to non-controlling interests	-609	-213
Payments of dividends to shareholders	-26,008	-24,576
Payments for buy-backs of own shares	-27,947	0
Cash flow from financing activities	-11,455	48,022
Change in cash and cash equivalents	-8,154	-121,797
Cash and cash equivalents as at 01.01.	449,084	330,598
Effects of changes in foreign exchange rates on cash and cash equivalents	-3,433	346
Cash and cash equivalents as at 30.09.	437,497	209,147

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

Revenues

EUR k	9M 2020	9M 2019	Change
Revenues from management services	215,472	208,380	3.4%
Proceeds from the sale of principal investments	2,471	29,509	-91.6%
Rental revenues	3,429	1,671	105.3%
Revenues from ancillary costs	789	1,613	-51.1%
Other	996	1,749	-43.0%
Revenues	223,157	242,920	-8.1%

Reconciliation of total service fee income

EUR k	9M 2020	9M 2019	Change
Management fees (excluding income from participations)	137,866	134,520	2.5%
Performance fees (excluding income from participations, excluding operating income from participations (IFRS 9))	48,541	50,360	-3.6%
Transaction fees	29,064	23,500	23.7%
Revenues from management services	215,472	208,380	3.4%
Performance fees (in income from participations)	16,571	18,254	-9.2%
Shareholder contribution for management services (in income from participations)	7,105	7,098	0.1%
Operating income from participations (IFRS 9) ¹	9,001	0	/
Total service fee income	248,148	233,731	6.2%

¹ Only includes the portion attributable to total service fee income

Reconciliation of total operating performance

EUR k	9M 2020	9M 2019	Change
Revenues	223,157	242,920	-8.1%
Income from the sale of investment property	0	273	-99.9%
Changes in inventories	-650	-23,130	-97.2%
Other operating income	11,501	9,514	20.9%
Income from the deconsolidation of subsidiaries	116	585	-80.2%
Total operating performance	234,124	230,162	1.7%

Reconciliation of EBITDA

EUR k	9M 2020	9M 2019	Change
Total operating performance	234,124	230,162	1.7%
Cost of materials	-4,117	-3,209	28.3%
Cost of purchased services	-12,479	-11,278	10.7%
Staff costs	-98,981	-92,677	6.8%
Other operating expenses	-51,206	-47,472	7.9%
Impairment losses for trade receivables and contract assets	57	-486	-111.7%
Income from participations	27,036	29,126	-7.2%
Earnings from companies accounted for using the equity method	9,149	292	>1,000.0%
Cost from the deconsolidation of subsidiaries	1,746	0	/
EBITDAR	101,837	104,458	-2.5%
Reorganisation result	0	-9,354	-100.0%
EBITDA	101,837	95,104	7.1%

Staff costs

EUR k	9M 2020	9M 2019	Change
Fixed salaries	58,054	53,278	9.0%
Variable salaries	23,702	23,804	-0.4%
Social security contributions	11,900	10,672	11.5%
Sales commission	765	1,478	-48.3%
Effect of long-term variable remuneration ¹	1,007	50	>1,000.0%
Other	3,554	3,395	4.7%
Total	98,981	92,677	6.8%

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

Other operating expenses

EUR k	9M 2020	9M 2019	Change
Tax, legal, other advisory and financial statement fees	13,591	13,763	-1.2%
IT and communication costs and cost of office supplies	13,034	10,717	21.6%
Rent, ancillary costs and cleaning costs	2,599	2,352	10.5%
Other taxes	343	1,715	-80.0%
Vehicle and travel expenses	3,367	4,358	-22.7%
Advertising costs	2,412	2,803	-14.0%
Recruitment and training costs and cost of temporary workers	5,286	2,755	91.8%
Contributions, fees and insurance costs	3,668	2,449	49.8%
Commission and other sales costs	527	1,384	-61.9%
Costs of management services	103	170	-39.2%
Indemnity / reimbursement	217	318	-31.8%
Donations	1,490	1,058	40.8%
Other	4,569	3,630	25.9%
Total	51,206	47,472	7.9%

Income from participations

EUR k	9M 2020	9M 2019	Change
Dawonia GmbH	26,093	27,769	-6.0%
Harald-Portfolio	0	645	-100.0%
Co-investments in the UK (Aviemore and Citruz)	0	476	-100.1%
Seneca	140	157	-11.2%
TRIUVA	65	66	-2.3%
Closed-end funds business	414	12	>1,000.0%
Other	326	0	/
Income from participations	27,036	29,126	-7.2%
Earnings from companies accounted for using the equity method	9,149	292	>1,000.0%
Total	36,185	29,418	23.0%

Reconciliation of net profit for the period

EUR k	9M 2020	9M 2019	Change
EBITDA	101,837	95,104	7.1%
Amortisation of other intangible assets ¹ , software and rights of use, depreciation of property, plant and equipment as well as financial investments	-29,157	-31,473	-7.4%
Earnings before interest and taxes (EBIT)	72,680	63,631	14.2%
Finance income	2,154	1,384	55.6%
Financial expenses	-4,916	-4,349	13.0%
Result from currency translation	-8,001	82	< -1,000.0%
Net finance costs	-10,763	-2,882	273.4%
Earnings before taxes (EBT)	61,917	60,749	1.9%
Income taxes	-16,561	-14,760	12.2%
Net profit for the period	45,356	45,989	-1.4%

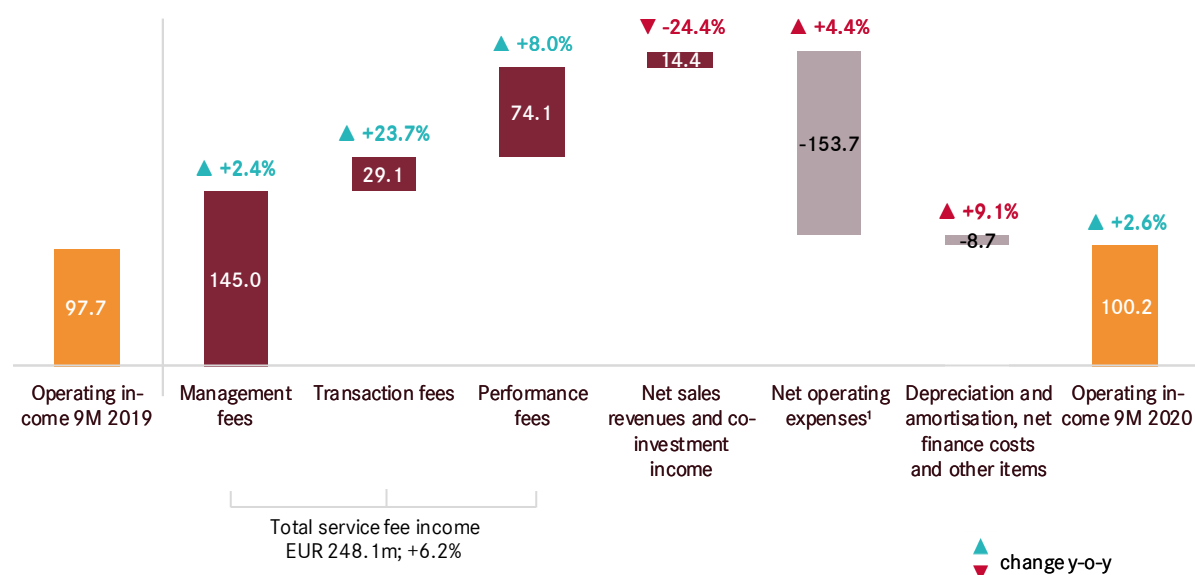
¹ In particular fund management contracts transferred as part of the recent acquisitions

Detailed reconciliation of key performance indicators (KPIs)

Operating income composition as at 9M 2020 (EUR m)

The following section explains the reconciliation of the individual components of operating income to their respective line items, especially within the Consolidated Income Statement (rounding errors may occur).

Composition of operating income (EUR m)



¹ Inter alia netted against other operating income of EUR 11.5m; excluding EUR 5.8m non-capitalisable expenses for investments in the future

Management fees of EUR 145.0m are predominantly derived from “Revenues from management services”, which includes EUR 137.9m in management fees (excluding income from participations). In addition, there are management services provided as a shareholder contribution for a co-investment in the amount of EUR 7.1m, which is included in “Income from participations” (see page 27).

Transaction fees of EUR 29.1m are also included in “Revenues from management services”, as shown in the overview of total service fee income on page 25.

Like management fees, **performance fees** of EUR 74.1m are partly derived from “Revenues from management services” and partly from “Income from participations”. The breakdown in the first nine months of 2020 was as follows (see also page 25): EUR 48.5m in performance fees (excluding income from participations) and EUR 16.6m in performance fees which is included in “Income from participations”, as well as “operating income from participations (IFRS 9)” of EUR 9.0m. These three fee streams add up to **total service fee income** of EUR 248.1m.

Net sales revenues and co-investment income of EUR 14.4m consists of the following items: “Proceeds from the sale of principal investments” of EUR 2.5m (page 25), plus “Changes in inventories” of EUR -0.7m and “Cost of materials” of EUR -4.1m (page 9); also “Rental revenues” of EUR 3.4m, and “Revenues from ancillary costs” of EUR 0.8m (page 25) are included in the calculation bringing the total to EUR 1.9m. Co-investment income (Real Estate and T&I) contributes a total of EUR 12.5m and together with “Earnings from companies accounted for using the equity method” the result from at-equity investments of EUR 9.1m corresponds to the remaining “Income from participations” (page 27).

Net operating expenses of EUR -153.7m include staff costs of EUR -99.0m and “Other operating expenses” of EUR -51.2m (page 9); also “Cost of purchased services” of EUR -12.5m and “Impairment losses for trade receivable and contract assets” of EUR 0.06m (page 9), as well as “Cost from the deconsolidation of subsidiaries” of EUR 1.7m. Offsetting income items consist of “Other operating income” of EUR 11.5m (page 9), other revenues of EUR 1.0m (page 25) and “Income from the deconsolidation of subsidiaries” of EUR 0.1m. An amount of EUR -7.8m from amortisation of rights of use from the item “Amortisation of other intangible assets, software and rights of use, depreciation of property, plant and equipment” (page 9) is also included here as an item that increases expenses, whereas non-capitalisable expenses for investments in future technologies in the amount of EUR 5.8m are excluded.

Depreciation and amortisation, financial result and other items of EUR -8.7m consists of “Amortisation of other intangible assets and software, rights of use, depreciation of property, plant and equipment as well as financial investments” of EUR -29.2m (page 12) adjusted for amortisation of fund management contracts of EUR 14.6m (page 12) as well as amortisation of rights of use of EUR 7.8m and value adjustments in associated participations of EUR 2.4m. “Finance income” of EUR 2.2m and “Finance expenses” of EUR -4.9m (page 28) are also included in this item. Furthermore, the “Currency result” of EUR -8.0m is also included here but adjusted for “Unrealised currency result” of EUR 6.4m (page 12).

PATRIZIA's key asset and financial data at a glance

EUR k	30.09.2020	31.12.2019	Change
Total assets	1,913,745	1,987,080	-3.7%
Equity (excl. non-controlling interests)	1,218,329	1,206,391	1.0%
Equity Ratio	63.7%	60.7%	3 PP
Cash and cash equivalents	437,497	449,084	-2.6%
+ Term deposits	220,817	185,000	19.4%
+ Securities	0	1,000	-100.0%
- Bank loans	-46,900	-93,194	-49.7%
- Bonded loans	-300,000	-300,000	0.0%
= Net cash (+) / net debt (-)	311,414	241,891	28.7%
Net Equity Ratio¹	77.8%	75.7%	2.1 PP

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

Investment property and inventory

EUR k	30.09.2020	31.12.2019	Change
Inventories	21,577	113,208	-80.9%
Investment property	1,835	1,835	0.0%
Real estate assets	23,412	115,043	-79.6%

Financial liabilities

EUR k	30.09.2020	31.12.2019	Change
Non-current bonded loans	300,000	300,000	0.0%
Short-term bank loans	46,900	93,194	-49.7%
Total financial liabilities	346,900	393,194	-11.8%

Liquidity

EUR k	30.09.2020	31.12.2019
Cash and cash equivalents	437,497	449,084
Term deposits	220,817	185,000
Securities	0	1,000
Liquidity	658,314	635,084
Regulatory reserve for asset management companies	-31,098	-22,266
Transaction related liabilities and blocked cash	0	-5,469
Liquidity in closed-end funds business property companies	0	-388
Available liquidity	627,216	606,961