Instone Real Estate Group SE

Investor presentation
November 2024

Instone Group

Agenda

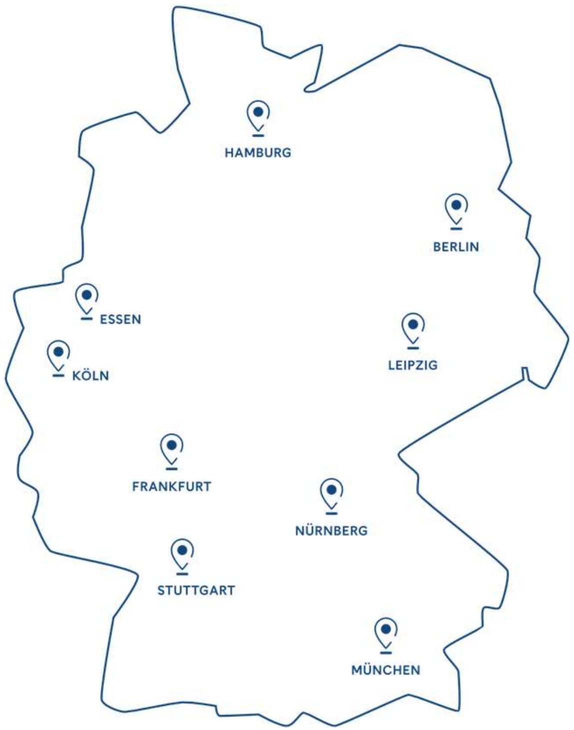
Key Investment Highlights

Instone is a Leading Residential Developer in Germany

Instone at a Glance

- ✓ **Leading homebuilding developing platform** in Germany
- ✓ Addressing **fundamental structural undersupply** in German real estate market
- ✓ **Comprehensive product portfolio** from custom apartments and single houses in prime metropolitan areas to affordable housing units (nyoo)
- ✓ **Attractive business model** based on covering entire real estate development value chain, from land acquisition to sales

Proven track record of >30 years



>1m sqm
Successfully developed and marketed since 1991+

~€7.1bn
GDV project portfolio as of 30/09/2024

Management team
with a proven track record of >40 years of value generation

418 employees
As of 30/09/2024

8 branches + HQ
Presence in all German metropolitan regions

Investment highlights

1 | **Leading German residential developer** supported by long-term housing shortage trends

2 | **High visibility on cash flows** based on share of pre-sold units under construction

3 | Innovative and scalable nyoo product as key driver for **growth in the mid-term**

4 | **Strong financial structure as foundation for sustainable growth**

5 | Strong commitment to **ambitious ESG goals**

Covering the entire value chain with deeply rooted construction expertise

Acquisition	Planning application	Sales	Construction	Completion
Fully in-house	Internal/external experts	Internal/external sales teams	External contractors	
No speculative land banking	High building density assessment	30% pre-sale hurdle rate prior to construction	Strong construction management background	Positive track-record concerning on time deliveries
6-12 months	12-48 months	Dependent on project size		


Nuremberg | Fuchsgärten


Berlin | Friedenauer Höhe


Schorndorf | S´Lederer


Essen | Literaturquartier


Frankfurt | Florentinus

Q3 2024 Highlights

Q3 Highlights & Outlook

Accelerating sales momentum since September 2024

Operational Highlights

- Sales:
  - Retail demand with accelerating positive momentum in past weeks, investor sentiment clearly improving
  - Institutional investors overall still cautious – signing of at least one deal in Q4-24 expected
- Strong cash generation: 9M operating CF of €127.1m leads to further strengthening of balance sheet (LTC 8.8%) and a strong cash position (c.€270m)

9M results: leading profitability maintained - On track for full year targets

9M-2024 Results[1]

- Revenues: €384.5m (-11.3% yoy)
- Gross profit margin: 24.2% (9M-2023: 25.5%)
- EAT: €29.0m (-21.8% yoy)
- Sales: €156.6m (+71.5% yoy)

Outlook for 2024 confirmed - Strong Q4 sales seasonality expected

Outlook 2024[1]

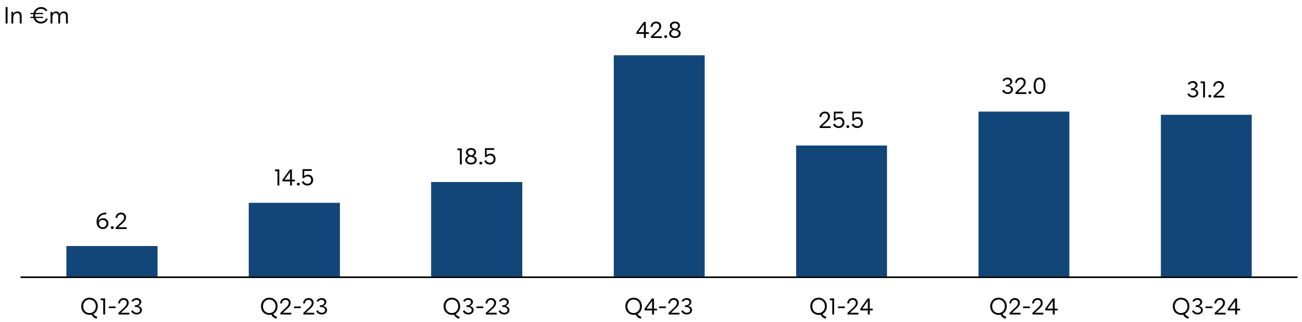
- Revenues: €500-600m
- Gross profit margin: ~22%
- EAT: €30-40m
- Sales: >€300m

1 Adjusted results

Sales ratio: Recovery is gaining traction

Sales ratio[1]

Quarterly development of retail sales



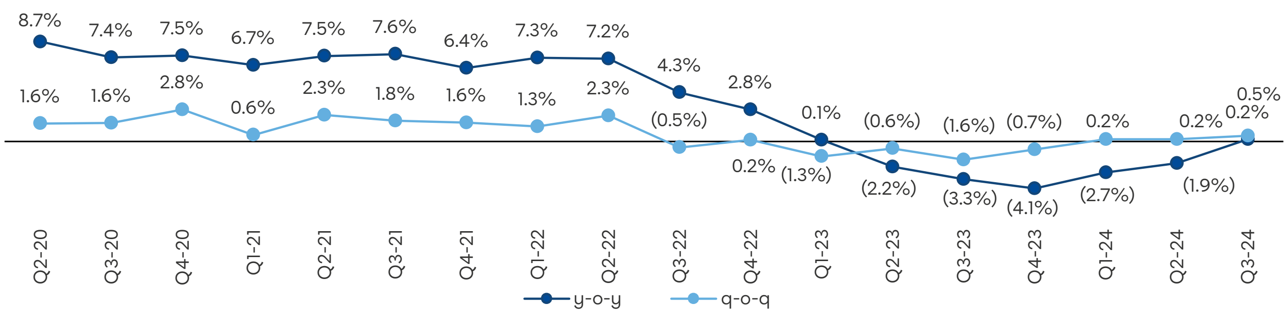
- Continued sales recovery from previous year's trough levels (private sales up from €39.2m to €88.5m in 9M)
- Jump in lead indicators (reservations and notary appointments) promises strong Q4
- Institutional investors overall still cautious but signing of at least one deal in Q4-2024 expected
- **Sales ratio 1.7%** (43 CW): 7 avg. weekly number of units sold / 410.5 avg. number of units on offer - in line with long term mean

1 Retail sales ratio: weekly number of units sold/total number of units on offer (four week moving average)

New builds prices have bottomed out; only moderate CPI growth

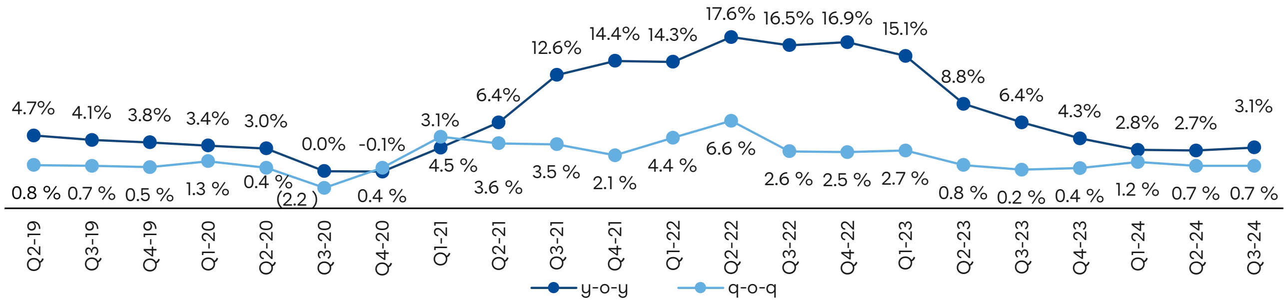
House price inflation[1]

In %



Construction price inflation[2]

In %

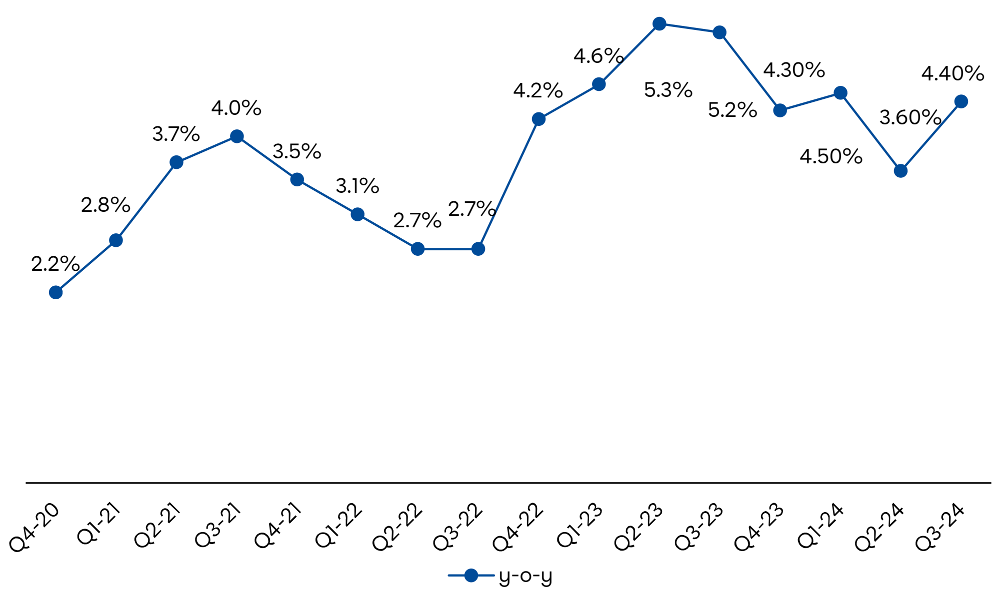


- Q3 figures confirm that new build prices have passed the bottom of the cycle
- Relatively moderate price correction in new builds implies significant outperformance vs. existing stock
- Overall construction price inflation stabilising at a moderate level
- CPI for larger projects is even lower - costs largely stable for INS

1 Bulwiengesa data; for house price index, quarterly data condo prices in top 7 cities (new build)
2 Statistisches Bundesamt

Continued dynamic rent growth remains key value driver

New-build rent development – strong momentum persists[1]



> *New build rents continue to rise faster than existing rents…In a year-on-year comparison, average asking rents in Germany increased by 7 per cent*
>
> *Source: immoscout Wohnbarometer*

Buying becoming cheaper than renting again – affordability improving

€	2022	2024
Price/sqm (€)	6,000	5,400
Apartment value (85 sqm) (€)	510,000	459,000
Total purchase price (€)	550,800	495,720
Rent/sqm (€)		↗
Rental yield (%)	3.1%	3.9%
Equity (€)		→
Mortgage rate (%)		↗
Debt (LTV 70%) (€)		↘
Total mortgage payments per months (€)		↗
Net disposable income (€)		↗
Rent ratio[2] (%)	38%	39%
Mortgage ratio[3] (%)	30%	35%

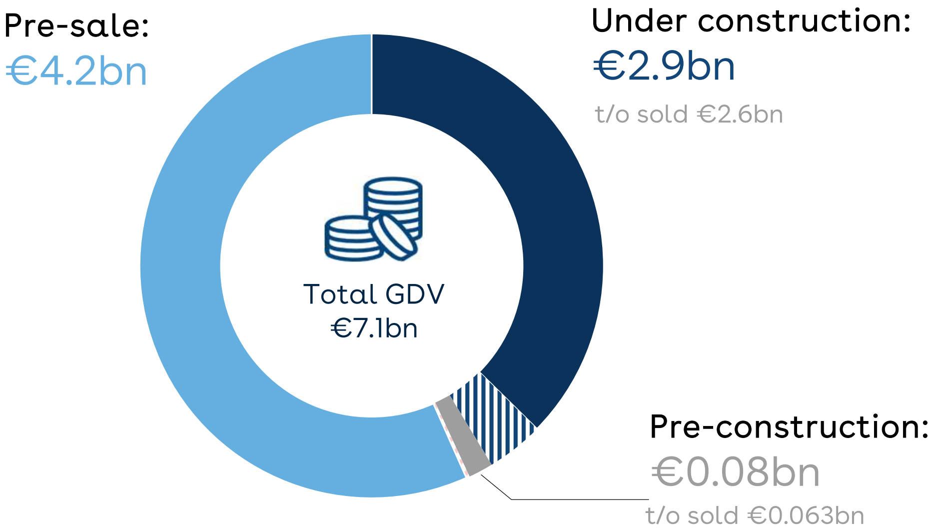
→ Arrow indicates change 2024 vs. 2022

- Decrease in interest rates from peak levels, positive wage growth in a robust labour market and moderate price correction have led to an improvement in affordability in recent months
- Rising property yields exceeding mortgage rates imply that buying has become cheaper than renting again
- Additionally, private buy-to-let investors benefit from attractive tax incentives from Growth Opportunities Act
- Attractive new support schemes for subsidised/ affordable housing create attractive investment product for institutional investors

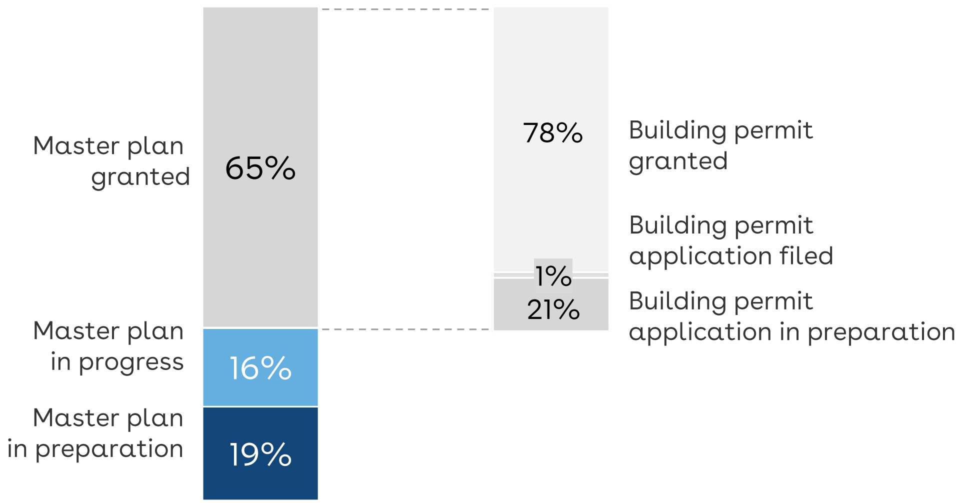
1 Bulwiengesa: newly built apartments, top-7 cities average
2 Monthly net cold rent / net disposable income
3 Total mortgage payments per months (inc. 2% redemption) / net disposable income

Under construction projects de-risked with 91% sold

Project portfolio as of 30/09/2024 by development (GDV)



Project portfolio as of 30/09/2024 by building right status (GDV)



- Projects with GDV of c.€2.9bn are "under construction" of which 91% already sold
- Of the c.€2.7bn sold volume as of the reporting date, c.€2.23bn has been recognised in revenues
- Some €1.65bn of land bank with zoning rights obtained (GDV)
- Land value c.€450m + outstanding land payment c.€150m (c.15% of pre-sales GDV)

Q3 2024 Financial Performance & Outlook

Adjusted Results of Operations: Solid profitability maintained

€m	Q3-2024	Q3-2023	Change	9M-2024	9M-2023	Change
Revenues	**129.1**	153.8	(16.1%) 1	**384.5**	433.3	(11.3%)
Project cost	(101.8)	(115.3)	(11.7%)	(293.7)	(322.6)	(9.6%)
Gross profit	**27.3**	38.5	(29.1%)	**92.9**	110.7	(16.1%)
Gross margin	21.1%	25.0%	2	24.2%	25.5%	
Platform cost	(18.9)	(17.9)	5.6% 3	(55.8)	(50.9)	9.6%
Share of results of JVs	3.6	1.9	4	8.3	6.0	
EBIT	**12.0**	22.5	(46.7%)	**45.4**	65.8	(31.0%)
EBIT margin	9.3%	14.6%		11.8%	15.2%	
Financial & other results	0.0	(2.6)	5	(5.7)	(12.6)	
EBT	**11.9**	19.9	(40.2%)	**39.7**	53.2	(25.4%)
EBT margin	9.2%	12.9%		10.3%	12.3%	
Taxes	(3.3)	(6.7)		(10.6)	(16.1)	
Tax rate	28.1%	33.5%		26.8%	30.2%	
EAT	**8.5**	13.2	(35.6%)	**29.0**	37.1	(21.8%)
EAT margin	6.6%	8.6%		7.5%	8.6%	
EAT post minorities	**8.2**	13.3	(37.8%)	**28.7**	37.5	(23.5%)
EPS[1]	**0.19**	0.31	(37.7%) 6	**0.66**	0.86	(23.4%)

1 Weighted average number of shares 43,323k (9M-2024) / 43,359k (9M-2023)

1. Lower construction output, in line with expectations – bulk of revenues is derived from pre-sold units
2. Gross margin level (well within the budget) reflects quality of projects and cost control with inhouse construction management
3. Platform costs: slight increase mainly attributable to exceptionally higher provisions; underlying staff costs decreased by -7.6% as result of implemented cost saving measures
4. JV result reflects positive contribution of Berlin JV
5. Improved financial result mainly due to a reduction in net debt and some higher capitalised project-related interest costs
6. Lower tax rate of c.27% in FY-2024 expected mainly due to higher expected share of earnings from JV

Very strong balance sheet

€m	30/09/2024	31/12/2023
Corporate debt	136.3	
Project debt[1]	241.6	
Financial debt[1]	377.9	454.5
Cash and cash equivalents and term deposits[1]	(269.9)	
Net financial debt[1]	**108.0**	**186.8**
Inventories and contract asset / liabilities	1,224.1	
LTC[1,2]	8.8%	15.1%
Adjusted EBIT (LTM)[3]	65.7	
Adjusted EBITDA (LTM)[3]	70.8	
Net financial debt[1] / adjusted EBITDA	1.5x	2.1x

- LTC dropped to a very low level of 8.8% ...
- ... and very solid net debt/adjusted EBITDA of 1.5x at the trough of the cycle
- Balance sheet offers ample headroom for growth investments

1 Q3-24: Excl. €160 million restricted cash and €111.8m million financial debt in connection with Project Westville client related subsidized KfW loan
2 Loan-to-Cost: Net financial debt/(Inventories + Contract assets/liabilities)
3 LTM: Last twelve months

Financially very strong position

Cash Flow (€m)	Q3-2024	Q3-2023	9M-2024	9M-2023
EBITDA adj.	13.1	23.7	49.2	69.5
Other non-cash items	(1.8)	3.1	(5.5)	(3.7)
Taxes paid	(4.7)	(23.7)	(12.4)	(27.0)
Change in working capital	101.1	56.0	95.7	(20.1)
Operating cash flow	107.8	59.1	127.1	18.7
Land plot acquisition payments (incl. RETT[1])	1.6	0.5	3.4	10.2
Operating cash flow excl. investments	109.4	59.6	130.5	28.9

- Very strong cash generation from high share of pre-sold projects and highly predictable milestone payments
- Significant positive operating cash flow expected for FY-2024

Liquidity (€m)	Total	t/o drawn	t/o available
Corporate debt			
Promissory notes	135.0	135.0	-
Revolving Credit Facilities	161.6	-	161.6
Cash and cash equivalents and term deposits[2]			269.9
Total corporate funds available			**431.5**
Project debt[2]			
Project finance[2,3]	396.0	230.5	165.5

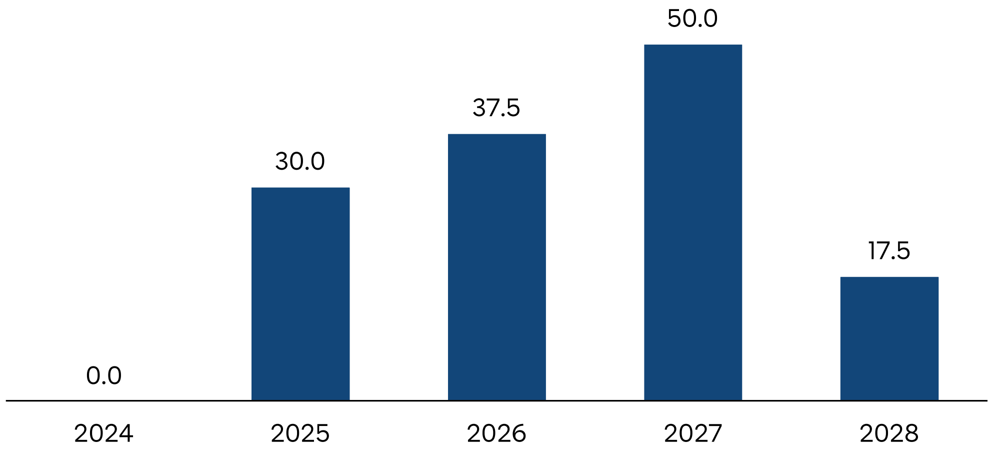
- Significant cash position provides substantial financial flexibility giving INS a major competitive advantage
- Clear intention to seize growth opportunities in the land market from a position of strength

1 RETT: Real Estate Transfer Tax
2 Q3-24 excl. €160million restricted cash and €111.8 million financial debt in connection with Project Westville client related subsidized KFW loan
3 Net available project financing

Financing: Well balanced maturity profile

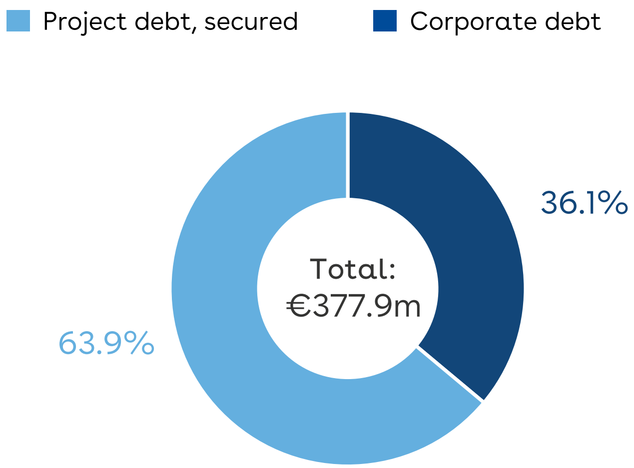
Maturity profile (corporate debt) as of 30/09/2024

In €m



Weighted average corporate debt maturity	1.8 years
Weighted average corporate interest costs	4.6%
Share of corporate debt with floating interest	0%

Secured/unsecured as of 30/09/2024



- Successful smoothing of maturity profile through partial extension of the €100m promissory note in H1 - €35m extended to 2026 & 2028[1]
- Majority of financial debt is project related
- Significant net cash position on corporate level

1 Refinancing promissory note: repayment of €35m in 2024, €30m in 2025 and extension of €17.5m to 2026 & 2028 respectively; interest step-up from 4.0% to 4.5% in 08/2025, from 4.5% to 5.25% in 08/2026

Outlook: Fully on track for FY-2024 targets

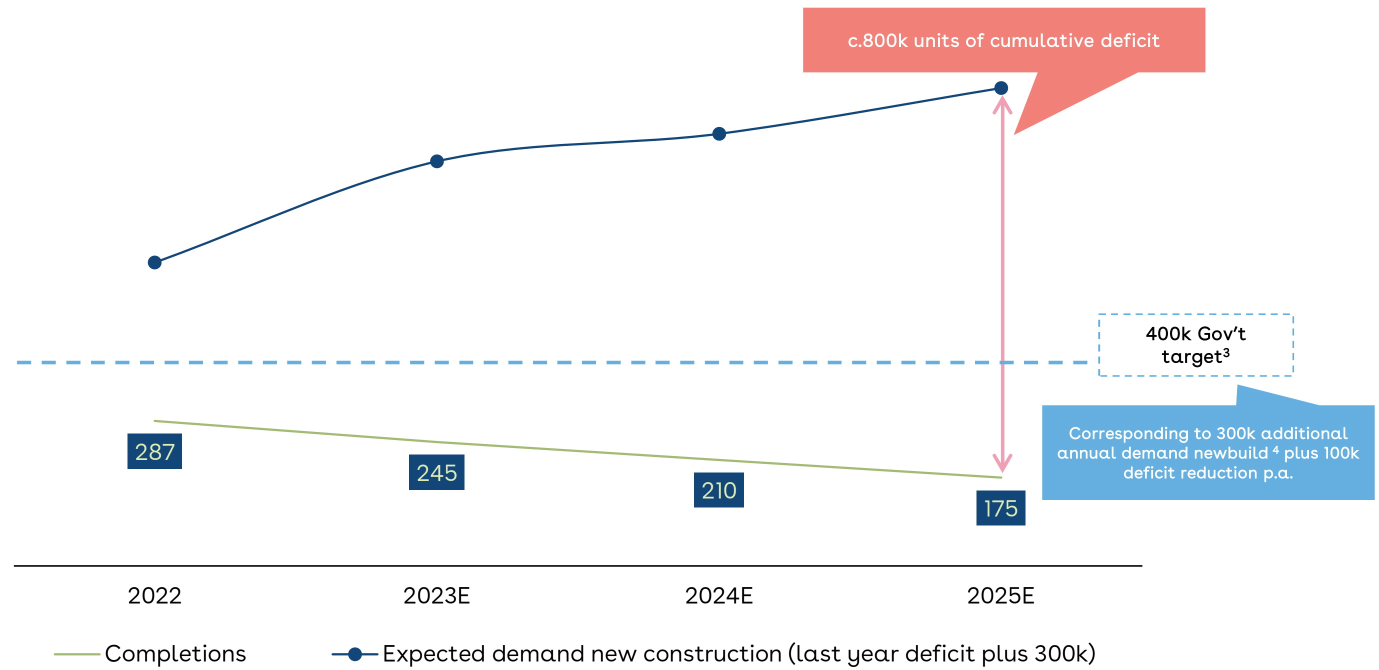
€m	Forecast 2024
Revenues (adjusted)	500-600
Gross profit margin (adjusted)	~22%
EAT (adjusted)	30-40
Volume of concluded sales contracts	>300

Market Environment

Structural supply shortage in German resi continues to widen

Expected increase in the structural housing shortage

German housing shortage[1,2]



Continued **growth in demand** for residential space

Expected **increase of 600,000 households** driven by continued **migration** especially from Ukraine (fuelling 1.45m population growth in 2022-2023)

New housing completions consistently below government target; **32% drop in new housing** expected between 2023-2025

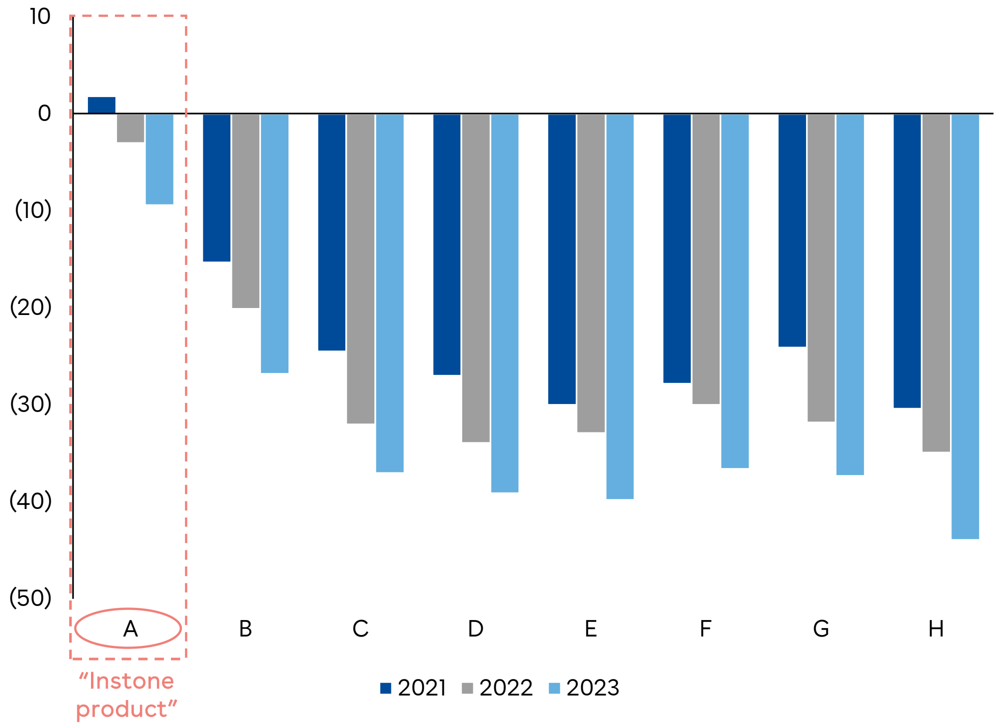
Forecasted **cumulative deficit building up** to c. 800k cumulative units in 2025E

1 Pestel Institute, cumulative deficit c.800k 2025E (cumulative demand for construction less building completions)
2 Demand (ZIA Spring Report); completions 2022A (EIU) 2023E-2025E (ifo Institut); government housing target for supply (Deutsche Bundesbank)
3 Includes 100k deficit reduction p.a.
4 Average demand for newbuild, considering migration and overall population development

New-builds steadily gaining relative attractiveness

Offer prices for multi-family homes: discounts per energy efficiency category[1]

Discounts vs. reference category in %



Further widening of price differential according to energy efficiency

- Stronger expected price drops for non-renovated existing buildings
- **Price premium for energy-certified** properties continues to increase yoy (label H vs. A+ ~45% lower) – **even higher for new builds**
- Investors can **benefit from the strong German ESG regulation**

Instone with leading position for energy efficient buildings

100%
Buildings EU Taxonomy compliant in terms of energy consumption[2]

~80%+
Below German avg. carbon emissions of existing properties

Source: ING Research & Savills
1 Due to change in EU Taxonomy requirements, reporting changed vs. prev. year from project view to revenue relevant view
2 In addition to energy consumption, the EU taxonomy also takes into account other criteria such as the use of greenfield sites or water consumption

Upcoming market consolidation offers vast opportunities

Instone well positioned to exploit market opportunities

- ✓ **Industry leading gross margins** (c.24% in 9M-2024)
- ✓ **Low production costs** vs. peers also due to strong inhouse construction expertise
- ✓ **Affordable selling prices** (c.4,000 €/sqm) and rents (c.13 €/sqm) for free financed units
- ✓ **Robust balance sheet** (LTC 8.8%), strong cash position
- ✓ Strong **cash generation from** projects under construction (>EUR 200m)
- ✓ Approx. 91% of units under construction (EUR 2.9bn) are already sold
- ✓ Avg. **holding period of unsold land plots c. 4 years.** Value creation from land development book value ps: EUR 13.39

Larger players are abandoning the business, and many smaller players are struggling

Players with **weak balance sheet** and/or **lower margins** are suffering most

Many players bought land at peak of cycle with **high financial leverage** (land ready for construction without operational upside)

1 43,322,575 shares as of 30/06/2024

nyoo: Growth Perspective

Mid to long-term opportunity: nyoo

Instone's nationwide platform and innovative approach for affordable housing offer opportunity to fill demand gap

Key challenges for reduced construction costs

1. Highly fragmented market
2. Government requisites for building and social housing
3. Federal states with their individual housing regulations (and also municipalities)
4. Highly qualified staff required due to construction complexity and customer individualisation
5. Low innovation spirit

Key pathways for cost-efficiency

- Simplification of product
- Standardisation of planning
- Industrialisation of development and construction

Solutions—How does Instone do it?

- ✓ Standardisation
- ✓ Digital modular planning process
- ✓ High architectural and ESG standards
- ✓ Target locations in B cities
- ✓ Target lower-mid markets–between social housing and core business

Benefits

- Expand addressable market
- Scalability & growth potential
- Competitive positioning
- Strong margins & capital returns

First projects confirm INS's competitive edge

Affordable housing segment – recent track record

DUS 19, Düsseldorf (Unterbach)

- Land plot ~5,300 sqm
- Living space: ~5,000 sqm
- 66 units (52 publicly subsidized)
- Energy efficiency standard KfW 55

Completed in May 2023

DUI 76, Duisburg (Buchholz)

- Land plot ~5,400 sqm
- Living space: ~6,200 sqm
- 78 units (46-125 sqm)
- Energy efficiency standard KfW 55, green roofs

Completed in September 2023

MG 400, Mönchengladbach (Lürrip)[1]

- Joint project with INS Development (core product). nyoo part includes:
  - Land plot ~15.500 sqm
  - Living space ~16,300 sqm
  - ~110 apartments, ~50 town houses, ~300 sqm business units
  - High energy efficiency standard, green roofs

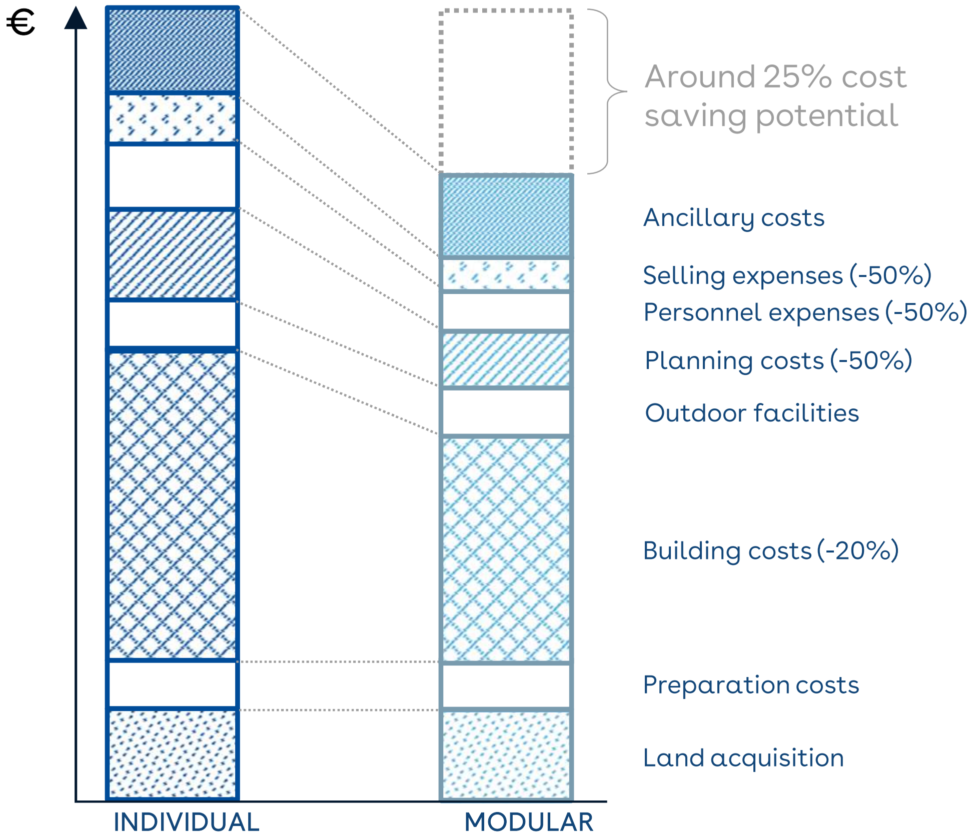
DUI 06, Duisburg (Wedau)

- Land plot ~15,800 sqm
- Living space ~16,000 sqm
- 155 apartments, 26 town houses
- High energy efficiency standard, green roofs

1 Visualisation shows complete Instone project (nyoo part included)

Unrivalled low production costs achievable

PROJECT COSTS



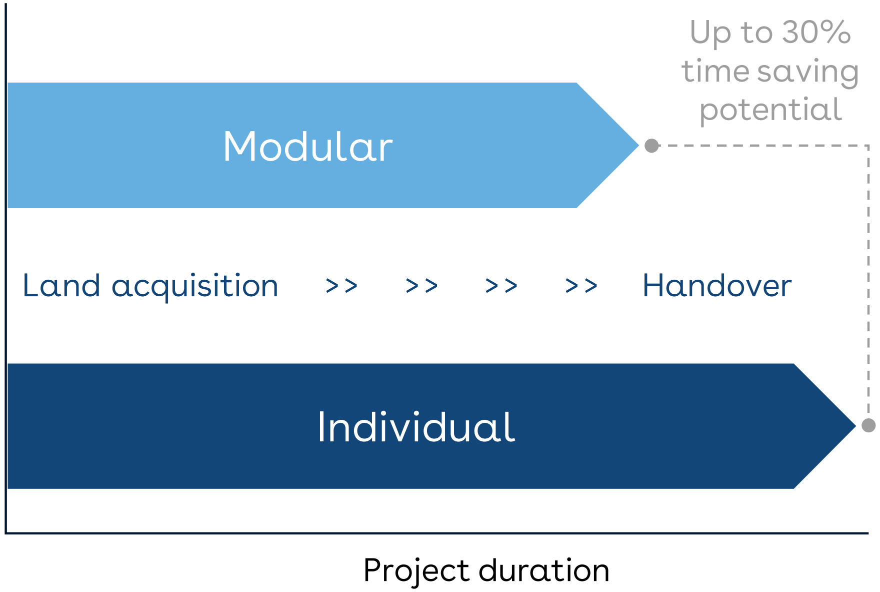
Around 25% cost saving potential
▪ Reduction of total production cost including planning, marketing, sales etc.

Cost savings by standardisation
▪ ~50% of selling expenses ▪ ~50% of personnel expenses ▪ ~50% of planning costs

~20% reduction of building costs
▪ Reducing underground construction ▪ Optimised floor planning ▪ Standardisation of materials

Further potential
▪ Prefabrication ▪ Scalability potential

Considerable savings in project duration resulting in superior project IRR



Time savings

- ~ 6m of planning and approval process
- Up to 12m of construction process

Additional potential

- Prefabrication / industrialisation reaching critical mass in scale
- Type approval

Highly attractive project economics

Project related economics

Project size	€30-50m	▪ Standardised planning and simplified execution provides for attractive economics in smaller size projects
Target gross margin	~20%	▪ Projects gross margins expected to be lower compared to target margins for INS core product ▪ Lower margin reflects reduced capital intensity, platform costs and risk profile of nyoo product
Target EBIT margin	In line with core product	▪ EBIT margin in line with core product ▪ Standardised planning and more efficient / repetitive construction works allow for leaner nyoo platform costs vs INS core product
Target IRR/ ROCE	Exceeding core product	▪ Accelerated planning, reduced complexity, minimized underground construction as well as sales more geared towards institutions result in improved project IRR and superior ROCE

Comparison of products

	Traditional Instone Product	Instone nyoo
Price	▪ Mid to high price segment ▪ €5,000/sqm–9,000/sqm	▪ **Lower to mid-price segment** (between social housing and Instone core product) ▪ Approx. €4,000/sqm–5,000/sqm
Complexity	▪ Customization and optionality ▪ Includes underground construction	▪ **Standardisation** and low optionality ▪ Minimising underground construction
Location	▪ Focused on largest metropolitan areas	▪ Focused on well-connected **B locations**
Project size	▪ >€50m ▪ Development of entire residential quarters; including master planning process	▪ >€20m ▪ Less complex projects
Target customer	▪ Mid-high income owner occupiers and buy-to-let investors ▪ Institutional investors	▪ Municipal housing companies ▪ Professional landlords; less owner occupiers ▪ Institutional investors

ESG Strategy

Driving sustainable success: how value creation is linked to sustainability

Major ESG-KPIs achievements

- EU Taxonomy-compliant revenues: c.90% in FY2023 (up from 86.7% in FY2022)
- Improved share of projects/objects with energy requirements at least NZEB -10%[1]: 100% in FY2023 (up from 97.4% in FY2022)
- GHG emissions scope 1 and 2 reduced by 46.1% from the base year 2020, in line with SBTi
- Implementation of 5 working groups with focus on ESG topics (predominantly reduction Scope 3 emissions) comprising 30 employees
- Social impact scoring model which is applied to each project
- Successfully implementation of the diversity target by increasing female representation on the supervisory board to >30%
- On track with implementation of CSRD/ESRS reporting

Key objectives

Predominantly **EU taxonomy-compliant**

100% of project/object portfolio with energy requirements of NEZB-10% **by 2030**

GHG emissions **scope 1 and 2** reduction **target of 42% reached.** Review of new targets.

Net Zero climate neutrality **by 2045**

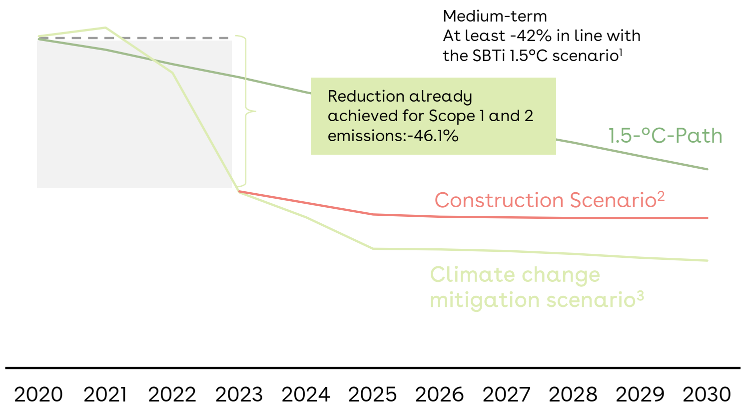
>50% of revenues from **affordable housing** by 2030

Continuous expansion of ESG governance

Clear pathway to reduce GHG emissions scope 1 to 3

Scope 1 & 2 emissions: projected vs. achieved

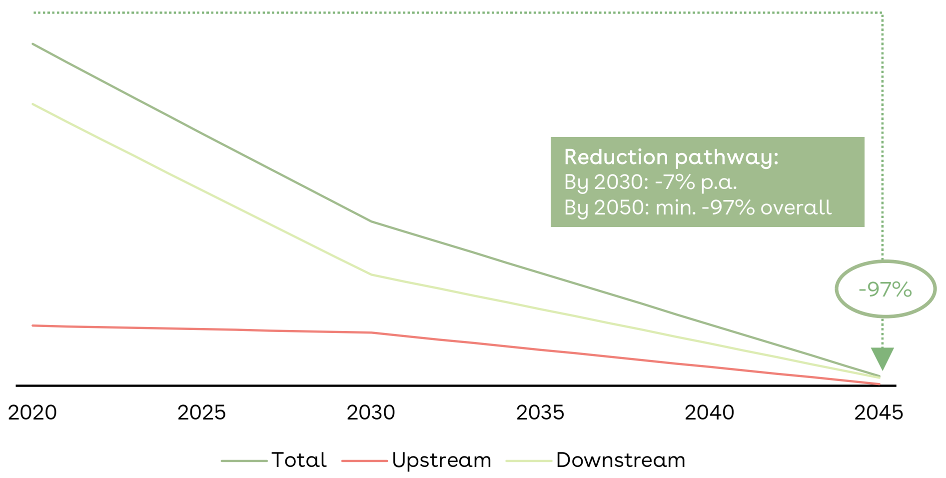
CO2 in t m



Long-term Climate neutrality of Scope 1, 2 and 3 by 2045

Scope 3 emissions target curve (net zero) based on SBTi[4]

CO2 kg/m²



- Scope 1 and 2 emissions reduced by 46.2% in 2023 vs. base year 2020 (in line with SBTI requirements) through gradual conversion from construction sites to green electricity and replacement of company vehicles with electric vehicles
- For scope 3 emissions (~99% of total emissions), an average reduction of energy intensity (GHG scope 3 emissions) by 5.9% in 2023 compared to the previous year

1 Baseline 2020 has changed vs. prev. report, further explanation can be found in the Annual Report
2 BAU scenario: based on the assumption that decarbonizing the energy sector is only progressing moderately
3 Climate protection scenario: based on the assumption that decarbonizing the energy sector achieves climate neutrality in 2045
4 Upstream emissions: cover erection of the building (incl. manufacturing of materials) / downstream emissions: largely consist of the use phase (95%) and of the demolition/disposal (5%)

ESG: Top rating underscores commitment to industry leadership

Instone Real Estate Group SE

Real Estate Development Germany ETR:INS

ESG Risk Rating **12.0** Updated May 10, 2023 **-1.2** Momentum

Low Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Ranking

UNIVERSE	RANK (1st = lowest risk)	PERCENTILE (1st = Top Score)
Global Universe	592/15343	5th
Real Estate INDUSTRY	147/1057	15th
Real Estate Development SUBINDUSTRY	6/288	3rd

SUSTAINALYTICS
a Morningstar company

- INS among the top 3% of the 288 global real estate development companies
- Top 5% across all sectors

Appendix

Project portfolio key figures

€m	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022	Q3-2022
Volume of sales contracts	34.7	34.0	88.0	120.1	20.2	18.4	52.7	42.0	104.6
Project portfolio	7,111.0	7,124.9	6,885.8	6,972.0	7,015.5	7,182.6	7,600.4	7,668.8	7,827.4
thereof already sold	*2,675.8*	*2,784.8*	*2,781.1*	*2,693.4*	*2,822.7*	*2,868.8*	*2,958.7*	*2,987.3*	*2,945.4*
thereof already realized revenues	*2,231.6*	*2,246.3*	*2,140.7*	*2,022.5*	*2,089.4*	*2,002.2*	*1,944.7*	*1,902.7*	*1,721.0*

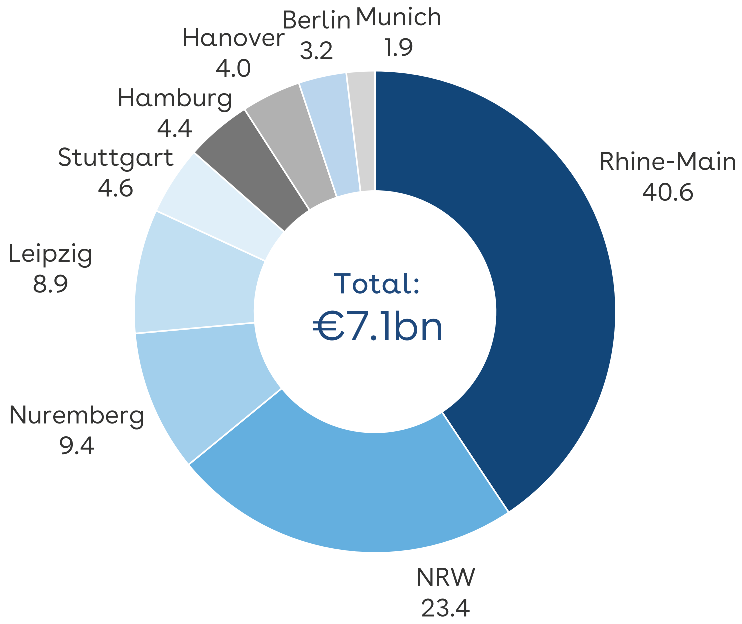
Units	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023	Q2-2023	Q1-2023	Q4-2022	Q3-2022
Volume of sales contracts	55	68	213	195	37	28	110	44	199
Project portfolio	14,650	14,760	14,252	14,252	14,269	15,148	16,107	16,209	16,580
thereof already sold	*6,074*	*6,448*	*6,430*	*6,217*	*6,588*	*7,017*	*7,198*	*7,309*	*7,265*

(Unless otherwise stated, the figures are quarterly values)

Diversified project portfolio across most attractive German regions

Project portfolio as of 30/09/2024 by region (GDV)

In %

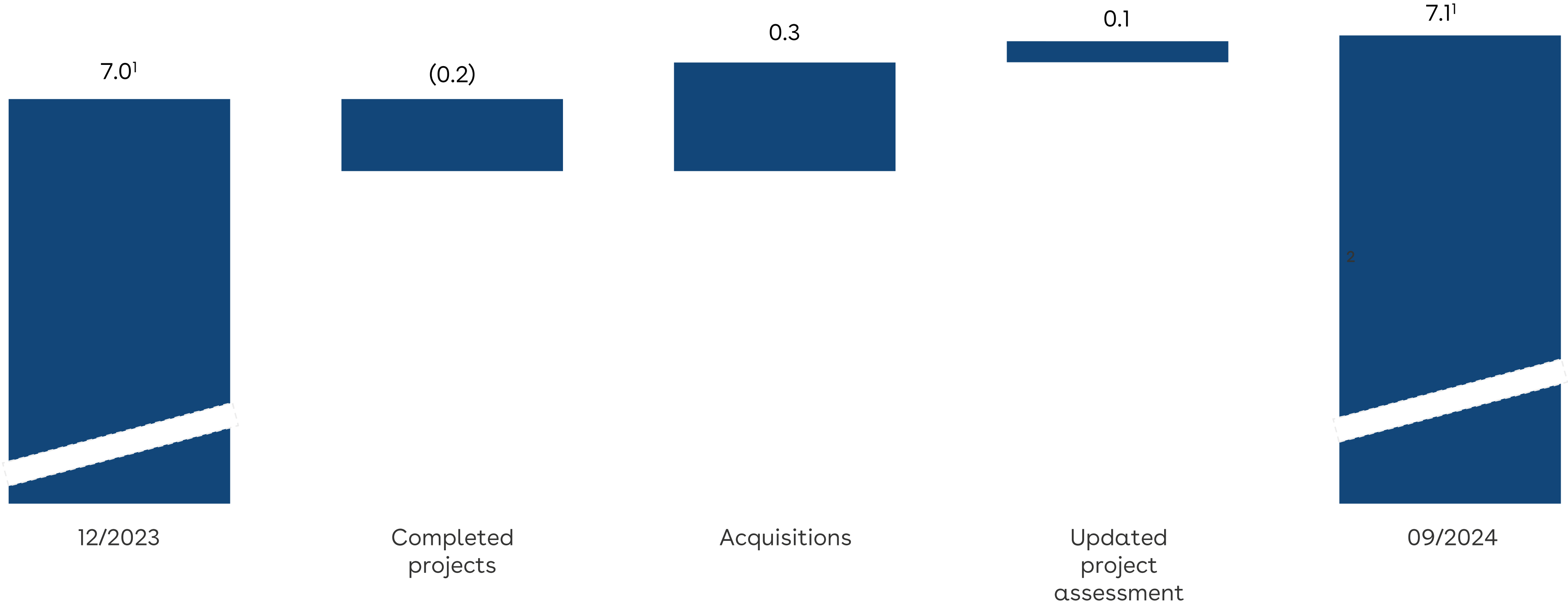


- 45 projects / 14,650 units / ~1,304m sqm of saleable space
- 96% in metropolitan regions
- ~78 average sqm / unit
- ~€5,731 ASP / sqm
- Additional four JV projects (INS share of GDV: ~€635m)

Significant pipeline; well prepared to seize market opportunities

Project portfolio development (GDV)

In €bn



1 Excluding GDV of at-equity JVs

Growth Opportunities Act with attractive tax incentives for new-build properties (scenario analysis)

Model assumptions	
Price / sqm	€5,700
Lettable space	85 sqm
Purchase price	€484,500
Ancillary costs	€38,760
Land (18% of total purchase price)	€94,187
Building costs	€429,073
Building costs per sqm	€5,048
Rental yield	4%
Rental growth p.a.	2.5%
Equity ratio (20%)	135,660 €
Debt interest rate	3.5%
Income tax	44%

Payback of capital from tax incentives		
	4 years	10 years
Total depreciation	€142,658	€218,532
Depreciation as % of total purchase price	27.3%	41.8%
Tax incentive	€63,212	€96,831
Tax incentive as % of total purchase price	12.1%	18.5%
Tax incentive as % of equity	46.6%	71%

Attractive post tax returns		
Average RoE (cash returns)	14.5%	10.7%
Tax free disposal gains after 10 years		

- Tax incentives allow for fast payback of capital and highly attractive inflation protected post tax returns for buy-to-let investors
- Tax free disposal gains after 10 years

- Growth Opportunities Act:
  - 5% degressive on new build properties
  - plus additional 5% linear depreciation over 4 years (according to § 7) if tax relevant building costs are <5,200 €/sqm and energy standard of QNG 40 certification is met

Project portfolio as of 30/09/2024

(Projects > €30m sales volume, representing total: ~ €7.1bn)

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Planning right obtained	Sales start	Construction started
Hamburg							
Kösliner Weg	Norderstedt	€94m	24,642	●	●	2025	
Sportplatz Bult	Hanover	€117m	24,007			2029	
RBO	Hamburg	€220m	29,876	●	●	●	●
Büntekamp	Hanover	€169m	25,044	●	◐	2026	
Berlin							
Nauen	Nauen	€163m	28,686	●	●	2026	
Fontane Gärten	Potsdam	€66m	9,563	●	●	●	●
NRW							
Unterbach	Düsseldorf	€200m	38,537	●	●	◐	◐
Literaturquartier	Essen	N/A	17,981	●	●	●	●
REME	Mönchengladbach	€128m	28,315		◐	2026	
west.side	Bonn	€204m	63,739	●	●	●	●
Gartenstadtquartier	Dortmund	€95m	25,514	●	◐	2025	
Bickendorf	Cologne	€642m	145,491	●		2028	
6-Seen Wedau	Duisburg	€81m	16,589	●	●	2024	
Kempen	Kempen	€50m	11,103	●	◐	2025	
Grafental	NRW	€187m	29,693	●	●	2025	

Note: Semi-filled circle means that the milestone has already been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building rights, the semi-filled circle means that the zoning process has been initiated. No circle for "land plot acquired" means that the land has not yet been purchased but secured by contract

Project portfolio as of 30/09/2024

(Projects > €30m sales volume, representing total: ~ €7.1bn)

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Planning right obtained	Sales start	Construction started
Rhine-Main							
Delkenheim	Wiesbaden	€113m	51,304	●	●	●	●
Schönhof-Viertel	Frankfurt	€618m	91,055	●	●	◐	◐
Friedberger Landstr.	Frankfurt	€308m	38,241		◐	2027	
Elisbethenareal	Frankfurt	€85m	9,989	●	●	2026	
Steinbacher Hohl	Frankfurt	N/A	13,746	●	●	●	●
Westville	Frankfurt	N/A	101,224	●	●	●	●
Heusenstamm	Heusenstamm	€196m	33,430	●		2026	
Kesselstädter	Maintal	€232m	38,315	●		2026	
Polaris	Hofheim	€67m	10,251	●	●	2025	
Rheinblick	Wiesbaden	€315m	51,751	●		2026	
Eichenheege	Maintal	€118m	18,055	●		2027	
Lahnstraße	Frankfurt	€76m	10,205	●	●	2025	
Leipzig							
Parkresidenz	Leipzig	€288m	66,264	●	●	◐	◐
Rosa-Luxemburg	Leipzig	€171m	26,657	●	●	2025	
Heide Süd	Halle	€59m	10,521	●	●	2026	
Semmelweiss	Leipzig	€73m	24,096	●	●	2025	

Note: Semi-filled circle means that the milestone has already been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building rights, the semi-filled circle means that the zoning process has been initiated. No circle for "land plot acquired" means that the land has not yet been purchased but secured by contract

Project portfolio as of 30/09/2024

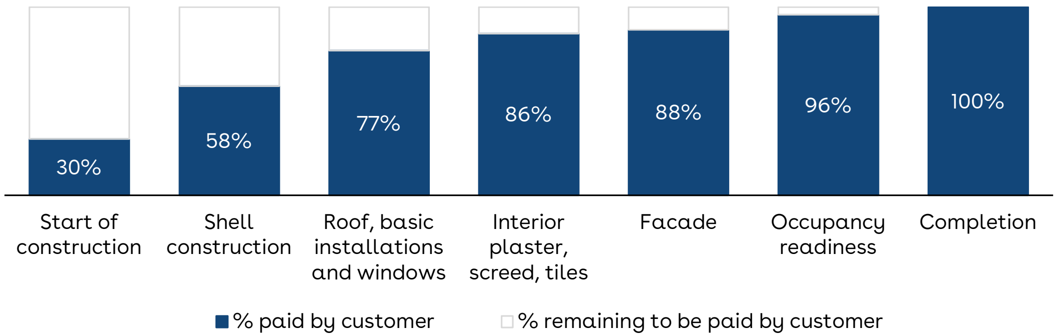
(Projects > €30m sales volume, representing total: ~ €7.1bn)

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Planning right obtained	Sales start	Construction started
Baden-Wurttemberg							
Rottenburg	Rottenburg	€171m	33,785	●	●	●	●
Herrenberg III, Schäferlinde	Herrenberg	€78m	14,238	●	◐	2026	
Herrenberg II, Zeppelinstraße	Herrenberg	€80m	14,886	●	●	2025	
Bavaria South							
Ottobrunner	Munich	€109m	10,869	●	●	2026	
Bavaria North							
Eslarner Straße	Nuremberg	N/A	12,570	●	●	●	●
Lagarde	Bamberg	€90m	17,774	●	●	◐	◐
Schopenhauer	Nuremberg	€65m	11,206	●	●	●	●
Seetor	Nuremberg	€112m	16,134	●	●	●	●
Boxdorf	Nuremberg	€66m	10,099	●	●	●	●
Thumenberger	Nuremberg	€126m	16,548	●	●	2025	
Worzeldorf	Nuremberg	€69m	11,428	●	◐	2026	
Lichtenreuth	Nuremberg	€87m	11,558	●	●	2026	

Note: Semi-filled circle means that the milestone has already been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building rights, the semi-filled circle means that the zoning process has been initiated. No circle for "land plot acquired" means that the land has not yet been purchased but secured by contract

Favourable regulatory framework leading to attractive cash flow profile

Private Customer's Payment Profile for German residential development projects



German regulatory framework for customer payments compared to other European markets

			
5% upfront	10% upfront	10% upfront	35% upfront
		10% over construction period	65% over construction period
95% at completion	90% at completion	80% at completion	

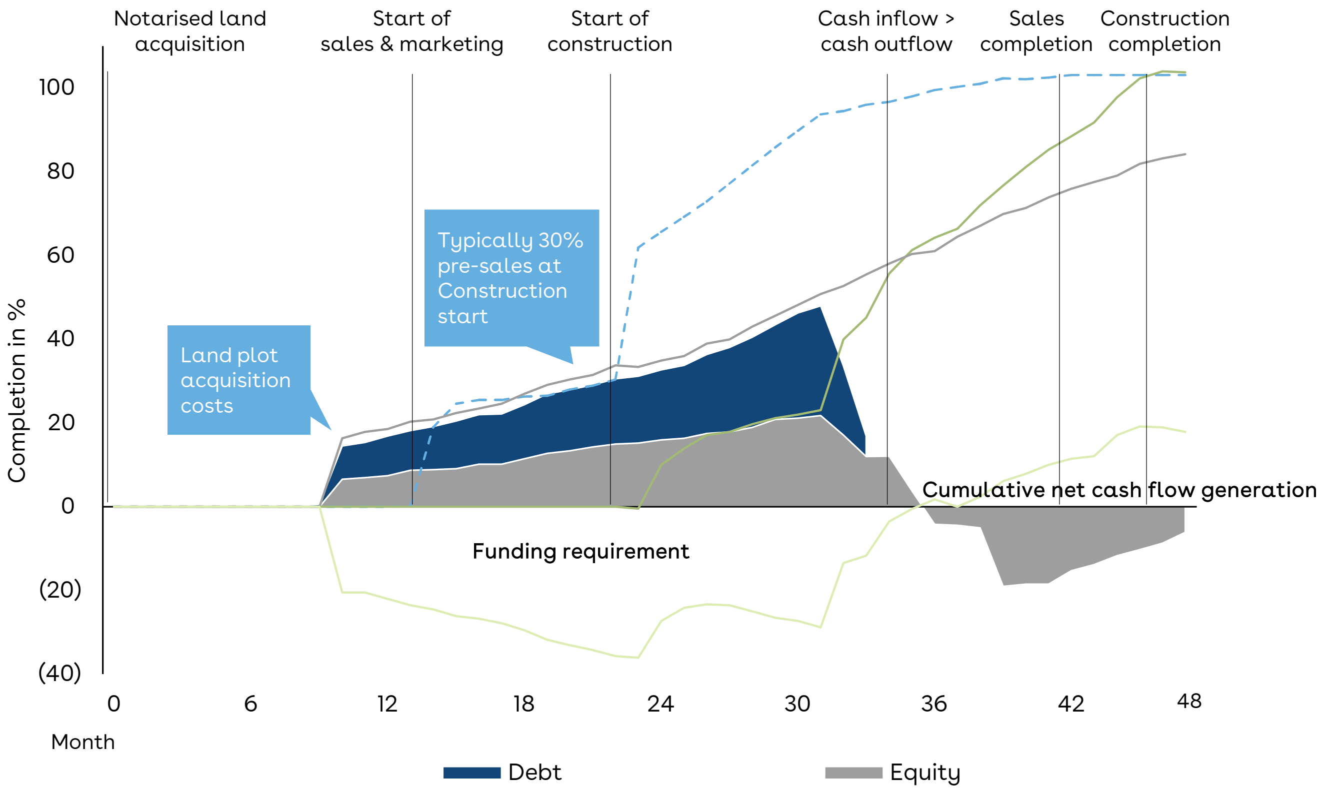
- **De risked:** B2C development process per se low-risk via regulatory framework ("MaBV")[1]
- **Certainty:** No cancellation possibilities
- **Capital-light:** Predefined payment schedule limiting equity requirement from Instone
- **Very favourable payment schedules** vs. other European countries, particularly UK, Ireland and Spain

Significant amount of construction costs covered by customers' regular payments

1 MaBV - Real estate agent and commercial construction industry ordinance ("Makler- und Bauträgerverordnung")

Funding requirements minimized due to high pre-sales levels

Illustrative cumulative financing profile of a typical B2C Instone project



- Debt financing land c.50% (with zoning c.75%)
- Debt financing construction up to c.80%
- Revenue recognition: *GDV x Sales Progress (%) x Construction Progress (%)*

Supportive German subsidy schemes

Key positives from new subsidy scheme

The German government increases tax depreciation and invests >€1bn p.a. to support owner-occupiers (help-to-buy) and new build of rental apartments

Programme details	▪ **Name: Social housing subsidies** ▪ Budget: €3.15bn in 2012 (€18.5bn total volume until 2027) ▪ 40% of investment born by the federal states	▪ Name: **Degressive Depreciation** (Growth Opportunities Act) ▪ Volume: 5% depreciation p.a.; can be **combined with 5% special depreciation** (§ 7 EstG) if tax relevant selling price excl. land is below €5,200 / sqm (QNG criteria must be met)	▪ Name: **"Wohneigentum für Familien"** = homes for families ▪ Volume: €350m ▪ Start: 16/10/2023	▪ Name: **"Klimafreundlicher Neubau"** = climate friendly new-build ▪ Volume: €0.76bn (KFN)[2] ▪ Start: 2023; Renewal: February-2024	▪ Name: **"Klimafreundlicher Neubau im Niedrigpreissegment"** = climate friendly new-build in the affordable segment ▪ **Volume: €2bn** ▪ Start: Oct-24 - Dec-25
Recipient	▪ Beneficiary: Housing companies, institutional and private investors ▪ Eligibility: – New construction, extension or conversion of new living space – Modernisation of existing space – Social rental apartments or owner-occupied residential properties	▪ Buy-to-let investors ▪ For newly built residential properties	▪ Families with at least 1 child <18 years living in their household ▪ Household income of max. €90,000 (up from €60,000 previously) plus €10,000 per child ▪ Required to own at least 50% of the building (as only home in Germany)	▪ Resi landlords, other institutional or private investors	▪ Private investor, corporates or other investors
Objective	▪ Support the construction and modernisation of social housing	▪ Expected to have a positive impact on the return expectations ▪ Increased willingness to pay from private buy-to-let investors (due to full tax deductibility from personal income) ▪ Boost construction of rental apartments	▪ Help-to-buy: Build or buy new home/condominium for own use for the first time (for at least 10 years) ▪ Energy efficiency: – At least energy standard KfW40 (plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude") – Higher subsidies possible with the additional certificate for sustainable buildings "QNG"	▪ New build of energy efficient buildings ▪ Energy efficiency – At least energy standard KfW40 (plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude") – Higher subsidies possible with additional certificate for sustainable buildings "QNG" – Use of fossil fuels not allowed	▪ Increase supply in the affordable rental segment (space efficient and climate friendly) ▪ Energy efficiency: – Energy standard 55 (no fossil fuels) – Emission targets over the life cycle have to be met (including construction) - QNG ▪ Cap for construction costs and floor space
Subsidies	▪ Loan per apartment: €200k ▪ Amortisation discount: 30-35% ▪ Interest rate: 0-0.5% ▪ Required minimum energy standard of 55	▪ Increase of depreciation on newly built residential properties from (currently) 3% linear to 5% degressive p.a.; threshold for special depreciation from €4,800 to 5,200 / sqm	▪ No direct grant; max. one housing unit ▪ Subsidized mortgages, reduced interest costs (0.01%-0.8%[1]) by federal KfW Bank – €90-270k loan volume (with QNG certificate) – Will be accepted as equity substitute	▪ No direct grant ▪ Subsidized mortgages (2.52%- 3.02%) by federal KfW Bank (volumes per unit) – Max. €100,000 loan volume – Up to €150,000 with QNG certificate	▪ No direct grant ▪ Subsidized loans – €100,000 per apartment – Different durations (e.g. 1% for 10 yrs)

1 Relates to annuity mortgages (10 year fixed rates). Bullet repayments at end of term priced at 1.15% p.a.
2 Includes Klimafreundlicher Neubau (KFN)

Major ESG-KPIs – achievements

	Major KPIs	2023	2022
E	Taxonomy-compliant revenues (in %)	90.0	86.7
	GHG emissions / scope 1 and 2 abs.	1,437 t CO_2e	2,390 t CO_2e
	GHG emissions in relation to net project space	1,447 kg CO_2e/sqm	1,537 kg CO_2e/sqm
	Water consumption in relation to revenues	0.000056 ccm/€	0.000056 ccm/€
	Charging stations for EVs	1,855	1,433
	Brownfield developments (land plot size)	423,793sqm	~532,000sqm
S	Shares of affordable housing: social / subsidized / nyoo/ privately financed	16% / 1% / 6% / 78%	18% / 1% / 7% / 78%
	Share of female employees in management positions (below C-level)	20% (1st) / 28% (2nd)	20% (1st) / 28% (2nd)
	Number of daycare places / playgrounds	1,759 / 118	1,713 / 109
	Code of Conduct for employees and contractors (UN Charter)	100%	100%
G	Employee compliance and data protection training	100%	100%
	Compliance cases (suspected)	0	0
	Diversity Supervisory Board (female share)	33%	20%
	Client Satisfaction (range 1-5; 1 best)	1.3	1.7

Augusta und Luca, Augsburg

Creating living quarters on former station area

Brownfield redevelopment incl. deconstruction and recycling

- Mix of 429 apartments (1 to 3 room apartments) plus 5 local squares, 4 playgrounds
- Green Building Certificate (DGNB)
- Energy standard KfW 55 NH
- Rooftop Garden, Service Point, Common Room
- 657 bicycle parking spaces and promotion of social infrastructure

Neckar.Au, Rottenburg

Social Impact for the society and the newly developed quarter

- Reduction of sealing by converting a former commercial area into a residential area
- Five construction sites with around 480 apartments
- Extensive (roof) greening to improve the quality of stay
- Around 11,300 sqm for playgrounds and green spaces an around 420 bicycle parking spaces
- Use of CO2 reduced concrete
- Implementation of 4 residential groups with 24 places for people with mental and/or physical disabilities in cooperation with the Liebenau Foundation in cooperation with FUNKE e.V.

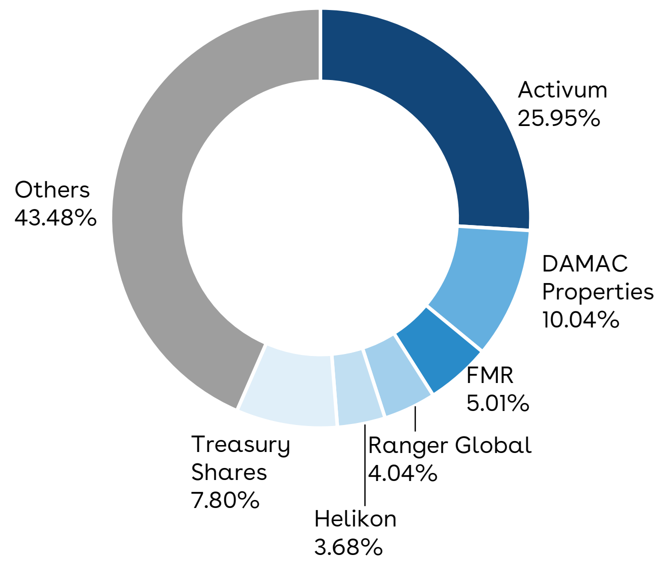
> Highly liveable quarters with great social impact

Instone share

Basic data

- ISIN: DE000A2NBX80
- Ticker symbol: INS
- No of shares: 46,988,336
- Market cap: €398.5m
- Average daily trading volume: €0.2m
- Market segment: Prime Standard, Frankfurt

Shareholder structure (11/2024)



1 Based on closing price on 01/11/2024 at €8.48

Financial calendar

2024/2025

November	2024	14	Kepler Cheuvreux Pan-European Real Estate Conference, London
January	2025	09	Barclays European Real Estate Equity & Credit Conference, London
January	2025	23	Kepler Cheuvreux German Corporate Conference, Frankfurt
March	2025	18	Annual Report 2024
March	2025	21	BofA EMEA Real Estate CEO Conference 2025, London

The Instone Management Board

Kruno Crepulja
CEO

- CEO since 2008 (of Instone's predecessor formart)
- Comprehensive experience as an engineer, site manager and project developer
- 17-year career on the management boards of large development companies
- Appointed until 31/12/2025

David Dreyfus
CFO

- CFO since September 1st, 2023
- >28 years of experience in corporate finance and capital markets, including as Director with Lazard and Senior Partner of Lilja & Co.
- Already advised Instone in preparation and execution of its IPO in 2017 and 2018
- Appointed until 31/12/2027

Andreas Gräf
COO

- COO since 2008 (of Instone's predecessor formart)
- Established the residential development as a standalone business model at HOCHTIEF
- Working in the construction and real estate sector for 30 years
- Appointed until 31/12/2025

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