INSTONE REAL ESTATE

DB ACCESS BERLIN CONFERENCE

JUNE 6, 2019

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Instone is a leading residential developer in Germany

Proven track record

28 years
Company experience

>1 million sqm
Successfully developed and marketed since 1991

~1,000 units
Sold on average per annum between '15-'18

Nationwide platform

7 branches + HQ
Present in all key German metropolitan regions

>330
Employees (as of 31/03/2019)

Secured revenues supplemented with future acquisitions

~€1.6bn
Expected sales volume of approved projects in 2018 and 2019 ytd

~€5bn
Expected sales volume of project portfolio as of 31 May 2019 (incl. all approved projects)

First mover in building up a nationwide residential developer platform in Germany

Focus on developing **modern, urban, multi-family, residential buildings**

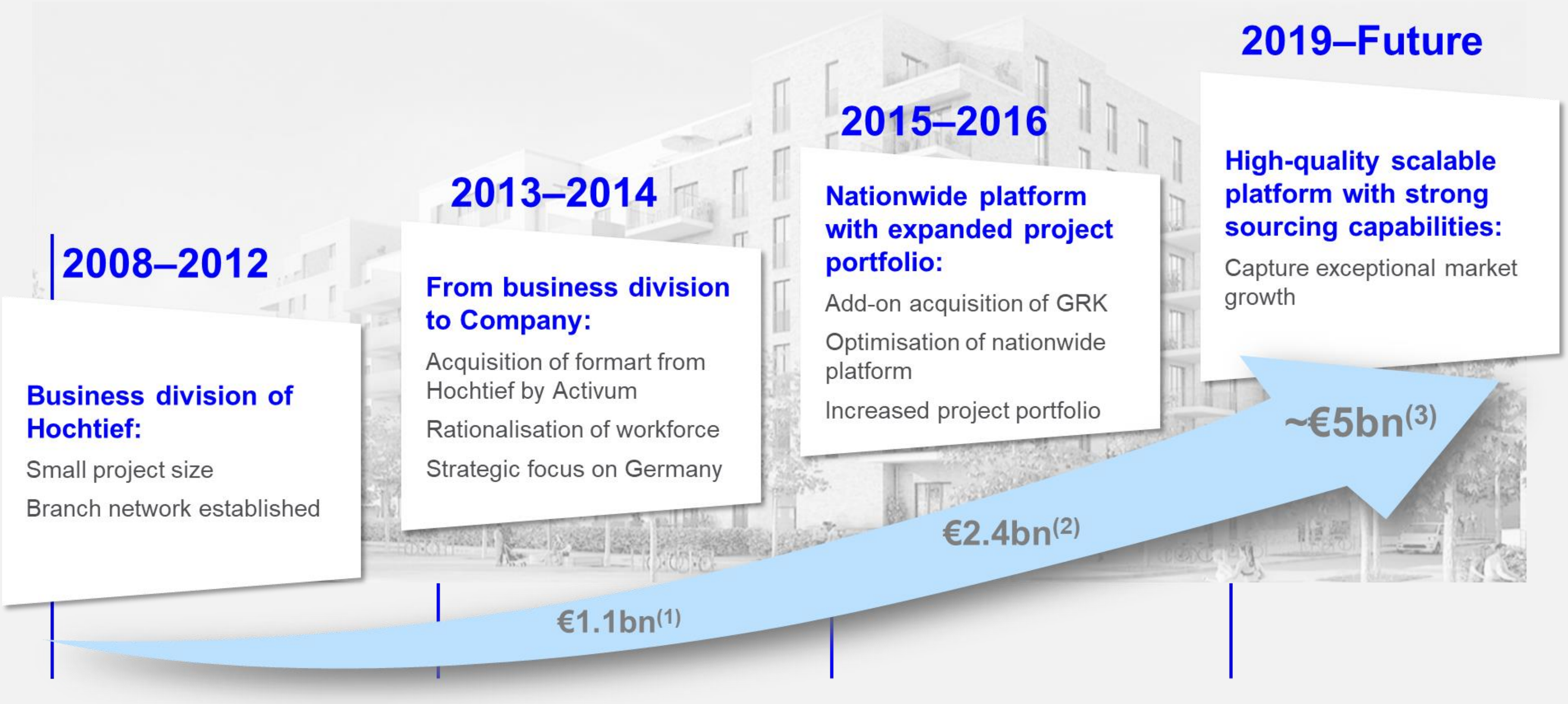
Established operating platform with **ability to achieve further scale gains**

Attractive project portfolio and identified acquisition opportunities underpinning strong and profitable growth

Prudent approach to risk management Proprietary and tailored management information system

Diligent site selection criteria leading to **attractive and consistent returns**

Instone has successfully positioned itself as a leading and scalable real estate development platform with rapid growth prospects



Source: Company information.
(1) Based on expected sales volume for fully developed projects as of 31 December 2014.
(2) Based on expected sales volume for fully developed projects as of 31 December 2016.
(3) Based on expected sales volume for ongoing projects when fully developed as of May 2019

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Rigorous control over the entire development process

Acquisition	Planning application	Sales	Construction	Completion

Acquisition	Planning application	Sales	Construction	Completion
No speculative land banking	Better building density assessment than competition Outperforms own planning by 1% on average(1)	100%(2) of finished products sold 30% pre-sales hurdle rate prior to construction	Less than 0.5%(3) deviation in construction costs	100%(4) on time deliveries

Average phase duration

6 to 12 months	12 to 40 months	Dependent on project size and potential phasing

Diligent risk management at every step of the development process

Source: Company information.
Note: Statistics refer to projects completed in 2015, 2016 and 2017 unless otherwise stated.
(1) As measured by sqm achieved vs. planned.
(2) Excluding €1.8m (less than 0.1% of total number) for one unsold commercial unit.
(3) For ground-up development projects delivered between 2015 and 2017.
(4) For projects delivered between 2015 and December 2017.

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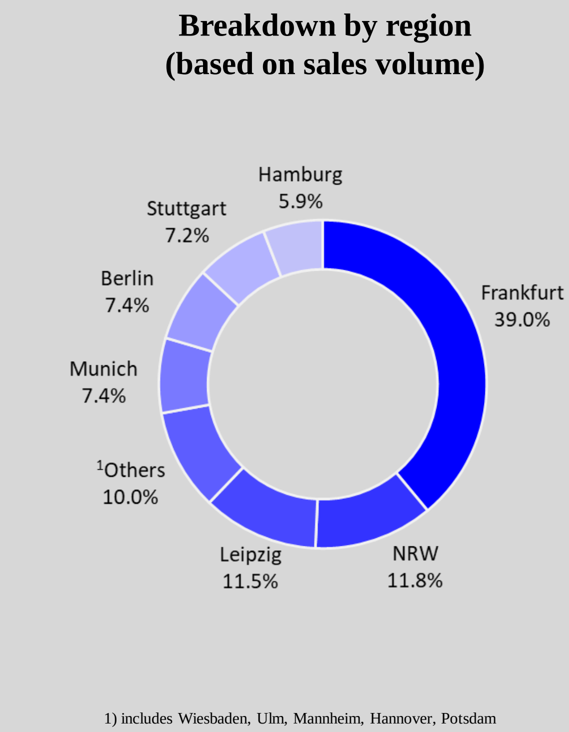
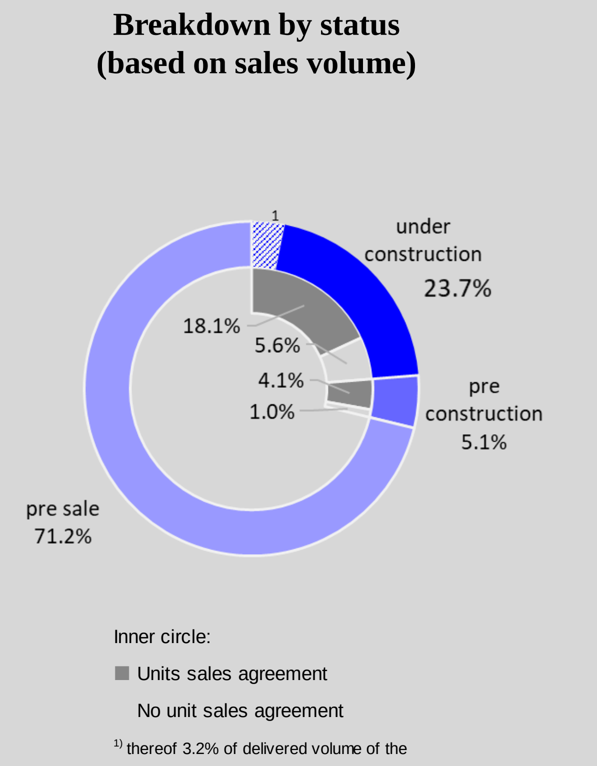
Project Portfolio (as of 31.03.2019)

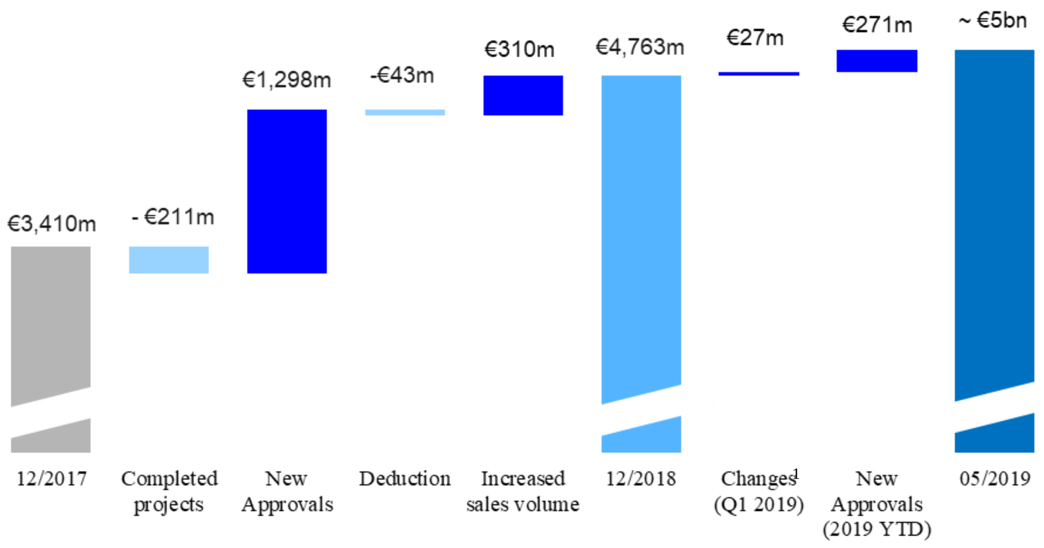




- €4,790m exp. sales volume
- 45 projects; 11,041 units
- ASP of €5,336 per sqm
- 80 sqm average unit size
- 90% of portfolio by sales volume located in key metropolitan regions
- €1.4bn exp. sales volume (29% of portfolio) in construction or pre-construction
  - thereof €1.1bn already sold (77%; 2,564 units)

Significant Increase of Project Portfolio

Project portfolio (exp. sales volume)



1) Changes in Q1 19 incl. consolidation effects and increased sales volume due to house price inflation
(Projects remain in portfolio until being fully completed and handed over to customers)

New Approvals (2018 + 2019 YTD)		
Project (Location)	**Exp. sales volume (€m)**	**Exp. Units**
Semmelweisstrasse (Leipzig)	66	210
Sportplatz Bult (Hannover)	116	281
Neckartalterassen (Rottenburg)	105	364
Beethoven Park (Augsburg)	135	396
Kösliner Weg (Norderstedt)	102	286
Rote Kaserne (Potsdam)	47	114
Gallus (Frankfurt/Main)	39	69
Gartenstadt Quartier (Dortmund)	97	247
German metropolitan region[1]	>500[2]	1,347
Hamburg	182	750
Hamburg	34	70
Herrenberg	55	141
Total	**1,569**	**4,275**

1) Signed, but project is still subject to a condition subsequent, the occurrence of which is uncertain. (see adhoc release of 13.12.2018)
2) Relates to investment volume

Status Update on Project in German Metropolitan Region

Status update:

1. A solution containing a modified urban development concept has been developed
2. The conclusion of a neighbourhood agreement is being finalised
3. The negotiations with the city concerning the scheduled adjustment of the urban development concept are making good progress

Project key facts:

- Large inner-city project in German metropolitan region
- 124K sqm gross floor area
- 1,347 units
- Investment volume >€500m
- Existing masterplan
- Purchase contract signed[1]
- Forward sale; LOI signed with institutional buyer
- Expected gross margin of ~18%; Attractive IRR
- Sales and pofit contribution not reflected in current guidance

1) Project is still subject to a condition subsequent, the occurrence of which is uncertain. (see adhoc release of 13.12.2018)

Cost Price Inflation (Construction Cost)

Market:

- Average cost price inflation in Germany in 2018 at ~5%; in years 2015-17 at ~3.5%
- Mainly labour (65-70%), materials (30-35%)
- Wide spread of CPI for different works

Instone:

- 2018 cost price inflation of ~2%; in the years 2015-2017 below1.5%
- Total €380m purchase volume (+VAT) in 2017 (151m) and 2018 (229m)
- CPI and purchase volume fully in line with budget

- Instone's benefits in the procurement process:
  - The strong network of suppliers with partner companies
  - Base revenue basket for the suppliers
  - Running early regional and nationwide tender processes

- Instone assumes annual 3.5% cost price inflation for the future exceeding the cost price inflation in 2018 (based on single awarding approach)

House Price Inflation

Market:

- 2018 house price inflation in Germany's Top 8 cities of ~6-8% (for comparable product with Instone)

Instone:

- €310m increased sales volume of existing projects in FY 2018 mainly driven by HPI (77%) vs increased density (23%)
- Achieved 28.6% gross margin in FY 2018 exceeding outlook due to HPI
- Gross margin of typical Instone project with a longer cycle driven by masterplanning process and condominium sales benefits from a market where HPI is overcompensating CPI

- FY 2019 expected gross margin of 28% is based on 1.5% HPI and 3.5% CPI
- Expect gross margin of 25%+ for 2020 and following years (including forward sale of large project in metropolitan region and generally assuming that our share of forward sales will increase to ~30% of total sales)

- Calculating average ~25% gross margin for new projects assuming 1.5% HPI and 3.5% CPI (assuming owner occupier sale)
- HPI development in Germany might offer further upside potential

Earnings Before Tax Sensitivity for FY 2021*

Cost Price Inflation p.a.

House Price Inflation p.a.

in €m	0.0%	3.5%	7.0%	10.5%	14.0%
0.0%	0	-15	-30	-45	-60
1.5%	15	0	-15	-30	-45
3.0%	30	15	0	-15	-30
4.5%	45	30	15	0	-15
6.0%	60	45	30	15	0

- Includes only existing projects not yet being in the sales process
- Assuming that sales process will be initiated for 1/3 of portfolio in 6 months, 1/3 in 1.5 years and 1/3 in 2.5 years
- Assuming 3% sales commission

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Results of Operations

In €m (ppa adj.)	Q1 19	Q1 18	Δ
Revenues	**84.2**	**52.7**	**59.8%**
Project cost	-57.1	-33.7	69.4%
Gross profit	**27.1**	**19.0**	**42.6%**
Margin	*32.2%*	*36.1%*	
Platform cost	-11.3	-10.9	3.7%
EBIT	**15.7**	**8.1**	**93.8%**
Margin	*18.6%*	*15.4%*	
Financial Result	-1.1	-3.0	-63.3%
EBT	**14.7**	**5.1**	**188.2%**
Margin	*17.5%*	*9.7%*	
Taxes	-5.8	-11.8	26.1%
Tax rate	*40.0%*	*>100%*	
Net income	**8.8**	**-6.7**	**n/m**

Q1 19 achievements:

- Revenue significantly increased due to progress in sales and contruction activity
- Gross margin of 32.2% reflects continued attractive operating environment and construction costs in line with expectations
- EBIT up 94% reflecting ramp up and positive scale effects
- Improved financial result. Previous year impacted by cost of debt driven by shareholder loans.
- IFRS tax rate normalized, albeit still elevated due to currently inefficient tax situation

FY 18 actual vs outlook:

In €m (ppa adj.)	FY 18 actual	FY 18 Outlook
Revenues	372.8	370-400
Gross profit margin	28.6%	~24%
EBIT	54.7	48-54
EBT	46.6	32-37

Adjusted for €5.1m extraordinary items

Operating Cash Flow

In € million	Q1 2019	Q1 2018
EBITDA	16.8	8.2
Other non-cash items	-2.1	-5.9
Taxes paid	-3.6	-2.3
Change in working capital	-35.9	-75.8
thereof new land plot acquisition payments	*-38.6*	*-3.0*
Operating cash flow	**-24.9**	**-75.8**

- Operating cash flow in Q1 2019 affected by payments for new land plot acquisitions (which were already secured in 2018)
- Operating cash flow in Q1 2019 excl. payments for new land plot acquisitions is therefore positive at €13.7m

Moderate Leverage

In € million	Q1 2019	FY 2018	Delta
Corporate debt	66.4	66.1	-
Project related debt	204.2	199.5	2.6%
Financial debt	**270.6**	**265.5**	**1.9%**
- Cash and cash equivalents	-69.1	-88.0	-21.5%
Net financial debt	**201.5**	**177.5**	**13.5%**
EBITDA (adjusted) (LTM)	58.7	50.2	11.2%
Net debt/adjusted EBITDA	**3.4x**	**3.5x**	**-**
Gross corporate debt/adjusted EBITDA less project interest expenses	1.3x	1.6x	-

- Net debt / adjusted EBITDA ratio of 3.4x on previous year level despite increased debt

Outlook confirmed

Outlook FY 2019

€ million	Outlook FY 2019
Revenues (adjusted)	500 - 550
Gross Profit Margin (adjusted)	~28%
EBIT (adjusted)	85 - 100
Volume of concludes sales contracts	450 - 550

Revenue ramp-up*

	2019	2020	2021
Thereof from projects with building right**:	97%	68%	30%
Thereof from existing projects**:	100%	99%	78%

(*Revenue guidance excluding impact from large project in German metropolitan region)

(**% figures as of 31.03.2019; referring to midpoint of guidance; not considering new approvals in 2019 YTD)

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Basis of Presentation (IFRS 15)

- **First full year results presentation based on new IFRS 15 „contracts with customers“**
  - Revenues recognized over time (as opposed to at a point in time under previously applied completed contract method)
  - Aggregate achieved customer sales contracts and building progress of individual projects are key drivers for revenue recognition
  - Reduction of total assets based on netting of prepayments with contract assets
  - Increased equity by ca. €45m reflecting deemed IFRS 15 profits in prior years

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Basis of Presentation (IFRS 16)

- **IFRS 16 – Leases**
  - Lessee has to show a "Right of use asset" in the amount of the lease obligation and correspondingly a "Leasing liability"
  - Profit and loss of the lessee shows the depreciation of the right of use asset and interest expenses for the lease obligation.
  - Impact on Instone in Q1 2019: Capitalized right of use assets: €10.1m | Depreciation charge: €0.8m
    Corresponding lease liabilities: €10.0m | Interest charge: ~€60k

- **2018 quarterly results restatement:**

€m	Q1 18	Q2 18	Q3 18	Q4 18	FY 18 unchanged
Adj. revenues	52.7	86.7	83.1	150.3	372.8
Adj. gross profit	19.0	17.4	23.3	46.7	106.4
Gross profit margin	36.1%	20.1%	28.0%	31.1%	28.6%
Adj. EBIT	8.1	3.8	8.7	29.0	49.6
Adj. EBT	5.1	2.2	6.5	27.7	41.5

Restatements:

IFRS15 requirements as applied to our full year 2018 financial statements:

- Revenue recognition over-time on the basis of the fulfilment level excluding sales expenses
- Reclassification of items between cost of materials and other operating expenses

Basis of „Purchase Price Allocations“ (PPA)

- The **Purchase Price Allocation (PPA)** is a method of business accounting (IFRS 3). It is applied to the consolidated financial statements of the parent company when a newly acquired company is included for the first time and serves to "spread" the purchase price over the individual acquired assets and liabilities. Differences between the purchase price and the book value of the acquired company are compensated.
- In the next step, a revaluation balance of the acquired company is prepared in accordance with IFRS 3.36, in which the individual acquired assets, debts and contingent liabilities are identified and measured according to their fair values in IFRS 3.37. Consequently, all known **silent reserves and burdens** are revealed in the balance of the investment.

- The acquisition of **Instone Real Estate Development GmbH** in October 2014 led to the disclosure of hidden reserves of ~€28m. In accordance with IFRS 3.34, these are mostly attributable to trade receivables and inventories resulting in a fair value step up.
- The acquisition of **Instone Real Estate Leipzig GmbH** was closed with effective **31 December 2015**. The disclosure of hidden reserves was ~€108m, mostly attributable to inventories resulting in a fair value step up.

Development of „Purchase Price Allocations“ (PPA)

- The PPA write-up and the subsequent amortization in subsequent years are cash-neutral for the Instone Group. Only the future results reported are burdened by the early disclosure of hidden reserves.
- In consideration of the annual financial statements as of 31.12.2018 PPA write-ups in the amount of €39.4m (31.03.19: €37.9m) are still included. These write-ups are accounted for unsold projects reported as inventories amounting to €32.2m (31.03.19: €35.4m) and accounted for sold or partially sold projects reported as contractual assets in accordance with IFRS 15 in the amount of €7.2m (31.03.19: €2.5m).
- PPA write-ups are distributed to the following project:

In €m	As of 31.12.2018	As of 31.03.2019
Parkresidenz, Leipzig	25.5	25.5
Heeresbäckerei, Leipzig	6.4	5.0
Kantstrasse, Leipzig	3.2	3.2
Friedrich-Ebert-Strasse, Leipzig	1.6	1.6
Others	2.7	2.6
Total	**39.4**	**37.9**

Financing Strategy

Current financing structure

IRE Group AG

Currently no debt outstanding

IRE Development GmbH

Promissory note
Maturity:
2020/2022

RCF
>1year

Project level debt

Target financing structure

Term loan
€200m
3 years

Promissory
note
3 years

RCF
3 years

P&L sharing agreement

Project level debt

Taxes Review Key Findings

- Substantial differences between IFRS financial statements (recognition of revenues over time) and German tax financial statements (recognition of revenue at completion of construction only) - therefore substantial deferred taxes

Q1 2019 actual statutory tax:	€0.6m
Q1 2019 IFRS deferred taxes:	€4.8m
Q1 2019 total IFRS tax:	€5.4m

- Current set up is tax inefficient
  - >€50m trade tax and corporate tax loss carry forwards cannot be utilized
  - Profits generated in our operating subsidiary cannot be offset against around €10m annual losses at Instone Real Estate Group AG level

- The conclusion of a Domination and Profit and Loss sharing agreement between Instone Real Estate Group AG and our operating subsidiary Instone Real Estate Development will increase tax efficiency
  - AGM required to approve management entering into the agreement at our 2019 AG in June 2019
  - Implementation expected by end of August 2019

- Implications
  - Recognition of around €18m tax loss carry forwards (DTA) in consolidated IFRS group accounts
  - One-off deferred tax benefit for FY19 reflected in our 2019 tax expense line
  - Expect Q2, Q3 and FY 2019 tax rate of lower than 12%
  - Normalized IFRS tax rate expected around 33% for subsequent years

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Income statement (reported)

In €m

		Q1 2019	Q1 2018[1]
1	**Total revenue**	**82.7**	**51.2**
	Changes in inventories	23.6	17.1
		106.3	**68.3**
	Other operating income	3.2	2.7
2	Cost of materials	-79.3	-50.2
3	Staff costs	-7.7	-7.2
	Other operating expenses	-6.3	-6.7
	Depreciation and amortization	-1.0	-0.1
	Earnings from operative activities	**15.2**	**6.6**
	Income from associated affiliates	0.0	-0.1
	Other net income from investments	0.0	0.1
	Finance income	0.3	0.1
	Finance costs	-2.5	-3.2
	Changes of securities classified as financial assets	0.2	0.0
4	**Finance result**	**-2.0**	**-3.0**
	EBT (reported)	**13.2**	**3.6**
	Income taxes	-5.4	-11.3
	Net income (reported)	**7.9**	**-7.8**

Commentary

1 In the first quarter of 2019, the Instone Group increased its revenues significantly compared to the same period in the previous year. Revenues in the quarter under review amounted to €82.7 million (adjusted previous year: €51.2 million). Significantly increased sales ratios and the significant increase in construction progress in Q1 2019 increased revenues by €31.5 million.

2 The increase in construction activities for project developments and the purchase price payments for land already secured in previous years – mainly for the "City Prague", Stuttgart, "Rote Kaserne", Potsdam, "Garden City", Dortmund and "Wiesbaden-Delkenheim" projects led to an increase in the cost of materials to €79.3 million (adjusted previous year: €50.2 million).

3 Staff costs in the quarter under review were €7.7 million (previous year: €7.2 million) – a light increase compared with the previous year's level. This is mainly due to the higher number of employees, which currently stands at 338 (previous year: 300) and the corresponding increase in the FTE figure of 281.3 (previous year: 246.6).

4 The financial result improved in the quarter under review to €– 2.0 million (previous year: €– 3.1 million). The improvement in the financing structure in the Instone Group carried out in the previous year contributed significantly to this.

[1] Previous year's figure adjusted

 Source: Audited historical financials, Company information.

Condensed balance sheet

In €m

		Q1 2019	FY 2018
5	**Non-current assets**	**13.8**	**2.8**
6	Inventories	447.2	404.4
7	Contract assets	149.1	158.5
	Other receivables	25.8	33.0
	Cash and cash equivalents	69.1	88.0
	Current assets	**691.2**	**683.8**
	Total assets	**705.0**	**686.6**
	Total equity	**255.3**	**246.7**
8	Financial liabilities	195.0	177.7
	Other provisions and liabilities	8.7	8.5
	Deferred tax liabilities	37.0	32.2
	Non-current liabilities	**240.7**	**218.4**
	Financial liabilities	75.7	87.8
9	Trade payables	85.2	78.3
	Other provisions and liabilities	49.4	55.1
	Current liabilities	**210.2**	**482.7**
	Total equity and liabilities	**705.0**	**686.6**

Commentary

5 As at 31 March 2019 (quarterly reporting date) on the basis of the first-time application of IFRS 16 on 1 January 2019, assets from granted rights of use were recognised on the balance sheet in the non-current assets for the first time and amounted to €10.1 million (previous year: €0.0 million).

6 As at 31 March 2019, inventories had risen to €447.2 million (previous year: €404.4 million). This increase in inventories results from the increased completion of work-in-progress in the quarter under review.

7 The receivables from customers for work-in-progress already sold and valued at the current completion level of development rose in the quarter under review to €496.0 million (previous year: €466.9 million), also due to the increased completion. Advance payments received from customers amounted to €356.2 million as at 31 March 2019 (previous year: €318.1 million). Capitalised direct sales costs fell slightly to €9.3 million (previous year: €9.7 million). The balance of these items resulted in a moderate reduction in contract assets to €149.1 million (previous year: €158.5 million).

8 Non-current financial liabilities increased to €195 million as at 31 March 2019 (previous year: €177.7 million). In the same period, current financial liabilities decreased to €75.7 million (previous year: €87.8 million). The increase in financial liabilities by a total of €24.0 million resulted from the financing of the increased completion of project developments.

9 Trade payables increased to €85.2 million (previous year: €78.3 million). This was primarily attributable to the recognition of lease liabilities in the amount of €10.0 million (previous year: €0.0 million) on the basis of the first-time application of IFRS 16.

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Condensed cash flow statement

In €m

		Q1 2019	Q1 2018
	Consolidated earnings	**7.2**	**-8.4**
	Other non-cash income and expenses	-1.2	-49.2
	Decrease / increase of inventories, contract assets, trade receivables and other assets	-25.8	176.5
	Increase / decrease of contract liabilities, trade payables and other liabilities	-3.9	-192.4
	Income taxes paid	-3.6	-2.3
10	**Cash flow from operating activities**	**-24.9**	**-75.8**
11	Cash flow from investing activities	-0.2	0.4
	Free cash flow	**-25.1**	**75.4**
	Increase of issued capital incl. contributions to capital reserves	0.0	150.5
	Increase from other neutral changes in equity	0.0	-9.1
	Repayment of shareholder loans / Payout to non-controlling interests	0.0	-28.3
	Cash proceeds from borrowings	55.2	19.5
	Cash repayments of borrowings	-47.9	-26.6
	Interest paid	-1.0	-2.9
12	**Cash flow from financing activities**	**6.3**	**103.1**
	Cash change	18.8	27,6
	Cash and cash equivalents at the beginning of the period	88.0	112.5
	Cash and cash equivalents at the end of the period	**69.1**	**140,2**

Commentary

10 Cash flow from operations of the Instone Group amounting to €– 24.9 million in the quarter under review (previous year: €– 75.8 million) was mainly marked by the increase in payment outflows. This is due to purchase price payments for land already secured in previous years – mainly for the “City Prague”, Stuttgart, “Rote Kaserne”, Potsdam, “Garden City”, Dortmund and “Wiesbaden-Delkenheim” projects – and the increase in completion of project developments.

11 Cash flow from investing activities in the first quarter of 2019 was insignificant at €– 0.2 million (previous year: €0.4 million).

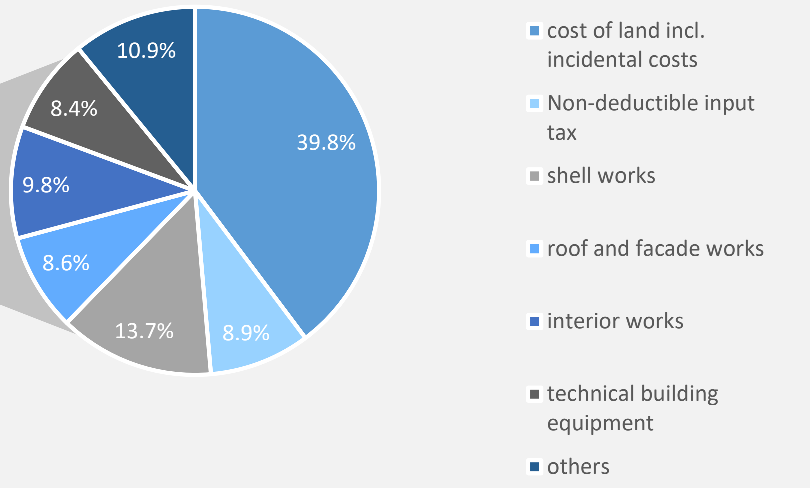
12 Cash flow from financing activities in the quarter under review was below the level of the same period of the previous year at €6.3 million (previous year: €103.1 million). This includes incoming payments from new loans of €55.2 million and repayments for project-related loans of €47.9 million.

 Source: Audited historical financials, Company information.

Project Cost

Q1 2019	€k
Cost of materials	-79,319
Changes in inventories	+23,594
Indirect sales cost	-523
Capitalized interest on changes in inventories	-900
Total project cost	**-57,148**

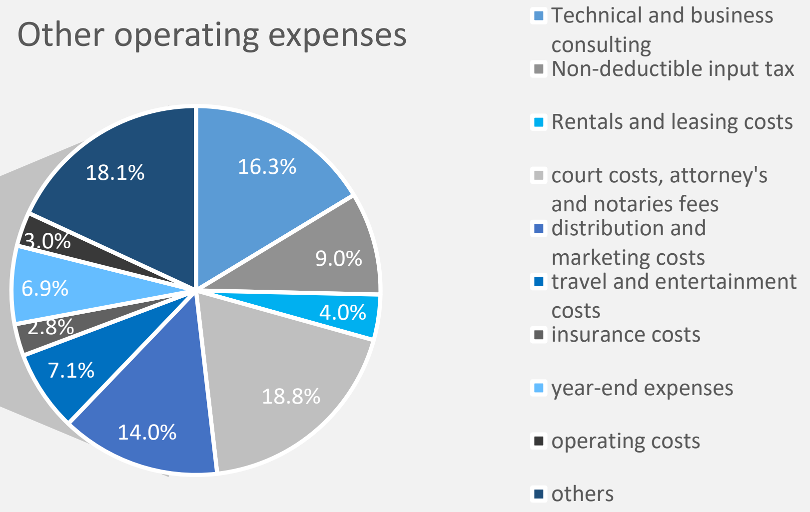
Cost of materials



Platform Cost

Q1 2019	€k
Personnel expenses	-7,730
Other operating income	+3,221
Other operating expenses	-7,324
Indirect sales cost	+523
Total platform cost	**-11,310**

Other operating expenses



INSTONE REAL ESTATE

Project Portfolio Key Figures

In € million	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18
Volume of sales contracts	62.8	206.2	104.2	120.0	30.0
Project Portfolio (as of)	4,790.2	4,763.2	3,620.3	3,589.1	3,408.5
thereof already sold (as of)	*1,061.1*	*998.2*	*971.9*	*867.8*	*779.9*

In units	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18
Volume of sales contracts	170	459	245	273	56
Project Portfolio (as of)	11,041	11,041	8,924	8,863	8,355
thereof already sold (as of)	*2,564*	*2,395*	*2,283*	*2,038*	*1,849*

(Unless otherwise stated, the figures are quarterly values)

Q1 2019 – Revenue Contribution (Top Projects)

Project	City	Adj. Revenues (€m)
City Prag – Wohnen im Theaterviertel	Stuttgart	17.0
Quartier Stallschreiber Strasse / Luisenpark	Berlin	16.8
Marienkrankenhaus	Frankfurt	9.8
Wohnen am Kurpark / Wilhelm IX	Wiesbaden	9.5
Heeresbäckerei	Leipzig	9.3
Franklin	Mannheim	7.1
Rebstock	Frankfurt	4.7
Therese	Munich	2.5
Sebastianstrasse / Schumanns Höhe	Bonn	2.2
Wohnen am Safranberg	Ulm	1.7
Total		**80.6**

Q1 2019 – Volume of Concluded Sales Contracts (Top Projects)

Project	City	Volume (€m)	Units
Marienkrankenhaus	Frankfurt	15.9	14
Quartier Stallschreiber Strasse / Luisenpark	Berlin	11.7	25
Theaterfabrik	Leipzig	11.4	38
Sebastianstrasse / Schumanns Höhe	Bonn	10.2	24
Wohnen am Kurpark / Wilhelms IX	Wiesbaden	5.1	8
Schulterblatt	Hamburg	4.3	52
Fregestrasse	Leipzig	2.0	5
Total		**60.6**	**166**

INSTONE REAL ESTATE

Sales Offer as of 31.03.2019 (Top 5 Projects)

Project	City	Sales volume (€m)	Units
Marienkrankenhaus	Frankfurt	134	120
Quartier Stallschreiber Strasse / Luisenpark	Berlin	75.8	115
Sebastianstrasse / Schumanns Höhe	Bonn	45.6	124
Wohnen am Kurpark / Wilhelms IX	Wiesbaden	31.1	42
Therese	Munich	9.6	2
Total Sales Offer		**296**	**403**

Project Portfolio (projects >€30m sales volume, representing total: ~€4.6bn)

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
Hamburg						
Essener Straße	Hamburg	94 Mio. €	●			
Schulterblatt	Hamburg	83 Mio. €	●	●	◑	
Kösliner Weg	Norderstedt-Garstedt	105 Mio. €	●			
Sportplatz Bult	Hannover	120 Mio. €				
Berlin						
Quartier Stallschreiber Straße / Luisenpark	Berlin	235 Mio. €	●	●	●	●
Wendenschloss	Berlin	119 Mio. €	●	◑		
Rote Kaserne West	Potsdam	47 Mio. €	●	●		
NRW						
Sebastianstraße / Schumanns Höhe	Bonn	68 Mio. €	●	●	●	◑
Niederkasseler Lohweg	Dusseldorf	73 Mio. €	●	◑		
Düsseldorf Unterbach / Wohnen im Hochfeld	Dusseldorf	141 Mio. €	●	◑		
west.side	Bonn	181 Mio. €	●	●	◑	◑
Gartenstadtquartier Dortmund	Dortmund	100 Mio. €	●			

a) Status as of 31.03.2019

b) Semi-filled circle means that the milestone has yet been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building right 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 (projects >€30m sales volume, representing total: ~€4.6bn)

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
Rhine-Main						
Wiesbaden-Delkenheim, Lange Seegewann	Wiesbaden	92 Mio. €	●	◐		
Siemens-Areal	Frankfurt	551 Mio. €	●	◐		
Marienkrankenhaus	Frankfurt am Main	210 Mio. €	●	●	●	◐
Rebstock	Frankfurt am Main	49 Mio. €	●	●	●	●
Friedberger Landstraße	Frankfurt am Main	324 Mio. €		◐		
Elisabethenareal	Frankfurt am Main	58 Mio. €	●			
Wohnen am Kurpark / Wilhelms IX	Wiesbaden	102 Mio. €	●	●	●	●
Steinbacher Hohl	Frankfurt am Main	42 Mio. €	●	●		
Gallus	Frankfurt am Main	40 Mio. €	●	●		
Leipzig						
Heeresbäckerei	Leipzig	122 Mio. €	●	●	●	●
Semmelweisstrasse	Leipzig	69 Mio. €	●	●		
Parkresidenz	Leipzig	216 Mio. €	●	◐		

a) Status as of 31.03.2019

b) Semi-filled circle means that the milestone has yet been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building right 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 (projects >€30m sales volume, representing total: ~€4.6bn)

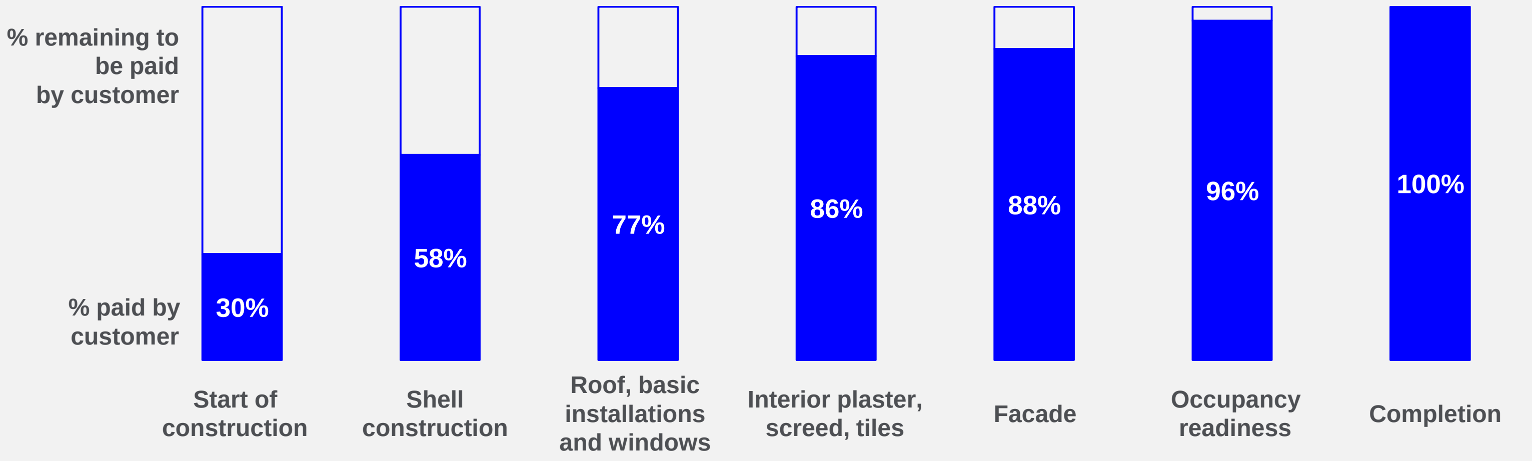
Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
Baden-Wurttemberg						
City-Prag - Wohnen im Theaterviertel	Stuttgart	126 Mio. €	●	●	●	
Wohnen am Safranberg	Ulm	49 Mio. €	●	●	●	●
Franklin	Mannheim	69 Mio. €	●	●	●	●
Schwarzwaldstraße	Herrenberg	40 Mio. €	●	●		
S`Lederer	Schorndorf	71 Mio. €	●	◐		
Neckartalterrassen	Rottenburg	107 Mio. €	●	◐		
Bavaria						
Therese	Munich	136 Mio. €	●	●	●	●
Ottobrunner Str. 90/92	Munich	83 Mio. €	●	●		
Beethoven	Augsburg	135 Mio. €	●	●		
Large project	Metropolitan region	>500 Mio. €*		●		

a) Status as of 31.03.2019
*investment volume

b) Semi-filled circle means that the milestone has yet been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building right 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 customers' payment profile for German residential development projects



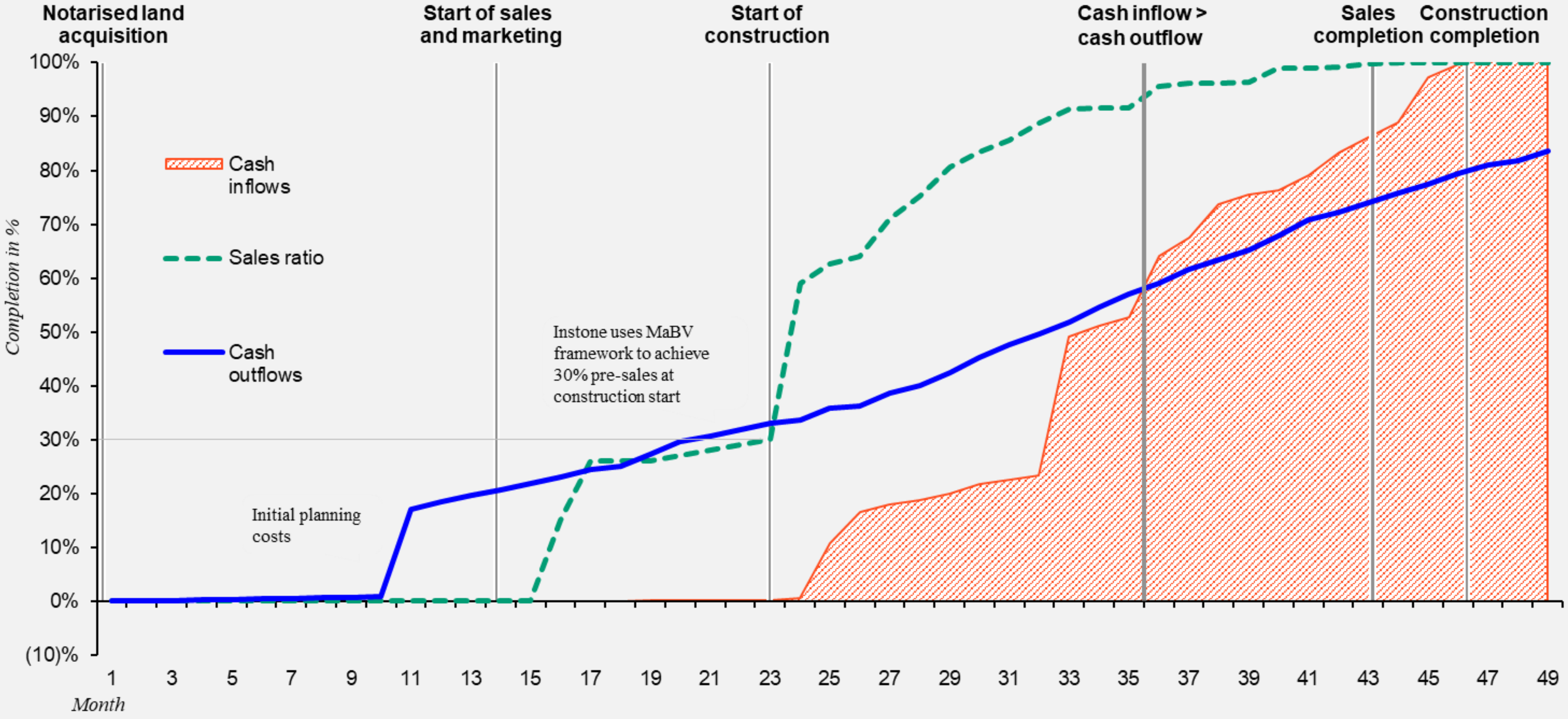
- **Derisked**: B2C development process per se low-risk via regulatory framework ("MaBV")[1]
- **Certainty**: No cancellation possibilities[2]
- **Capital-light**: Predefined payment schedule limiting equity requirement from Instone
- **Very favourable payment schedules** vs. other European countries, 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").
(2) Unless significant delays occur and are not solved within a set reasonable deadline.

Typical Project Cash Flow Profile

Example project

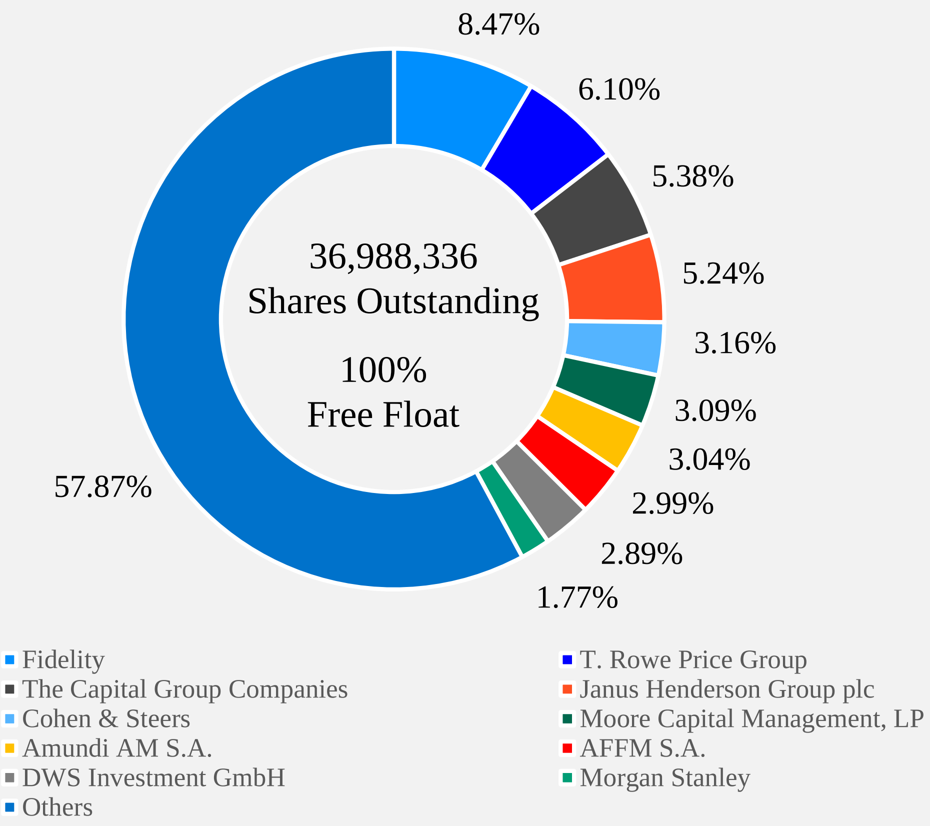


- Minimum pre-sales threshold of 30% required to start construction
- Typically 100% of sales agreed by 80% construction finalisation
- For new projects, revenue is recognised at completion of the project (projects pre-August 2015 were recognised in percentages of completion throughout the project duration)

Project cash flows driven by pre sales and the MaBV framework

 Source: Company information.

Instone Shareholders:



According to voting right notifications (§40 Abs. 1 WpHG)

Financial Calendar / Events:

6 June 19	db access Conference, Berlin
13 June 19	**Annual General Meeting, Essen**
20 June 19	Morgan Stanley Europe & EEMEA Property Conference, London
27 Aug 19	**Publication of Quarterly Report as of 30/06/2019**
26 Nov 19	**Publication of Quarterly Statement as of 30/09/19**

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