



# CAPITAL MARKETS DAY

LONDON, 29 MARCH 2019



## Agenda

Slot	Topic	Speaker
09:00 – 10:00	Results & Portfolio Review	Kruno Crepulja (CEO), Foruhar Madjlessi (CFO)
10:00 – 11:00	Case Study WWW.Luisenpark.Berlin	Carsten Sellschopf, COO Berlin & Hamburg
11:00 – 11:15	Coffee Break	
11:15 – 12:15	Deep Dive Rhine Main Portfolio	Ralf Werner, Head of Rhine Main Region
12:15	Networking Lunch	

# **RESULTS & PORTFOLIO REVIEW**

**KRUNO CREPULJA**

**FORUHAR MADJLESSI**

## 2018 Key Achievements

### Operational achievements

- Total pipeline of €4.8bn expected sales volume
  - €310m valuation uplift related to existing projects
  - Acquired projects with €1.3 bn expected sales volume
- Construction launched for projects with ~€475m expected sales volume (~954 units)
- Concluded sales contracts for €461m expected sales volume (1,033 units)

### Financial performance & outlook

- Adjusted revenues of €372.8m; Adjusted gross profit margin of 28.6%
- Adjusted EBIT of €49.6m and adjusted EBT of €41.5m (€5.1m extraordinary expenses not adjusted)
- Moderate leverage of Net Debt / adj. EBITDA of 3.5x
- FY 2019 outlook:
  - Adjusted revenues: €500-550m
  - Adjusted gross profit margin: ~28%
  - Adjusted EBIT: €85-100m

## FY 2018 Key Figures vs Outlook

€ million

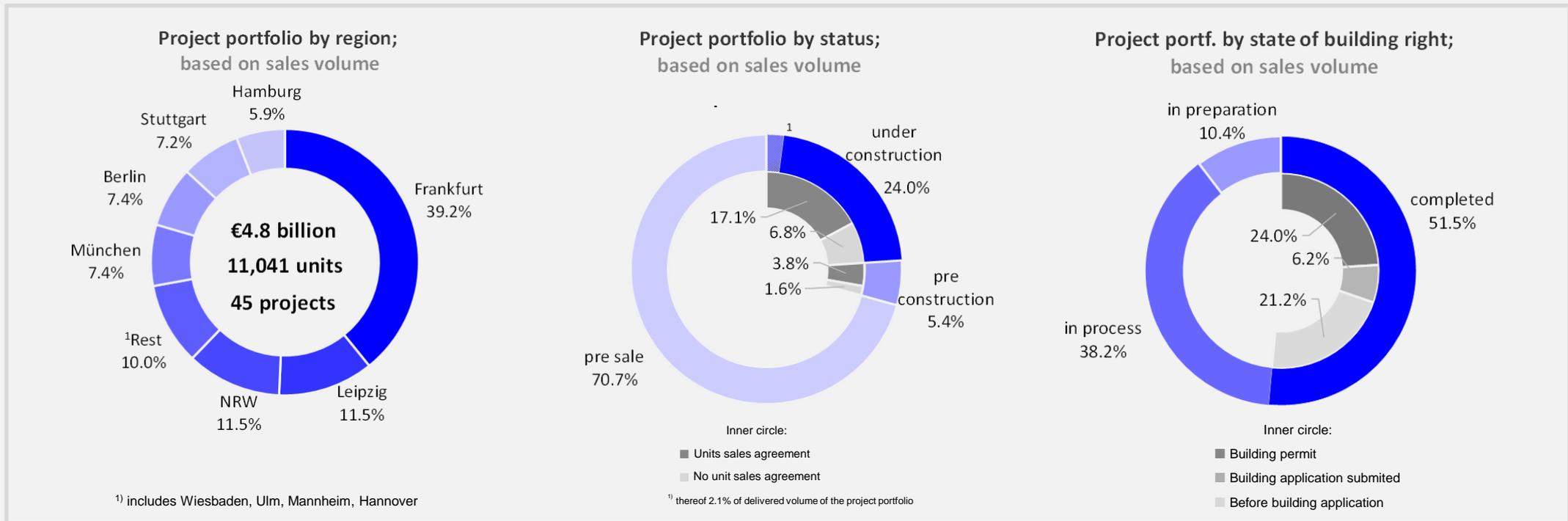
	2018 Actual		2018 Outlook
	Adjusted for ppa*	Adjusted for ppa + extraordinary items of €5.1m	
Revenues	372.8	372.8	370 - 400
Gross Profit Margin	28.6%	28.6%	~24%
EBIT	49.6	54.7	48 - 54
EBT	41.5	46.6	32 - 37
Volume of concludes sales contracts	460.8	460.8	~ 500

\*€12m ppa-effect

- Strong gross profit margin driven by better performance of individual projects
- EBT driven by significant improvement of financing structure
- Volume of concluded sales contracts below outlook due to conscious slowdown of sales process in order to optimize pricing

# €4.8bn Project Portfolio

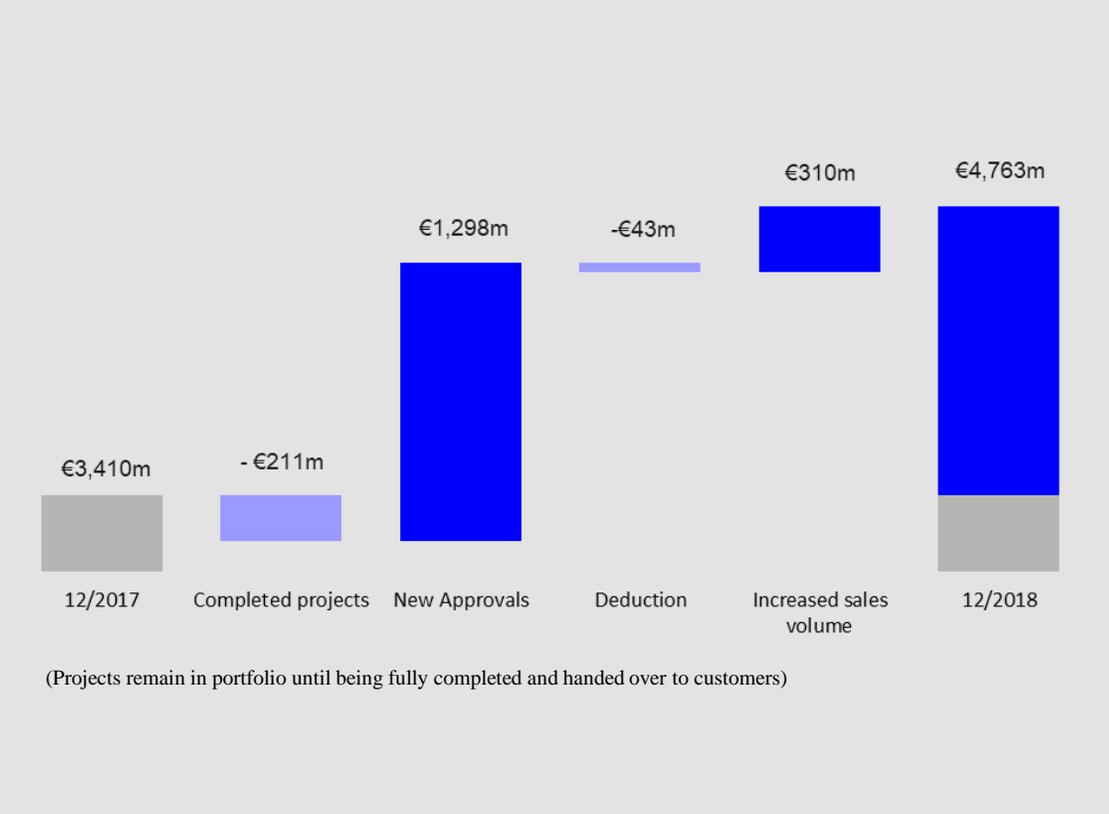
- 45 projects with 11,041 units; 21% of expected sales volume already sold; 24% of expected sales volume under construction
- Avg. apartment size: 80 sqm / ASP per sqm: €5,336 incl. parking space (€5,090 excl.) / ASP per apartment: €427K



Project portfolio data per 31.12.2018

## FY 2018 – Significant Increase of Project Portfolio

Project portfolio (expected sales volume)



2018 Project Acquisitions				
Project	City	Exp. sales volume (€m)	Units	Building right
Semmelweisstrasse	Leipzig	66	210	completed
Sportplatz Bult	Hannover	116	281	in progress
Neckartalterassen	Rottenburg	105	364	in progress
Beethoven Park	Augsburg	135	396	completed
Kösliner Weg	Norderstedt	102	286	in progress
Rote Kaserne	Potsdam	47	114	completed
Gallus <sup>1</sup>	Frankfurt/M.	39	69	completed
Gartenstadt Quartier	Dortmund	97	247	in progress
Large project <sup>2</sup>	German metropolitan region	>500 <sup>3</sup>	1,347	completed
<b>Total</b>		<b>1,298</b>	<b>3,314</b>	

1) Expect signing in Q2 2019

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

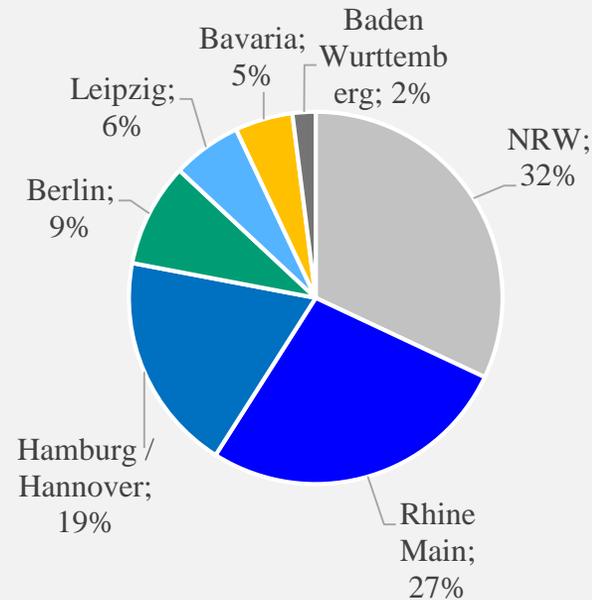
3) Relates to investment volume

# Acquisition Pipeline

## Tangible opportunities

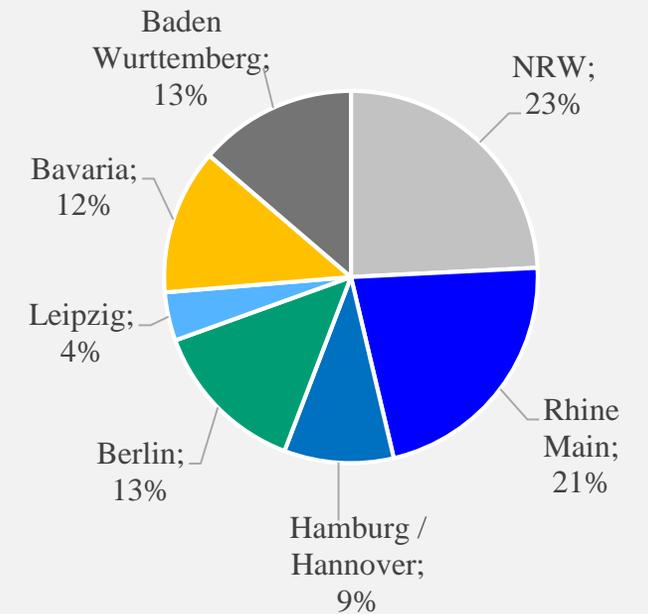
Project	Exp. sales volume (€m)	Units
Augsburg	~220	~600
Metropolitan region Hamburg	~195	~470
Metropolitan region Rhein Ruhr	~75	~200
Metropolitan region Frankfurt	~75	~150
Metropolitan region Stuttgart	~50	~130
Metropolitan region Hamburg	~68	~180
Metropolitn region Rhine Main	~82	~280
<b>Total</b>	<b>~765</b>	<b>~2,010</b>

## Short/Midterm opportunities



**Total: €5.6bn**

## Longterm opportunities



**Total: €6.6bn**

## Status Update on Project in German Metropolitan Region

- Large inner-city project in German metropolitan region
- 124K sqm gross floor area
- 1,347 units
- Existing masterplan
- Purchase contract signed<sup>1</sup>
- Forward sale; LOI signed with institutional buyer
- Investment volume >€500m
- Expected gross margin of ~18%; Attractive IRR
- Sales and profit 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 below 1.5%
- 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.

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

House Price Inflation p.a.

- 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

## Strict Approach to Corporate M&A

- German residential developer market still highly fragmented with mostly strong local / regional developers
- Significant potential for consolidation over the next years (e.g. several companies with unsolved corporate succession)
- Instone will selectively engage in M&A-activity in case of strategic fit and attractive financial merit
- Focus on M&A targets with at least two of the following prerequisites:
  - Residential development projects in attractive German cities (same or additional locations to Instone)
  - Robust development pipeline
  - Complementary residential development products (e.g. affordable housing)
  - Strong team with credible track record
  - High margins and / or IRR at or close to Instone benchmark

## Basis of Presentation

- **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

## FY 2018 Results of Operations

FY 2018 Results of Operations (€m)		
	Adjusted for ppa	Adjusted for ppa + extraordinary items
<b>Revenues</b>	<b>372.8</b>	<b>372.8</b>
Project cost	-266.3	-266.3
<b>Gross profit</b>	<b>106.4</b>	<b>106.4</b>
<i>Margin</i>	28.6%	28.6%
Platform cost	-56.9	-51.8
<b>EBIT</b>	<b>49.6</b>	<b>54.7</b>
<i>Margin</i>	13.3%	
Result from investments	-0.4	-0.4
Financial Result	-7.7	-7.7
<b>EBT</b>	<b>41.5</b>	<b>46.6</b>
<i>Margin</i>	11.1%	

- Revenues, EBIT and EBT include €12.0m adjustment for ppa effect
- Anticipated revenues related to lower margin projects over compensated by high-margin project revenues
- Platform cost not adjusted for extraordinary items of €5.1m:

Extraordinary items (€m)	
IPO related	2.0
Management Changes	1.5
Acquisition DD related	1.6
<b>Total</b>	<b>5.1</b>

- Significantly improved group financing structure

## Tax Consideration and Minorities

	€m
EBT	41.5
„Recurring“ IFRS income tax	11.6
<b><i>Recurring IFRS income tax rate</i></b>	<b>28.0%</b>
One-off IFRS income tax	9.8
Total IFRS income tax	22.4
<b><i>Total IFRS income tax rate</i></b>	<b>54.0%</b>
Net income	19.1
Minorities	2.5

- Recurring IFRS income tax of €11.6m (implied tax rate of 28%)
- 9.8m non-cash amortization of deferred tax asset related to previously recorded provision for IPO related management incentives (implied total IFRS tax rate of 54%)
- Aggregate statutory trade and corporate tax loss carry forward on holding level of >€50m currently not available to offset group profits
- Expected annual incremental holding losses of €10m
- We are currently reviewing the possibility to optimize the group tax structure

## Moderate Leverage

In € million	FY 2018	FY 2017	Delta
Corporate debt	69.8	151.6	- >100%
Project related debt	195.7	224.1	-12.7%
<b>Financial debt</b>	<b>265.5</b>	<b>375.7</b>	<b>-29.1%</b>
- Cash and cash equivalents	-88.0	-73.6	19.6%
<b>Net financial debt</b>	<b>177.5</b>	<b>302.1</b>	<b>-41.0%</b>
EBITDA (adjusted)	50.2	12.8	>100%
<b>Net debt/adjusted EBITDA</b>	<b>3.5x</b>	<b>23.6</b>	-
Gross corporate debt/adjusted EBITDA less project interest expenses	1.6x	31.6	

- Pre-IPO corporate debt redemption of €22m mezzanine loan for the acquisition of Instone Real Estate Leipzig GmbH
- Significant decrease of 2018 net debt based on c. €140m net primary IPO proceeds
  - Repaid €57.8m high yielding shareholder loan (7%p.a.)
- Moderate FY 2018 leverage of 3.5x Net Debt / adjusted EBITDA
- Corporate debt / adjusted EBITDA less project interest expense of 1.6x

# Positive Development Continues

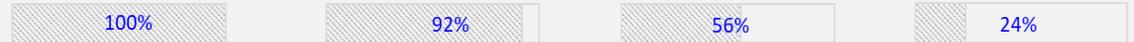
## Outlook FY 2019

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

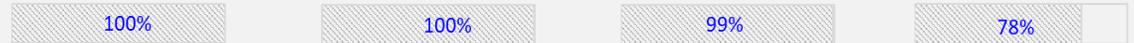
## Revenue ramp-up\*



Thereof from projects with building right\*\*:



Thereof from existing projects\*\*:



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

(\*\*% figures referring to midpoint of guidance)

# **CASE STUDY**

# **WWW.LUISENPARK.BERLIN**

**CARSTEN SELLSCHOPF**

## Berlin

### Population

- 3.645 Mio. inhabitants in 2018
- Increase of ~ 5.2% expected by 2035

### Employment

- Increase of ~ 25.4% expected by 2035

### Purchasing power

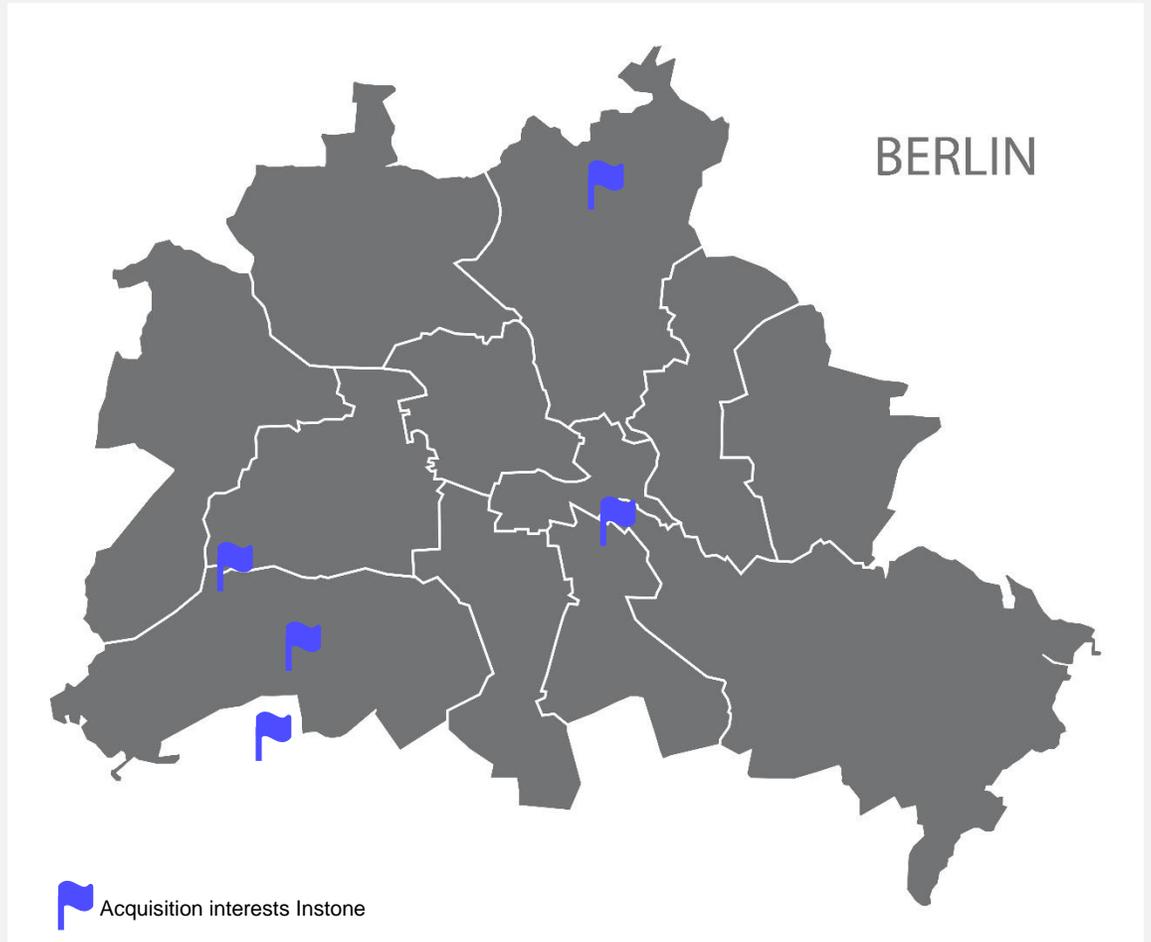
- From 2007 to 2018, increase of 24.6%
- Purchasing power index stands at 93.2 in 2018

### Construction activity

- 2011 -2018: approved units 86.064 / completed units 44.793
- Realisation rate by ~ 52 %

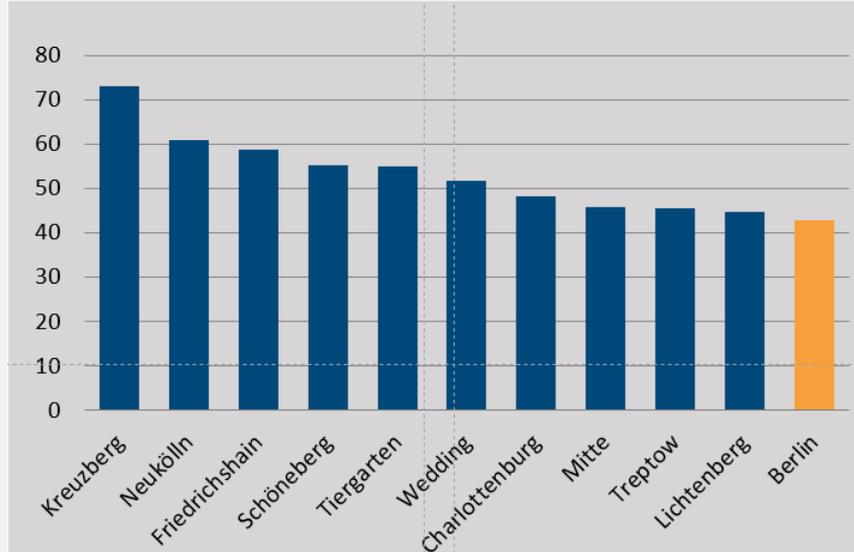
### Housing requirements

- By 2035, approximately 440,000 units will be needed

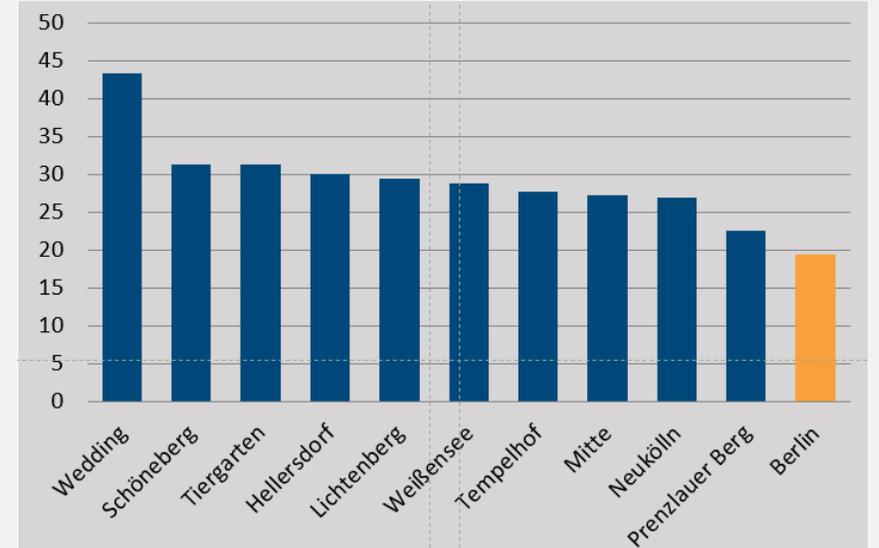


# Berlin

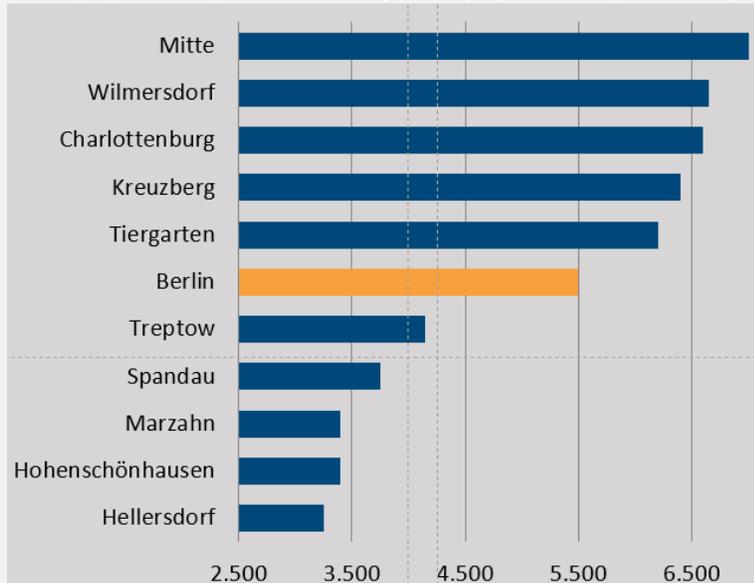
Change average purchase price 2014-2018 (Top 10) as a percentage



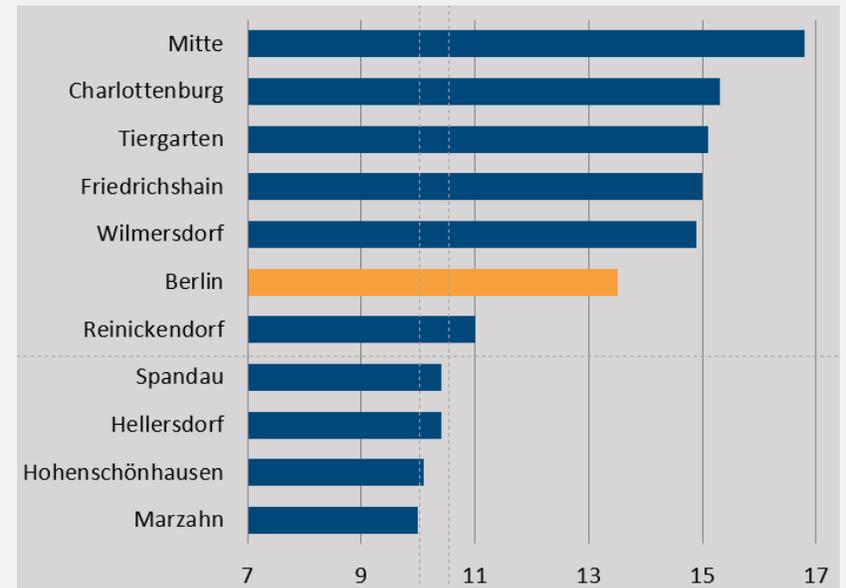
Change average rent 2014-2018 (Top 10) in percent



Average purchase price in first entry 2018 (Top/Bottom 5) in Euro/sqm



Average rent in first year entry 2018 (Top/Bottom 5) in Euro/sqm



## Apartments for Berlin

- Increasing population and high demand for housing space in Berlin – dynamic property market
- Central location and efficient apartments very popular
- Big challenge to acquire building plots and site planning
- Key issue and solution is co-operation with public authorities
- „Luisenpark“ as current example for successful project development



## Luisenpark - Basics

- Plot: 19.000 sqm in Berlin Mitte
- Property purchase in Feb. 2015
- Agreement of zoning plan and building permit in 2017
- Total of approx. 37.400 sqm NFA
- 548 apartments in total, including:
  - 409 freehold condos and
  - 139 affordable housing apartments
- 6 commercial units, 1 kindergarten
- 174 lots in underground car park



## Versatile Condominium

- Sales launch  
April 2017 (BA 1) / currently  
95% sold  
Jan. 2018 (BA 3) / currently 63  
% sold or reserved with fee
- Handover (BA 1) Q3 2019
- Handover (BA 3) and total  
completion Q3 2020
- Instone's USP in acquisition:  
more floorspace, up-and-coming  
market and Berlin Model

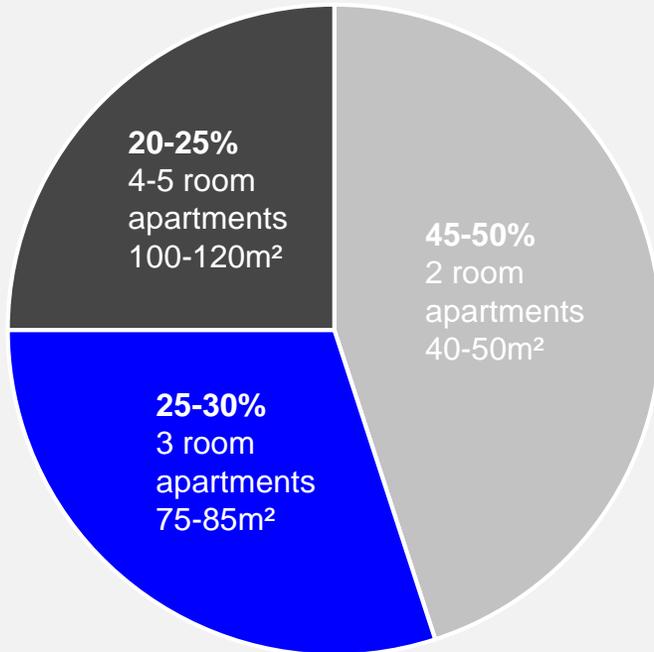


## Legal frame for new zoning

- Legally binding land use (zoning) plan in co-operation with the Senat of Berlin and / or city district
- Development obligations defined in the decree „Berliner Model“
- Future development contract will define specific obligations and time frame of the development



# Space-Efficient Apartments



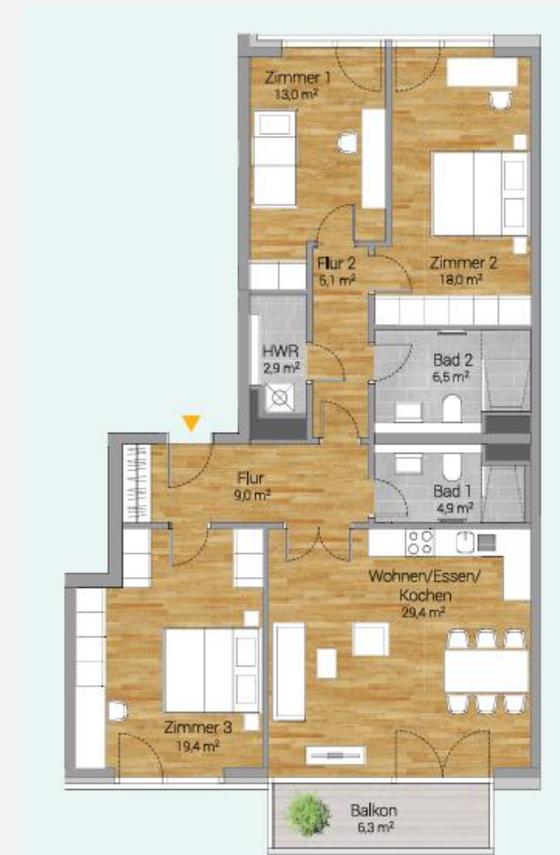
2 rooms 43m<sup>2</sup>



3 rooms 81m<sup>2</sup>



4 rooms 112m<sup>2</sup>



## Best fit-out

- Oak parquet flooring
- Heated flooring
- Generous 2.8 m ceiling height
- Floor-to-ceiling windows
- Vast majority of units with own balcony
- Walk-In Showers
- Bathroom features from well-known German brands
- High-value tiling



# Fit-out Configurator

- Marketingtool 24/7
- Line A „Standard“ and Alternatives (Line B and C - surcharge)
- AIDA
- Definition and Minimization of Customer Wishes
- Secured Processes in Project Management through Product Checks in Advance and Framework Purchase Agreements

## BADKONFIGURATOR



1. Bad	2. Bad
DUSCHBAD	WANNENBAD
DESIGNLINIE	^
BODENFLIESEN	^
WANDFLIESEN	^
WASCHTISCH	^
WC	^
DRÜCKERPLATTE	^
WASCHTISCHARMATUR	^
DUSCHARMATUR	^
DECKENLEUCHTEN	^

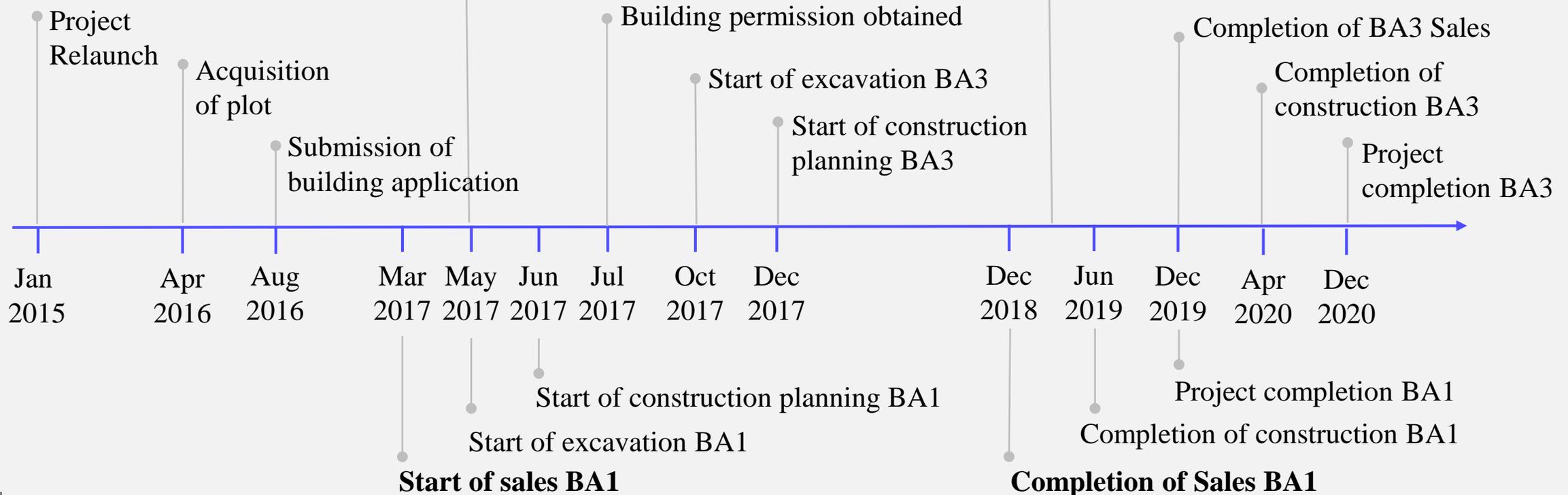
## IHRE AUSWAHL

Badausstattung	: Bodengleiche Dusche mit Entwässerungsrinne	0,00 €
Austausch Badtyp	: kein Austausch	0,00 €
Bodenfliesen	: Porcelaingres - Serie Urban Sand, Format 60x30cm	200,00 €
Wandfliesen	: Porcelaingres - Serie Urban Grey, Format 60x30cm	500,00 €
Waschtisch	: Duravit - Happy D.2, 60x50cm	200,00 €
WC	: Villeroy & Boch - Subway WandTiefspül-WC, 56x37cm, Soft Close	100,00 €
Drückerplatte	: Grohe Arena Cosmopolitan Chrom matt	50,00 €
Waschtischarmatur	: Hansgrohe - Metris S, Einhebel-Waschtischmischer	50,00 €
Duscharmatur	: Hansgrohe - Raindance Select S240 2-Jet Showerpipe	500,00 €
Deckenleuchten	: Abgehängte Decke mit Einbauspots	2000,00 €
Badausstattung	: Badewanne Kaldewei Saniform Plus 175x75cm	0,00 €
Austausch Badtyp	: kein Austausch	0,00 €
Bodenfliesen	: Porcelaingres - Serie Urban Grey, Format 60x30cm	200,00 €
Wandfliesen	: Porcelaingres - Serie Urban Grey, Format 60x30cm	500,00 €
Waschtisch	: Duravit - Happy D.2, 60x50cm	200,00 €
WC	: Duravit - Happy D.2 Wand-WC, 54x36.5cm, Rimless, Soft Close	150,00 €
Drückerplatte	: Grohe Skate Cosmopolitan Titanium, anti fingerprint	80,00 €
Waschtischarmatur	: Axor - Citterio M, Einhebel-Waschtischmischer	100,00 €
Wannenarmatur	: Axor Citterio M Wannenthermostat; Axor Uno Brauset set mit Raindance Select S120 3-Jet Handbrause	200,00 €
Deckenleuchten	: Abgehängte Decke mit Einbauspots	2000,00 €
Parkett	: Eichenparkett - Langstab 1250x100x9,5mm - Sortierung 14, 2 Schichten - gebürstet, naturgeölt (Fläche: 97.50 m²)	3412.50 €
<b>Aufpreis zum Standard</b>		<b>10442.50 €</b>

# Timeline



Handover of BA 4



# Competencies and processes

## Instone's key competencies

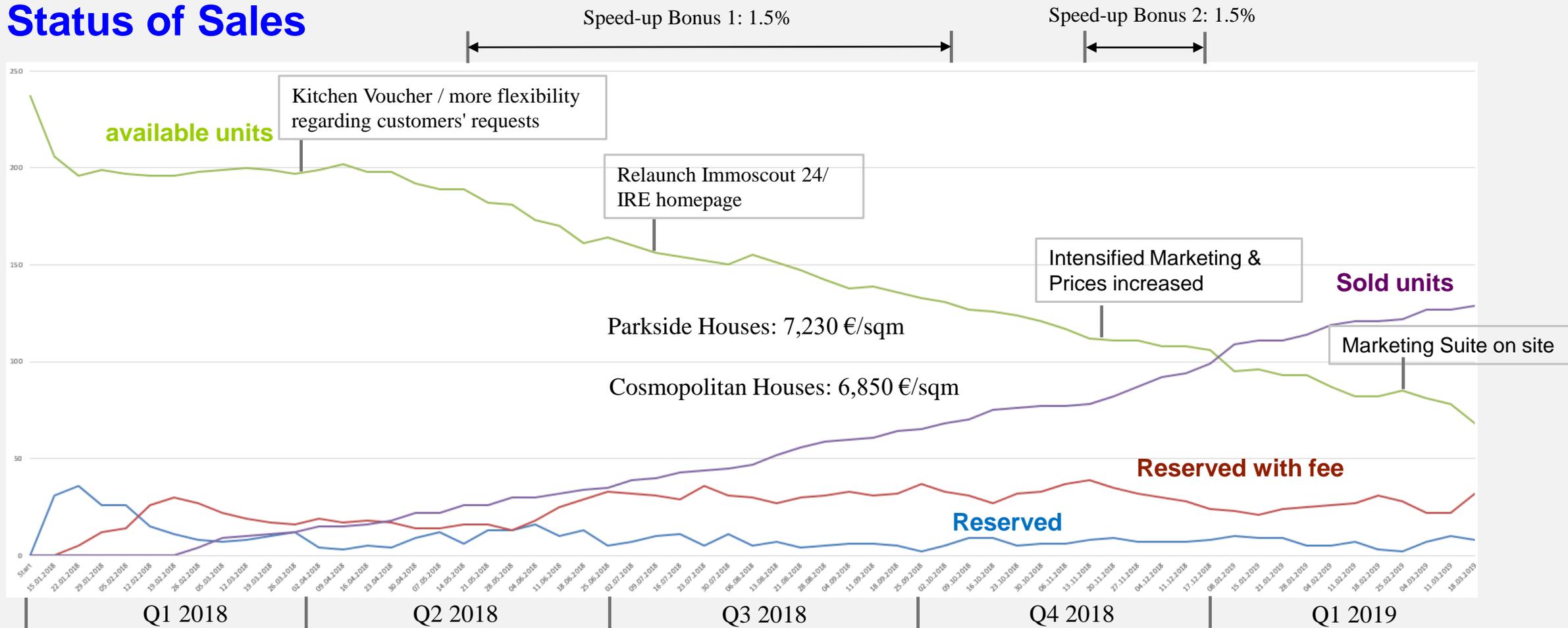


## Overview of business processes

- A Financing**  
Ability to secure advantageous financing terms and generate cash flow through optimised surety utilisation
- B Vendor & partner selection**  
Cost efficiency and quality assurance from long-standing and wide network of contractors, carefully selected through a comprehensive process
- C Process management**  
Highly qualified and trained staff, supported by state-of-the-art databases, maintenance of company-wide rules and procedures
- D Construction management**  
Continuous and very close monitoring of construction by in-house managers from planning through completion
- E Budgeting & controlling**  
Accuracy of conception and construction cost calculations through in-house expertise and in-depth reviews
- F Risk management & compliance**  
Strict compliance rules combined with continuous liquidity checks and comprehensive insurance coverage on a project-by-project basis

**Refined and validated business processes**

# Status of Sales



# Risk Management

## Principles

Focus on top locations to limit presence in speculative markets

No speculative land plot purchases

Minimising sales risk

Fully financed at construction start

Project based budget accuracy check

Long-term partnerships

Diversified portfolio

## Measures

Continuous check for all existing compliance rules

Company-wide applicable decision rules with strict internal approval processes incl. new projects

Control system Innosys leveraged to closely monitor project parameters

Continuous liquidity checks on a project-by-project basis

Comprehensive insurance coverage against major project risks

## Financials (Luisenpark)

- **Cost of plot:** € 34.4 m
- **Total investment:** € 174.6 m
- **Total sales:** € 232.7 m
- **Gross margin:** € 78.5 m (33.74 %)

## Key Achievements

- Strategic Acquisition
- Successful planning process
- High Margins
- Completion expected on time and budget



# **DEEP DIVE RHINE MAIN PORTFOLIO**

**RALF WERNER**

# FRANKFURT

## POPULATION

- 0,756 Mio. inhabitants in 2018
- Increase of ~ 10,2 % expected by 2035

## EMPLOYMENT

- Increase of ~ 8,8% expected by 2035

## PURCHASING POWER

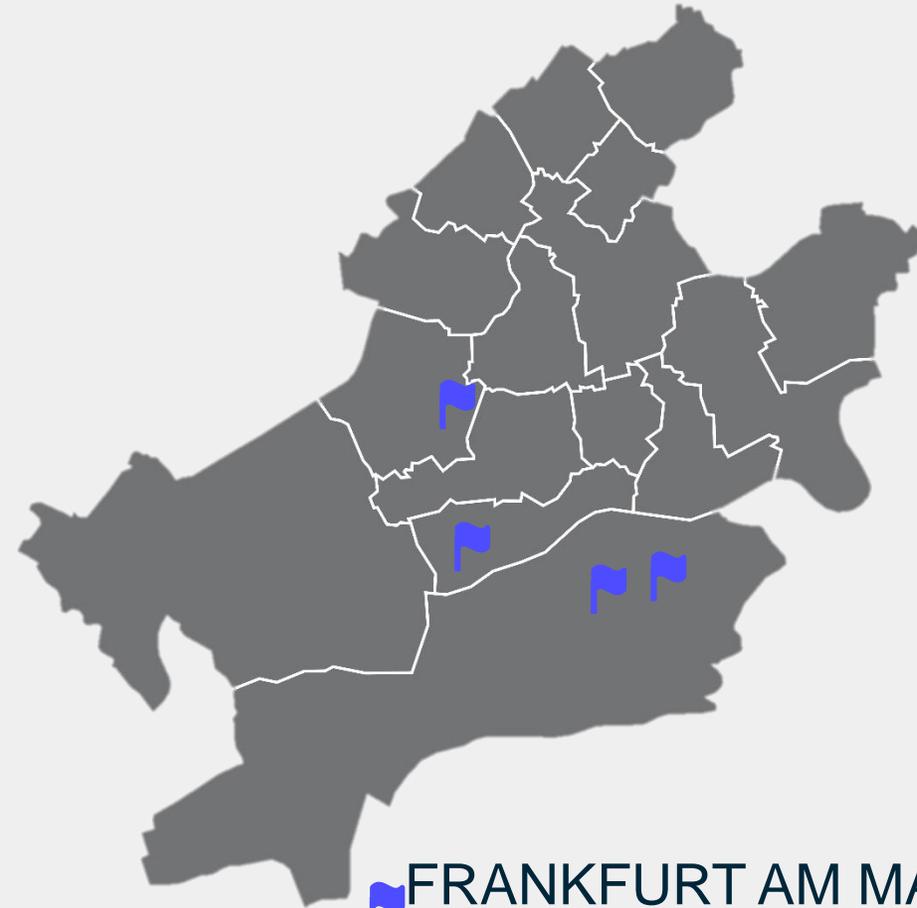
- From 2007 to 2018, it increased by 8,8 %
- Purchasing power index stands at 114,4 in 2018

## CONSTRUCTION ACTIVITY

- 2011 -2018: approved units 28.776/ completed units 22.927
- Realisation rate by ~ 80 %

## HOUSING REQUIREMENTS

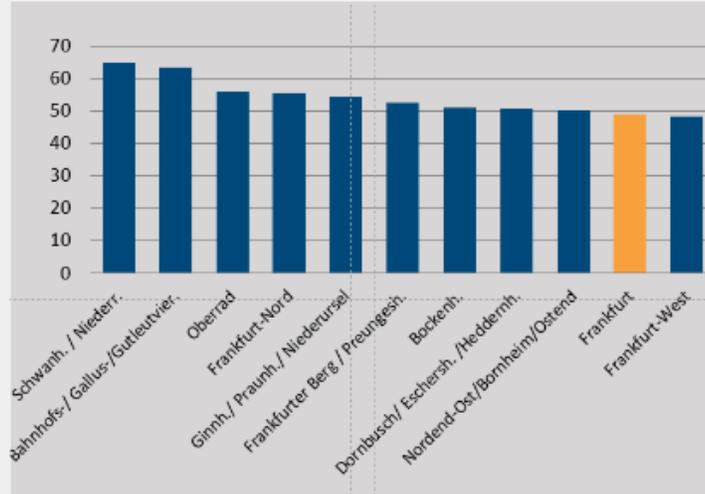
- By 2035, approximately 127,000 units will be needed



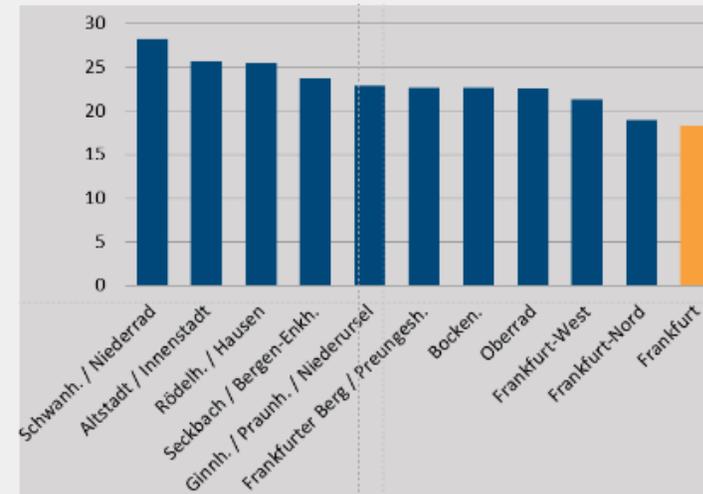
 **FRANKFURT AM MAIN**  
Acquisition interests Instone

# FRANKFURT

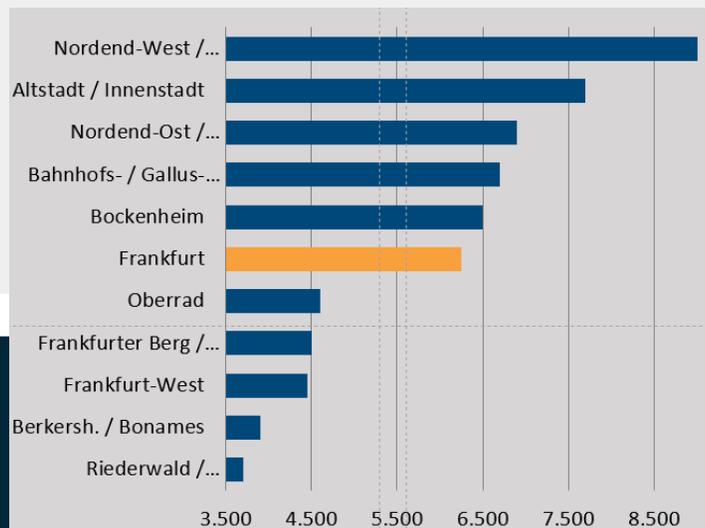
Change average purchase price 2014-2018 (Top 10) as a percentage



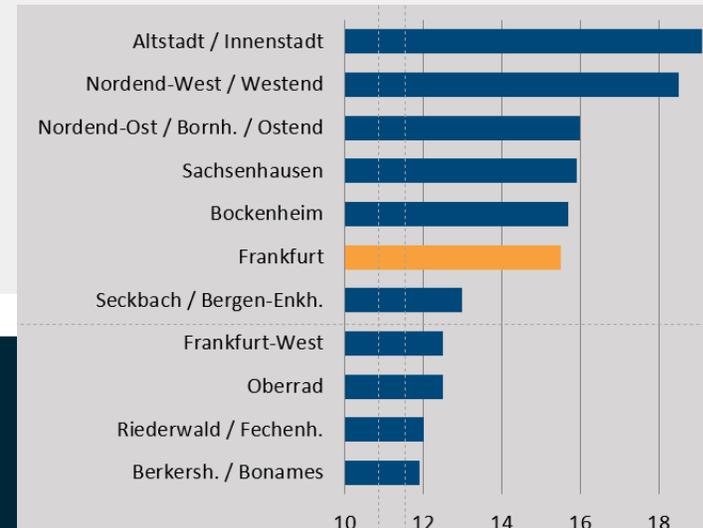
Change average rent 2014-2018 (Top 10) in percent



Average purchase price in first entry 2018 (Top/Bottom 5) in Euro/sqm

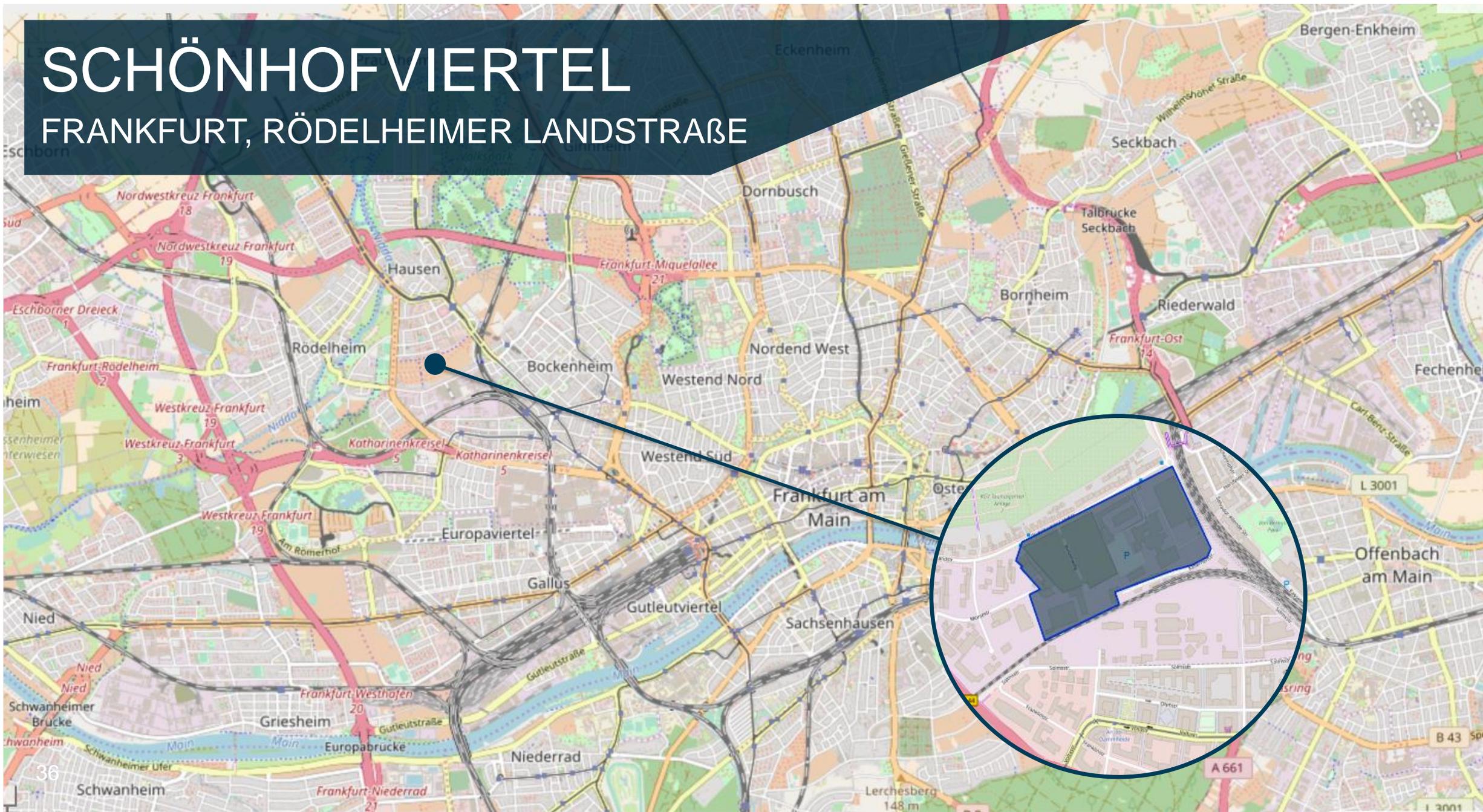


Average rent in first year entry 2018 (Top/Bottom 5) in Euro/sqm



# SCHÖNHOFVIERTEL

## FRANKFURT, RÖDELHEIMER LANDSTRAßE



# SCHÖNHOF- VIERTEL

PROPERTY



*Das Leben ist  
schönhof!*

# SCHÖNHOF-VIERTEL

FRANKFURT – LIFE IS SCHÖNHOF

START CONSTR.WORK

2020

GFA

113.500 M<sup>2</sup>

LIVING SPACE

90.800 M<sup>2</sup>

CONDOMINIUM

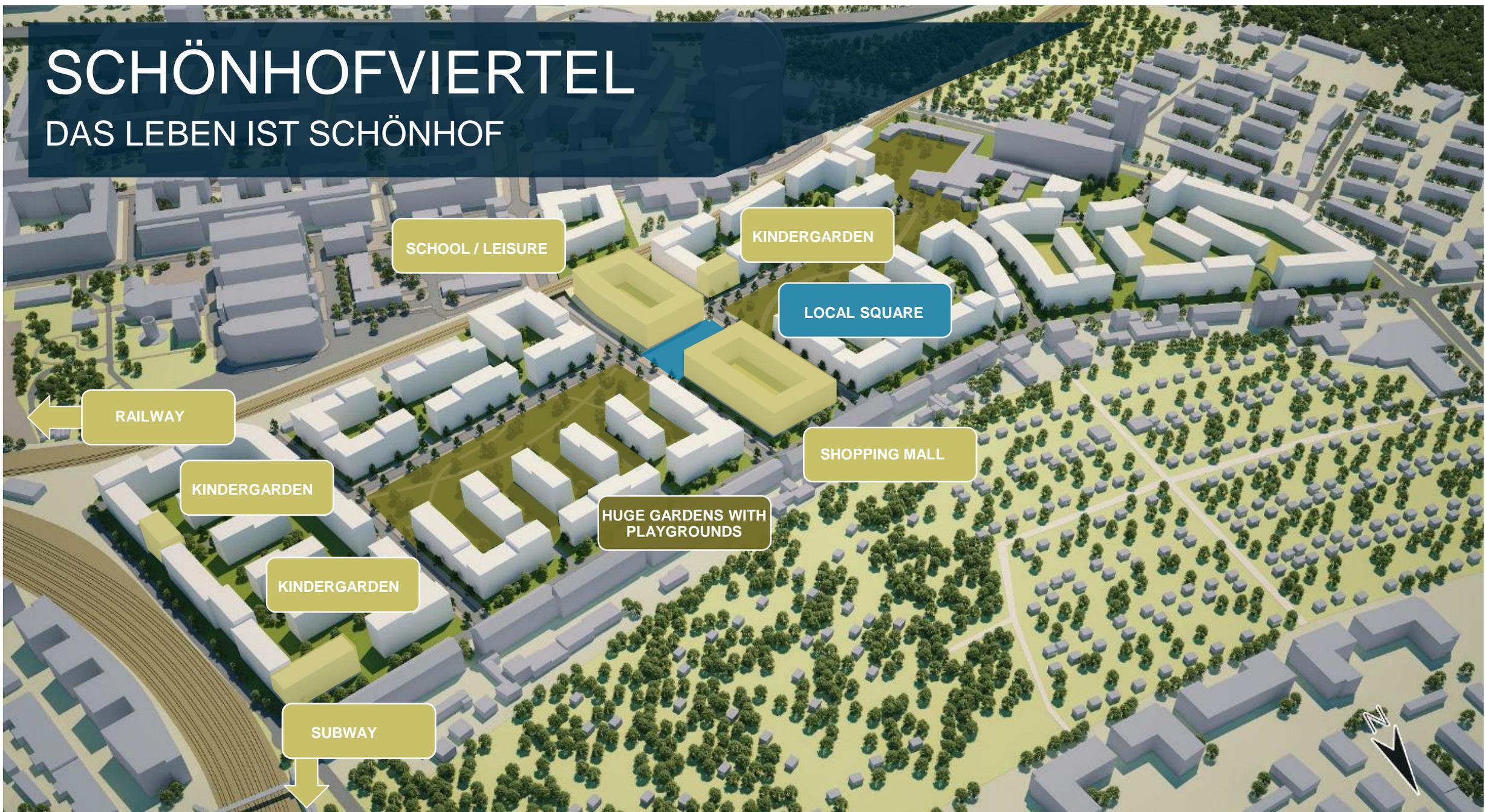
1.100

TOTAL INVESTMENT

409.990.000 €

# SCHÖNHOFVIERTEL

DAS LEBEN IST SCHÖNHOF



SCHOOL / LEISURE

KINDERGARTEN

LOCAL SQUARE

RAILWAY

SHOPPING MALL

KINDERGARTEN

HUGE GARDENS WITH  
PLAYGROUNDS

KINDERGARTEN

SUBWAY

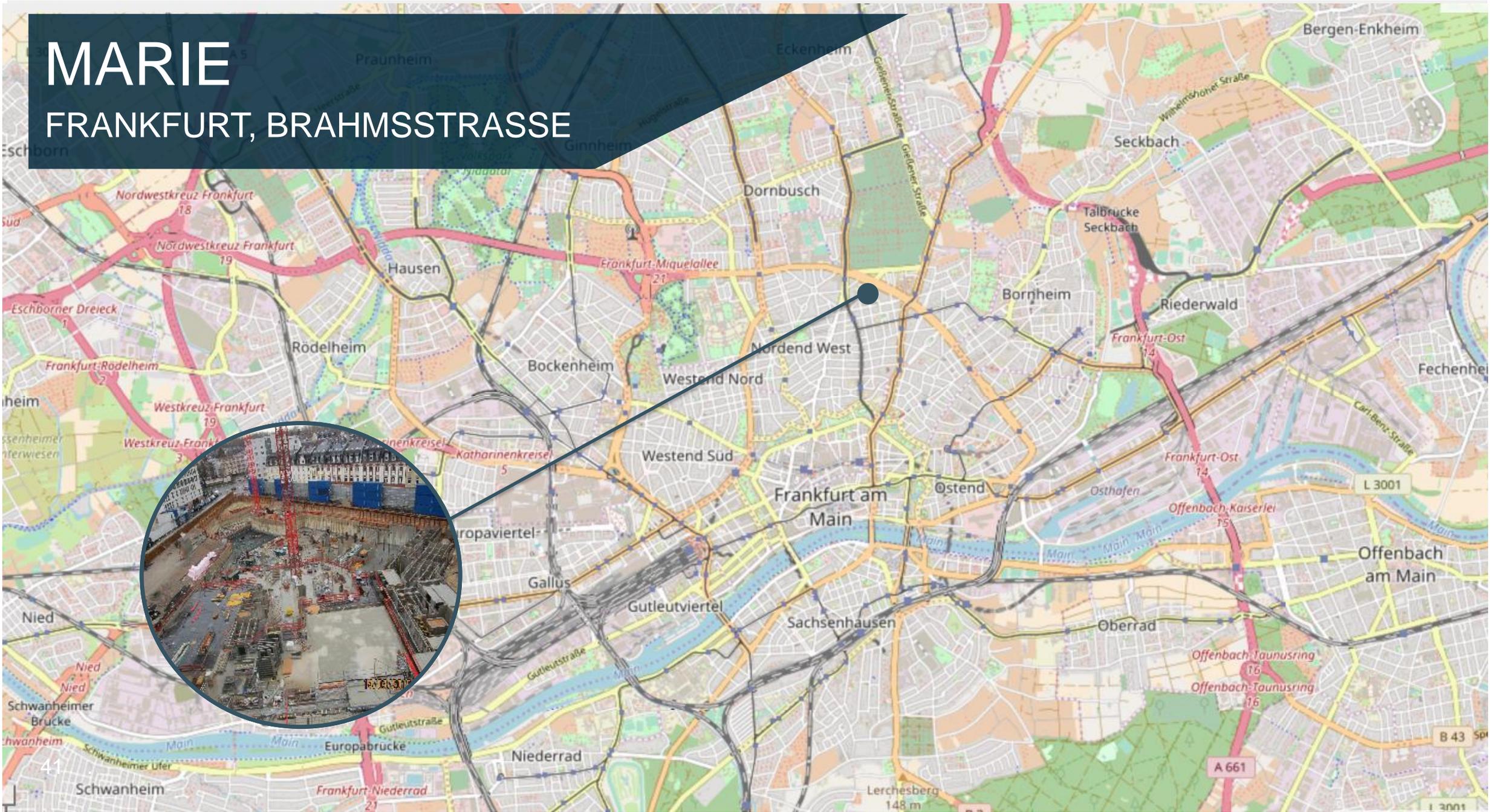
# SCHÖNHOF- VIERTEL

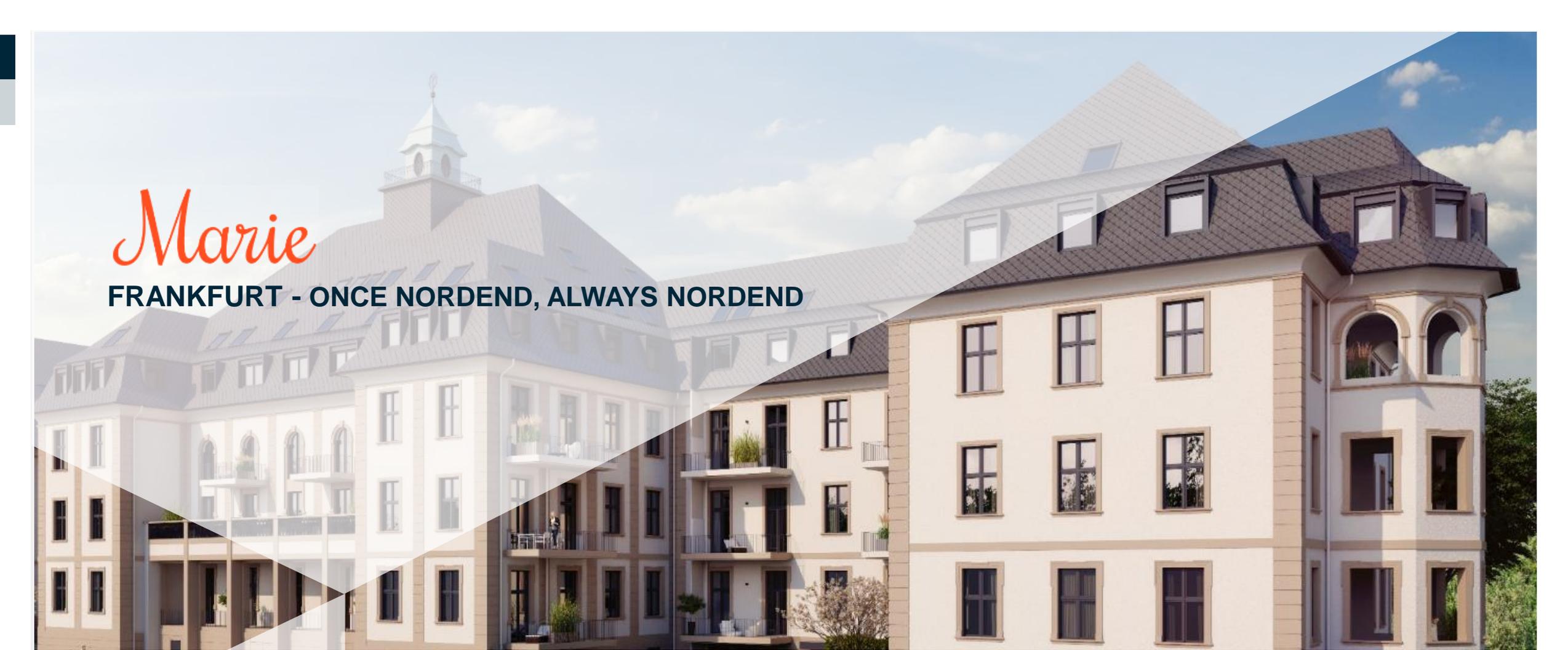
MODELPICTURE



# MARIE

## FRANKFURT, BRAHMSSTRASSE





# Marie

FRANKFURT - ONCE NORDEND, ALWAYS NORDEND

COMPLETION

4.Q 2021

GFA

25.400 M<sup>2</sup>

LIVING SPACE

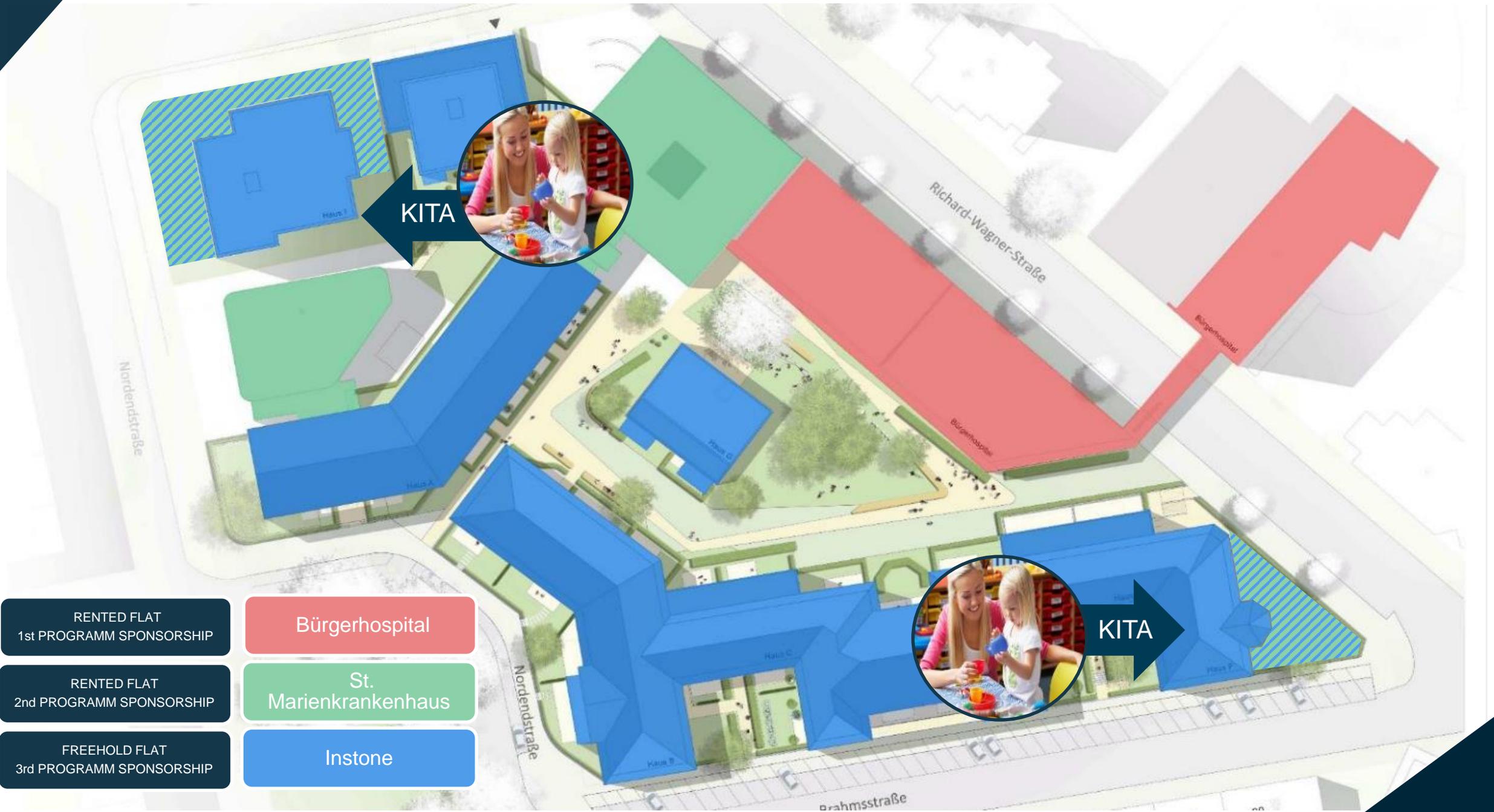
21.065 M<sup>2</sup>

CONDOMINIUM

181

TOTAL INVESTMENT

135.000.000 €



RENTED FLAT  
1st PROGRAMM SPONSORSHIP

RENTED FLAT  
2nd PROGRAMM SPONSORSHIP

FREEHOLD FLAT  
3rd PROGRAMM SPONSORSHIP

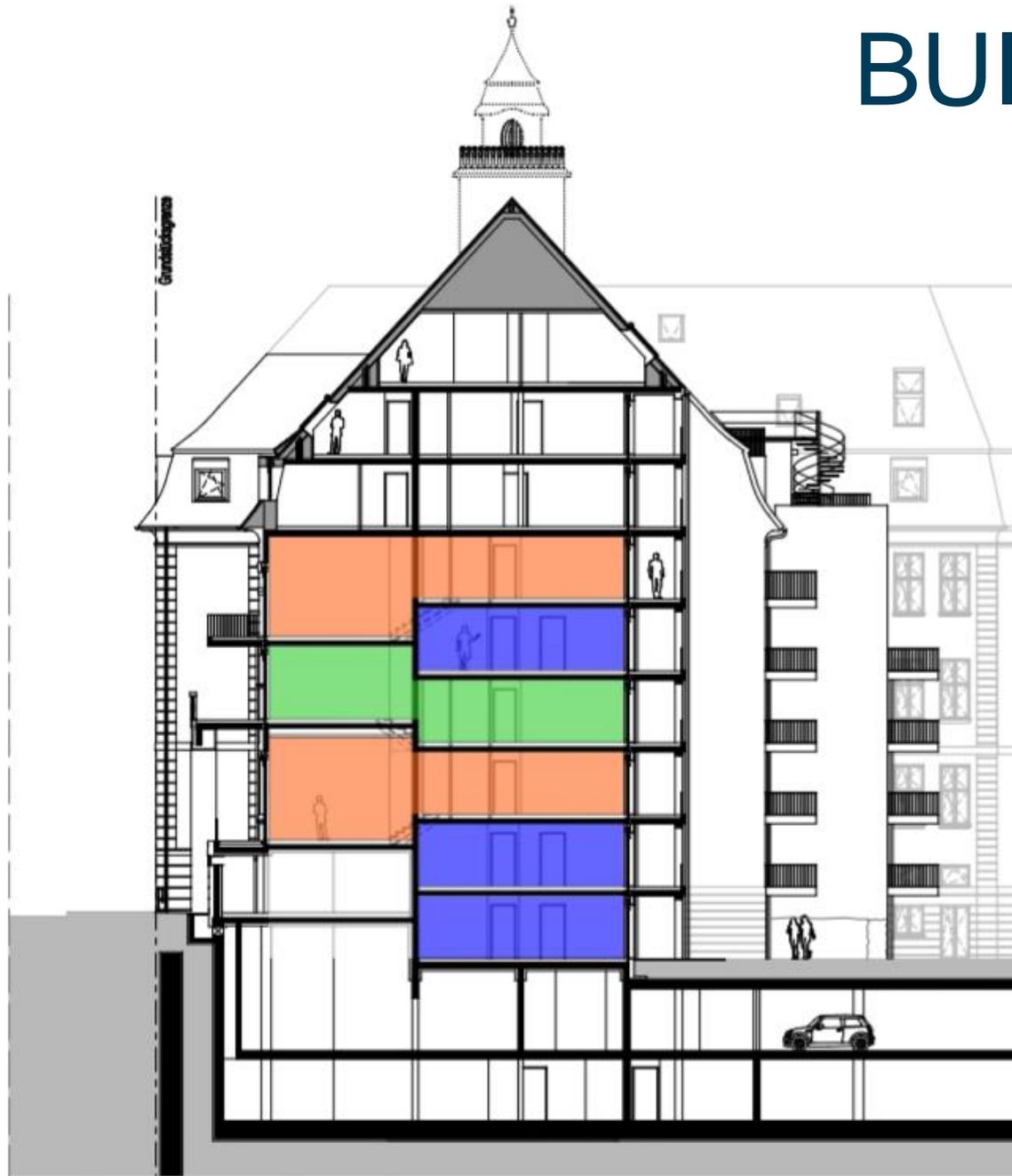
Bürgerhospital

St.  
Marienkrankenhaus

Instone



# BUILDING SECTION



**Projekt**  
 Errichtung von 8 Mehrfamilienhäusern mit insgesamt 181 Wohnungen und einer Grünzugsanlage sowie einer gemeinsamen Tiefgarage mit insgesamt 236 Stellplätzen  
 Frankfurt am Main - Nordend

**Maßstab** 1:200 **erstellt am** 07.06.2016 **von** BG **Format** A3

Projekt-Nr.	Bauort	Gewerk	Phase	Planart	Blatt-Nr.	Blatt-Ar.	Revisions
FG00041	D_	AC	TP	S_	D1	000	—

**Planinhalt**  
**Teilungsplan**  
**Schnitt D1, Haus D**

**Bauherr**  
 Instone Real Estate  
 Development GmbH  
 Baumstraße 25  
 40128 Essen

**Architekt**  
**MK**  
 MARKUS  
 GUMPERT  
 & CO.  
 ARCHITECTUR  
 WERNHARTTSTRASSE 20  
 40225 DUISBURG  
 T +49 212 77 88-0  
 F +49 212 77 88-20  
 WWW.MARKUSGUMPERT.COM

# MARIE

## NORDENDPLATZ



# MARIE COURTYARD



# MARIE

## BRAHMSSTRASSE



# WILHELMS IX

## WIESBADEN, MAINZER STRAÙE





# Wilhelms IX

WIESBADEN - URBAN, HISORISCH, EINZIGARTIG

COMPLETION

4.Q 2019

GFA

17.800 M<sup>2</sup>

LIVING SPACE

14.900 M<sup>2</sup>

CONDOMINIUM

151 + 9 CITY VILLAS

TOTAL INVESTMENT

62.599.000 €

# WILHELMS IX

WIESBADEN, MAINZER STRAÙE



# WILHELMS IX

WIESBADEN, MAINZER STRAÙE



# WILHELMS IX

WIESBADEN, MAINZER STRAÙE



# GÜNTHERSBURGHÖFE

FRANKFURT, FRIEDBERGER LANDSTR.



START CONSTR.WORK

2021

GFA

65.000 M<sup>2</sup>

PLOT AREA

140.000 M<sup>2</sup>

CONDOMINIUM

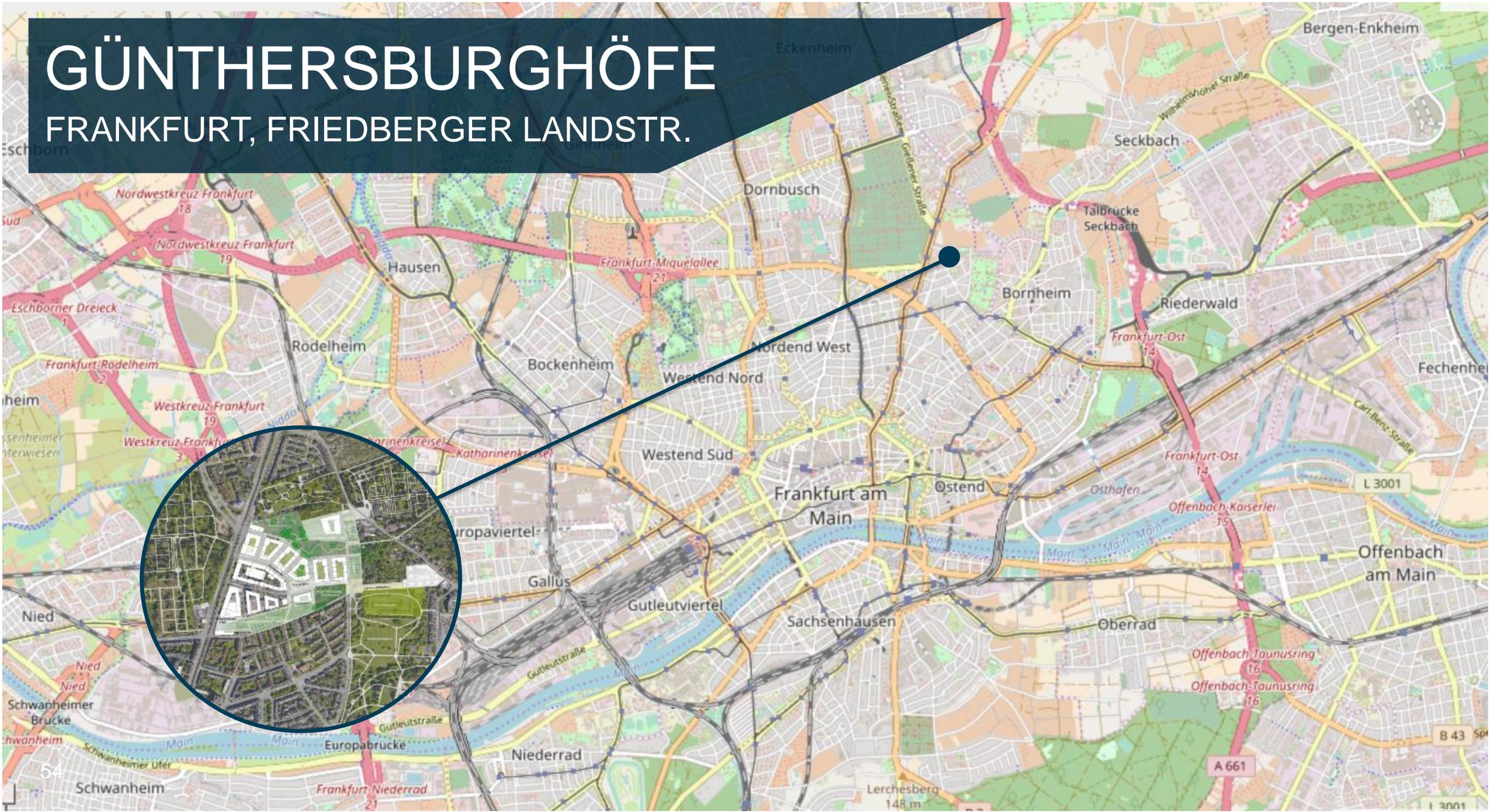
650

TOTAL INVESTMENT

263.840.000 €

# GÜNTHERSBURGHÖFE

FRANKFURT, FRIEDBERGER LANDSTR.



# GÜNTHERS- BURGHÖFE

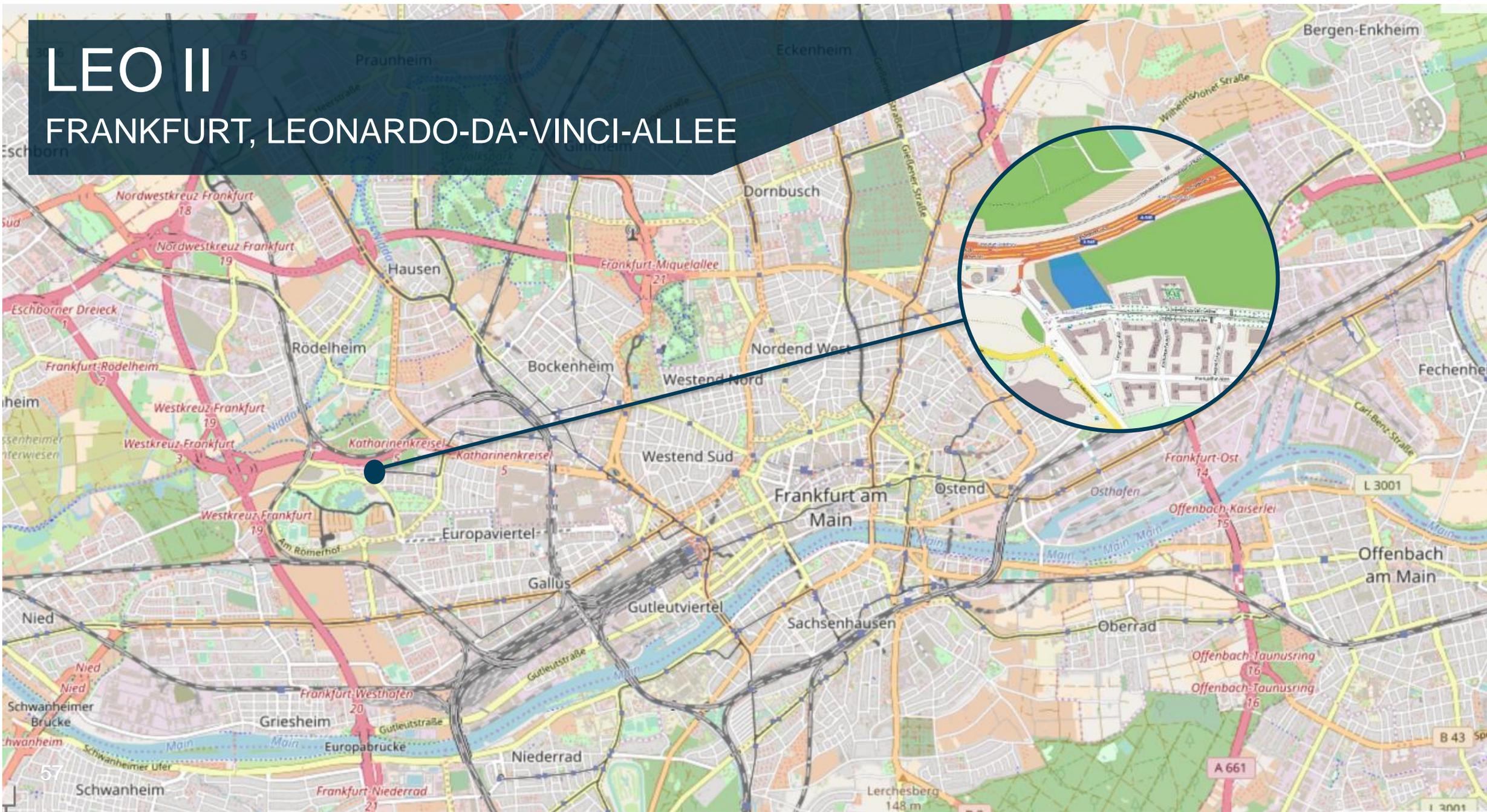


# GÜNTHERS- BURGHÖFE



# LEO II

## FRANKFURT, LEONARDO-DA-VINCI-ALLEE



# LEO II

FRANKFURT, LEONARDO-DA-VINCI-ALLEE



START CONSTR.WORK

2018

GFA

12.659 M<sup>2</sup>

LIVING SPACE

11.000 M<sup>2</sup>

CONDOMINIUM

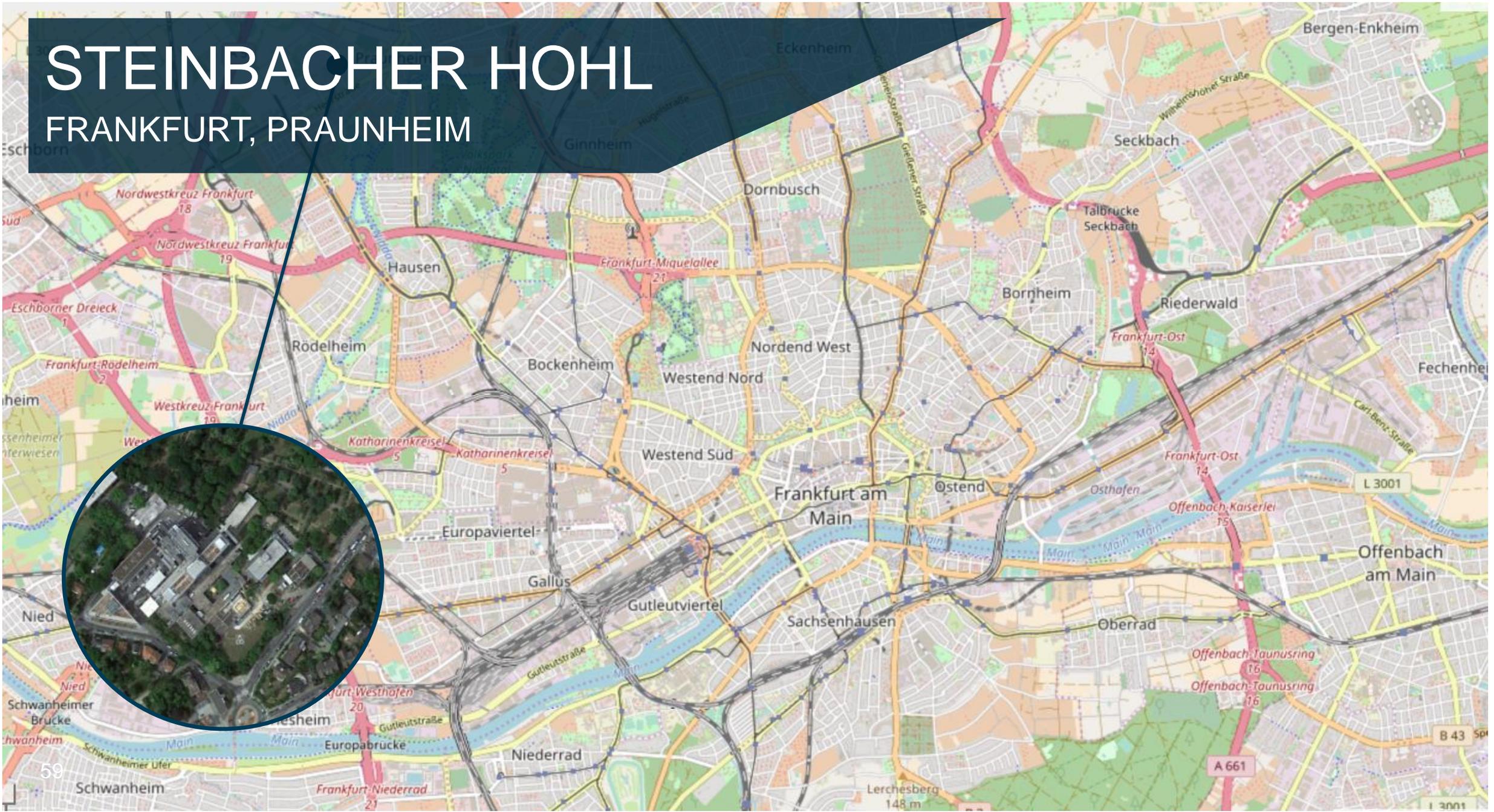
121 + KITA

TOTAL INVESTMENT

43.587.000 €

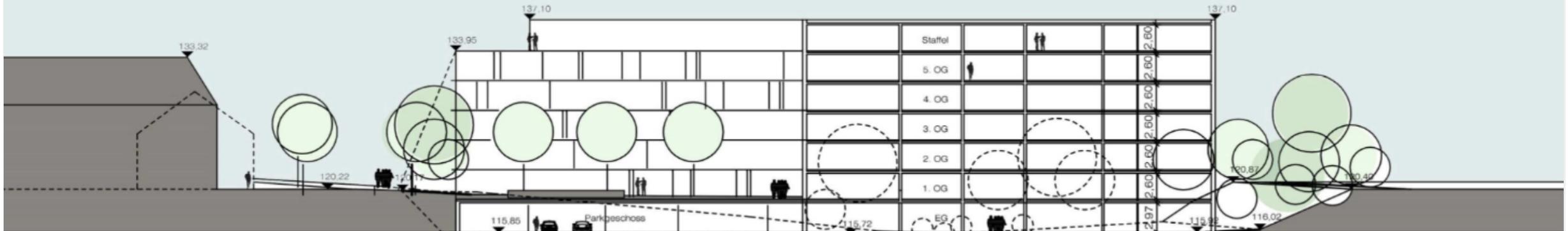
# STEINBACHER HOHL

## FRANKFURT, PRAUNHEIM



# STEINBACHER HOHL

FRANKFURT, PRAUNHEIM



START CONSTR.WORK

2020

GFA

18.000 M<sup>2</sup>

PARKING LOTS

154

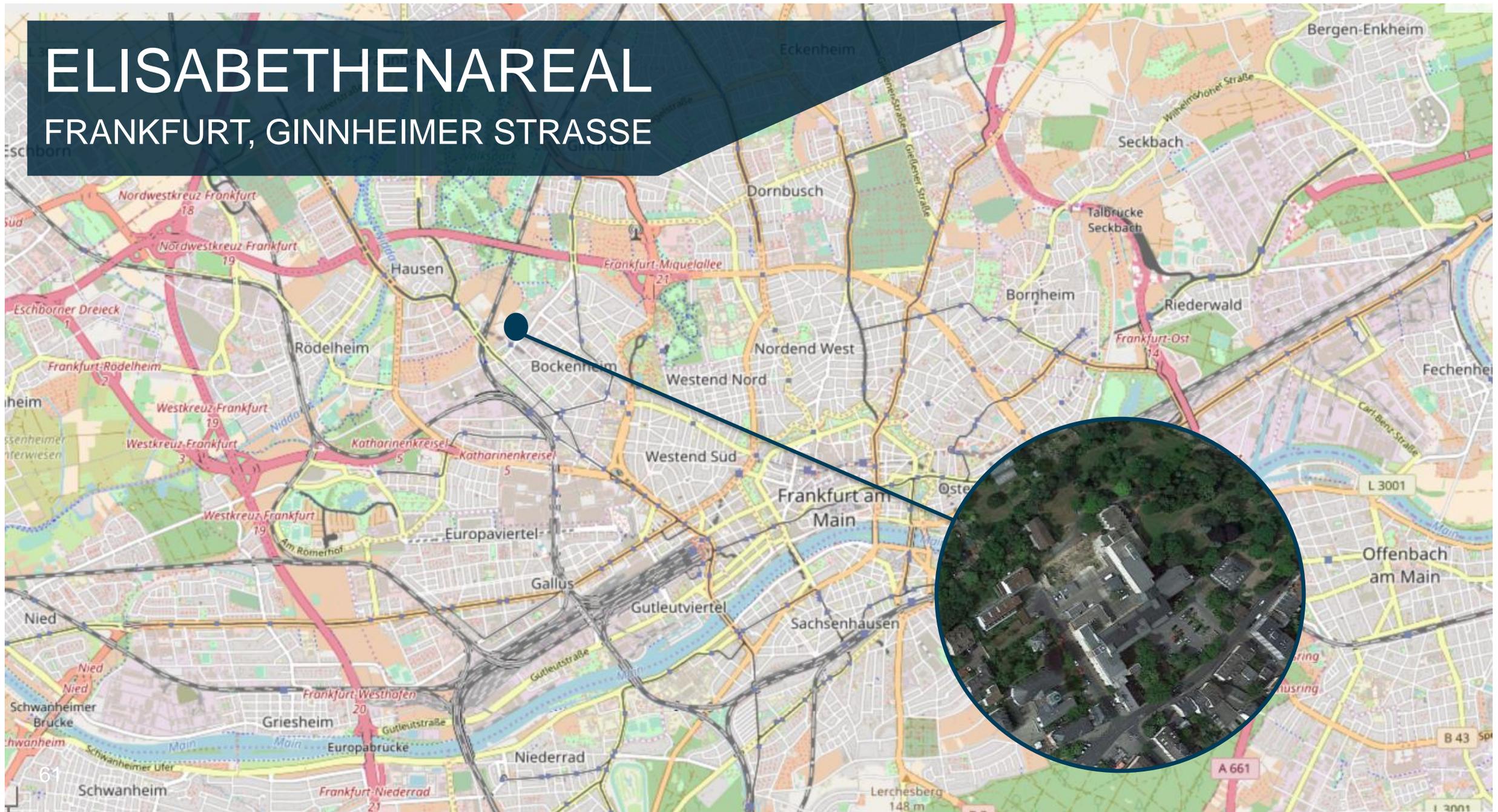
CONDOMINIUM

175 + 1 KITA

TOTAL INVESTMENT

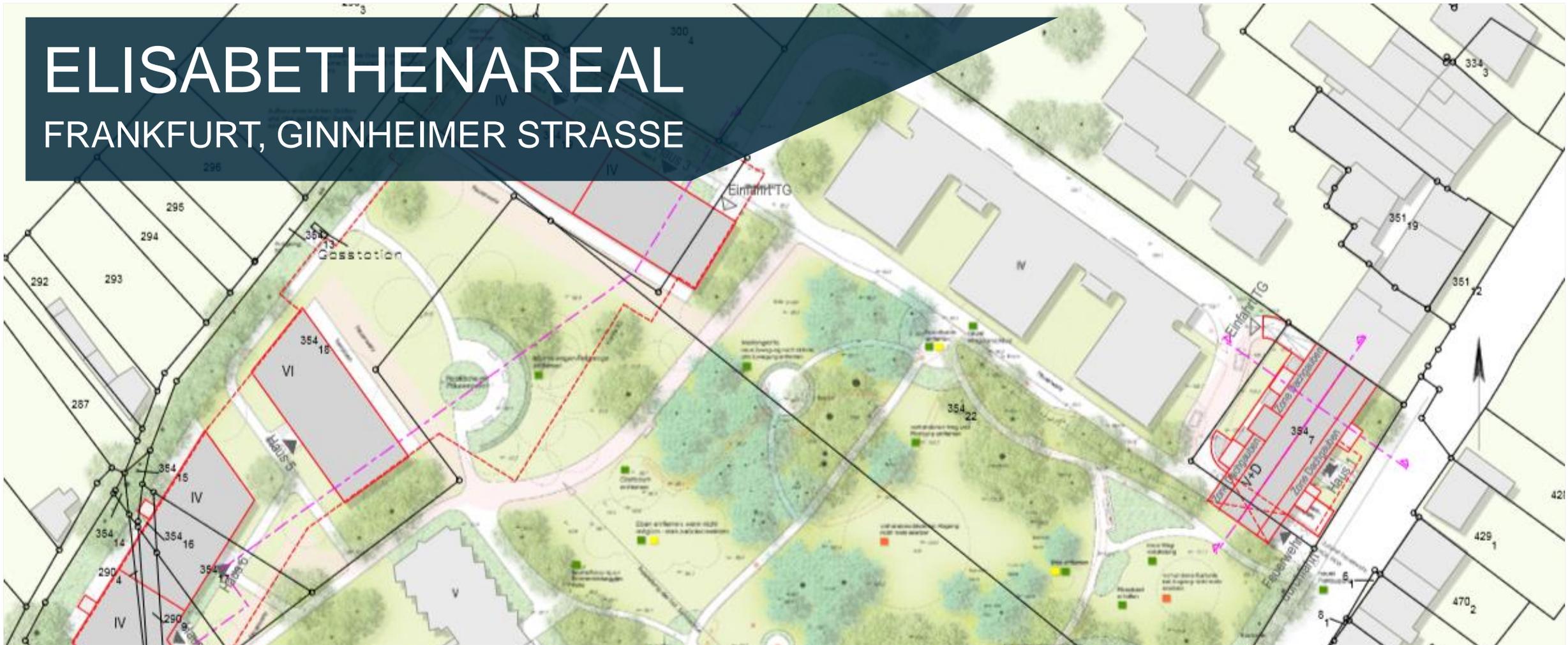
36.724.000 €

# ELISABETHENAREAL FRANKFURT, GINNHEIMER STRASSE



# ELISABETHENAREAL

## FRANKFURT, GINNHEIMER STRASSE



START CONSTR.WORK

2022

GFA

13.000 M<sup>2</sup>

TOTAL INVESTMENT

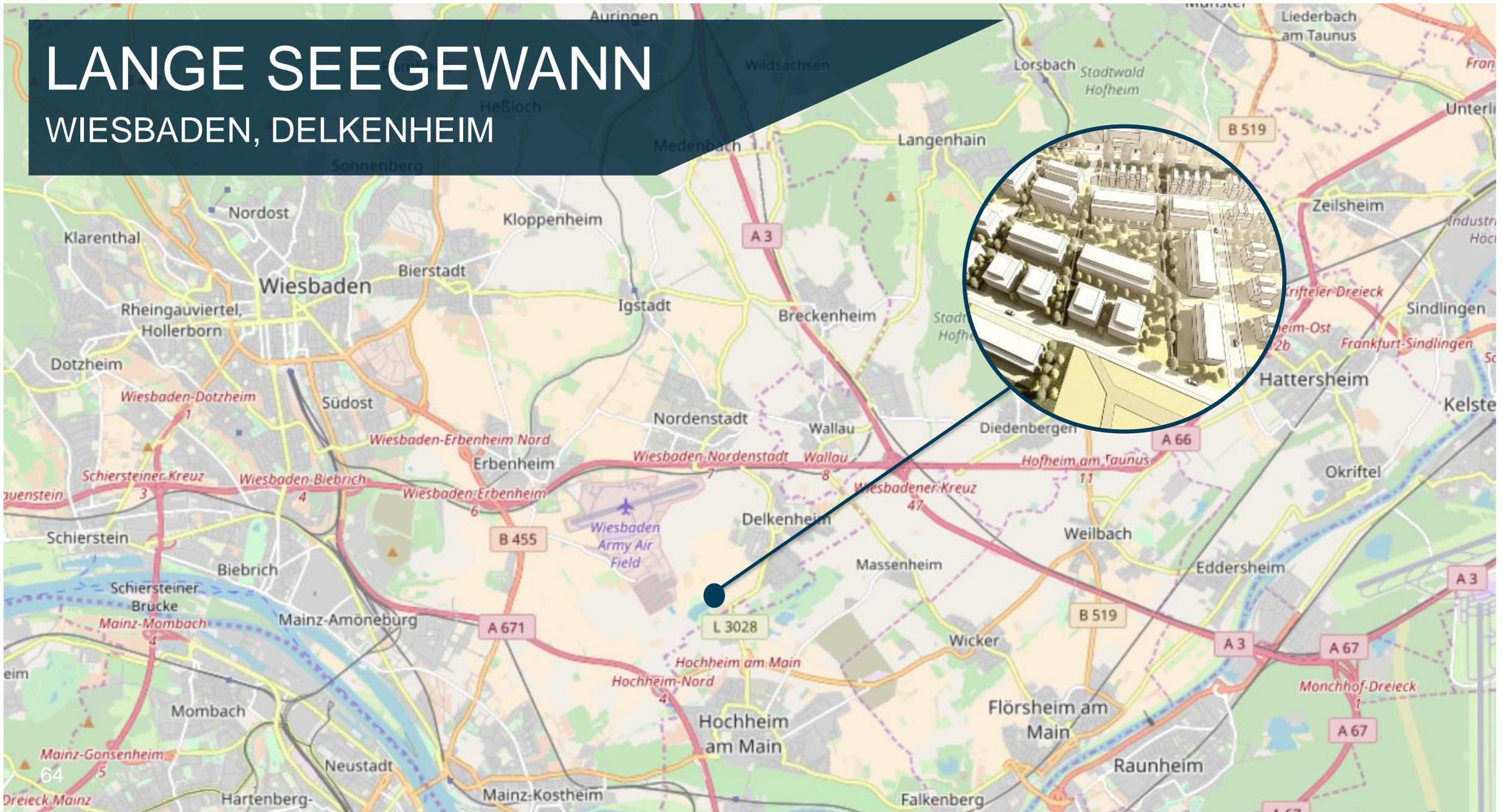
48.026.000 €

# ELISA



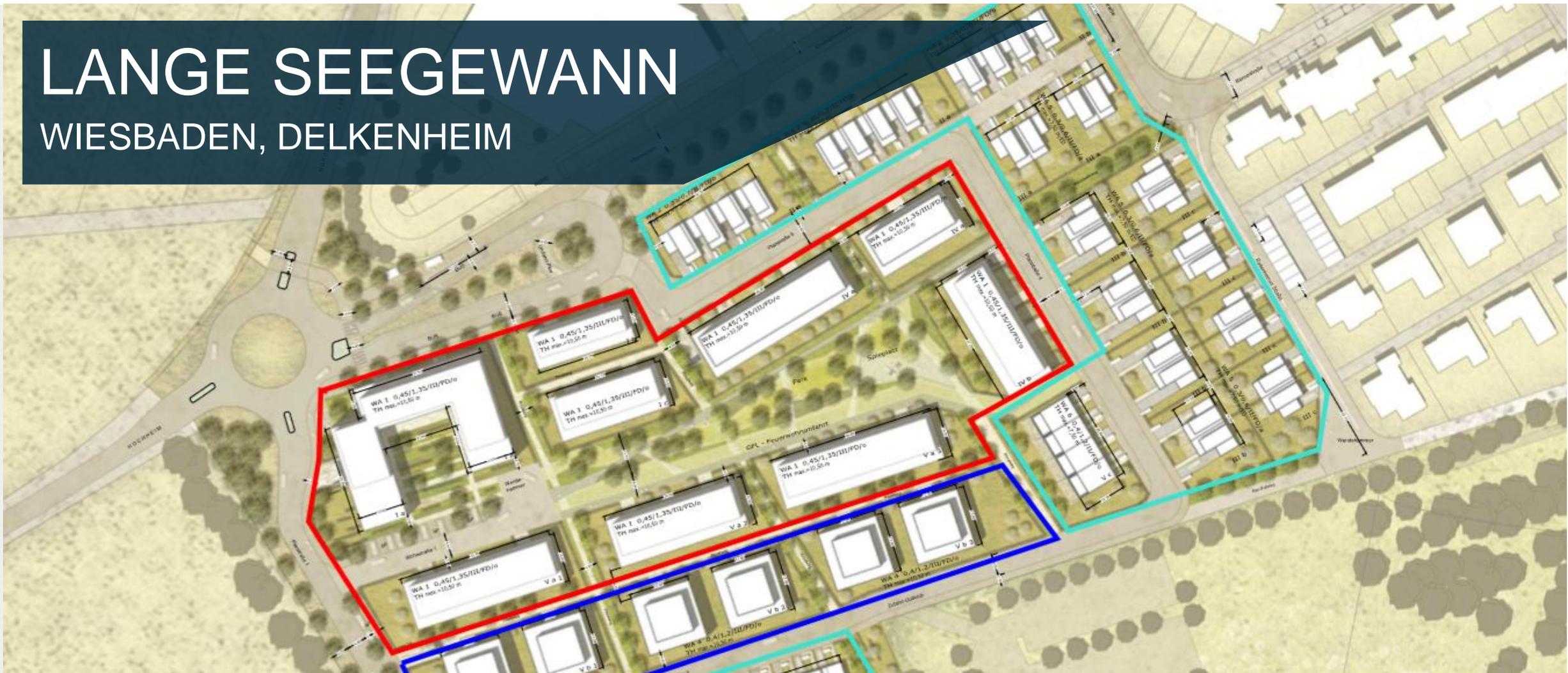
# LANGE SEEGEWANN

## WIESBADEN, DELKENHEIM



# LANGE SEEGEWANN

WIESBADEN, DELKENHEIM



START CONSTR.WORK

2020

GFA

26.000 M<sup>2</sup>

CONDOMINIUM

240 + 53 SFH + 1 KITA

FLOORS

2-4

PARKING LOTS

135

TOTAL INVESTMENT

82.621.00€

# THANK YOU FOR YOUR INTEREST!

Instone Real Estate & Development GmbH



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+49 69 2547 414 43



# BACKUP

[WWW.LUISENPARK.BERLIN](http://WWW.LUISENPARK.BERLIN)



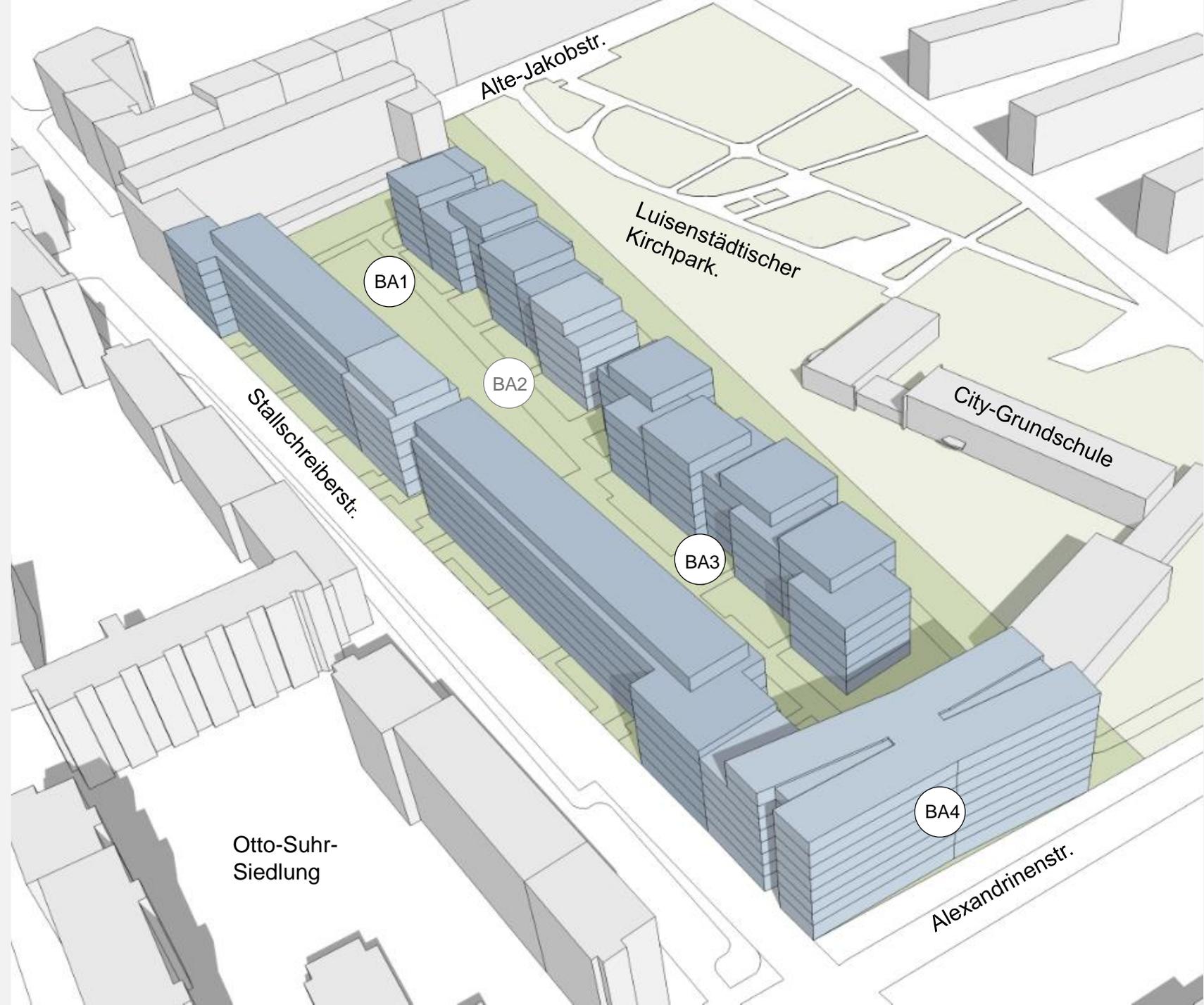
## History of change

- Densely populated, pre-1945
- Destroyed during World War II
- Bisected by the Berlin Wall until 1989
- Returned to Federal Government after German reunification in 1990
- Unsuccessful development attempts since 1994
- Sold to formart/Instone Feb. 2015



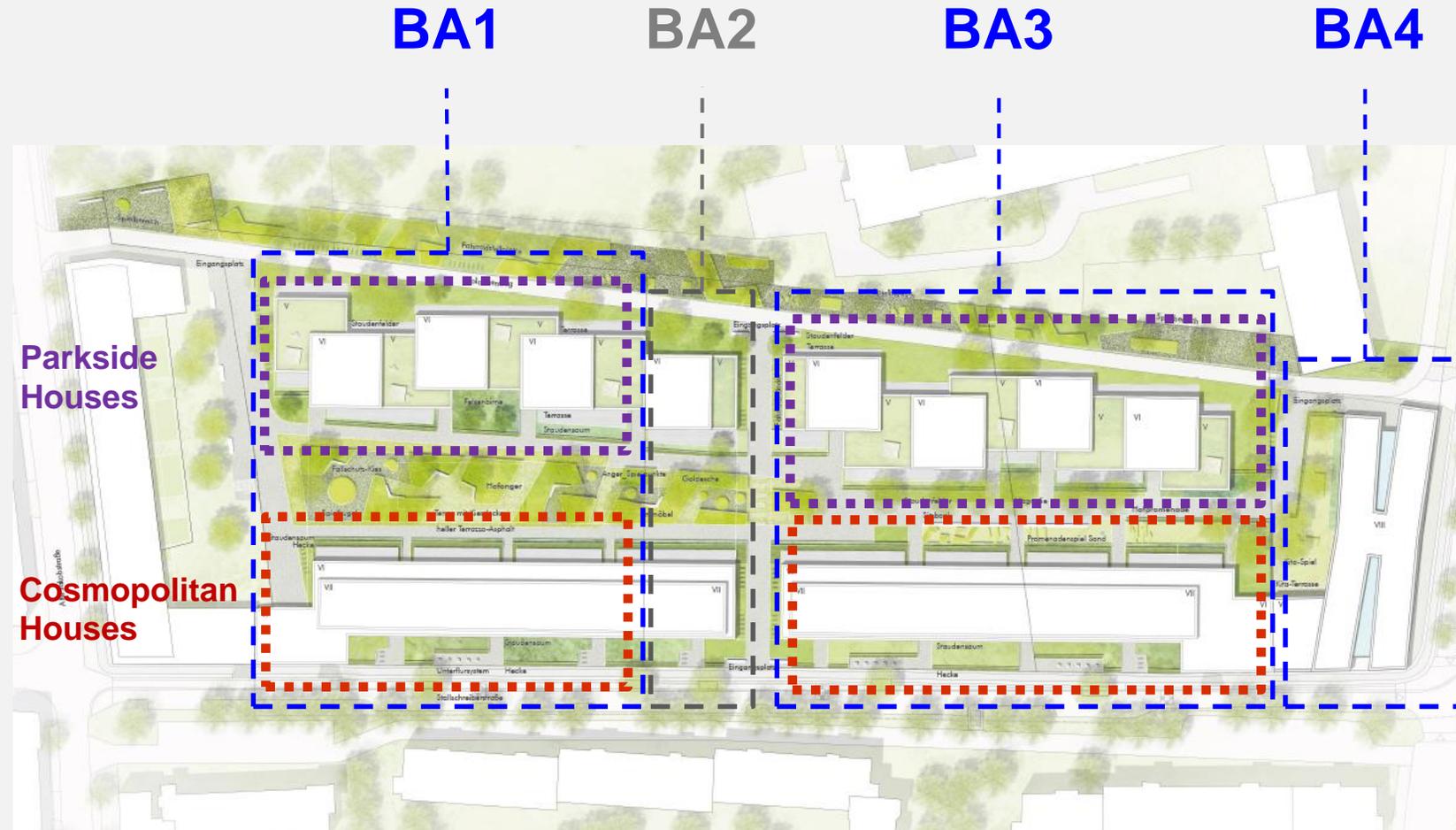
## Smart Urban Design

- 2008: Basic urban scheme proposed by Hon. Prof. Nalbach
- 2015: additional design competition with Borough, Senate, Formart/Instone
- 2017: Agreement of zoning plan and building permit
- Project subdivided into stages; various architects

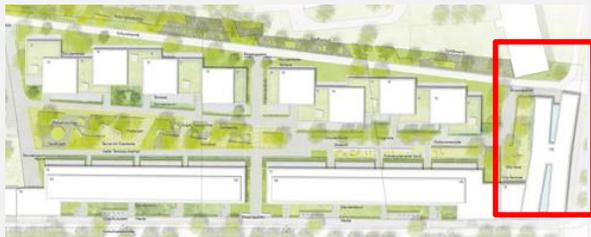


## Structure of Project

- BA1: 180 units / Instone RE
- BA2: 40 units / neighbor Tietz GbR
- BA3: 230 units / Instone RE
- BA4: 139 units / Howoge
- Cosmopolitan Houses:  
Axthelm Rolvien Architekten
- Parkside Houses  
Gruentuch Ernst Architekten
- BA4: brh Architekten



## Affordable Housing Alexandrinenstrasse



# Cosmopolitan Houses Stallschreiberstrasse



## Parkside Houses – view from the park



## Upgrade Penthouses

- Constructional measures Penthouses:
- Room-high fireplace (first stage)
- Upgrade to country style plank (Bauwerk Villapark)
- BUS-System Busch Jaeger in first stage (plugs and light)
- Additional outdoor lighting and plugs
- Upgrade to Line C in special flats

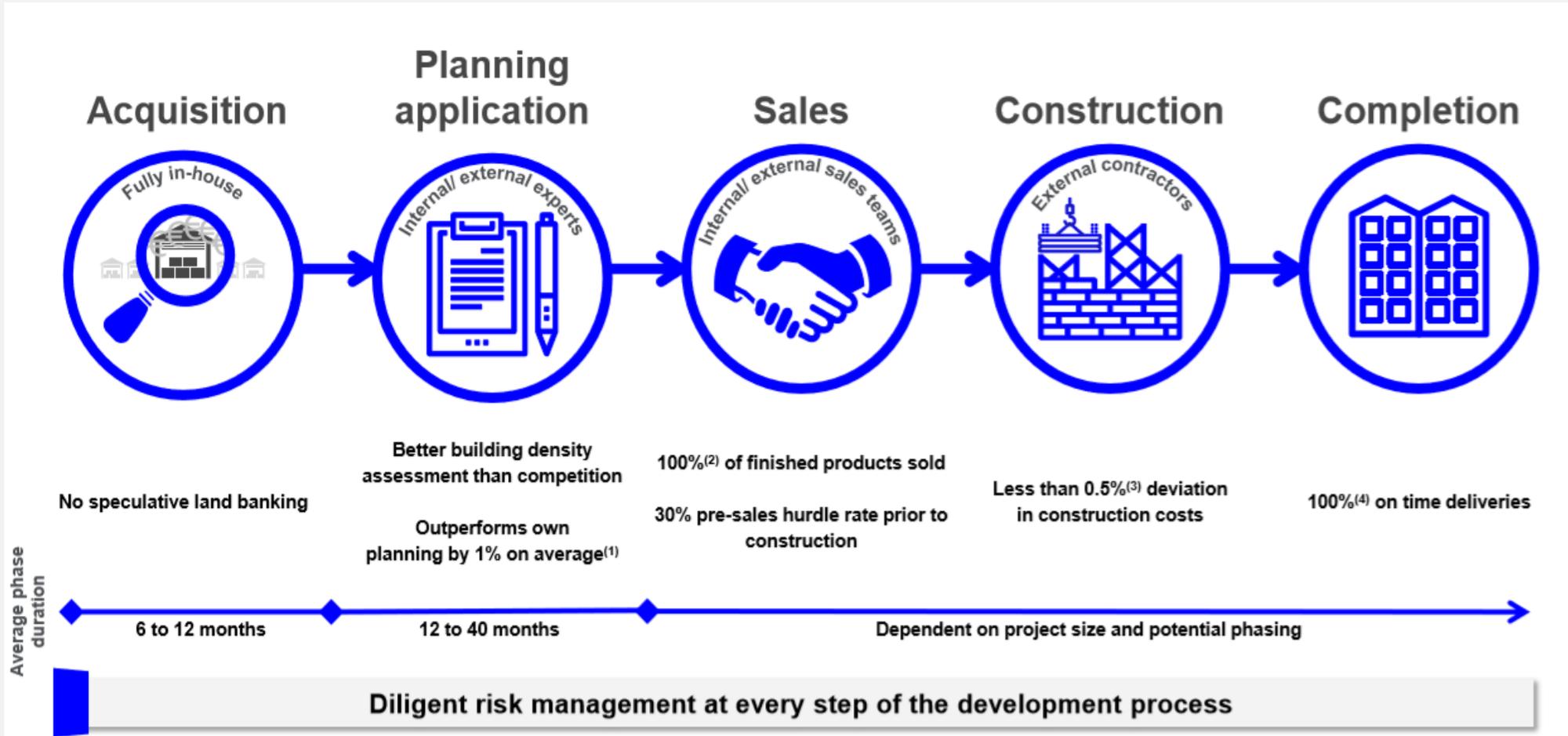


## Green Community

- Large, green, traffic-free courtyard
- High-value landscaping
- Sculptured, versatile playgrounds
- Semi-public footpaths
- Integrated, sustainable concept for entire project
- Direct access to „Luisenstädtischen Kirchpark“



## Everything under control



## Construction work proceeding according to plan



**Contractor  
network**

**~150 national contractors** have bid or completed orders for Instone in the last 5 years

Recurring business relationships with **~1,200 regional contractors**

Technology infrastructure provides access to **information on ~40,000 contractors**

**Long-term relationships with contractors combined with thorough solvency checks and guarantees strongly reduce contractor risk**

## A Optimised surety utilisation as effective financing tool

### Utilisation of important letters of credit and sureties over the typical project lifespan



#### MaBV

- MaBV related sureties used as security substitutes for purchasers
- Enables the first partial customer invoicing for pre-and progress payments
- Payment to contractor by property developer
- Sureties replaced by registration of a reservation in the land register

#### FoSiG

- Issuance of FoSiG<sup>(1)</sup> sureties by developer (5% of purchase price) or purchaser retention
- Enables property developer to request first payment of 30% of purchase price, otherwise reduced by 5% of purchase price
- Expires with sales completion

#### Two-account model

Banks set up two accounts, both held by the developer:

Current account facility	Account for collection of purchase price payments
<ul style="list-style-type: none"> <li>■ First, balance increases in order to meet construction costs</li> <li>■ Once the project turns cash positive or upon termination of the facility, the current account balance is repaid</li> </ul>	<ul style="list-style-type: none"> <li>■ Blocked until either project end or termination of financing facility</li> <li>■ Balance increases as purchase price payments are received</li> </ul>
<p><i>The difference between current account balance and collection account balance is subject to interest</i></p>	

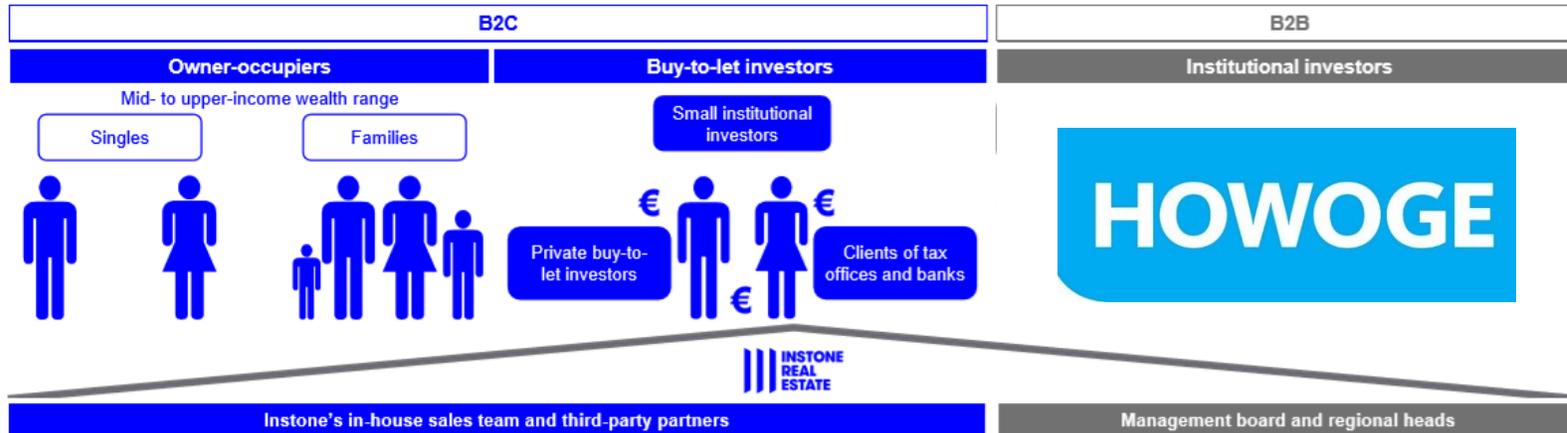
#### Contract performance and warranty (not serving as financing tool)

- Contract performance sureties must be provided solely to institutional customers over construction period for ~10% of purchase price only
- Warranty sureties issued solely to institutional customers for 5 years
- Warranty sureties targeted to be contractually limited to 5% of construction costs

**MaBV guarantees serve as effective financing tools that ensure continuous cash flow generation**

# Sales Process

**D Sales force at the pulse of the market through direct contact with prospective buyers across every distribution channel**



Instone is in direct contact with prospective clients and investors



In-depth knowledge of customer preferences and price expectations



Full transparency for Instone with clear visibility over the entire sales process

Ability to adapt sales strategy to changing market conditions and optimise pricing

**Instone's USP in sales process:**

- best agents,
- transparent processes,
- different channels,
- increasing prices

## Development of Sales Prices BA 3



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