Instone Real Estate Group SE

Investor presentation
August 2024

Instone
Group

Agenda

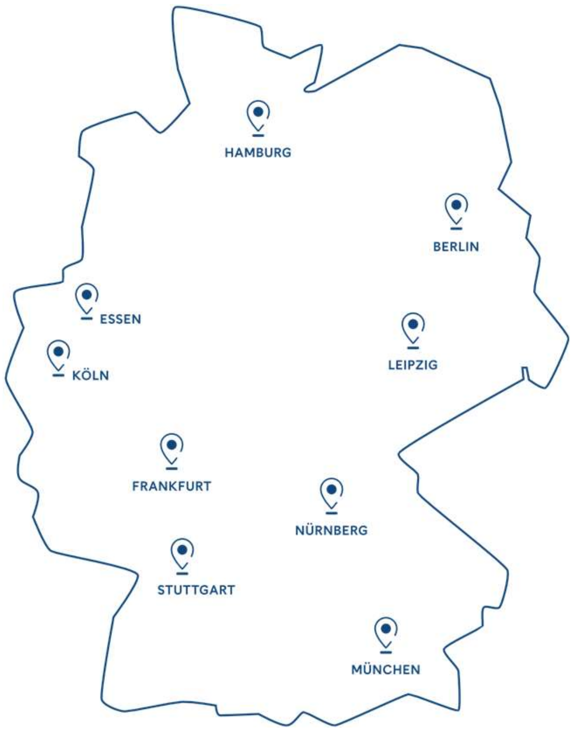
Key Investment Highlights

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 31/03/2024

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

420 employees
As of 30/06/2024

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

Q2 2024 Highlights

Q2 Highlights & Outlook

Moderate demand recovery continues; slight growth acceleration in H2 expected

Operational Highlights

- **Sales:** Retail Demand above previous year's level; institutional investors remain reluctant but expect to close at least one deal in H2
- **Construction costs:** largely stable
- **Acquisitions:** first two bargain deals signed in attractive A-cities; focus reshifting to future growth
- **Financing:** Smoothing of the maturity profile through partial extension of the promissory loan (€100m) previously due in 2025

H1 results: very solid profitability maintained in tough environment

H12024 Results[1]

- **Revenues:** €255.4m (-8.6% yoy)
- **Gross profit margin:** 25.7% (H1-2023: 25.8%)
- **EAT:** €20.5m (-14.2% yoy)
- **Sales:** €121.9m (+71.4% yoy)

Outlook for 2024 reiterated

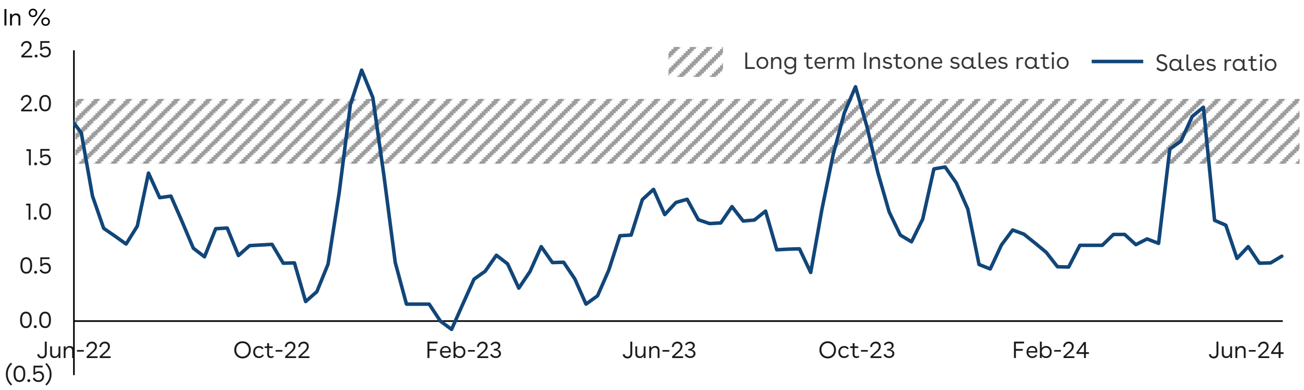
Outlook[1]

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

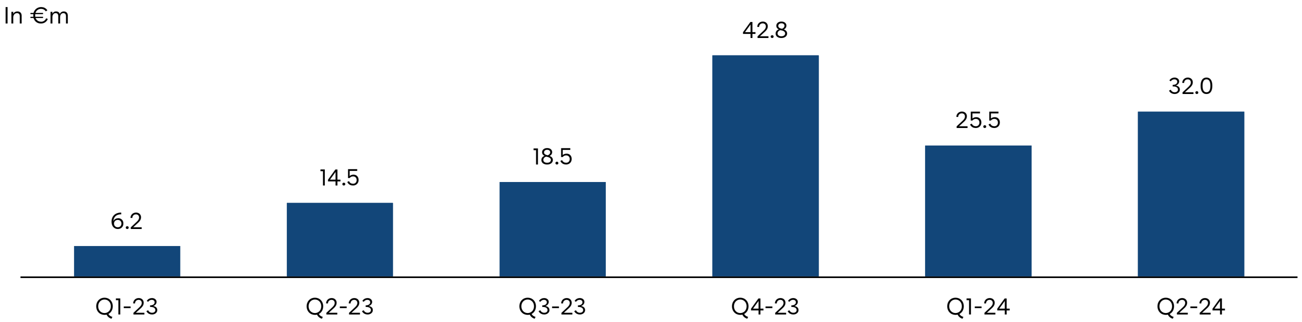
1 Adjusted results

Sales ratio: year on year recovery continues

Sales ratio[1]



Quarterly development of retail sales



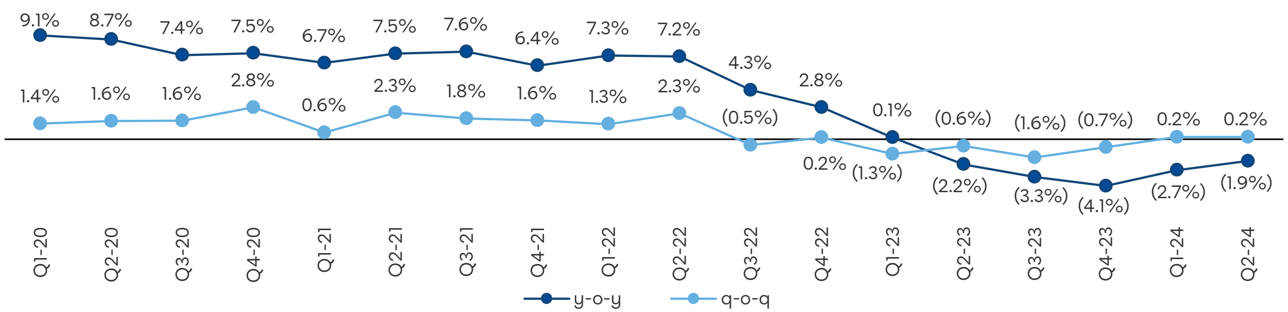
- Continued moderate recovery from previous year's lows (private sales up from €20.7m to €57.5m in H1)
- Growth Opportunities Act supports demand with certain time lag due to complexity & increasing relevant supply in H2
- New sales starts as growth driver in H2
- Institutional investors largely in wait-and-see mode but at least one more deal expected in H2-2024
- **Sales ratio 0.6%** (30 CW): 3.0 avg. weekly number of units sold / 464 avg. number of units on offer

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; CPI growth receding

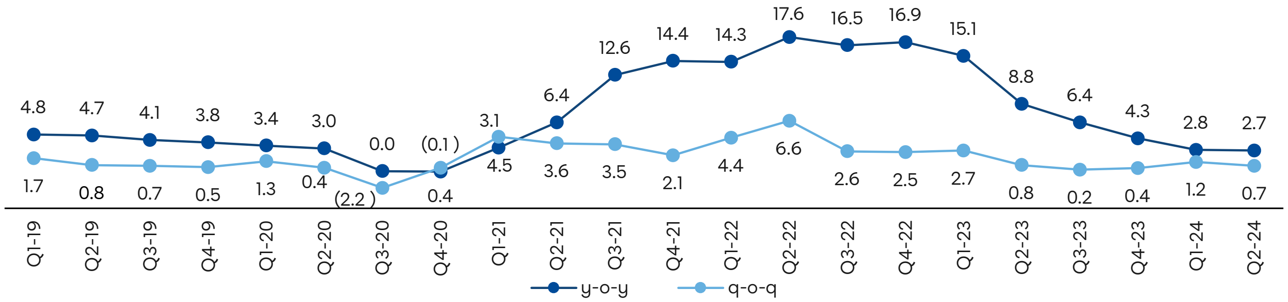
House price inflation[1]

In %



Construction price inflation[2]

In %

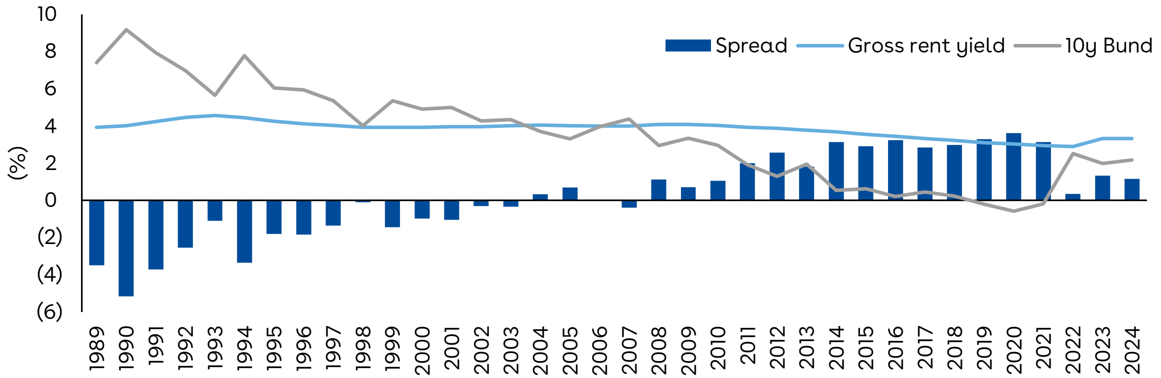


- Q2 figures once again confirm that the negative price trend for new-build properties has come to an end
- Only moderate peak-to-trough price decline
- Construction price inflation is levelling off
- CPI for larger projects is even lower - costs largely stable for INS

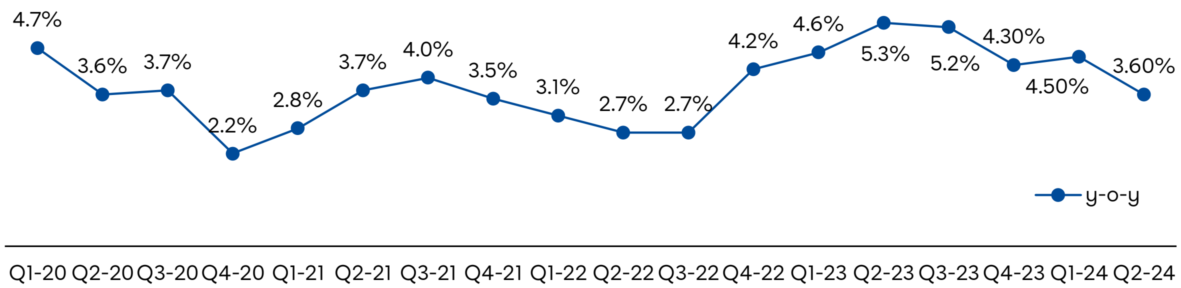
1 Bulwiengesa data; for house price index, quarterly data condo prices in top 7 cities (new build)
2 Statistisches Bundesamt

Price development: yield expansion partly offset by continued dynamic rent growth

Price discovery – yields approaching mean levels[1]



New-build rent development – Strong momentum persists[2]



- The impact of yield expansion due to higher rates is **mitigated by accelerating rent growth[1]**
- Historically stable yields for good quality residential assets
- Beginning of **price stabilisation** implies that yields may rise somewhat further, driven by rental growth, towards the long-term mean of 4%
- Subsidy schemes for affordable housing support stabilisation at comparatively low yields

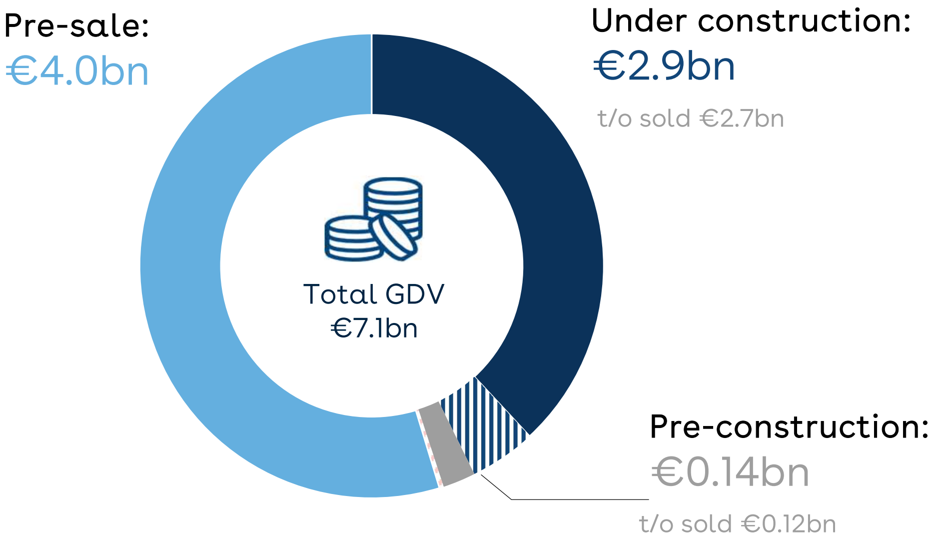
> *__New-build rents__ rise faster than existing rents…In a year-on-year comparison, average asking __rents__ in the metropolitan areas __increased by 10.6 per cent__*

Source: immoscout Wohnbarometer

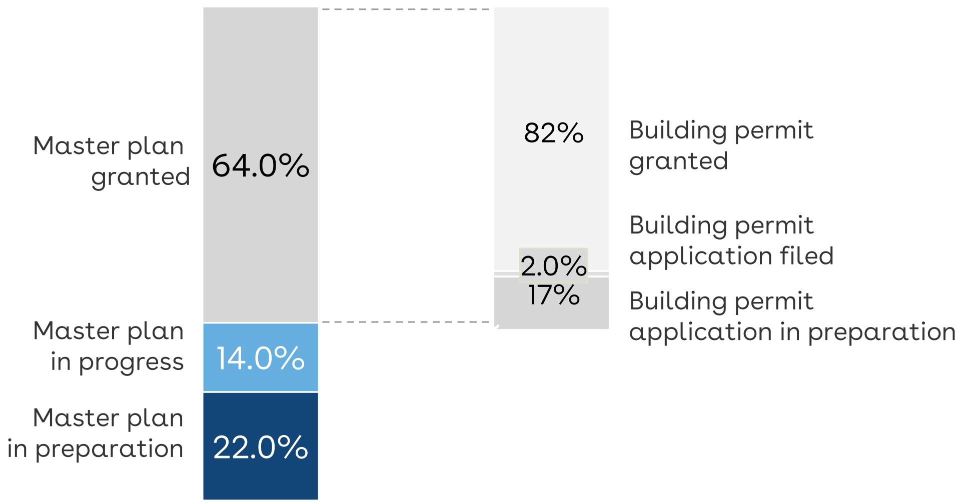
1 Historical periods based on sellers' price indications (Bulwiengesa); forward 2023-2024 gross rental income yield based on market data (CBRE, avg. top 7 German cities)
2 Bulwiengesa: newly built apartments, top-7 cities average

Under construction projects de-risked as nearly 90% sold

Project portfolio as of 30/06/2024 by development (GDV)



Project portfolio as of 30/06/2024 by building right status (GDV)



- Projects with GDV of c.€2.9bn are "under construction" of which 90% already sold
- Of the c.€2.8bn sold volume as of the reporting date c.€2.25bn has been recognised in revenues
- Some €1.5bn of land bank with zoning rights obtained (GDV)
- Land value c.€450m + outstanding land payment c.€150m (c.15% of pre-sales GDV)

Q2 2024 Financial Performance & Outlook

Adjusted Results of Operations: Solid profitability maintained

€m	Q2 2024	Q2 2023	Change	H1-2024	H1-2023	Change
Revenues	**135.9**	156.0	(12.9%)	1 **255.4**	279.5	(8.6%)
Project cost	(103.0)	(117.6)	(12.5%)	(189.8)	(207.3)	(8.4%)
Gross profit	**32.9**	38.4	(14.3%)	**65.6**	72.2	(9.1%)
Gross Margin	24.2%	24.6%		2 25.7%	25.8%	
Platform cost	(19.2)	(13.7)	40.1%	3 (36.9)	(33.0)	11.8%
Share of results of JVs	3.8	2.8		4 4.7	4.1	
EBIT	**17.6**	27.5	(36.0%)	**33.4**	43.3	(22.9%)
EBIT Margin	13.0%	17.6%		13.1%	15.5%	
Financial & other results	(2.5)	(6.6)		5 (5.7)	(10.0)	
EBT	**15.2**	20.9	(27.3%)	**27.8**	33.3	(14.2%)
EBT Margin	11.2%	13.4%		10.9%	11.9%	
Taxes	(4.2)	(5.5)		(7.3)	(9.4)	
Tax rate	27.6%	26.3%		26.3%	28.3%	
EAT	**10.9**	15.4	(29.2%)	**20.5**	23.9	(15.6%)
EAT Margin	8.0%	9.9%		8.0%	8.6%	
EAT post minorities	**11.0**	15.4	(28.7%)	**20.4**	24.2	(15.5%)
EPS[1]	**0.25**	0.36	(30.1%)	6 **0.47**	0.56	(16.1%)

1 Lower construction output, in line with expectations – bulk of revenues is based on pre-sold units

2 High gross margin reflects quality of projects and cost control with inhouse construction management; expected lower gross margin for FY-2024e based on project mix

3 Platform costs are largely in line with annualised target of around €70m (some higher costs for one-time LTIP provisions due to higher share price)

4 JV result reflects positive contribution of Berlin JV

5 Improved financial result mainly due to lower net debt

6 Lower tax rate of c.24% in FY-2024 expected mainly due to higher expected share of earnings from JV leading to stable EAT margins of 8%, in line with expectations

1 Weighted average number of shares 42,323 (H1-2024) / 42,377 (H1-2023)

Strong balance sheet

€m	30/06/2024	31/12/2023
Corporate debt	181.1	
Project debt[1]	277.8	
Financial debt[1]	458.8	454.5
Cash and cash equivalents and term deposits[1]	(254.6)	
Net financial debt[1]	**204.2**	**186.8**
Inventories and contract asset / liabilities	1,295.4	
LTC[1,2]	15.8%	15.1%
Adjusted EBIT (LTM)[3]	76.2	
Adjusted EBITDA (LTM)[3]	81.4	
Net financial debt[1] / adjusted EBITDA	2.5x	2.1x

- Maintaining very moderate LTC of 15.8%
- ... and also very solid net debt/adjusted EBITDA of 2.5x at trough of earnings cycle
- Balance sheet offers ample headroom for growth

1 Q2/24: Excl. €160m restricted cash and €111.1 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 strong position

Cash Flow (€m)	Q2 2024	Q2 2023	H1 2024	H1 2023
EBITDA adj.	19.0	28.8	36.1	45.8
Other non-cash items	2.2	(5.5)	(3.7)	(6.8)
Taxes paid	(4.3)	(2.0)	(7.7)	(3.3)
Change in working capital	30.1	13.0	(5.4)	(76.1)
Operating cash flow	47.0	34.3	19.3	(40.4)
Land plot acquisition payments (incl. RETT)[1]	1.1	4.1	1.8	9.7
Operating cash flow excl. investments	48.1	38.4	21.1	(30.7)

- Sound cash generation from high share of pre-sold projects; significant positive operating cash flow expected also for FY-2024 (prior to land plot acquisitions)
- EUR 1.8m new land payments relating to prior year commitments
- Only limited impact of recent acquisitions on short term liquidity (total purchase price c.€30m); new land plots expected to be partially financed with debt (c.50%)

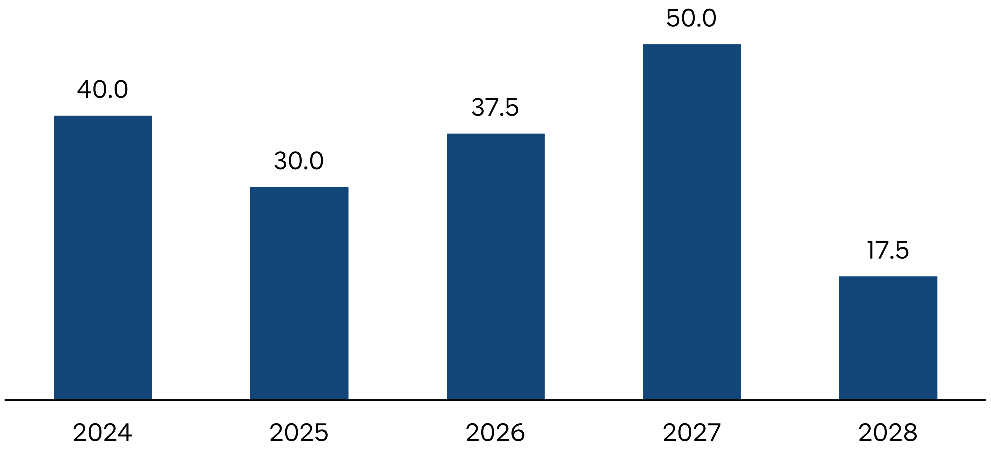
Liquidity (€m)	Total	t/o drawn	t/o available
Corporate debt			
Promissory notes	175.0	175.0	-
Revolving Credit Facilities	151.6	-	151.6
Cash and cash equivalents and term deposits[2]			254.6
Total corporate funds available			**406.2**
Project debt[2]			
Project finance[2,3]	464.7	271.7	193.0

- Net cash position on corporate level
- Clear intention to seize growth opportunities in the land market from a position of strength

1 RETT: Real Estate Transfer Tax
2 Q2/24 Excl. €160million restricted cash and €111.1 million financial debt in connection with Project Westville client related subsidized KFW loan
3 Net available project financing

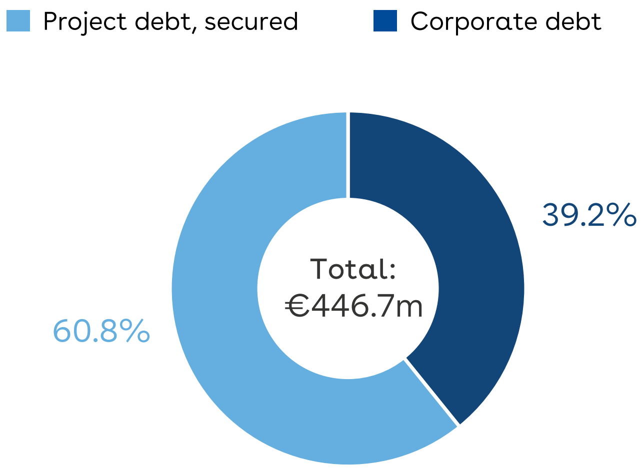
Financing: Successful smoothing of maturity profile

Maturity profile (corporate debt) as of 30/06/2024



Weighted average corporate debt maturity	2.0 years
Weighted average corporate interest costs	4.4%
Share of corporate debt with floating interest	0%

Secured/unsecured as of 30/06/2024



- Successful smoothing of maturity profile through partial extension of the €100m promissory note - €35m extended to 2026 & 2028[1]
- Majority of financial debt is project related
- 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: On track for FY 2024 targets

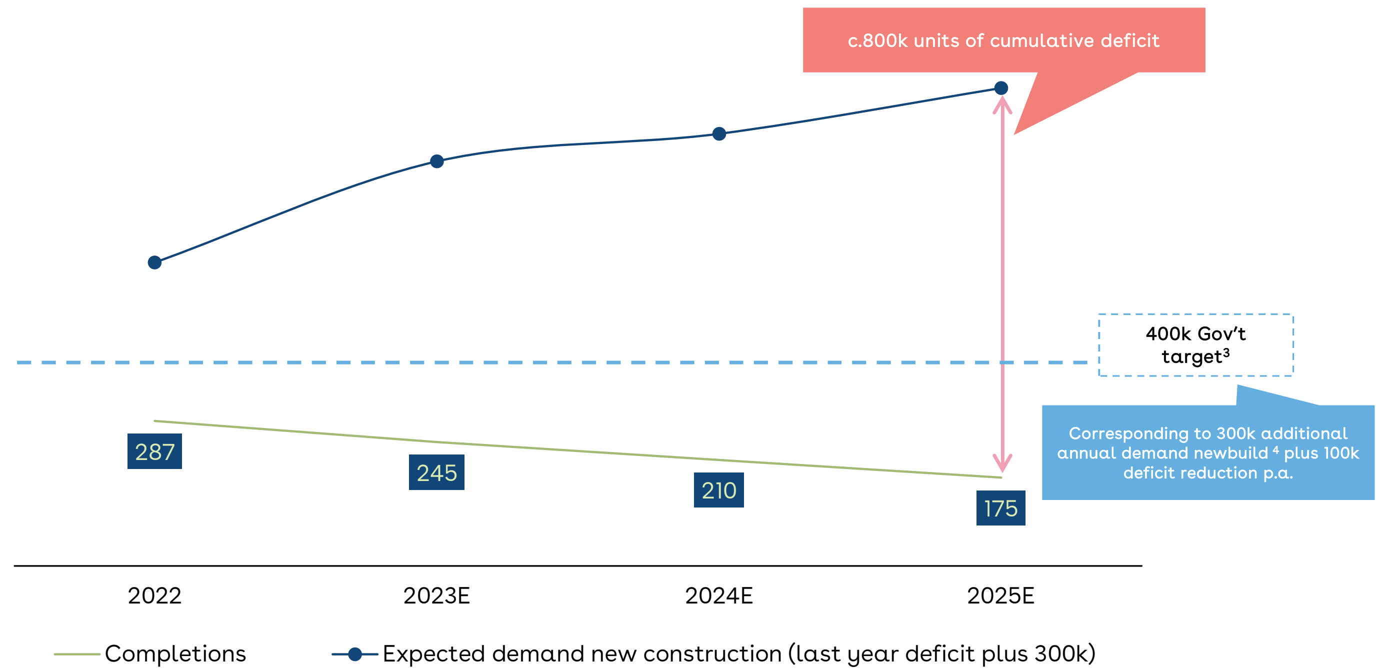
€m	Forecast 2024
Revenues (adjusted)	500-600
Gross profit margin (adjusted)	~22%
EAT (adjusted)	30-40
Volume of concluded sales contracts	>300

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

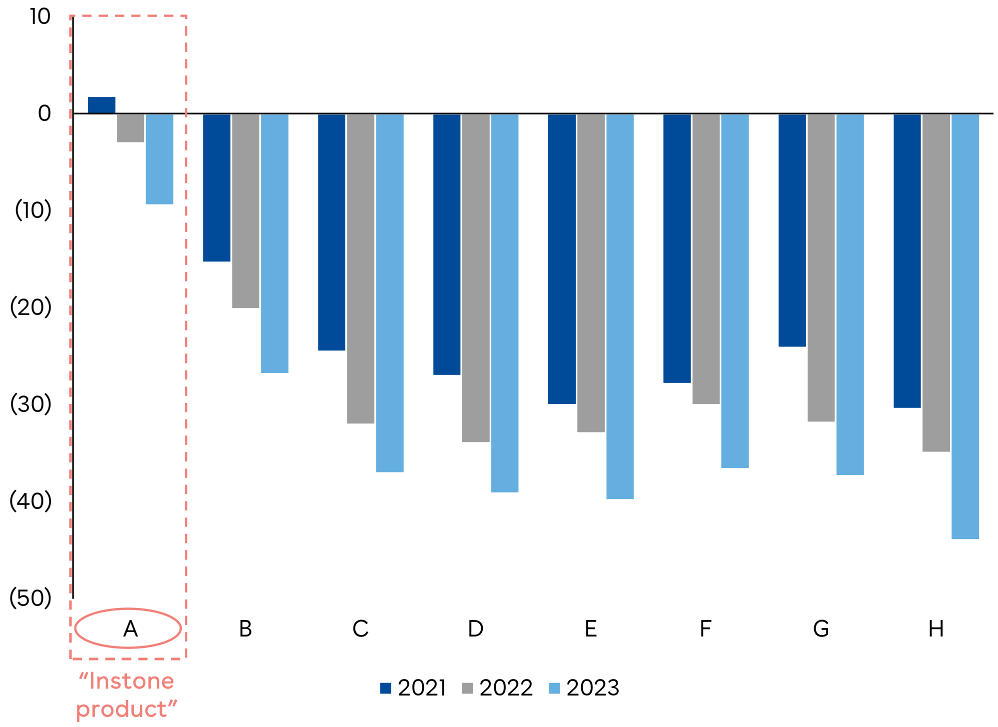
Forecasted **cumulative deficit building up** to c. 800k cumulative units in 2025E

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.25% in H1-2024)
- ✓ **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 15.8%), strong cash position
- ✓ Strong **cash generation from** projects under construction (>EUR 400m)
- ✓ Approx. 90% 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 13.23

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

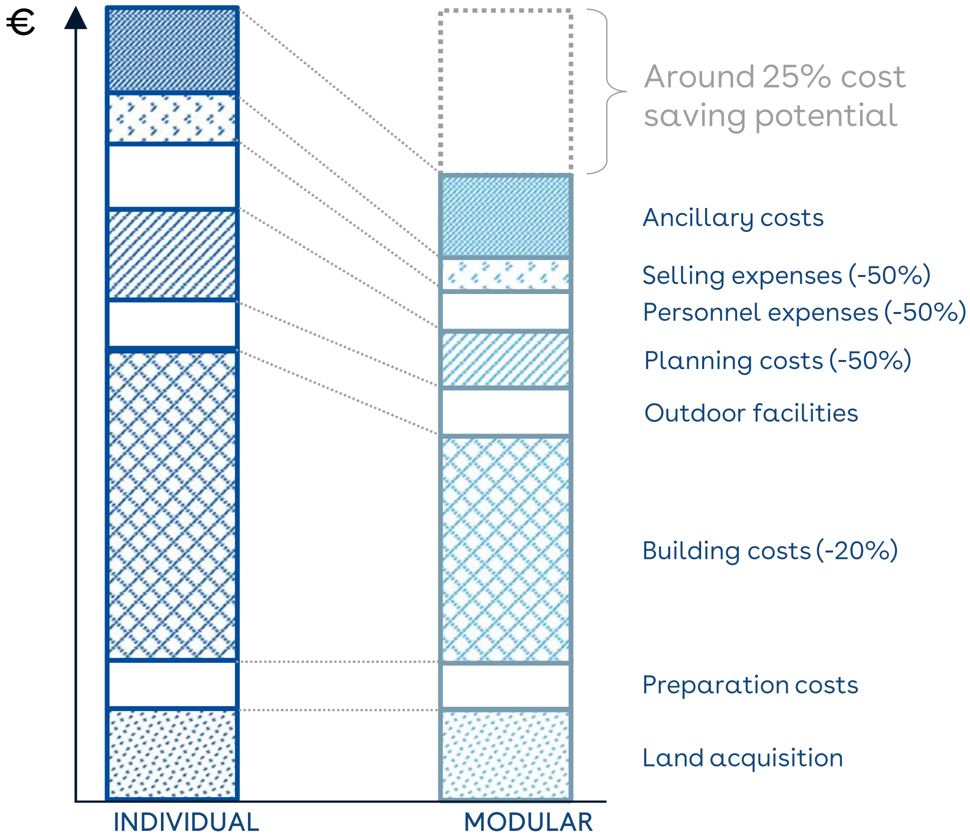
DUI 06, Duisburg (Wedau)

- 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

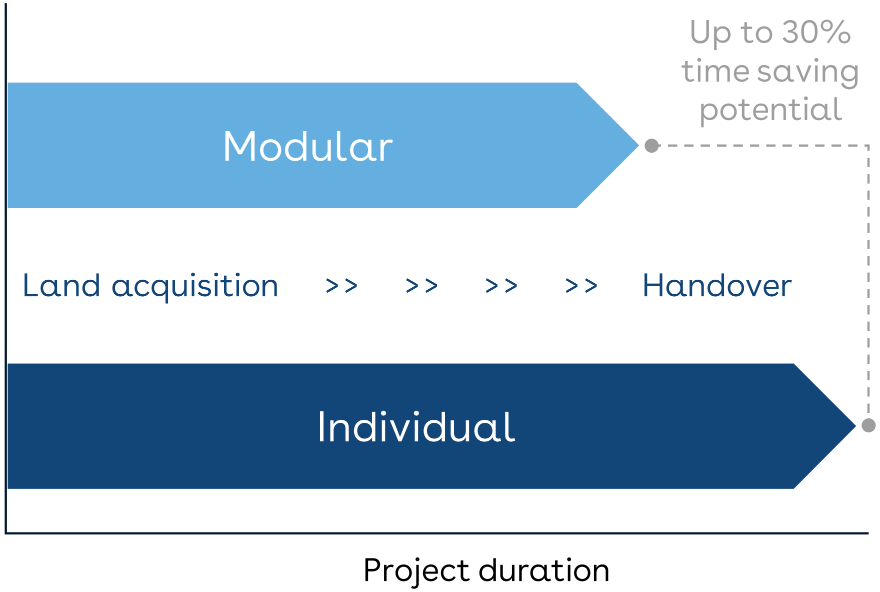
~20% reduction of building costs

- 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

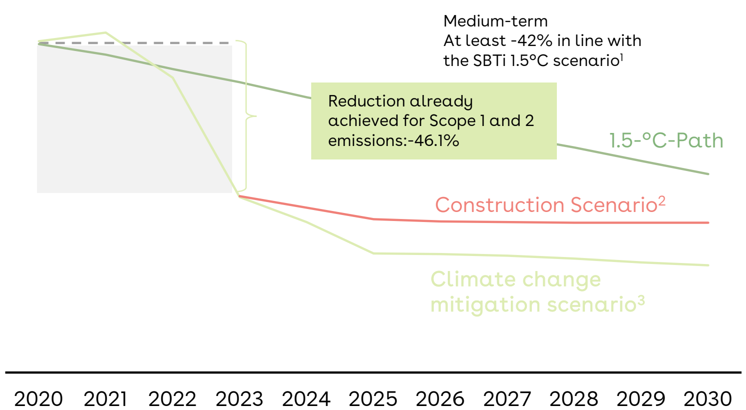
- Predominantly **EU taxonomy-compliant**
- **100%** of project/object portfolio with energy requirements of NEZB-10% **by 2030**
- GHG emissions **scope 1 and 2** reduction **target of 42% reached.** Review of new targets.
- **Net Zero** climate neutrality **by 2045**
- >50% of revenues from **affordable 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

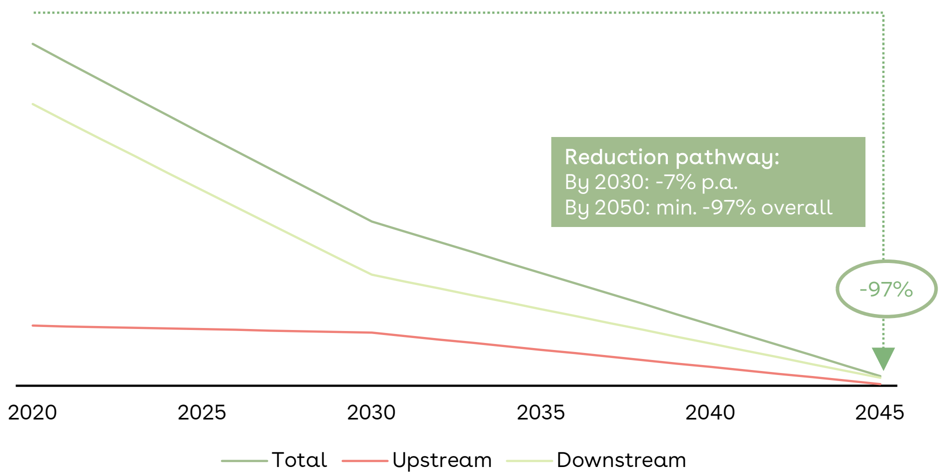
CO2 in t m



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

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

Appendix

Project portfolio key figures

€m	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Volume of sales contracts	34.0	88.0	120.1	20.2	18.4	52.7	42.0	104.6	58.0
Project Portfolio	7,124.9	6,885.8	6,972.0	7,015.5	7,182.6	7,600.4	7,668.8	7,827.4	7,727.4
thereof already sold	*2,784.8*	*2,781.1*	*2,693.4*	*2,822.7*	*2,868.8*	*2,958.7*	*2,987.3*	*2,945.4*	*2,891.4*
thereof already realized revenues	*2,246.3*	*2,140.7*	*2,022.5*	*2,089.4*	*2,002.2*	*1,944.7*	*1,902.7*	*1,721.0*	*1,597.1*

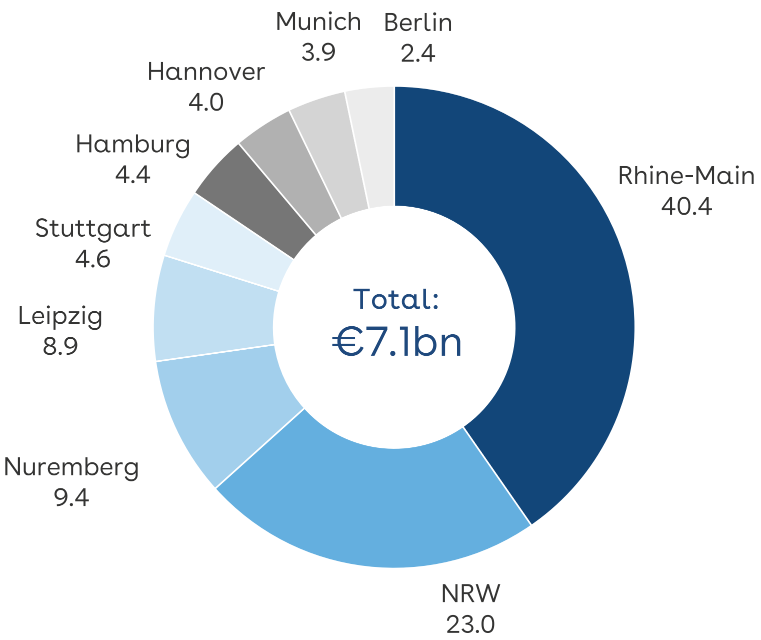
Units	Q2 2024	Q1 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Volume of sales contracts	68	213	195	37	28	110	44	199	96
Project Portfolio	14,760	14,252.0	14,252.0	14,269.0	15,148.0	16,107.0	16,209.0	16,580.0	16,644.0
thereof already sold	*6,448*	*6,430.0*	*6,217.0*	*6,588.0*	*7,017.0*	*7,198.0*	*7,309.0*	*7,265.0*	*7,179.0*

(Unless otherwise stated, the figures are quarterly values)

Diversified project portfolio across most attractive German regions

Project portfolio as of 30/06/2024 by region (GDV)

In %

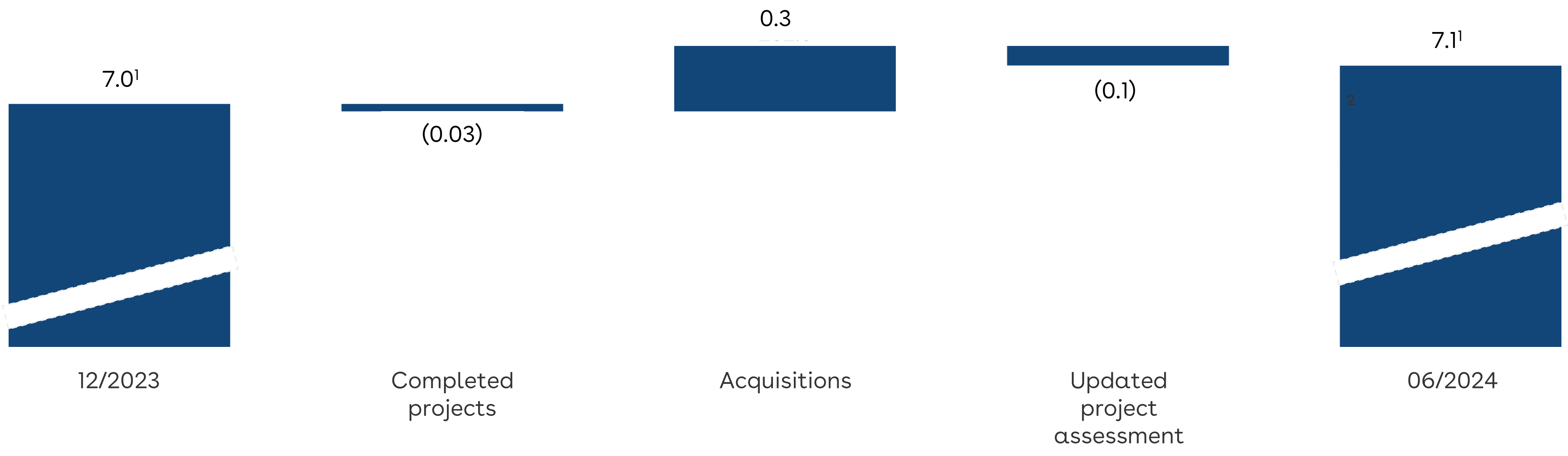


- 46 projects / 14,760 units / ~1,304m sqm of saleable space
- 96% in metropolitan regions
- ~78 average sqm / unit
- ~€5,683 ASP / sqm
- Additional four JV projects (INS share of GDV: ~€630m)

Significant pipeline; well prepared to seize market opportunities

Project portfolio development (GDV)

In €bn



1 excluding GDV of at-equity JVs

Expected future cash flows suggest significant upside[1]

Fundamental Instone value rests on three distinct pillars

1 Pre-sold projects

- c.€2.9bn currently under construction
  - t/o c.€2.7bn pre-sold (90%)
- In addition c.€180m pre-construction already pre-sold

→ Tangible and substantially de-risked cash-flow profile

2 Land bank

- Residual unsold and paid land bank recognised at cost[2] of ~€450m

→ Substantial incremental value

3 Future potential

- Ability to source new projects
- Highly attractive opportunities likely to materialise within 12-24 months
- Additional income streams from various strategic initiatives

(As of 30 June 2024; in EUR million)	
De-risked free cash flow from projects under construction[1]	~330m
Unsold land bank at cost[2]	~450m
Notional gross asset value[2]	~780m
Net debt	-204.1
Notional value to shareholders[3]	>570m

1 Free cash flow post platform cost and taxes; Incl. proportionate share of at-equity JVs
2 Note: "unsold land bank at cost" excluding unsold portion of projects under construction
3 Note: 43.32m shares issued and outstanding (excluding Treasury shares)

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 €
Buidling costs	429,073 €
Buidling costs per sqm	5,048 €
Rental yield	4%
Rental growth p.a.	2.5%
Equity ratio (30%)	156,978 €
Debt interest rate	3.5%
Income tax	44%

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

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	40.3%	62%

Attractive post tax returns		
Average RoE (cash returns)	12.8%	9.5%
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 certitification is met

Project portfolio as of 30/06/2024

(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	93m €	24,589	●	●	2025	
Sportplatz Bult	Hanover	117m €	24,007			2029	
RBO	Hamburg	218m €	29,876	●	●	●	●
Büntekamp	Hanover	165m €	25,044	●	◐	2025	
Berlin							
Nauen	Nauen	167m €	29,051	●	●	2025	
Fontane Gärten	Potsdam	66m €	9,563	●	●	●	●
NRW							
Unterbach	Düsseldorf	199m €	38,537	●	●	◐	◐
Literaturquartier	Essen	N/A	17,981	●	●	●	●
REME	Mönchengladbach	128m €	28,315		◐	2025	
west.side	Bonn	203m €	63,603	●	●	●	●
Gartenstadtquartier	Dortmund	93m €	25,514	●	◐	2025	
Bickendorf	Cologne	625m €	145,492	●		2028	
6-Seen Wedau	Dulsburg	78m €	16,605	●	●	2024	
Kempen	Kempen	50m €	11,103	●	◐	2025	
Grafental	NRW	186m €	29,693	●	●	2024	

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 30/06/2024

(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	615m €	90,449	●	●	◐	◐
Friedberger Landstr.	Frankfurt	298m €	38,241		◐	2027	
Elisbethenareal	Frankfurt	84m €	9,989	●	●	2025	
Steinbacher Hohl	Frankfurt	N/A	13,746	●	●	●	●
Gallus	Frankfurt	46m €	5,791	●	●	2027	
Westville	Frankfurt	N/A	101,224	●	●	●	●
Heusenstamm	Heusenstamm	191m €	33,432	●		2025	
Kesselstädter	Maintal	229m €	38,315	●		2025	
Polaris	Hofheim	64m €	10,250	●	●	2024	
Rheinblick	Wiesbaden	303m €	51,751	●		2026	
Eichenheege	Maintal	115m €	18,055	●		2027	
Lahnstraße	Frankfurt	76m€	10,205	●	●	2025	
Leipzig							
Parkresidenz	Leipzig	273m €	64,962	●	●	◐	◐
Rosa-Luxemburg	Leipzig	161m €	25,966	●	●	2025	
Heide Süd	Halle	56m €	10,388	●	●	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 30/06/2024

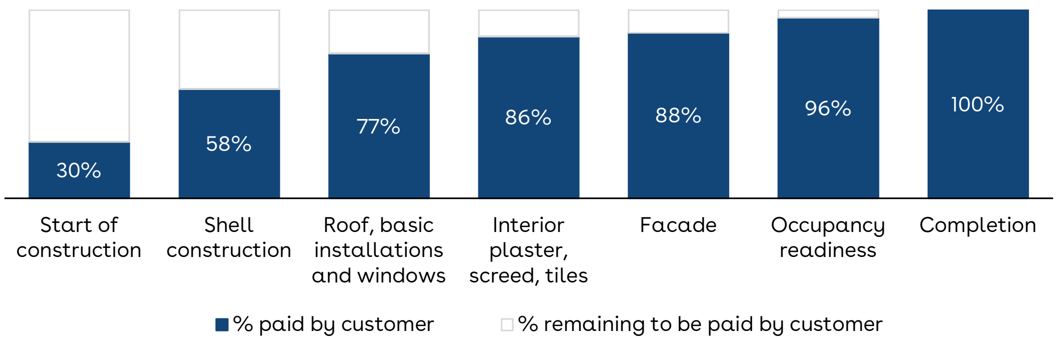
(projects > €30m sales volume, representing total: ~ €7.1bn)

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Planning right obtained	Sales start	Construction started
Baden-Wurttemberg							
Rottenburg	Rottenburg	170m €	33,912	●	●	●	●
Hemenberg III, Schäferlinde	Herrenberg	78m €	14,238	●	◐	2026	
Hemenberg II, Zeppelinstraße	Herrenberg	80m €	13,586	●	◐	2025	
Bavaria South							
Ottobrunner	Munich	107m €	10,869	●	●	2025	
Beethovenpark	Augsburg	N/A	19,109	●	●	●	●
Bavaria North							
Eslarner Straße	Nuremberg	62m €	12,570	●	●	●	
Lagarde	Bamberg	91m €	17,779	●	●	◐	◐
Schopenhauer	Nuremberg	64m €	11,206	●	●	●	●
Seetor	Nuremberg	112m €	16,134	●	●	●	●
Boxdorf	Nuremberg	65m €	10,099	●	●	●	●
Thumenberger	Nuremberg	120m €	16,291	●	●	2025	
Worzeldorf	Nuremberg	70m €	11,660	●	◐	2026	
Lichtenreuth	Nuremberg	84m €	11,653	●	●	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

UK	Ireland	Spain	France
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	

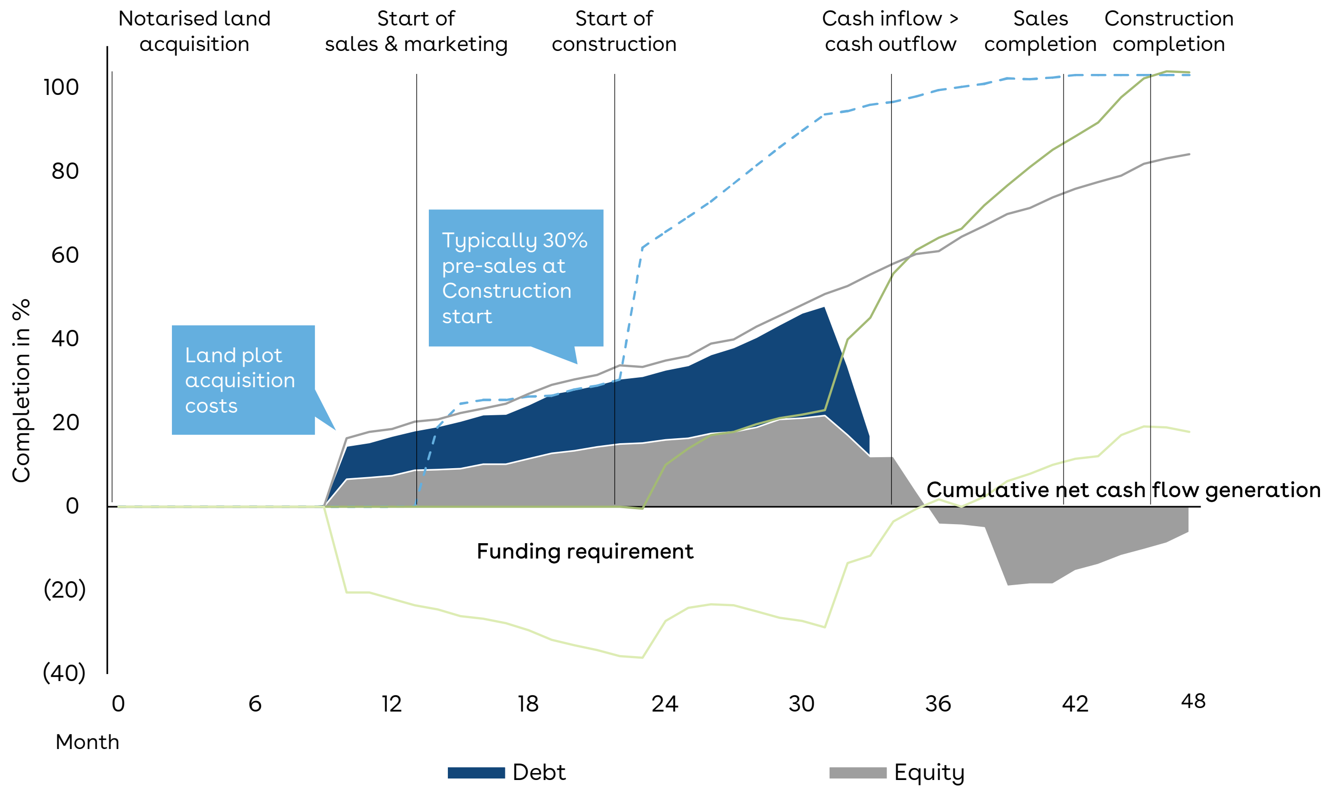
- **De risked:** B2C development process per se low-risk via regulatory framework ("MaBV")[1]
- **Certainty:** No cancellation possibilities
- **Capital-light:** Predefined payment schedule limiting equity requirement from Instone
- **Very favourable payment schedules** vs. other European countries, 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 invest >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: EUR 350 million ▪ Start: Oct. 16, 2023	▪ Name: **"Klimafreundlicher Neubau"** = climate friendly new-build ▪ Volume: EUR 0.76 billion (KFN)[2] ▪ Start: 2023 Renewal, February 2024
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
Objective	▪ Support the construction and modernisation of social housing	▪ Expected to have a l 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
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 – 90,000 EUR–270,000 EUR 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 EUR loan volume – Up to 150,000 EUR with QNG certificate

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 reveneues[2]	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

1 Value determined based on the number of properties
2 Consideration of 24 construction sites

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.

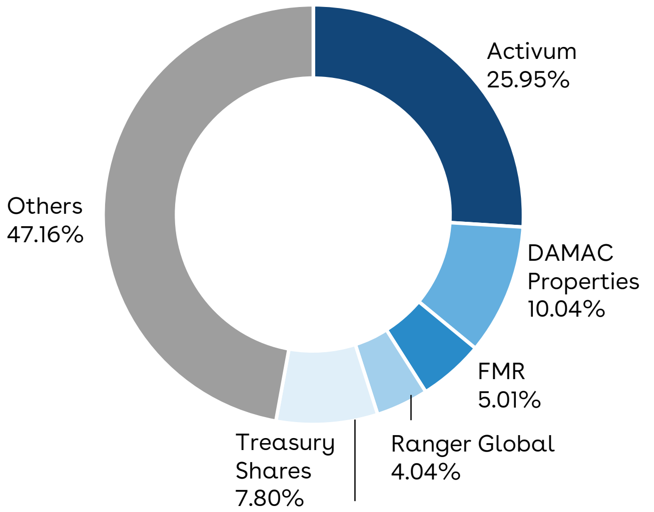
> Highly liveable quarters with great social impact

Instone share

Basic data

- ISIN: DE000A2NBX80
- Ticker symbol: INS
- No of shares: 46,988,336
- Market cap: €445.4m
- Average daily trading volume: €0.2m
- Market segment: Prime Standard, Frankfurt

Shareholder structure (August 2024)



1 Based on closing price on 01 August 2024 at €9.48

Financial calendar

2024

August	08	Group Interim Report for the first half of 2024
September	tbd	Roadshows London & Paris
September	23	Berenberg & Goldman Sachs German Corporate Conference, Munich
September	24	Baader Investment Conference, Munich
October	17	Warburg Small and Midcap Conference, Munich
November	07	Quarterly Statement for the first nine months of 2024

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 December 2025

David Dreyfus
CFO

- CFO, effective September 1, 2023
- >28 years of experience in corporate finance and capital markets, including as Director with Lazard and Senior Partner of Lilja & Co.
- Dreyfus already advised Instone in preparation and execution of its IPO in 2017 and 2018
- Appointed until 31 December 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 December 2025

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