



# *Instone Real* *Estate Group SE*

Investor presentation  
March 2024

# Agenda

1. Key Investment Highlights

---
2. FY 2023 Highlights

---
3. FY 2023 Financial Performance & Outlook

---
4. Market Environment

---
5. nyoo: Growth Perspective

---
6. ESG Strategy

---
7. Appendix

---

# 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+



~€7bn

GDV project portfolio as of 31/12/2023



**Management team**

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



**441 employees**

As of 31/12/2023



**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

Fully in-house



No speculative land banking

## Planning application

Internal/external experts



High building density assessment

## Sales

Internal/external sales teams



30% pre-sale hurdle rate prior to construction

## Construction

External contractors



Strong construction management background

## Completion



Positive track-record concerning on time deliveries





# Q4 2023 Highlights



# Q4 Highlights & Outlook

## Positive momentum in B2C business; two institutional deals signed (Q4+Q1) in still challenging environment



### Operational Highlights

- **Sales:** Private customer shows continued improvement, institutional buyers largely in 'wait and see' mode but two deals (c.€100m) signed in Q4+Q1
- **Construction costs:** stabilized; recent sideways movement of CPI
- **Financial strategy:** focus on costs & cash preservation (operating CF €107.7m); well prepared to seize growth opportunities in 2024 & 2025

## FY results: Upper end of earnings target reached



### FY 2023 Results<sup>1</sup>

- **Revenues:** €616.0m (-0.8% yoy)
- **Gross profit margin:** 25.1% (2022: 25.3%)
- **EBIT:** €86.1m (-2.8% yoy)
- **EAT:** €48.2m (-3.6% yoy; guidance: €40-50m)
- **DPS (proposal):** €0.33 (-5.7% yoy)

## Outlook 2024: continued solid profitability expected - transitional year



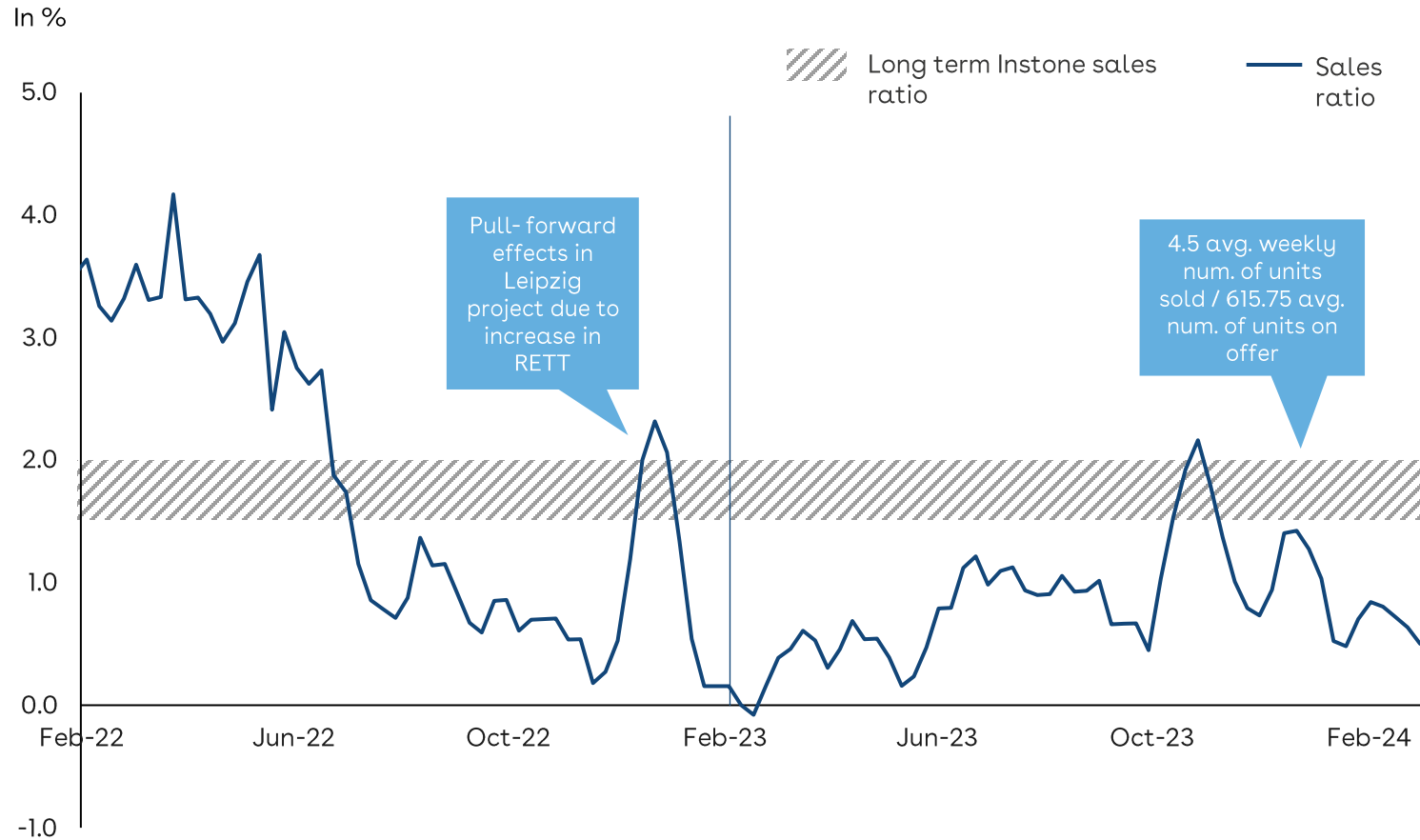
### Outlook<sup>1</sup>

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

<sup>1</sup> Adjusted results

# Sales ratio: Continued improvement from low levels

## Sales ratio<sup>1</sup>

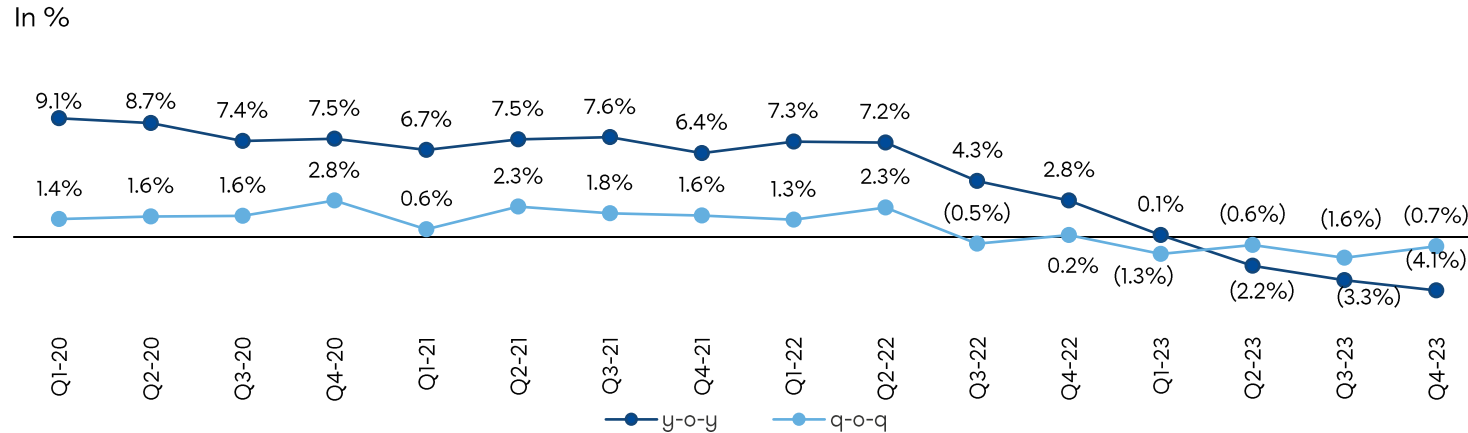


- Accelerated demand recovery in Q4-2023
- Traditional weaker Q-2024 **seasonality** and temporary slowdown in run-up of introduction **Growth Opportunities Act**; additional boost in demand expected
- Institutional investors in wait-and-see mode but two deals signed (Q4+Q1)
- **Sales ratio 0.63% (9 CW):** 3.5 avg. weekly number of units sold / 552 avg. number of units on offer

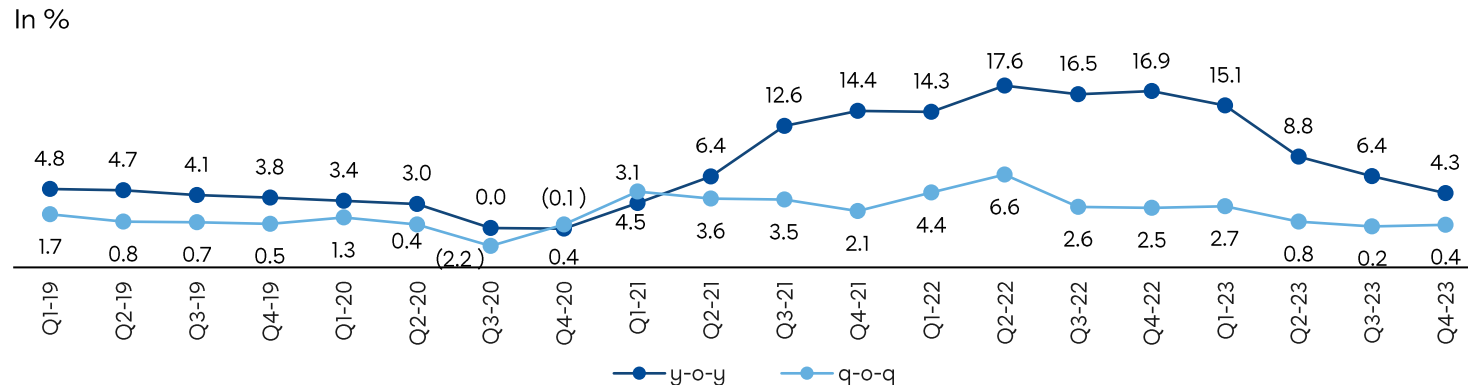
<sup>1</sup> Retail sales ratio = weekly number of units sold/total number of units on offer (four week moving average)

# New builds with moderate price correction; CPI growth receding

## House price inflation<sup>1</sup>



## Construction price inflation<sup>2</sup>



- New build condo prices in top 7 cities decreased only slightly in Q4; moderate peak-to-trough decline

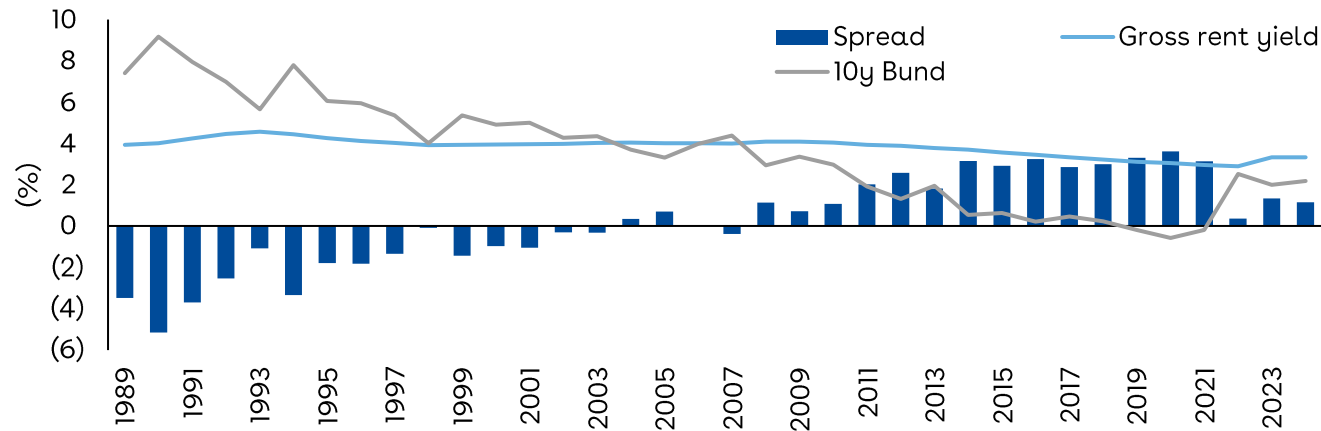
- Construction price inflation is levelling off; largely flat CPI in 2024 expected

<sup>1</sup> Bulwiengesa data; for house price index, quarterly data condo prices in top 7 cities (new build)

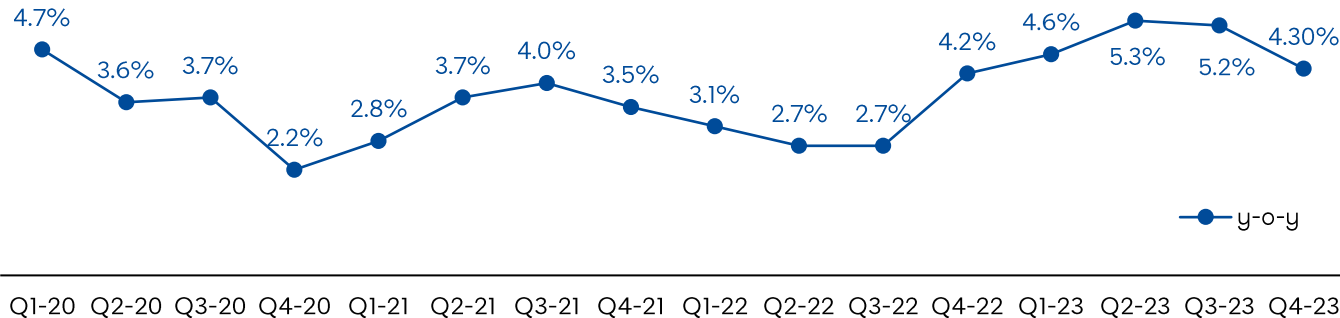
<sup>2</sup> Statistisches Bundesamt

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

## Price discovery – yields reached attractive levels<sup>1</sup>



## New-build rent development–Strong momentum persists<sup>2</sup>



- The impact of yield expansion due to higher rates is **mitigated by accelerating rent growth<sup>1</sup>**
- A positive yield spread to interest was historically the exception (due to expected rent growth/inflation)
- Historically stable yields for good quality residential assets
- **Price stabilisation** as of mid 2024 could imply that yields may rise somewhat further (from current 3.5%) driven by rent growth
- Subsidy schemes for affordable housing support stabilisation at comparatively low yields

“

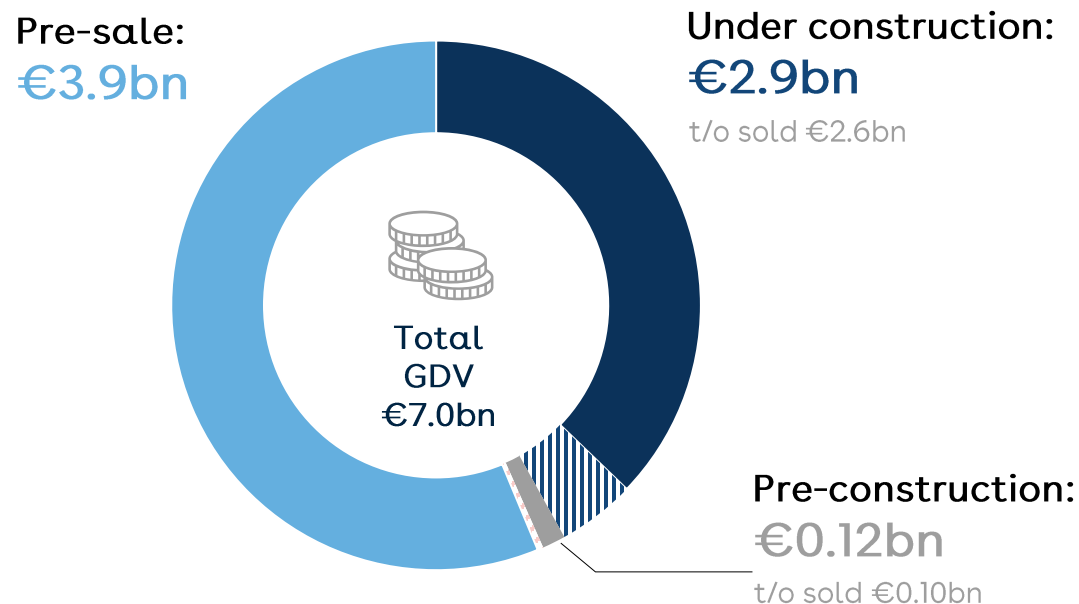
New price records show how tight the rental market in the big cities continues to be. This is particularly true for new builds

”

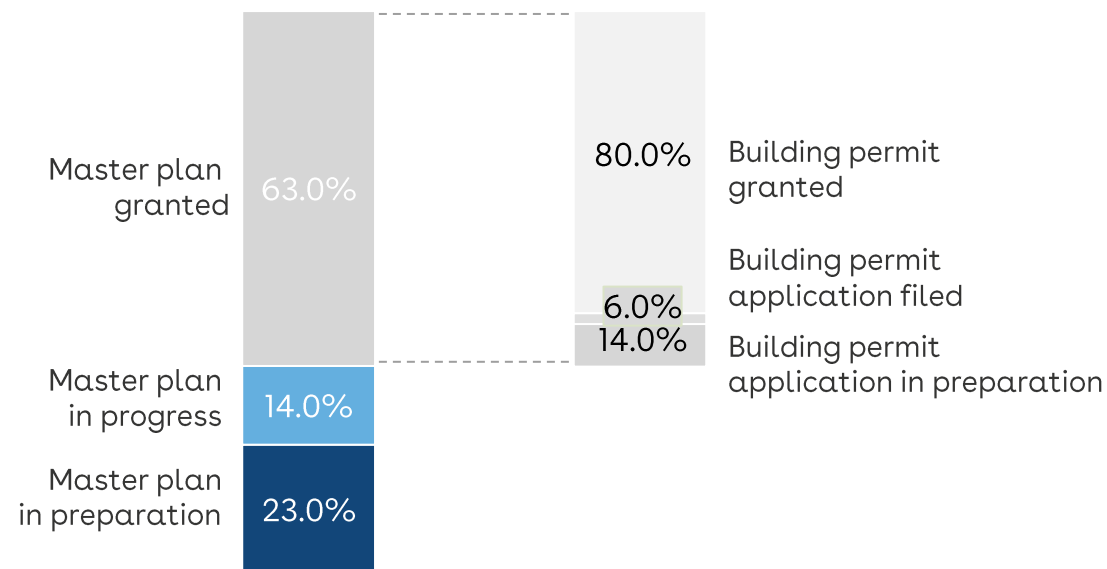
Source: Immoscout24

# Under construction projects de-risked as nearly 90% sold

Project portfolio as of 31/12/2023 by development (GDV)



Project portfolio as of 31/12/2023 by building right status (GDV)



- Projects with GDV of €2.9bn are “under construction” of which nearly 90% (€2.6bn) already sold
- Of the c.€2.7bn sold volume as of the reporting date c.€2.0bn has been recognised in revenues
- Land value c.€400m + outstanding land payment c.€100m (c.12.5% of pre-sales GDV)

# Q4 2023 Financial Performance & Outlook



# Adjusted Results of Operations

FY results prove strong resilience – Earnings reach upper end of guidance range

€m	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues	182.7	179.1	2.0%	616.0	621.0	(0.8%)
Project cost	(138.9)	(135.6)	2.4%	-461.5	-463.8	(0.5%)
<b>Gross profit</b>	<b>43.8</b>	<b>43.4</b>	<b>0.9%</b>	<b>154.5</b>	<b>157.2</b>	<b>(1.7%)</b>
Gross Margin	24.0%	24.2%		25.1%	25.3%	
Platform cost	(25.6)	(17.4)	47.1%	-76.5	-72.5	5.5%
Share of results of JVs	2.1	1.7		8.1	3.9	
EBIT	20.3	27.7	(26.7)	86.1	88.6	(2.8%)
EBIT Margin	11.1%	15.5%		14.0%	14.3%	
Financial & other results	(2.3)	(4.3)		-14.9	-15.9	
<b>EBT</b>	<b>18.0</b>	<b>23.4</b>	<b>(23.1%)</b>	<b>71.2</b>	<b>72.5</b>	<b>(2.1%)</b>
EBT Margin	9.9%	13.1%		11.6%	11.7%	
Taxes	(7.0)	(7.3)		-23.1	-22.6	
Tax rate	38.9%	31.2%		32.4%	31.2%	
<b>EAT</b>	<b>11.1</b>	<b>16.0</b>	<b>(30.6%)</b>	<b>48.2</b>	<b>50.0</b>	<b>(3.6%)</b>
EAT Margin	6.1%	8.9%		7.8%	8.1%	
EAT post minorities	11.9	15.8	(24.9%)	49.3	50.9	(3.0%)
<b>EPS<sup>1</sup></b>	<b>0.28</b>	<b>0.35</b>	<b>(20.5%)</b>	<b>1.14</b>	<b>1.11</b>	<b>2.7%</b>

- Majority of revenues is based on pre-sold units
- Strong margin reflects quality of projects and construction cost control
- Underlying platform cost reached target run-rate of €70m at end of Q4 (FTE reduced from 409 to 351 yoy); higher Q4 costs due to year-end costs
- JV result reflects positive contribution of Berlin JV
- Improved financial result due to higher interest income and higher share of capitalised interest (units recognised as inventories)
- EPS benefits from lower weighted average no. of shares

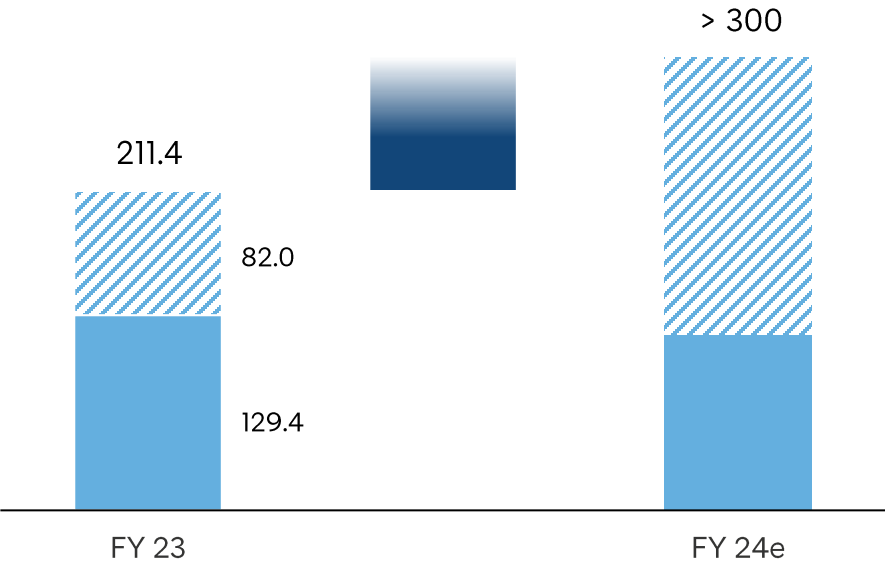
<sup>1</sup> Weighted average number of shares 43,349.6k (2023) /45,890k (2022)

# Bulk of 2023 adjusted revenues target already logged in

## Sales – expected development in 2024

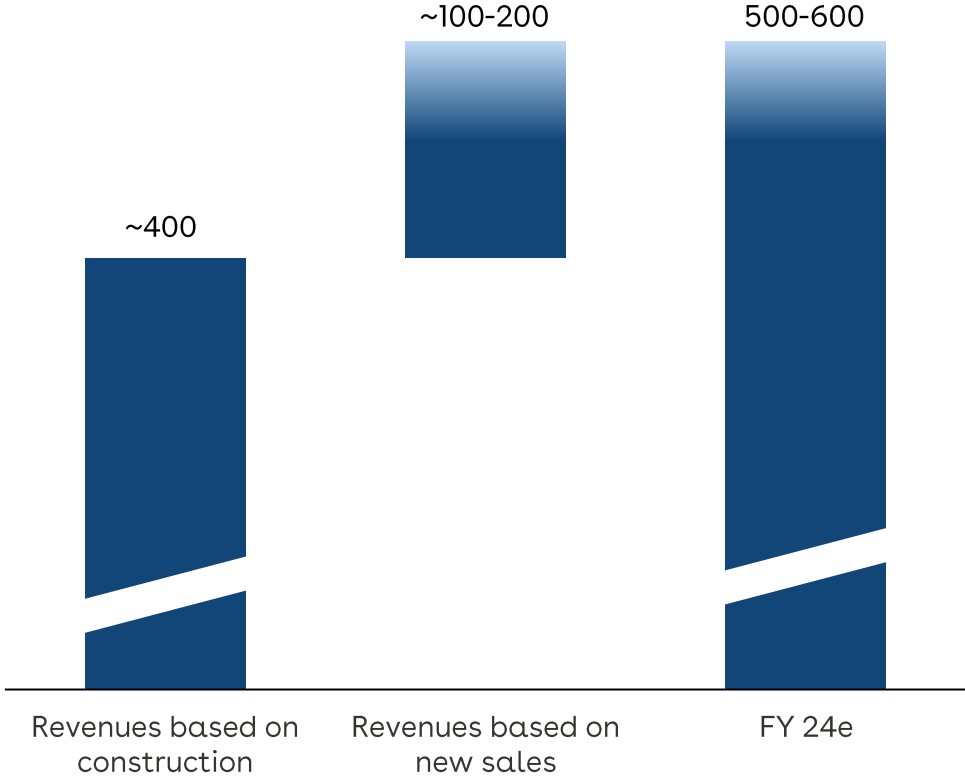
In €m

- Private sales
- Institutional sales
- Increase in sales volume



## Revenues<sup>1</sup> – expected development in 2024

In €m



# Strong balance sheet

€m	31/12/2023	31/12/2022
Corporate debt	176.8	
Project debt <sup>1</sup>	277.7	
Financial debt <sup>1</sup>	454.5	520.6
Cash and cash equivalents and term deposits <sup>1</sup>	-267.7	
Net financial debt <sup>1</sup>	186.8	265.1
Inventories and contract asset / liabilities	1,240.8	
LTC <sup>1,2</sup>	15.1%	20.8%
Adjusted EBIT (LTM) <sup>3</sup>	86.1	
Adjusted EBITDA (LTM) <sup>3</sup>	91.1	
Net financial debt <sup>1</sup> / adjusted EBITDA	2.1x	2.8x

- Further improved balance sheet ratios in Q4
- Very moderate LTC
- Solid net debt/adjusted EBITDA of 2.1x
- Balance sheet offers ample headroom for growth

# Strong cash generation

Cash Flow (€m)	Q4 2023	Q4 2022	FY 2023	FY 2022
EBITDA adj.	21.6	28.8	91.1	93.4
Other non-cash items	(5.7)	(7.4)	(9.5)	(20.2)
Taxes paid	(17.3)	(1.6)	(44.3)	(4.5)
Change in working capital	90.5	77.2	70.4	1.6
Operating cash flow	89.0	96.9	107.7	70.2
Land plot acquisition payments (incl. RETT) <sup>1</sup>	0.2	42.9	10.4	117.0
Operating cash flow excl. investments	89.2	139.8	118.1	187.2

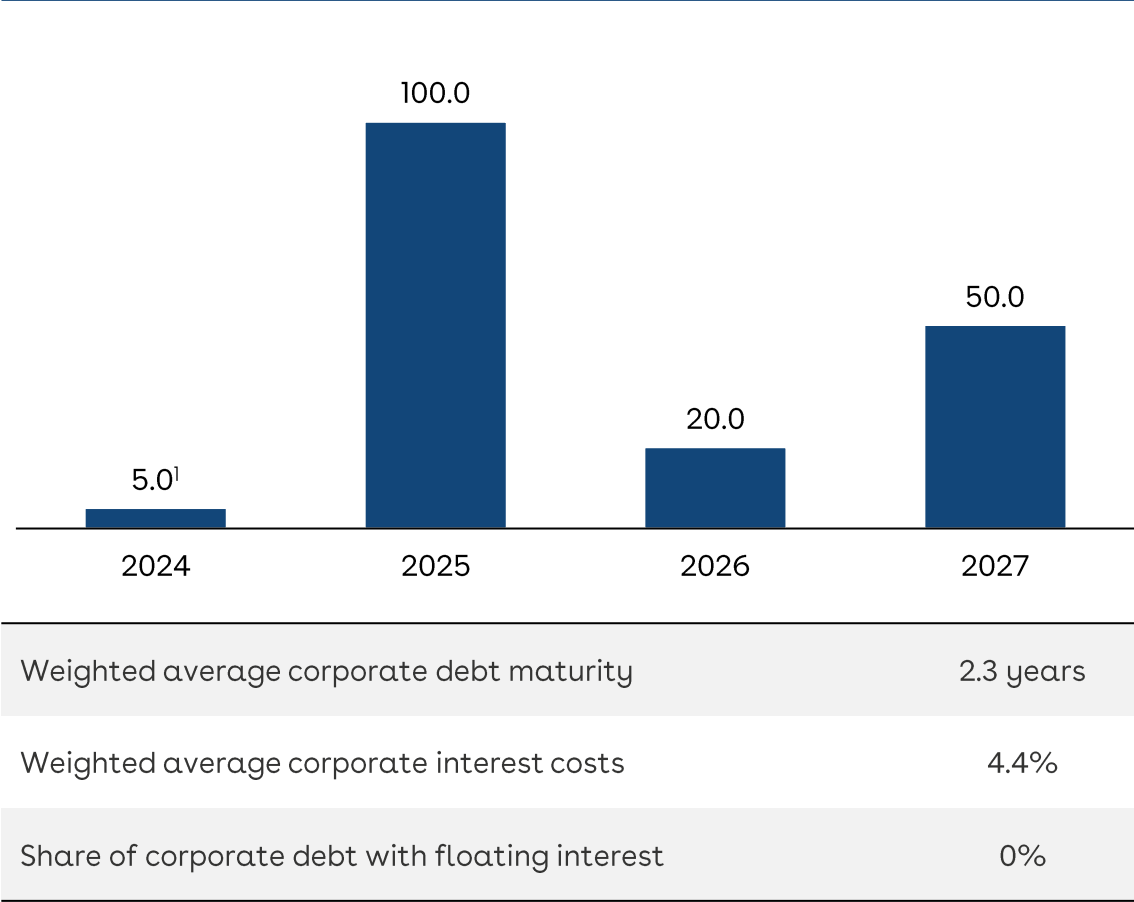
- Strong FY-2023 operating cash flow based on predictable milestone payments despite higher tax payments
- EUR 10.4m new land payments relating to prior year commitments
- Increased focus on cash generation
- Clear intention to seize growth opportunities in the land market from a position of strength

Liquidity (€m)	Total	t/o drawn	t/o available
Corporate debt			
Promissory notes	175.0	175.0	-
Revolving Credit Facilities	160.0	-	160.0
Cash and cash equivalents and term deposits <sup>2</sup>			267.7
Total corporate funds available			427.7
Project debt <sup>2</sup>			
Project finance <sup>2,3</sup>	423.4	278.8	144.6

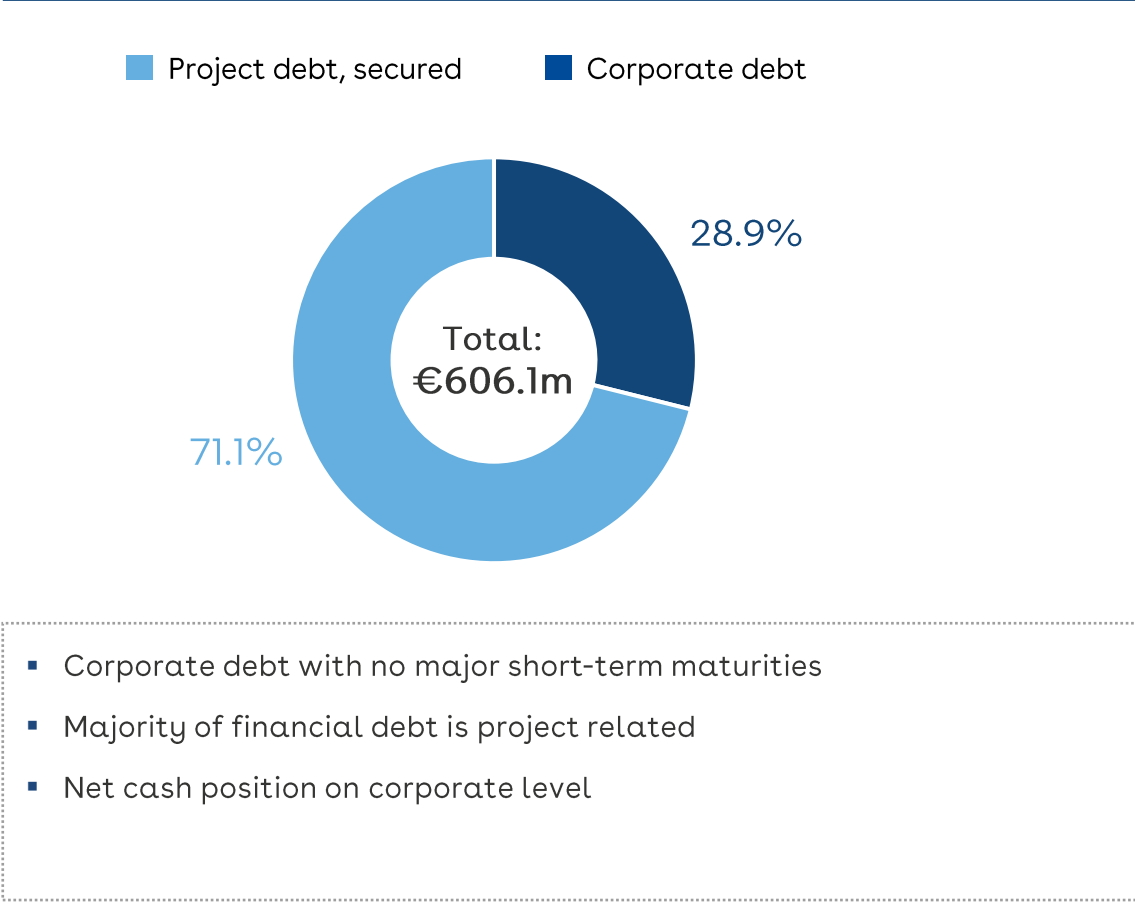
- Net cash position on corporate level
- Significant financial firepower to benefit from potential attractive acquisition opportunities

# Financing: No major maturities until H2-2025

Maturity profile (corporate debt) as of 31/12/2023



Secured/unsecured as of 31/12/2023



<sup>1</sup> Raise of new promissory note in Oct 23 of which 10.5m used to partially repay promissory note due in 2024

## Outlook: Maintaining solid profitability – 2024 a transitional year

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

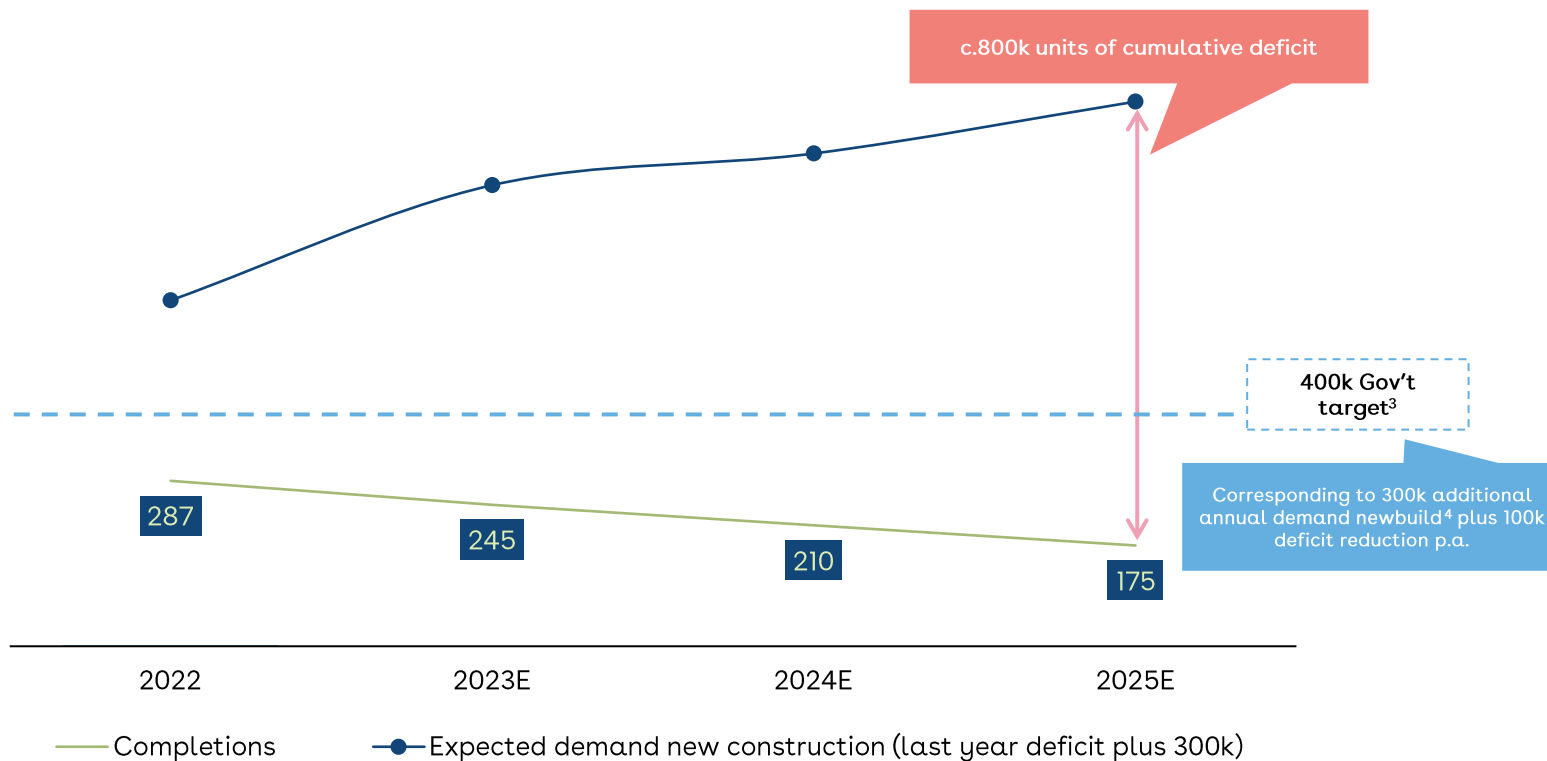


# *Market environment*

# Structural supply shortage in German resi continues to widen

## Expected increase in the structural housing shortage

German housing shortage<sup>1,2</sup>



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)

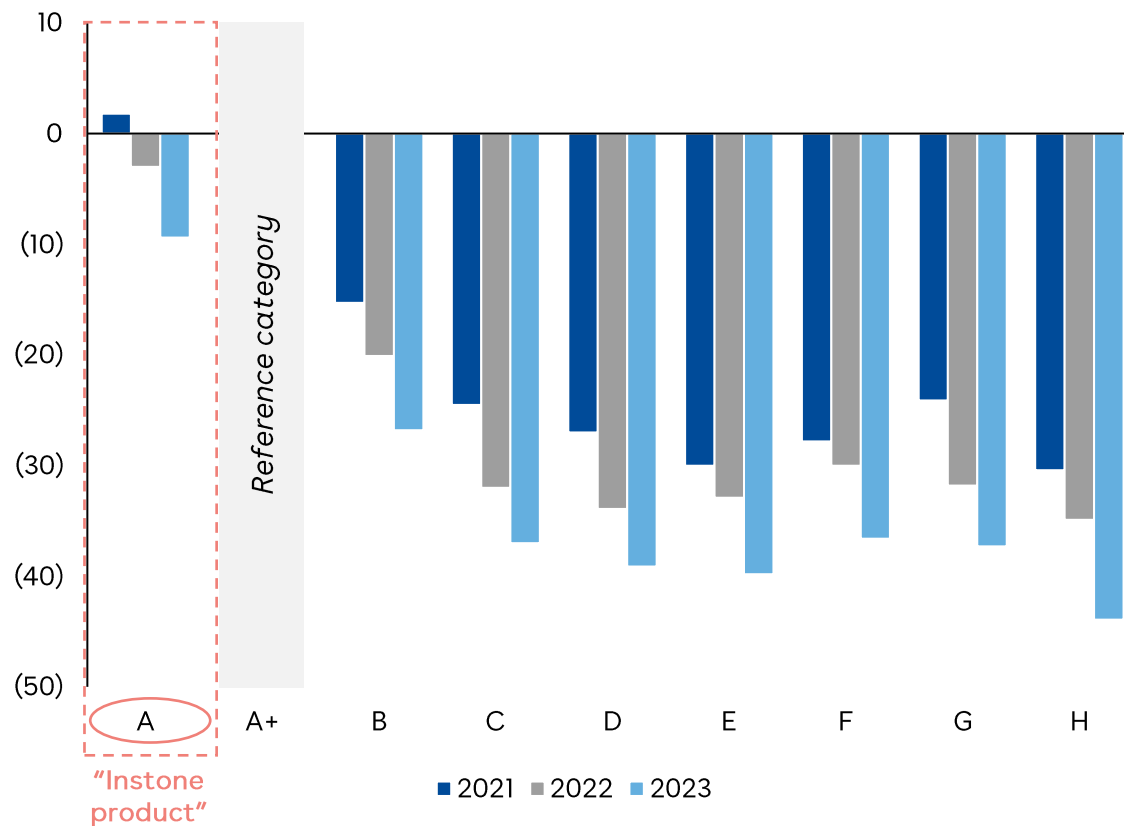
3 Includes 100k deficit reduction p.a.

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<sup>1</sup>

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



Source: ING Research & Savills

<sup>1</sup> Due to change in EU Taxonomy requirements, reporting changed vs. prev. year from project view to revenue relevant view

<sup>2</sup> in terms of energy

# Upcoming market consolidation offers vast opportunities

## Instone well positioned to exploit market opportunities

- ✓ Industry leading gross margins (c.25% in 2023)
- ✓ 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 15.1%), 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 13.17

## 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)

# *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)<sup>1</sup>

- 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)

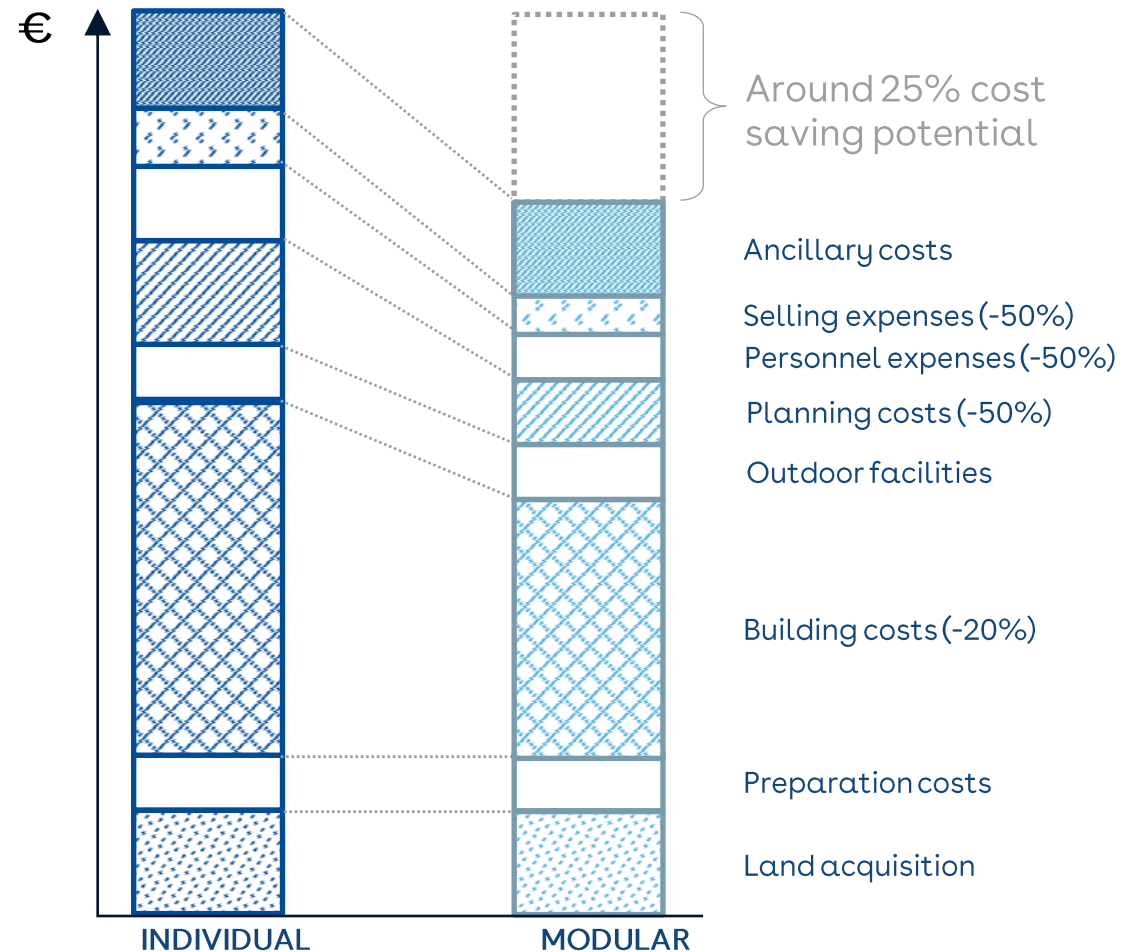
- Land plot ~15,800 sqm
- Living space ~16,000 sqm
- 155 apartments, 26 town houses
- High energy efficiency standard, green roofs



<sup>1</sup> 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

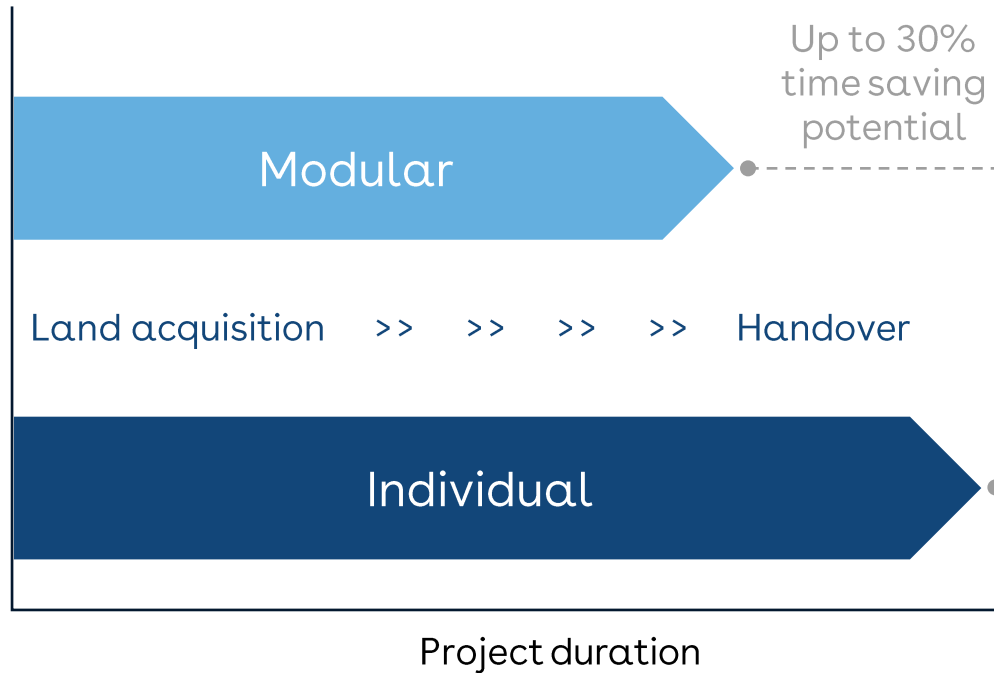
### ~20% reduction of building costs

- 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
Target gross margin	~20%
Target EBIT margin	In line with core product
Target IRR/ ROCE	Exceeding core product

- Standardised planning and simplified execution provides for attractive economics in smaller size projects
- 
- 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
- 
- 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
- 
- 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	<ul style="list-style-type: none"><li>▪ Mid to high price segment</li><li>▪ €5,000/sqm–9,000/sqm</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Lower to mid-price segment</b> (between social housing and Instone core product)</li><li>▪ Approx. €4,000/sqm–5,000/sqm</li></ul>
 Complexity	<ul style="list-style-type: none"><li>▪ Customization and optionality</li><li>▪ Includes underground construction</li></ul>	<ul style="list-style-type: none"><li>▪ <b>Standardisation</b> and low optionality</li><li>▪ Minimising underground construction</li></ul>
 Location	<ul style="list-style-type: none"><li>▪ Focused on largest metropolitan areas</li></ul>	<ul style="list-style-type: none"><li>▪ Focused on well-connected <b>B locations</b></li></ul>
 Project size	<ul style="list-style-type: none"><li>▪ &gt;€50m</li><li>▪ Development of entire residential quarters; including master planning process</li></ul>	<ul style="list-style-type: none"><li>▪ &gt;€20m</li><li>▪ Less complex projects</li></ul>
 Target customer	<ul style="list-style-type: none"><li>▪ Mid-high income owner occupiers and buy-to-let investors</li><li>▪ Institutional investors</li></ul>	<ul style="list-style-type: none"><li>▪ Municipal housing companies</li><li>▪ Professional landlords; less owner occupiers</li><li>▪ Institutional investors</li></ul>

# ESG Strategy



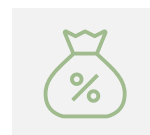
# Driving sustainable success: how value creation is linked to sustainability

## Major ESG-KPIs achievements

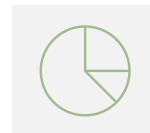


- EU Taxonomy-compliant revenues: **c.90% in FY2023** (up from 86.7% in FY2022)
- Improved share of projects/objects with energy requirements at least NZEB -10%<sup>1</sup>: **100% in FY2023** (up from 97.4% in FY2022)
- GHG emission **scope 1 and 2 reduced by 46.1%** from the base year 2020, in line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



Sustainable energy, **>50%** of revenues from affordable housing **by 2030**

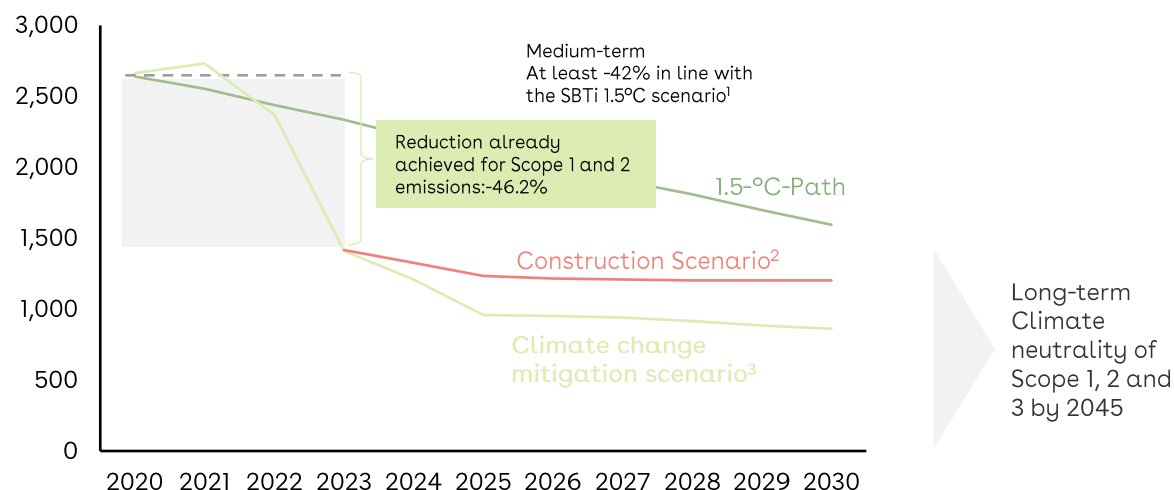
## Continuous expansion of ESG governance

<sup>1</sup> Value is determined based on the number of properties

# Clear pathway to reduce GHG emissions scope 1 to 3

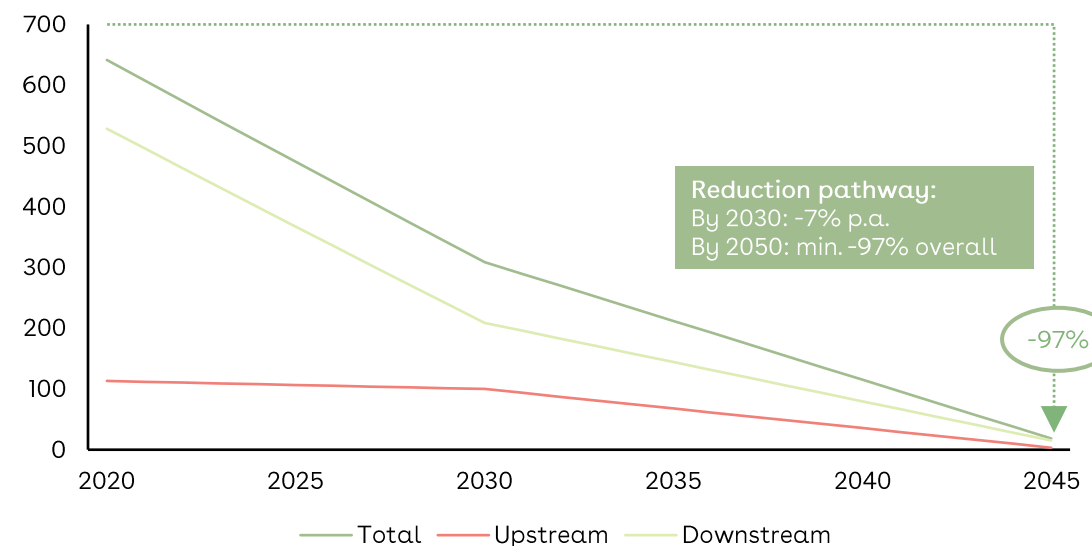
## Projected versus 1st the Climate Objective

CO2 in t €m



## Scope 3 emissions target curve based on SBTi⁴

CO2e 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, based on the comparison of the portfolio of completed buildings

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



ESG Risk Rating Ranking		
UNIVERSE	RANK	PERCENTILE
	(1 <sup>st</sup> = lowest risk)	(1 <sup>st</sup> = 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	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Volume of sales contracts	120.1	20.2	18.4	52.7	42.0	104.6	58.0	87.6	761.7
Project Portfolio	6,972.0	7,015.5	7,182.6	7,600.4	7,668.8	7,827.4	7,727.4	7,567.7	7,500.0
<i>thereof already sold</i>	<i>2,693.4</i>	<i>2,822.7</i>	<i>2,868.8</i>	<i>2,958.7</i>	<i>2,987.3</i>	<i>2,945.4</i>	<i>2,891.4</i>	<i>3,070.1</i>	<i>3,038.9</i>
<i>thereof already realized revenues</i>	<i>2,022.5</i>	<i>2,089.4</i>	<i>2,002.2</i>	<i>1,944.7</i>	<i>1,902.7</i>	<i>1,721.0</i>	<i>1,597.1</i>	<i>1,684.0</i>	<i>1,621.0</i>

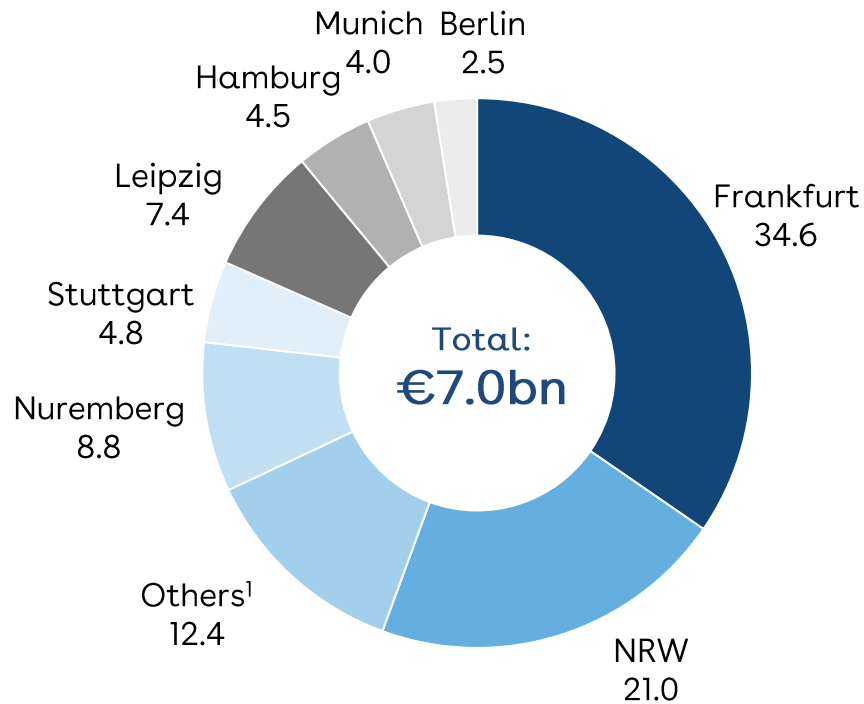
Units	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Volume of sales contracts	195	37	28	110	44	199	96	191	1,906
Project Portfolio	14,252.0	14,269.0	15,148.0	16,107.0	16,209.0	16,580.0	16,644.0	16,607.0	16,418.0
<i>thereof already sold</i>	<i>6,217.0</i>	<i>6,588.0</i>	<i>7,017.0</i>	<i>7,198.0</i>	<i>7,309.0</i>	<i>7,265.0</i>	<i>7,179.0</i>	<i>7,404.0</i>	<i>7,215.0</i>

(Unless otherwise stated, the figures are quarterly values)

# Diversified project portfolio across most attractive German regions

## Project portfolio as of 31/12/2023 by region (GDV)

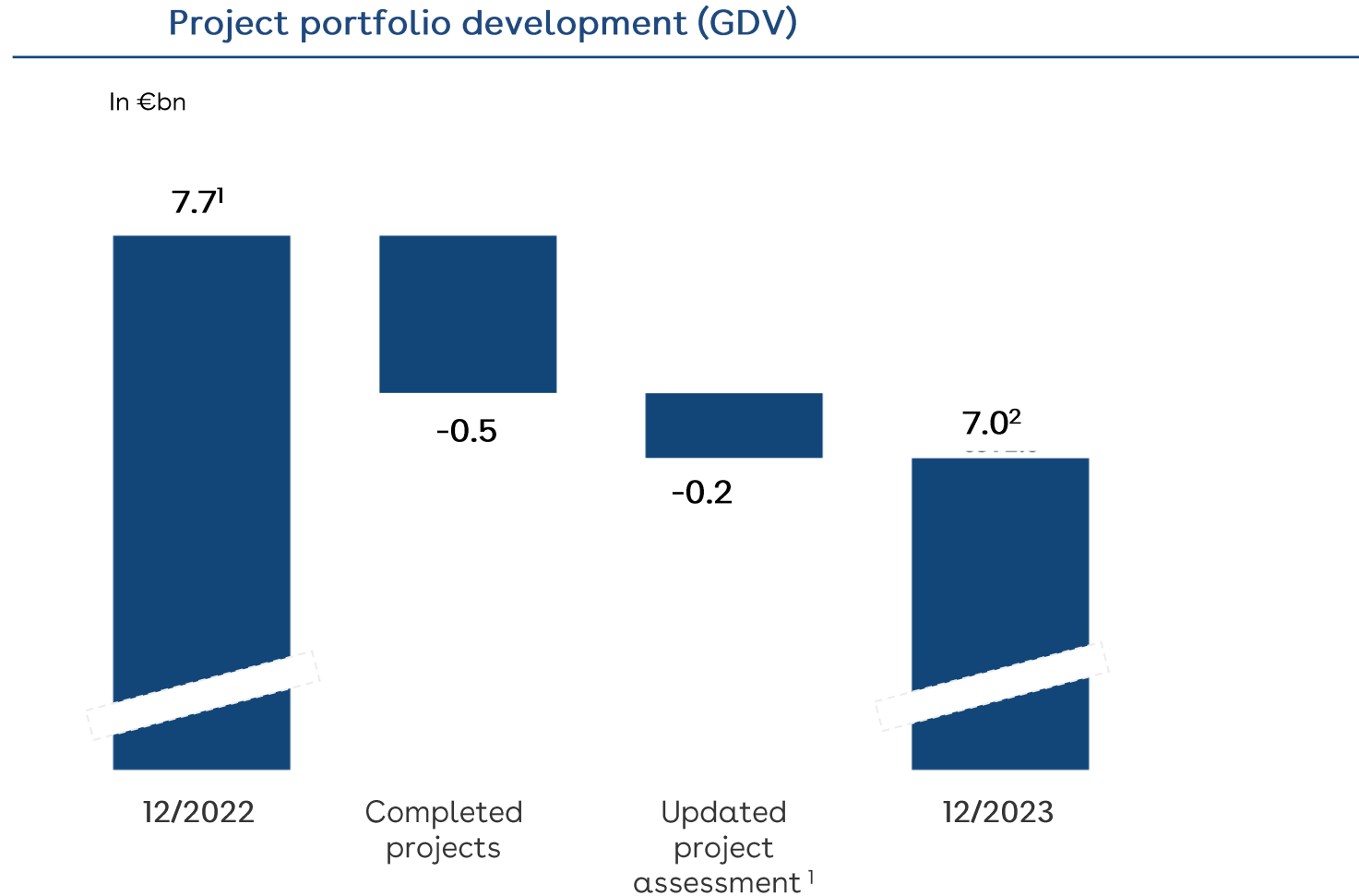
In %



- 45 projects / 14,252 units / ~1,268m sqm of saleable space
- 88% in metropolitan regions
- ~78 average sqm / unit
- ~€5,749 ASP / sqm
- Additional four JV projects (INS share of GDV: ~€630m)

¹ "Others" include Wiesbaden, Hannover, Potsdam, Bamberg

# Significant pipeline; well prepared to seize market opportunities



<sup>1</sup> including one project which during the course of 2023 changed to "at-equity" consolidation  
<sup>2</sup> excluding GDV of at-equity JVs

# Expected future cash flows suggest significant upside<sup>1</sup>

## Fundamental Instone value rests on three distinct pillars

### 1 Pre-sold projects

- c.€2.9bn currently under construction
    - t/o c.€2.6bn pre-sold (90%)
    - in addition c.€100m 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<sup>2</sup> of >€400m
- 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 September 2023; in EUR million)

De-risked free cash flow from projects under construction<sup>1</sup> >400m

Unsold land bank at cost<sup>2</sup> >400m

Notional gross asset value<sup>2</sup> >800m

Net debt -186.8

Notional value to shareholders<sup>3</sup> >600m

<sup>1</sup> Free cash flow post platform cost and taxes

<sup>2</sup> Incl. proportionate share of at-equity JVs; Note: "unsold land bank at cost" excluding unsold portion of projects under construction

<sup>3</sup> Note: 43.32m shares issued and outstanding (excluding Treasury shares)



# Project portfolio as of 31/12/2023

(projects > €30m sales volume, representing total: ~ €7.0bn)

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Building right obtained	Sales start	Construction started
<b>Hamburg</b>							
SE – Kösliner Weg	Norderstedt-Garstedt	95m €	24,589	●	●	2025	
H – Sportplatz Bult	Hannover	120m €	24,006			2029	
HH – RBO	Hamburg	217m €	29,876	●	●	●	●
H – Büntekamp	Hannover	169m €	25,044	●	◐	2025	
<b>Berlin</b>							
HVL – Nauen	Nauen	171m €	29,051	●	●	2025	
P – Fontane Garten	Potsdam	66m €	9,563	●	●	●	●
<b>NRW</b>							
D – Unterbach	Düsseldorf	200m €	38,537	●	●	◐	◐
E – Literaturquartier	Essen	N/A	17,981	●	●	●	●
MG – REME	Mönchengladbach	131m €	28,312		◐	2025	
BN – west.side	Bonn	203m €	63,603	●	●	●	●
DO – Gartenstadtquartier	Dortmund	95m €	25,514	●	◐	2025	
K – Bickendoff	Köln	631m €	145,492	●		2027	
DU – 6-Seen Wedau	Dulsburg	75m €	16,603	●	●	2024	
KK – Kempen	Kempen	52m €	11,103	●	◐	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 31/12/2023

(projects > €30m sales volume, representing total: ~ €7.0bn)

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Building right obtained	Sales start	Construction started
<b>Rhine-Main</b>							
WI – Delkenheim	Wiesbaden	114m €	51,304	●	●	●	●
F – Schönhof-Viertel	Frankfurt	618m €	90,449	●	●	●	●
F – Friedberger Landstr.	Frankfurt am Main	306m €	38,241		●	2027	
F – Elisabethenareal	Frankfurt am Main	86m €	9,988	●	●	2025	
F – Steinbacher Hohl	Frankfurt am Main	N/A	13,746	●	●	●	●
F – Gallus	Frankfurt am Main	47m €	5,791	●	●	2027	
F – Westville	Frankfurt am Main	N/A	101,224	●	●	●	●
OF – Heusenstamm	Heusenstamm	195m €	33,430	●		2025	
MKK – Kesselstädter	Maintal	235m €	38,314	●		2025	
MTK – Polaris	Hofheim	65m €	10,250	●	●	2024	
WI – Rheinblick	Wiesbaden	310m €	51,750	●		2025	
MKK – Eichenheege	Maintal	118m €	18,055	●		2025	
<b>Leipzig</b>							
L – Parkresidenz	Leipzig	274m €	64,964	●	●	●	●
L – Rosa-Luxemburg	Leipzig	165m €	25,965	●	●	2025	
HAL – Heide Süd	Halle	57m €	10,388	●	●	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 31/12/2023

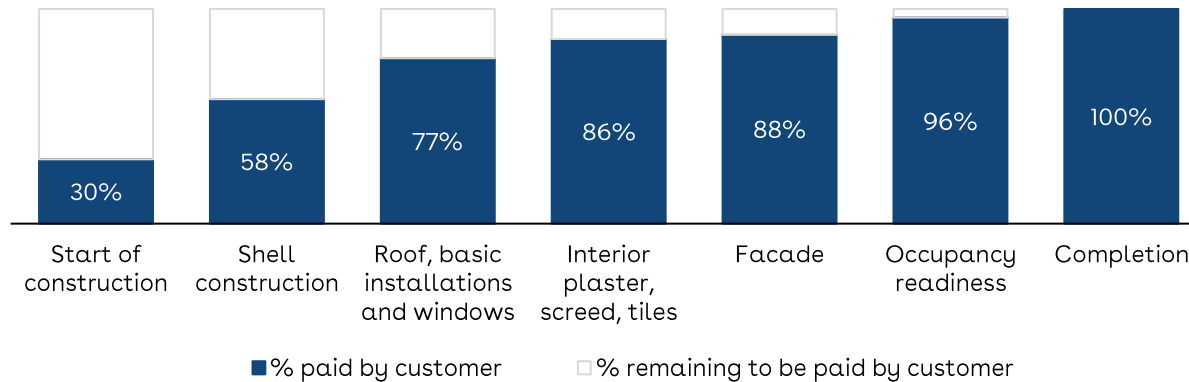
(projects > €30m sales volume, representing total: ~ €7.0bn)

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Building right obtained	Sales start	Construction started
<b>Baden-Württemberg</b>							
TÜ – Rottenburg	Rottenburg	170m €	33,845	●	●	●	●
B – Hemenberg III, Schäferlinde	Hemenberg	80m €	14,238	●	●	2026	
B – Hemenberg II, Zeppelinstraße	Hemenberg	82m €	13,586	●	●	2025	
<b>Bavaria South</b>							
M – Ottobrunner	München	110m €	10,869	●	●	2025	
A – Beethovenpark	Augsburg	N/A	19,109	●	●	●	●
<b>Bavaria North</b>							
N – Eslamer Straße	Nürnberg	62m €	12,570	●	●	2024	
BA – Lagarde	Bamberg	87m €	17,778	●	●	●	●
N – Schopenhauer	Nürnberg	65m €	11,206	●	●	●	●
N – Seetor	Nürnberg	113m €	16,134	●	●	●	●
N – Boxdorf	Nürnberg	65m €	10,099	●	●	●	●
N – Thumenberger	Nürnberg	124m €	16,291	●	●	2025	
N – Worzeldorf	Nürnberg	72m €	11,660	●	●	2026	
N – Lichtenreuth	Nürnberg	86m €	11,653	●	●	2026	

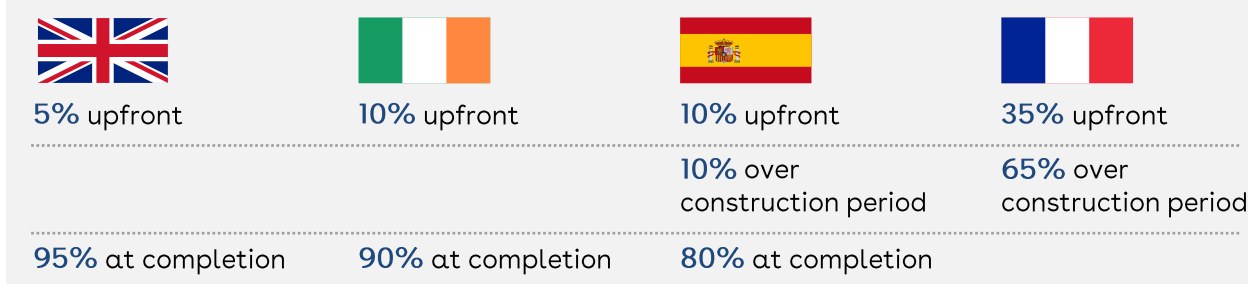
Note: Semi-filled circle means that the milestone has already been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building rights the semi-filled circle means that the zoning process has been initiated. No circle for "land plot acquired" means 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



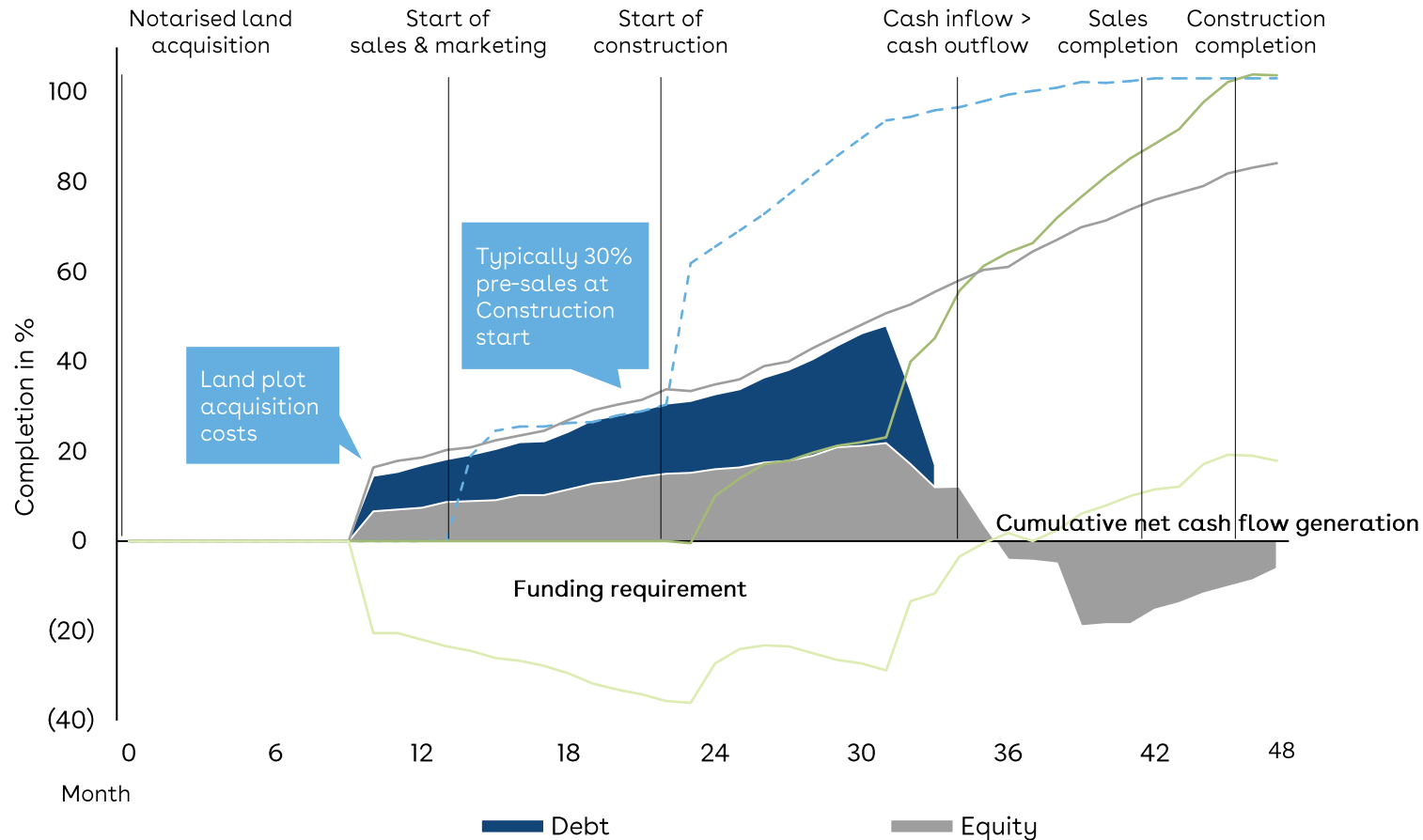
- **De risked:** B2C development process per se low-risk via regulatory framework ("MaBV")<sup>1</sup>
- **Certainty:** No cancellation possibilities
- **Capital-light:** Predefined payment schedule limiting equity requirement from Instone
- **Very favourable payment schedules** vs. other European countries,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

Significant amount of construction costs covered by customers' regular payments

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

# Funding requirements partially compensated with high pre-sales levels

## Illustrative cumulative financing profile of a typical B2C Instone project<sup>1</sup>



- Debt financing land c.50% (with zoning c.75%)
- Debt financing construction up to c.80%

# Supportive German subsidy schemes

## Key positives from new subsidy scheme

The German government plans to increase depreciation and invest >1bn p.a. to support owner-occupiers (help-to-buy) and new build of rental apartments

Programme details	<ul style="list-style-type: none"> <li>Name: Social housing subsidies</li> <li>Budget: 3.15bn in 2014 (18.5bn total volume)</li> <li>40% of investment born by the federal states</li> </ul>	<ul style="list-style-type: none"> <li>Name: Depressive Depreciation (Growth Opportunities Act)</li> <li>Volume: 5% depreciation p.a.</li> </ul>	<ul style="list-style-type: none"> <li>Name: "Wohneigentum für Familien" = homes for families</li> <li>Volume: EUR 350 million</li> <li>Start: Oct. 16, 2023</li> </ul>	<ul style="list-style-type: none"> <li>Name: "Klimafreundlicher Neubau" = climate friendly new-build</li> <li>Volume: EUR 0.76 billion (KfN)<sup>2</sup></li> <li>Start: 2023 Renewal, February 2024</li> </ul>
Recipient	<ul style="list-style-type: none"> <li>Beneficiary: Housing companies, institutional and private investors</li> <li>Eligibility <ul style="list-style-type: none"> <li>New construction, extension or conversion of new living space;</li> <li>Modernisation of existing space</li> <li>Social rental apartments or owner-occupied residential properties</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Buy-to-let investors</li> <li>For newly built residential properties</li> </ul>	<ul style="list-style-type: none"> <li>Families with at least 1 child &lt;18 years living in their household</li> <li>Household income of max. €90,000 (up from €60,000 previously) plus €10,000 per child</li> <li>Required to own at least 50% of the building (as only home in Germany)</li> </ul>	<ul style="list-style-type: none"> <li>Resi landlords, other institutional or private investors</li> </ul>
Objective	<ul style="list-style-type: none"> <li>Support the construction and modernisation of social housing</li> </ul>	<ul style="list-style-type: none"> <li>Expected to have a substantial positive impact on the return expectations</li> <li>Increased willingness to pay from private buy-to-let investors (due to full tax deductibility from personal income)</li> <li>Boost construction of affordable housing and rectify overstated depreciation</li> </ul>	<ul style="list-style-type: none"> <li>Help-to-buy: Build or buy new home/condominium for own use for the first time (for at least 10 years)</li> <li>Energy efficiency: <ul style="list-style-type: none"> <li>at least energy standard KfW40 (plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude")</li> <li>Higher subsidies possible with the additional certificate for sustainable buildings "QNG"</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>New build of energy efficient buildings</li> <li>Energy efficiency <ul style="list-style-type: none"> <li>at least energy standard KfW40 plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude"</li> <li>Higher subsidies possible with additional certificate for sustainable buildings "QNG"</li> <li>Use of fossil fuels not allowed</li> </ul> </li> </ul>
Subsidies	<ul style="list-style-type: none"> <li>Loan per apartment = 200k</li> <li>Amortisation discount = 30-35%</li> <li>Interest rate : 0-0.5%</li> <li>Required minimum energy standard of 55</li> </ul>	<ul style="list-style-type: none"> <li>Increase of depreciation on newly built residential properties from (currently) 3% linear to 5% degressive p.a.</li> <li>Law has been passed in the German parliament (Bundestag) but it has yet to be approved by the Federal council</li> </ul>	<ul style="list-style-type: none"> <li>No direct grant; max. one housing unit</li> <li>Subsidized mortgages, reduced interest costs (0.01%-0.65%) by federal KfW Bank <ul style="list-style-type: none"> <li>90,000 EUR-270,000 EUR credit volume (with QNG certificate)</li> <li>Will be accepted as equity substitute</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No direct grant</li> <li>Subsidized mortgages (1.63%- 2.42%) by federal KfW Bank (volumes per unit) <ul style="list-style-type: none"> <li>Max. 100,000 EUR credit volume</li> <li>Up to 150,000 EUR with QNG certificate</li> </ul> </li> </ul>

1 Relates to annuity mortgages. Bullet repayments at end of term priced at 0.78% 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 <sub>2</sub> e	2,390 t CO <sub>2</sub> e
	GHG emissions in relation to net project space	1,447 kg CO <sub>2</sub> e/sqm	1,537 kg CO <sub>2</sub> e/sqm
	Water consumption in relation to revenues <sup>2</sup>	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 and 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

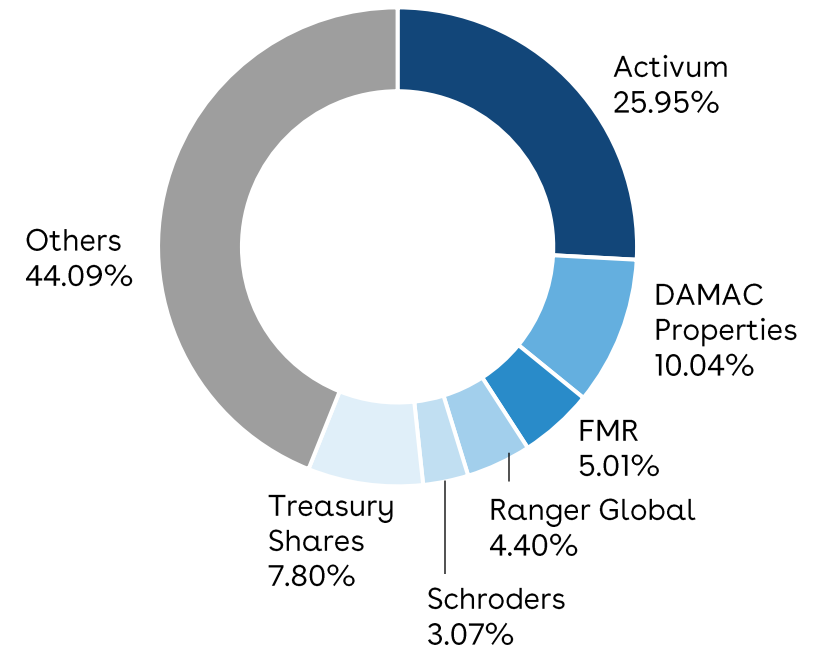


# Instone share

## Basic data

- ISIN: DE000A2NBX80
- Ticker symbol: INS
- No of shares: 46,988,336
- Market cap: €381.1m
- Average daily trading volume: €0.2m
- Market segment: Prime Standard, Frankfurt

## Shareholder structure (March 2023)



1 Based on closing price on 11 March 2024 at €8.11

# Financial calendar

2024		
March	19	Annual Report 2023
March	20	BofA EMEA Real Estate CEO Conference 2024, London
March	25	Frankfurt Roadshow, Deutsche Bank
May	08	Quarterly Statement for the first three months of 2024
June	05	Annual General Meeting, Essen
August	08	Group Interim Report for the first half of 2024

# The Instone Management Board

Kruno Crepulja

CEO



- CEO since 2008 (of Instone's predecessor format)
- 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 format)
- 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

# Investor Relations Contact

Burkhard Sawazki



Head of IR and Capital Market Communication & Strategy

**T** +49 201 45355-137

**M** +49 173 2606034

[burkhard.sawazki@instone.de](mailto:burkhard.sawazki@instone.de)

Tania Hanson

Roadshows & Investor Events

**T** +49 201 45355-311

**M** +49 152 53033602

[tania.hanson@instone.de](mailto:tania.hanson@instone.de)



# Disclaimer

BY VIEWING THIS PRESENTATION, YOU AGREE TO BE BOUND BY THE FOLLOWING TERMS AND CONDITIONS REGARDING THE INFORMATION DISCLOSED IN THIS PRESENTATION. THIS PRESENTATION HAS BEEN PREPARED BY INSTONE REAL ESTATE GROUP SE (THE "COMPANY", TOGETHER WITH ITS SUBSIDIARIES, "INSTONE").

For the purposes of this notice, "presentation" means this document, its contents or any part of it. This presentation does not, and is not intended to, constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of an offer to purchase, subscribe for or otherwise acquire, any securities of the Company, nor shall it or any part of it form the basis of or be relied upon in connection with or act as any inducement to enter into any contract or commitment or investment decision whatsoever. This presentation is neither an advertisement nor a prospectus and recipients should not purchase, subscribe for or otherwise acquire any securities of the Company. This presentation is made available on the express understanding that it does not contain all information that may be required to evaluate, and will not be used by the attendees / recipients in connection with, the purchase of, or investment in, any securities of the Company. This presentation is accordingly not intended to form the basis of any investment decision and does not constitute or contain any recommendation by the Company, its shareholders or any other party. The information and opinions contained in this presentation are provided as at the date of this presentation, are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. The information in this presentation is in draft form and has not been independently verified. Parts of the financial information in this presentation are preliminary and unaudited. Certain financial information (including percentages) in this presentation has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub totals or differences or if numbers are put in relation) may not correspond in all cases to the aggregated amounts of the underlying (unrounded) figures appearing elsewhere in this presentation. No reliance may or should be placed for any purpose whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. None of the Company, its shareholders, or any other party accepts any responsibility whatsoever for the contents of this presentation, and no representation or warranty, express or implied, is made by any such person in relation to the contents of this presentation. The information in this presentation is of a preliminary and abbreviated nature and may be subject to updating, revision and amendment, and such information may change materially. None of the Company, its shareholders, or any other party undertakes or is under any duty to update this presentation or to correct any inaccuracies in any such information which may become apparent or to provide you with any additional information. Recipients should not construe the contents of this presentation as legal, tax, regulatory, financial or accounting advice and are urged to consult with their own advisers in relation to such matters. In particular, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on any projections, targets, ambitions, estimates or forecasts contained in this presentation and nothing in this presentation is or should be relied on as a promise or representation as to the future. This presentation may contain forward looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our prospects, growth, strategies, the industry in which Instone operates and potential or ongoing acquisitions or sales. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and that the development of our prospects, growth, strategies, the industry in which Instone operates, and the effect of acquisitions or sales on Instone may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the development of Instone's prospects, growth, strategies and the industry in which Instone operates are consistent with the forward-looking statements contained in this presentation, those developments may not be indicative of our results, liquidity or financial position or of results or developments in subsequent periods not covered by this presentation. Nothing that is contained in this presentation constitutes or should be treated as an admission concerning the financial position of the Company and/or Instone.



*Thank you*

Instone Real Estate Group SE  
Grugaplatz 2-4, 45131 Essen  
E-Mail: [investorrelations@instone.de](mailto:investorrelations@instone.de)  
Internet: [instone-group.de/en](http://instone-group.de/en)