

Instone Real Estate Group SE

Investor presentation
May 2022

Developing real estate with passion

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Key Investment Highlights

Investment Highlights

1. Leading German residential developer as key beneficiary of structural housing shortage

- **Top3 market position** on basis of nationwide platform: attractive land bank with focus on the Top 8 cities and surrounding areas
- Strong in-house expertise and coverage of **entire value chain** (from acquisition to construction management) as competitive edge, reflected in **industry leading gross margins** (28.3% in FY 2021)

2. Secured project pipeline with GDV of €7.6bn provides high earnings visibility

- Gross development value (GDV) of €7.6bn (thereof €3.3bn under or pre-construction, €3.1bn already sold) **covers targeted revenues for the coming years**
- Future NAV (as of Mar. 2022) of c.€40.96 per share as indicates **intrinsic value of current development portfolio**
- Significant mid term growth potential

3. New innovative valuehome product (rebranded to nyoo) promises step change in growth

- Market entrance in the mid-market segment, a significantly **undersupplied market with huge growth potential (incl. political support)**
- Innovative, highly scalable product based on propriety planning technology with **unrivalled low production costs**
- Major driver for mid term growth

4. Strong balance sheet as sound foundation (Net debt/adj. EBITDA: 1.8x) for sustainable growth

5. Strong commitment to ambitious ESG goals

- SBTI compliant target: **Net zero climate neutrality** by 2045
- Strong **ESG rating** by Sustainalytics (top 2% of global developers)

Proven track record of >30 years

>1 million sqm

Successfully developed and marketed since 1991

Management team

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

~€7.6bn

GDV project portfolio as of 31/03/2022

8 branches + HQ

Presence in all German metropolitan regions

>480 employees

as of 31/03/2022

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

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

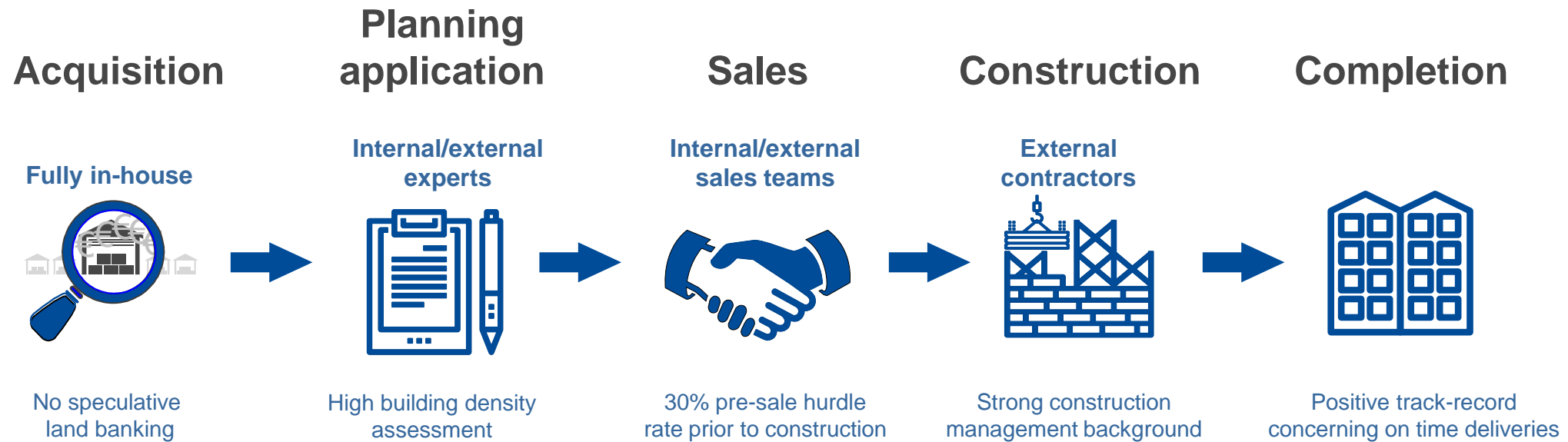
Established operating platform with **ability to achieve further scale gains**

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

Prudent approach to risk management
Proprietary and tailored management information system

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

Covering the Entire Value Chain with Deeply Rooted Construction Expertise



We strive to become the No.1 German homebuilder with a view to industrialising products and processes



Q1 2022 Highlights

Highlights

Solid start to the year with continued high margins – High short term uncertainties

Operational Highlights

- ✓ **Sales:** Q1 demand continued at elevated levels; initial signs of demand slow down in our retail projects
 - ✓ Institutional customers still lacking attractive alternative investment opportunities
- ✓ **Supply:** Supply bottlenecks have intensified as result of the war in Ukraine
 - ✓ Broad based material shortages likely to increasingly impact construction progress
 - ✓ Subcontractors lack visibility and are reluctant to fix prices for new contracts
- ✓ **Construction costs:** Expect double digit y-o-y 2022 CPI growth; INS's margins benefit from high levels of pre-contracted fixed price works and conservative budgeting

Q1 in line with budget – Prior year benefitted from institutional deals

Q1 2022 Results

- ✓ Adjusted revenues: €118.5m (Q1 2021: €128.1m, -7.5%)
- ✓ Adjusted gross profit margin: 29.7% (Q1 2021: 31.6%)
- ✓ Adjusted EBIT: €17.0m (Q1-2021: €26.7m, -36.3%)
- ✓ Adjusted earnings after tax (EAT): €9.3m (Q1 2021: €15.8m, -41.1%)

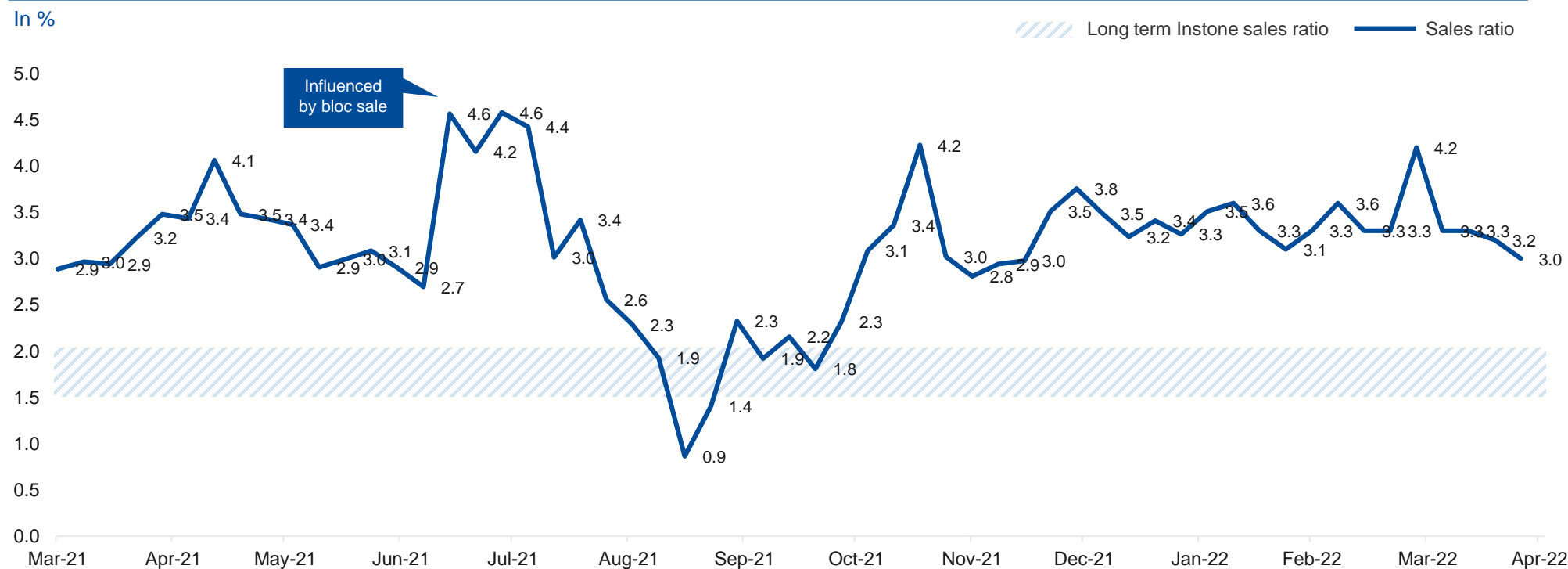
Guidance for FY-2022 suspended due to low short term visibility

Outlook

- ✓ FY 2022 guidance suspended as revenue recognition is likely to suffer in the current operating environment
- ✓ Attractive acquisition opportunities expected to arise in H2

Robust retail demand despite crisis and rise in interest rates

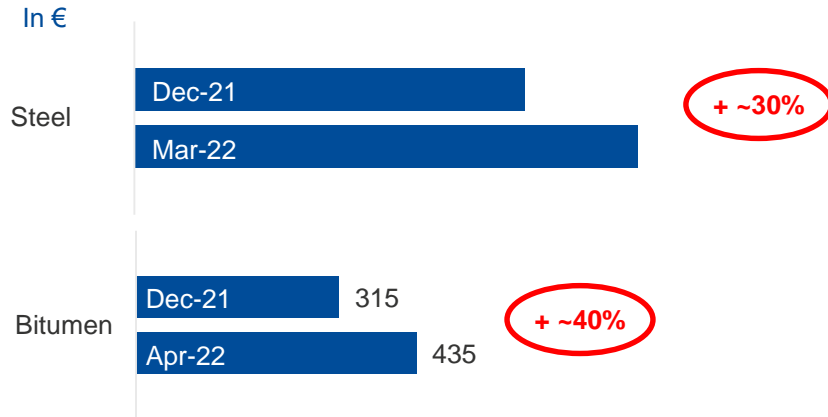
Sales ratio



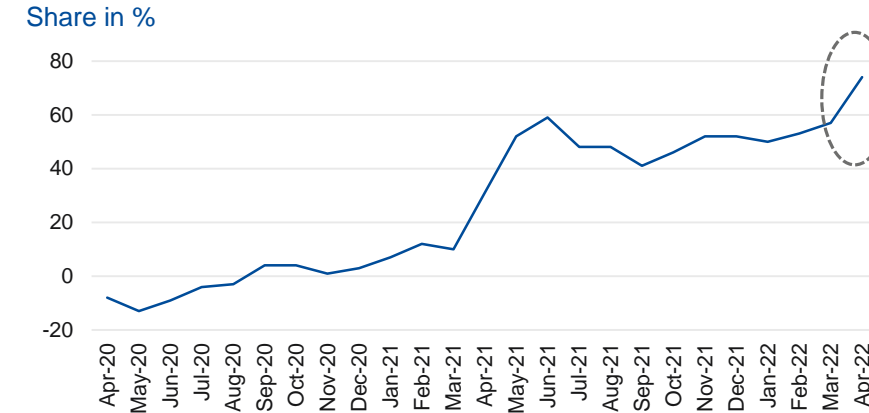
- ✓ Retail sales ratio remains above long term mean since end of 1st lockdown; early indicators point to normalisation
- ✓ Pricing expected to remain robust

Economic indicators point to rising short term risks

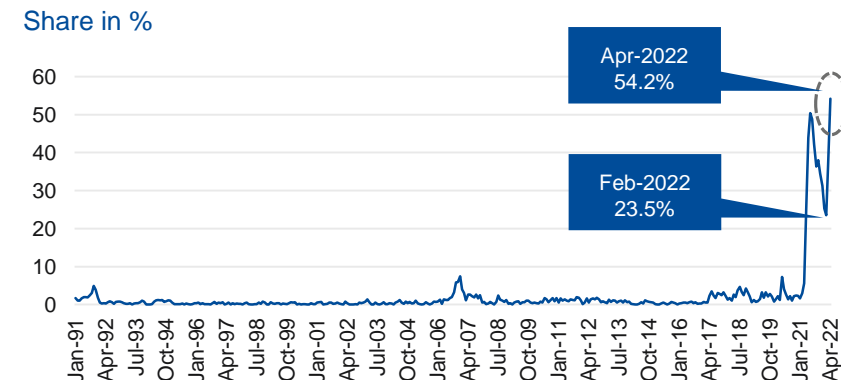
Price development of selected construction materials¹ – 2022 YTD



Price expectations building construction²



Material shortage in building construction² - Worsening since February again



Material shortages have intensified since Russia's invasion

- ✓ Worst material shortage in many decades due to disruptions in supply chains and relevance of Ukraine and Russia on the supply side (e.g. for wooden flooring, bitumen, reinforcing steel)
- ✓ Supply bottlenecks imply rising risks for construction delays (revenues recognition)
- ✓ Rise in construction costs of +15% y-o-y expected despite very high share of fixed price supplier contracts (>70% of expected construction volume 2022e)
- ✓ Margins remain relatively robust considering pre-agreed contracts and generous budgeting as well as ongoing positive price trends

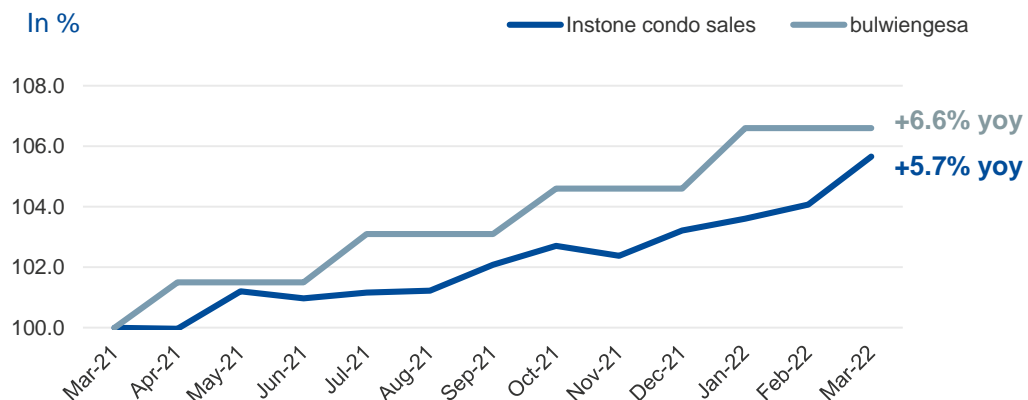
Jump in interest implies rising uncertainty – positive price trend continued in Q1

Interest - Average 10y-fixed rate mortgage²



- ✓ Strong jump in interest rates within very short time period negatively effects affordability for certain customer groups
- ✓ Strong volatility in interest rates contributes to a rising uncertainty especially of private investors despite structurally strong demand (risk for slowdown in sales speed i.e. revenue recognition)
- ✓ Additional equity requirements imposed on banks by financial regulator (Bafin) might cause delays in lending processes and contribute to rising mortgage costs
- ✓ Bundesbank: Mortgage loans for private households³ reached record high in March. Q1 2022 at €83.7bn (+21.2% qoq / +15.5 % yoy)

House price inflation¹



- ✓ Q1 signals a continued positive price trend
- ✓ Buying remains affordable compared to renting
- ✓ Instone price index captures official sales price list, inflation of condo sales during marketing phase only

1) bulwiengesa data: quarterly data condo prices in top 7 cities (newly built)

2) Instone interhyp, as of May 3, 2022

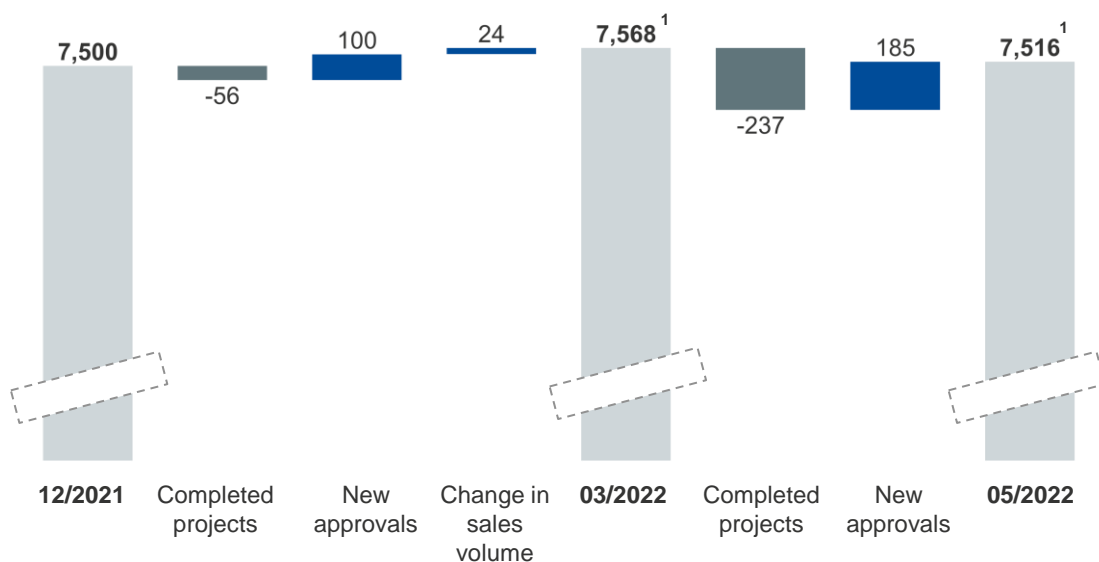
3) New contracts

Portfolio Update

Significant pipeline supports visibility for coming years

Project portfolio development (GDV)

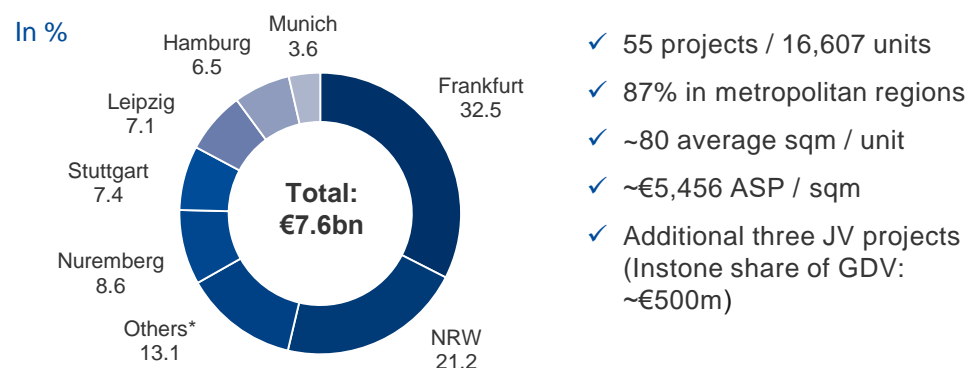
In €m



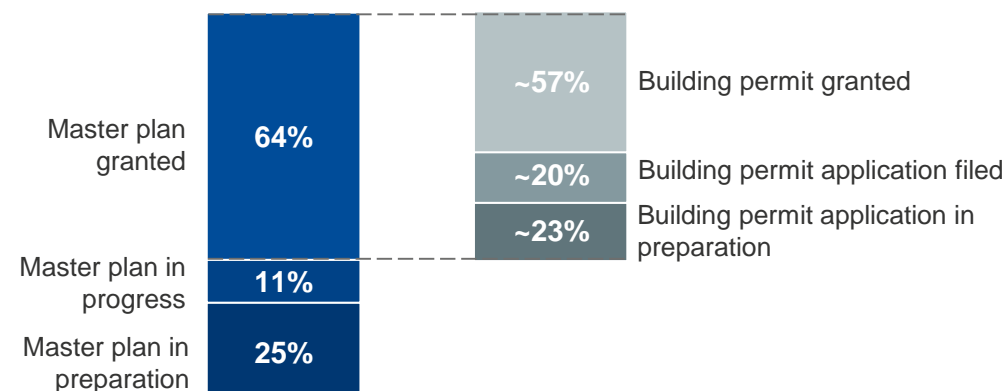
New project approvals	Exp. sales volume (€m)	Exp. units
YTD 2022		
Metropolitan area NRW	14	34
Metropolitan area Nuremberg	85	140
Metropolitan area Berlin	145	361
Metropolitan area Frankfurt/Main	41	100
Total	285	635

Pre-sold units support future cash flow and earnings visibility

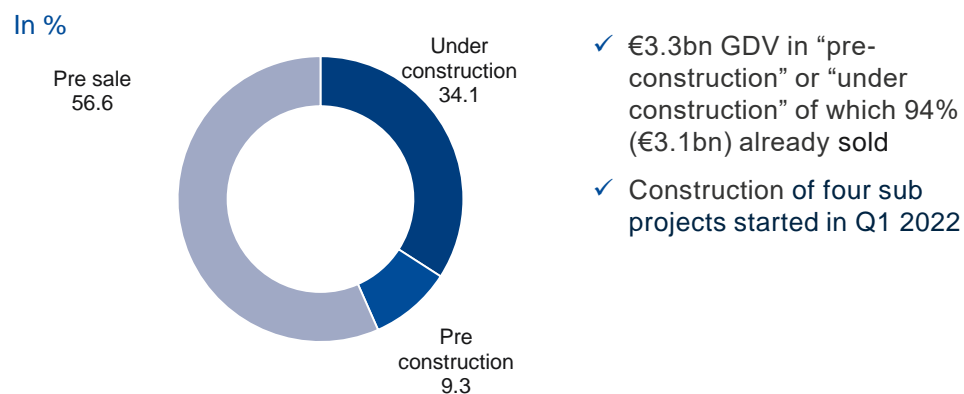
Project portfolio as of 31/03/2022 by region (GDV)



Project portfolio as of 31/03/2022 by building right status (GDV)

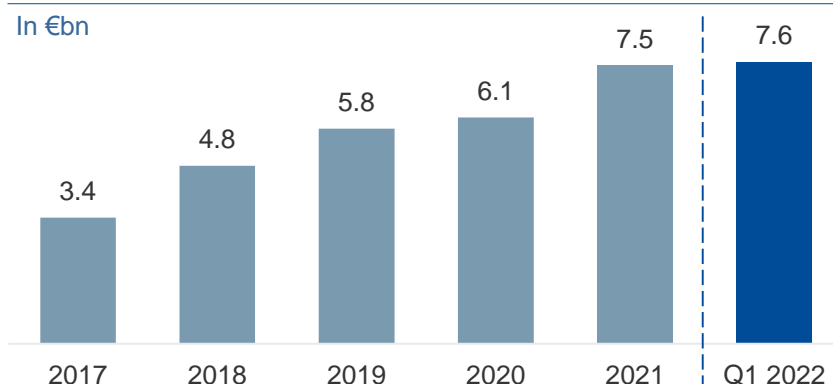


Project portfolio as of 31/03/2022 by development (GDV)

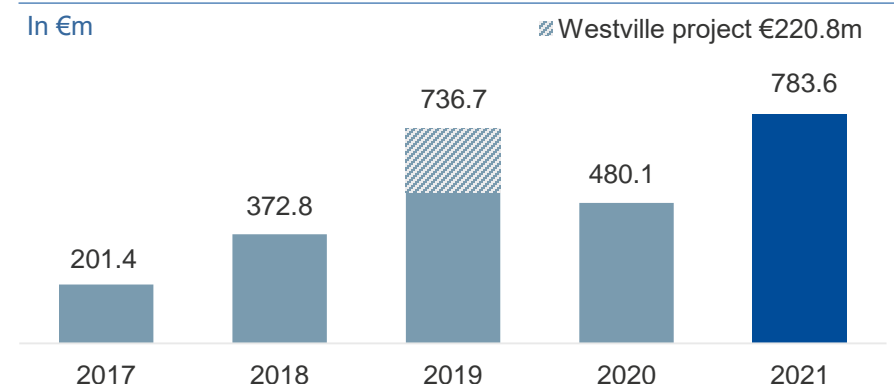


The scaling of the business continues to gain momentum

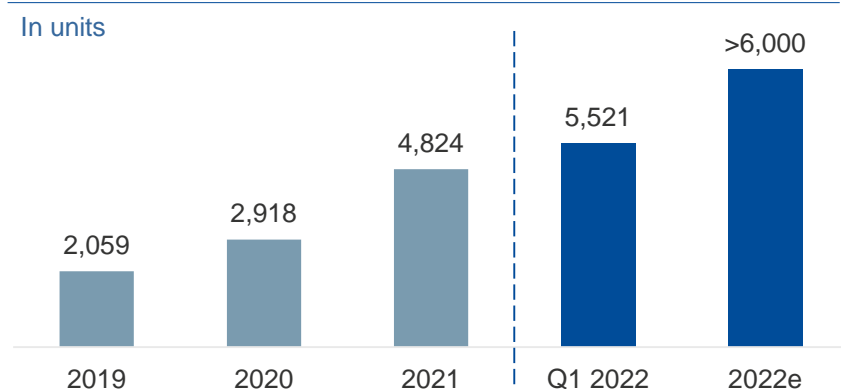
Project portfolio – foundation for future growth



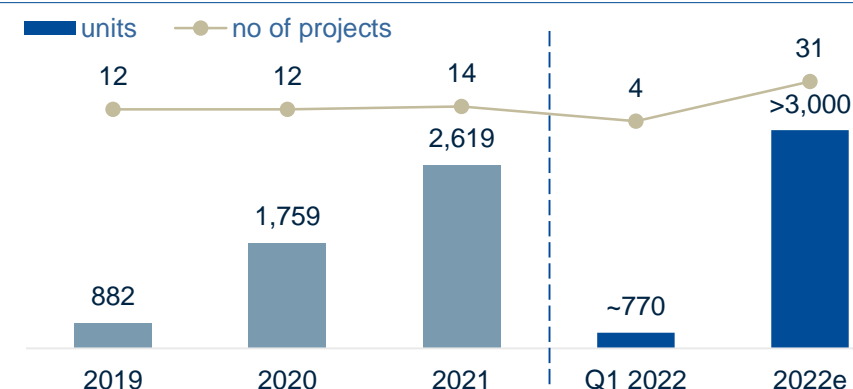
Adjusted revenues



Units under construction – ramping up the business



Construction starts



Q1 2022 Financial Performance

Adjusted Results of Operations

Leading profitability maintained

€m	Q1 2022	Q1 2021	Change
Revenues	118.5	128.1	-7.5%
Project cost	-83.3	-87.6	-4.9%
Gross profit	35.2	40.5	-13.1%
<i>Gross Margin</i>	<i>29.7%</i>	<i>31.6%</i>	
Platform cost	-18.7	-16.3	14.7%
Share of results of joint ventures	0.6	2.5	
EBIT	17.0	26.7	-36.3%
<i>EBIT Margin</i>	<i>14.3%</i>	<i>20.8%</i>	
Financial and other results	-3.7	-4.1	
EBT	13.4	22.6	-40.7%
<i>EBT Margin</i>	<i>11.3%</i>	<i>17.6%</i>	
Taxes	-4.1	-6.8	
<i>Tax rate</i>	<i>30.6%</i>	<i>30.2%</i>	
EAT	9.3	15.8	-41.1%
<i>EAT Margin</i>	<i>7.8%</i>	<i>12.3%</i>	
EAT post minorities	9.4	16.1	-41.6%
EPS	0.20	0.34	-41.2%

- ✓ Lower revenues as prior year's figure benefitted from signing of institutional deals
- ✓ Industry leading gross margin maintained, underpinning strength of INS's business model
- ✓ Lower EBIT and EAT margin mainly due to lower Q1-topline
- ✓ Decreasing interest expenses due to lower gross financial debt position

Strong balance sheet secures defensive profile and leaves headroom for growth

€m	31/03/2022	31/12/2021
Corporate debt	200.3	199.1
Project debt	227.5	191.4
Financial debt	427.7	390.5
Cash and cash equivalents and term deposits	-160.3	-151.0
Net financial debt	267.4	239.5
Inventories and contract asset / liabilities	1,223.9	1,190.1
LTC*	21.8%	20.1%
Adjusted EBIT (LTM)**	146.0	155.7
Adjusted EBITDA (LTM)**	150.6	160.3
Net financial debt / adjusted EBITDA	1.8	1.5

- ✓ 21.8% LTC implies very low financial gearing
 - ✓ Reminder: inventories are recorded at historical costs
 - ✓ Significant hidden reserves provide additional downside cushion
- ✓ Also net debt/adjusted EBITDA of 1.8x confirms strength of the INS balance sheet
- ✓ Strong balance sheet is cornerstone for low risk profile; significant headroom for future growth

Financially strong position

Cash Flow (€m)	Q1 2022	Q1 2021
EBITDA adj.	18.2	27.9
Other non-cash items	-6.4	-2.5
Taxes paid	-0.4	-8.5
Change in working capital	-24.1	134.4
Operating cash flow	-12.7	151.3
Land plot acquisition payments (incl. RETT*)	38.1	8.7
Operating cash flow excl. investments	25.4	160.0

- ✓ Positive CF pre land investments
- ✓ Negative operating cash flow in 2022 expected due to planned investment in land plots for future growth

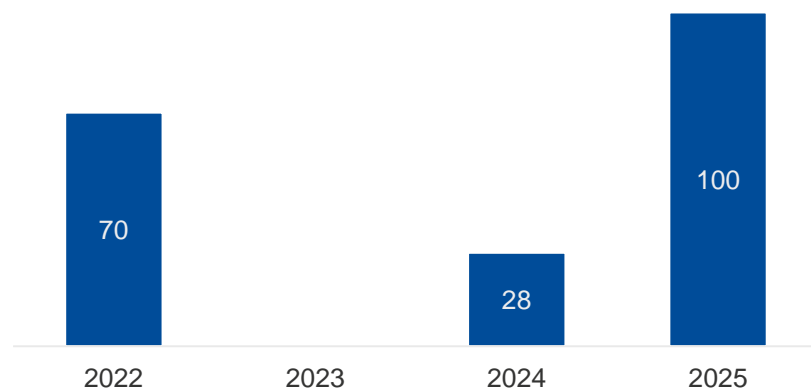
Liquidity (€m)	Total	t/o drawn	t/o available
Corporate debt			
Promissory notes	197.5	197.5	0.0
Revolving Credit Facilities	119.0	0.0	119.0
Total	316.5	197.5	119.0
Cash and cash equivalents and term deposits			160.3
Total corporate funds available			279.3
Project debt			
Project finance**	390.9	226.9	164.0

- ✓ Ample financial headroom for future growth

Well balanced financing structure at attractive terms

Maturity profile (corporate debt) as of 31/03/2022

In €m



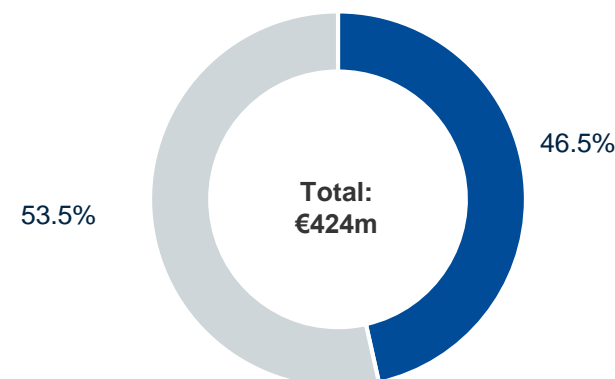
Weighted average corporate debt maturity	2.2 years
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Weighted average corporate interest costs	3.33%
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Share of corporate debt with floating interest	24.1%
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Secured/unsecured as of 31/03/2022

■ Corporate debt ■ Project debt, secured



- ✓ Project financing is variable but typically floored at EURIBOR of 0% (currently around -40 bps). This rise in interest has overall only very limited impact on bottom line results.

Intrinsic pipeline value indicates fundamental upside

Additional upside from planned future growth investments

Prospective NAV (€m)	31/03/2022	31/12/2021
Expected selling prices of project pipeline (GDV)	7,568	7,500
Payments received	-1,297	-1,191
Expected project costs	-4,240	-4,293
Net debt*	-241	-240
Expected proceeds from “at-equity” projects	132	132
Prospective Net Asset Value	1,921	1,909
Number of shares (m)**	46.9	47.0
Prospective Net Asset Value per share (€)	40.96	40.62

- ✓ Payments received reflect project related income received to date from pre-sale of pipeline and rental income
- ✓ Expected project costs include future expected payouts required to complete INS project pipeline
- ✓ Proceeds from “at-equity” projects reflect profit from subsidiaries accounted for “at-equity”

Valuehome/nyoo: Growth Perspective

Mid to long-term opportunity: valuehome/nyoo

Midmarket segment and most underserved residential market in Germany

Instone's approach

Adding a new pillar to the existing Instone platform based on standardisation, digital processes and significant scale potential with game changing implications for production costs and pricing

Elements

- Modular planning: move from prototyping to standardisation
- Reduce complexities throughout the construction process; introduce lean construction management
- Digital platform including digital distribution channel and configurator standardising client optionality
- Focus on essentials: highly efficient floor plans, minimise costly underground construction
- Maintain high architectural standards with modern designs and strong sustainability marks
- Target increasingly attractive locations in B cities and in the commuter belts

Target customer

- Price points targeted to “lower mid markets” - between social housing and Instone's core business
- Focus on institutional investors including municipal housing company's and professional landlords

Key benefits

- Substantially expand Instone's addressable market
- Enter less competitive land market
- Highly scalable, less complex low risk product with significant mid to long-term growth potential
- Improve Instone's economics for existing “social housing” demands and competitive position in the current core business
- Generate strong margins and highly attractive capital return

First projects confirm INS's competitive edge

Project running according to plan and within budget



DUS 19, Düsseldorf (Unterbach)

- 100% sold to LEG
- Land plot 5,300 sqm
- Living space: 5,000 sqm
- 66 units (52 publicly subsidized)
- Energy efficiency standard 55
- Acquisition 04/16 and 11/16, completion ~Q3/23



DUI 76, Duisburg (Buchholz)

- 100% sold to Danish Pension fund
- Land plot 5,500 sqm
- Living space: 6,500 sqm
- 78 units (46-125 sqm)
- Energy efficiency standard 55, green roofs
- Acquisition 12/19, completion ~Q4/23



MG 400, Mönchengladbach (Lürrip)¹

- Land plot 7,000 sqm
- 106 units
- Energy efficiency standard 55, green roofs

Addressing the most significant, largely untapped customer group: mid- to lower income households

Instone Core Product: Illustrative economics

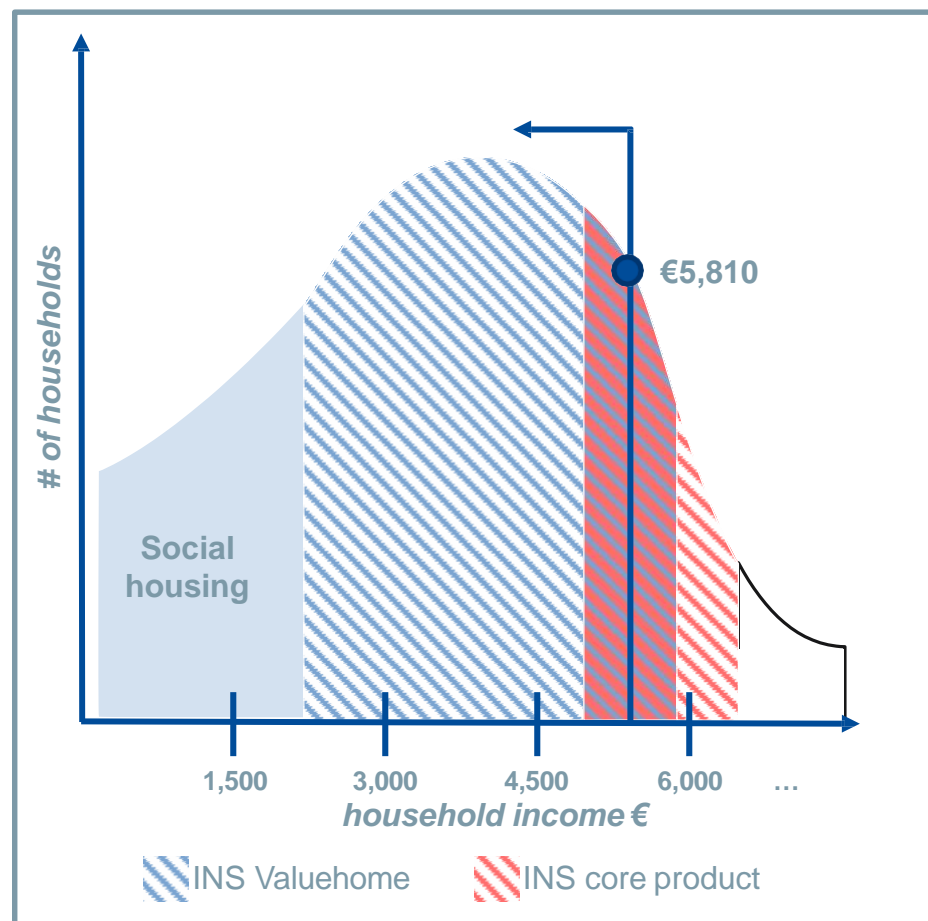
Four-room-flat 110 sqm / 5,500 EUR/sqm
 Purchase price: 665,000 €
 incl. acquisition costs (~10 %); 15% equity
 1.0% interest rate / 2.0% amortisation
 Running operational cost: 3 €/sqm month

1,743 € p.m.

financial charge

5,810 € p.m.*

required household income

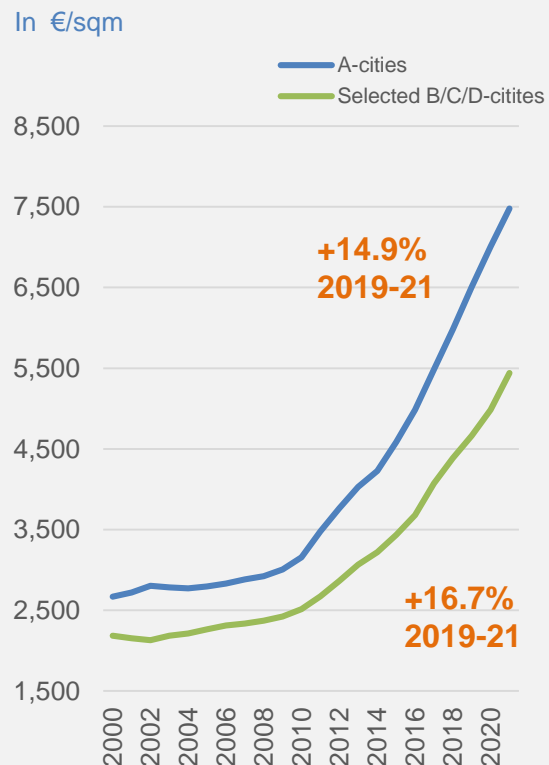


► Significant customer potential and demand gap for Valuehome product

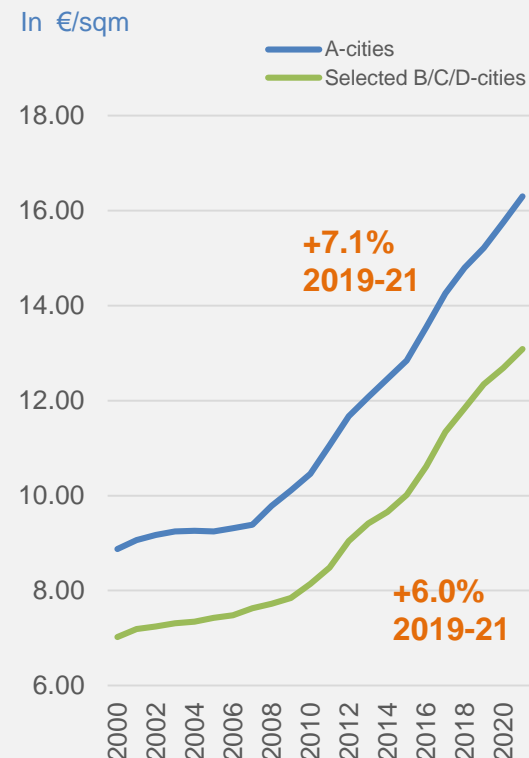
Notes:
 * 30% of disposable income

Focus on B-markets with high affordability and catch-up potential

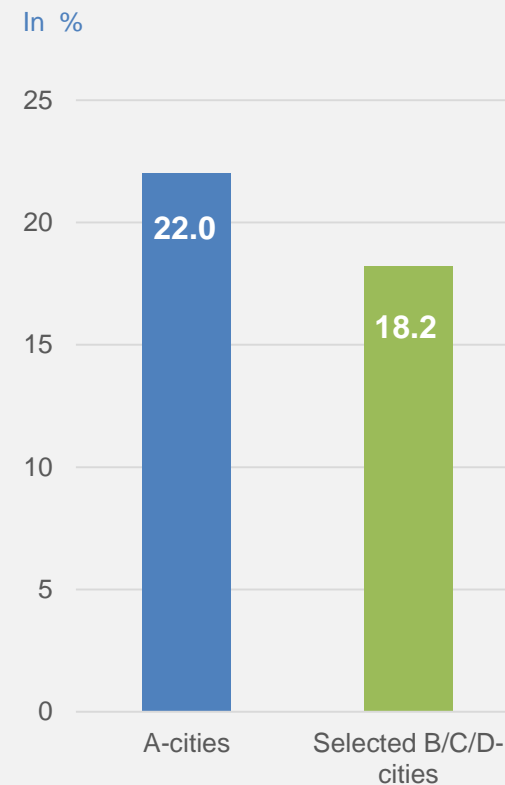
Average purchase price development
(newly built condominiums)



Average rent price development
(newly built condominiums)



Rent as % of disposable household income¹



Demanding challenges for cost-effective housing solutions

Cost efficiency requirements

Simplification of Product

Standardisation of Planning

“Industrialisation” of Development and Construction

Key challenges

Highly **fragmented** market

General building law and social housing pre-requisites are regulated on **state level**

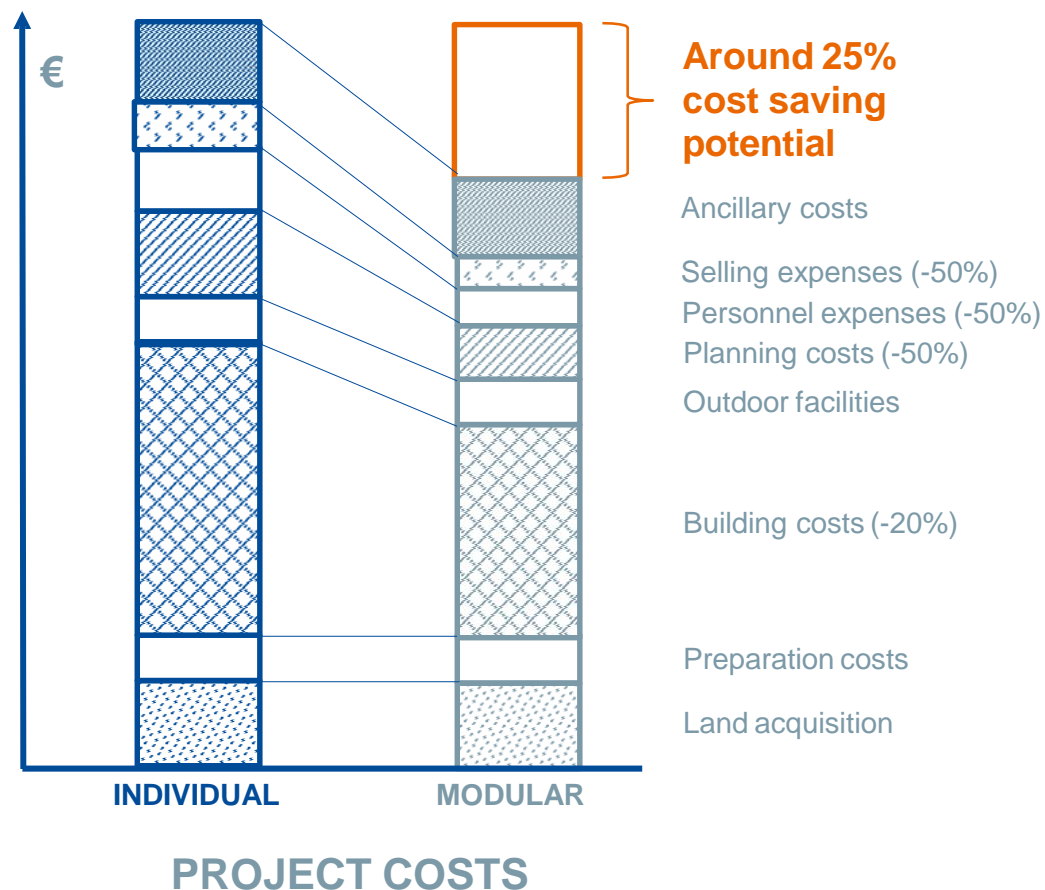
Additional **municipal** statutes exist in each city (e.g. parking spaces)

Highly qualified staff required due to **individual** prototyping, complex construction process and customer individualisation

Low innovation spirit of construction industry

► Instone’s nationwide platform with long-term experience and in-depth development expertise offers opportunity to fill demand gap for valuehome product

Unrivalled 2,200€/m² total production costs achievable



Around 25% cost saving potential

- Reduction of total production cost including planning, marketing, sales etc. from ~ 3,100€/m² to c. 2,200€/m² - 2,500€/m²

Cost savings by standardisation

- ~50% of selling expenses
- ~50% of personnel expenses
- ~50% of planning costs

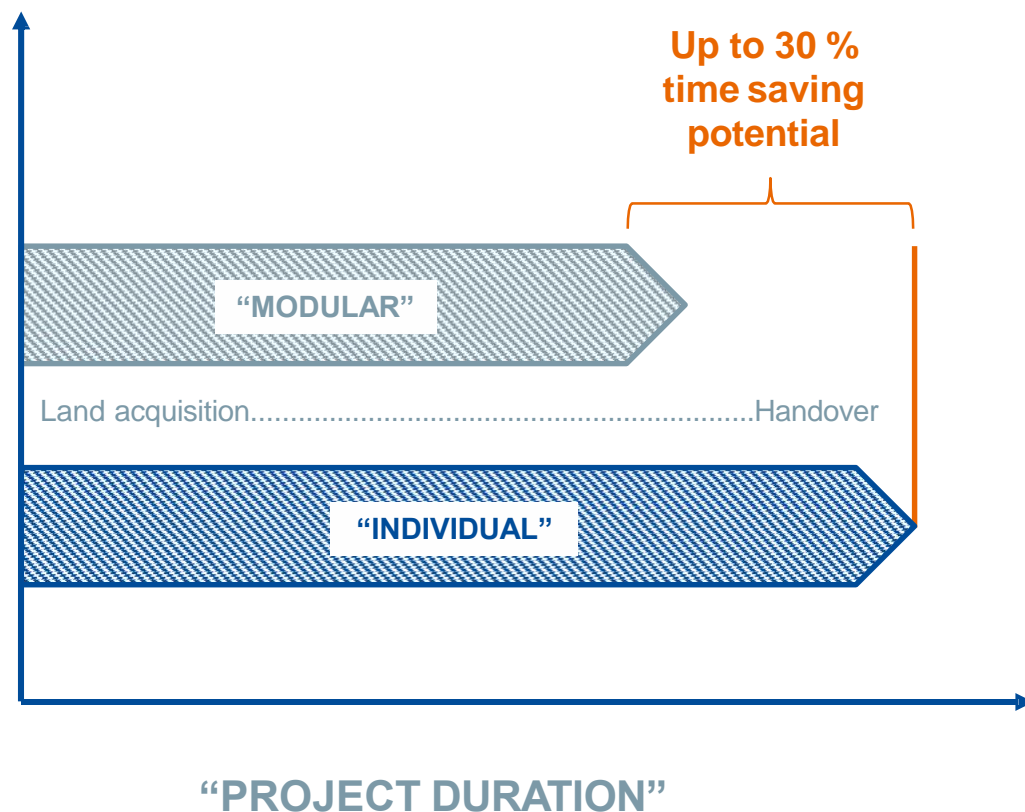
~20% reduction of building costs

- 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 and risk profile of valuehome 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 valuehome platform vs INS core product

Target IRR/ ROCE

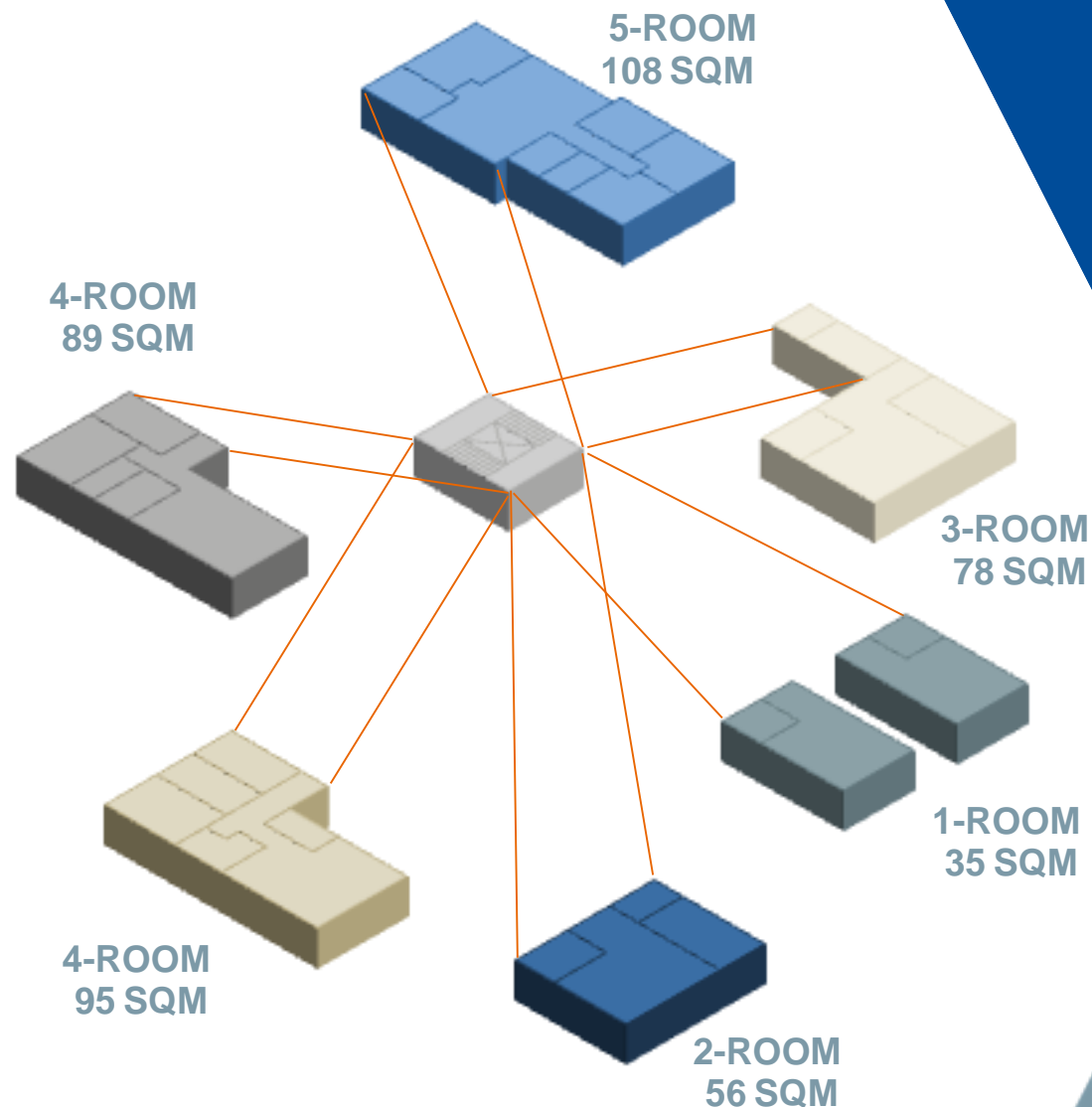
- Exceeding core product

- Accelerated planning, reduced complexity, minimized underground construction as well as sales more geared towards institutions result in improved project IRR and superior ROCE

Notes:
* Excluding corporate overhead allocation

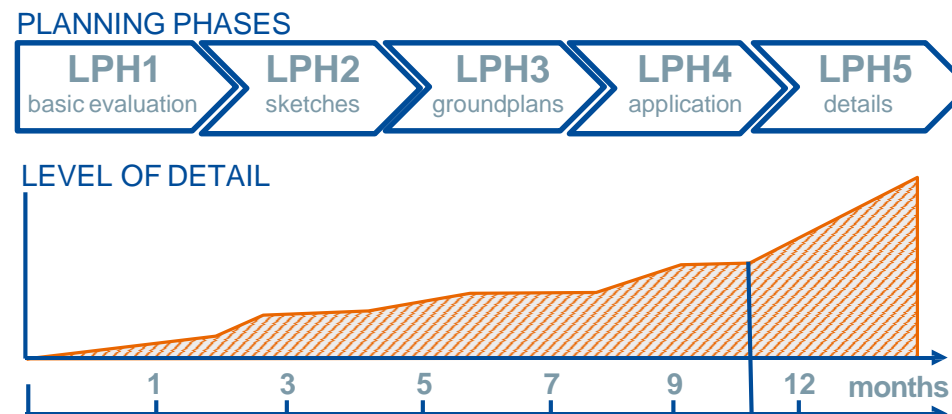
Innovative modular and highly standardised planning concept

- Modular housing groundplan kit
 - Gapless BIM-based planning process
 - Fully integrated technical planning
 - Realtime mass and cost calculation
 - Standardised tender documents
 - Digital interface to fit-out configurator
- Exceptionally rapid and highly efficient planning process with consistent quality



The modular planning process is the foundation of our new product

Illustrative simulation of modular planning approach applied to Project Rottenburg

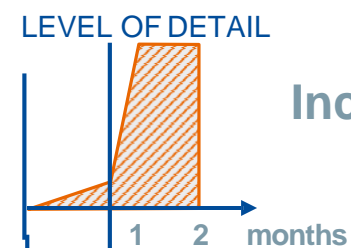


6m Building permit



PLANNING PHASES

LPH1-LPH5



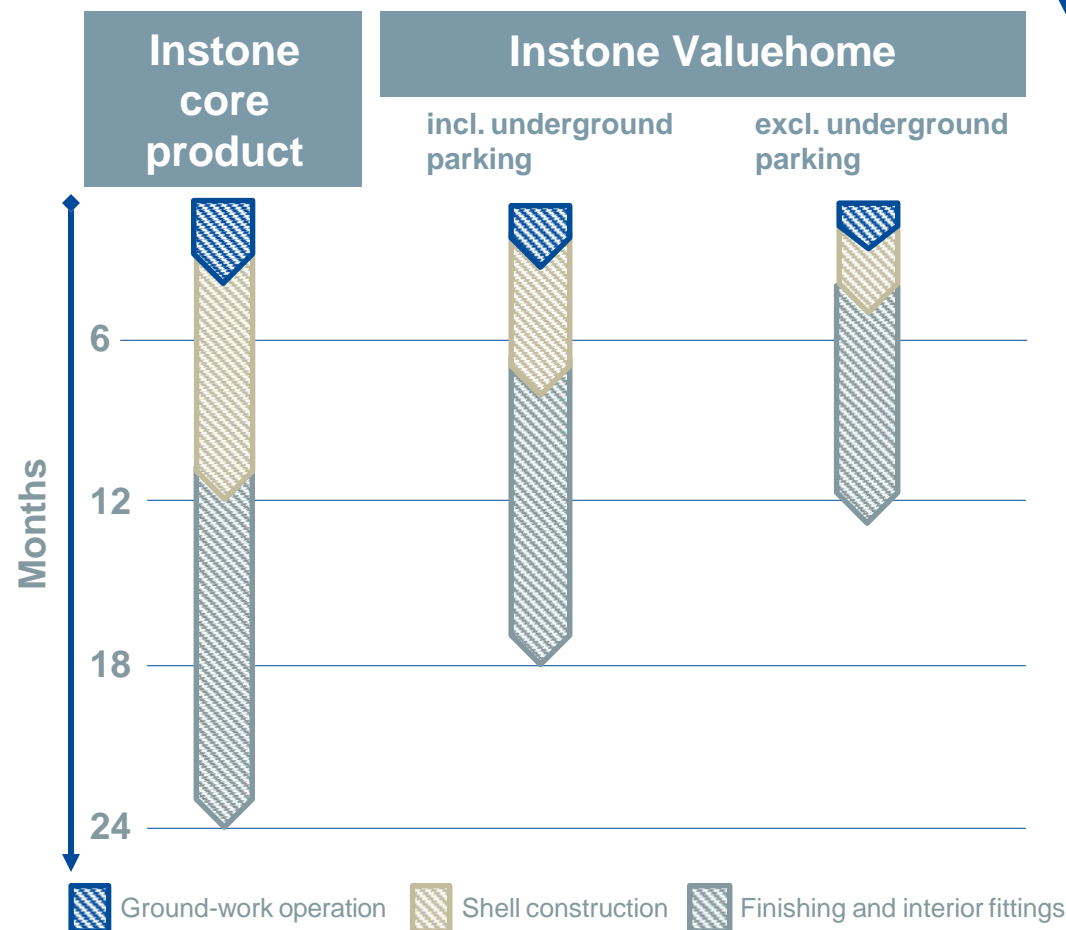
Incl. { mass calculation
cost calculation
tender documents

6m Building permit

► INS Modular product uses BIM based standardized planning to reduce time and costs

More easily scalable construction and potential for industrialized production processes

- Lean construction process
→ increase of efficiency
- Lower cost risks due to standardisation
- Standardised product leads to continuous improvement process
- Reduction of complexity leads to lower personnel expenses (also after-sale)



Comparison of products

	Traditional Instone Product	Instone Valuehome
Price	<ul style="list-style-type: none"> Mid to high price segment No Luxury Selling price €4,000/sqm – 9,000/sqm 	<ul style="list-style-type: none"> Lower to mid-price segment Positioning between social housing and Instone core product Selling price up €3,000/sqm – 5,000/sqm
Complexity	<ul style="list-style-type: none"> Highly customised Typically includes substantial underground construction (e.g. parking space) Medium to high level of customer optionality 	<ul style="list-style-type: none"> Highly standardised Minimising costly underground construction (e.g. parking space) Low level of customer optionality
Location	<ul style="list-style-type: none"> Focused on largest and fastest growing metropolitan areas (A cities and attractive B cities) Mainly targeting coveted inner-city locations 	<ul style="list-style-type: none"> Focused on B locations in and around metropolitan areas Certain B cities in commuter belts Typically well-connected suburban locations
Project size	<ul style="list-style-type: none"> Project size >€50m Preference for development of entire residential quarters; typically including masterplanning process 	<ul style="list-style-type: none"> Project size >€20m Less complex projects; lower share of masterplanning processes
Target Customer	<ul style="list-style-type: none"> Mid- to high income owner occupiers Affluent buy-to-let investors Institutional investors 	<ul style="list-style-type: none"> Municipal housing companies Institutional investors Professional landlords Affluent buy-to-let investors To a lesser extent owner occupiers

ESG Strategy

2021 ESG achievements and disclosures

Environment

- Scope 1, 2 and 3 GHG¹ emissions according to TCFD³ guidelines
- SBTI² compliant net zero targets (Net zero climate neutrality by 2045)
- Qualitative climate-scenario analysis
- Declared membership of German Sustainable Building Council (DGNB), pre-certification of pilot project nyoo in platinum (requirement for series certification)

Social

- Completed first stakeholder survey, initiated platform for continuous dialogue
- Started construction of first two affordable housing projects under Instone innovative “nyoo” brand
- Confirmed Instone’s position as an attractive employer
- Re-iterated affirmative diversity policy
- Confirmed Instone’s responsibility for work standards at our contractors

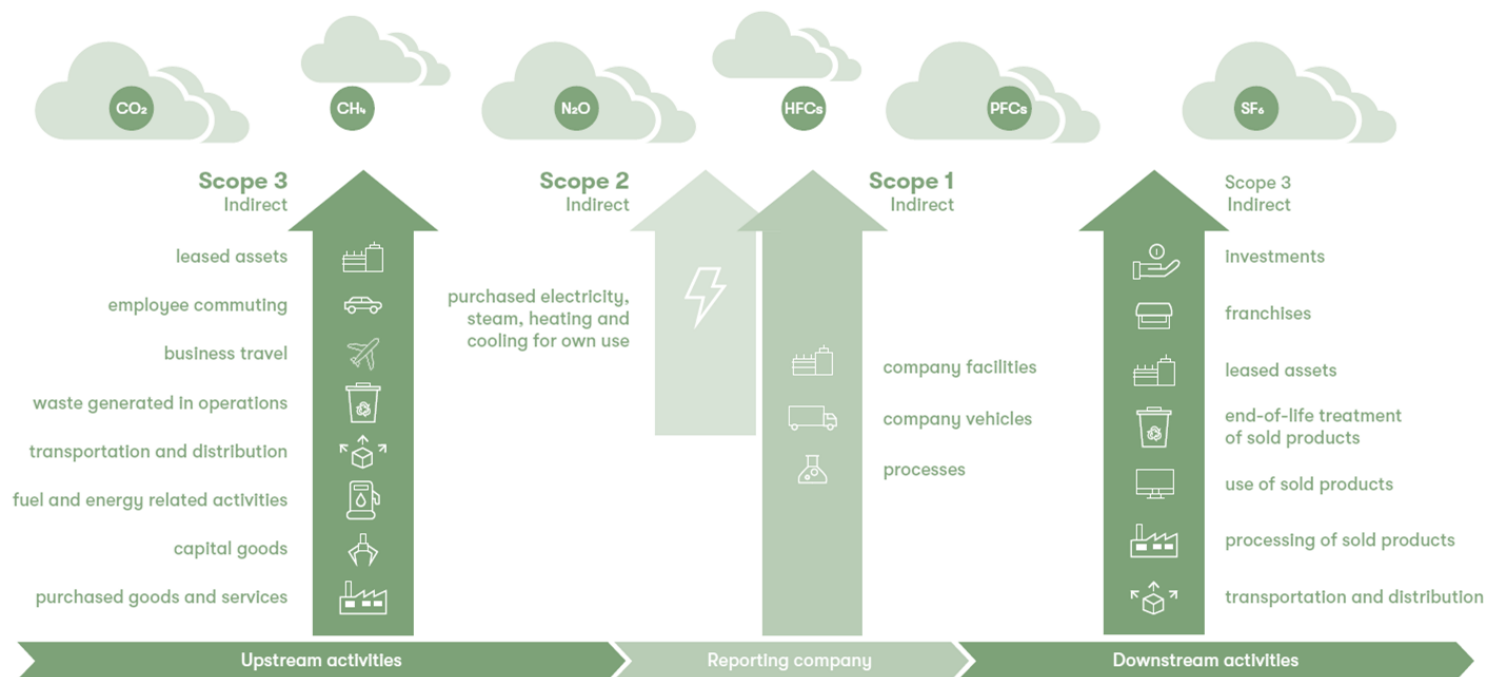
Governance

- Established first independent ESG rating by Sustainalytics; ranked top 2% among global developers
- Strengthened ESG governance structure
 - Established 3 people strong dedicated ESG team
 - Established sustainability targets in management compensation scheme
- Launched ESG website

1) GHG=Greenhouse gas emissions / Scope 1-3: classification of emissions (direct and indirect) according to GHG Protocol
 2) SBTI=Science-Based Targets Initiative / New approach for setting emissions reduction targets with focus on the amount of emissions that have to be reduced in order to meet the goals of the Paris Agreement, limiting global warming to 1.5°C
 3) Task Force on Climate Related Financial Disclosures

Clear commitment for ambitious CO₂ targets

GHG overall emissions analysis ¹ (intensity)	2020	2021	Target
Scope 1 and 2	0.024 t CO ₂ e/sqm	0.010 t CO ₂ e/sqm	At least -42% reduction by 2030 (base 2020)
Scope 3	0.766 t CO ₂ e/sqm	0.416 t CO ₂ e/sqm	Net-zero-climate neutrality by 2045

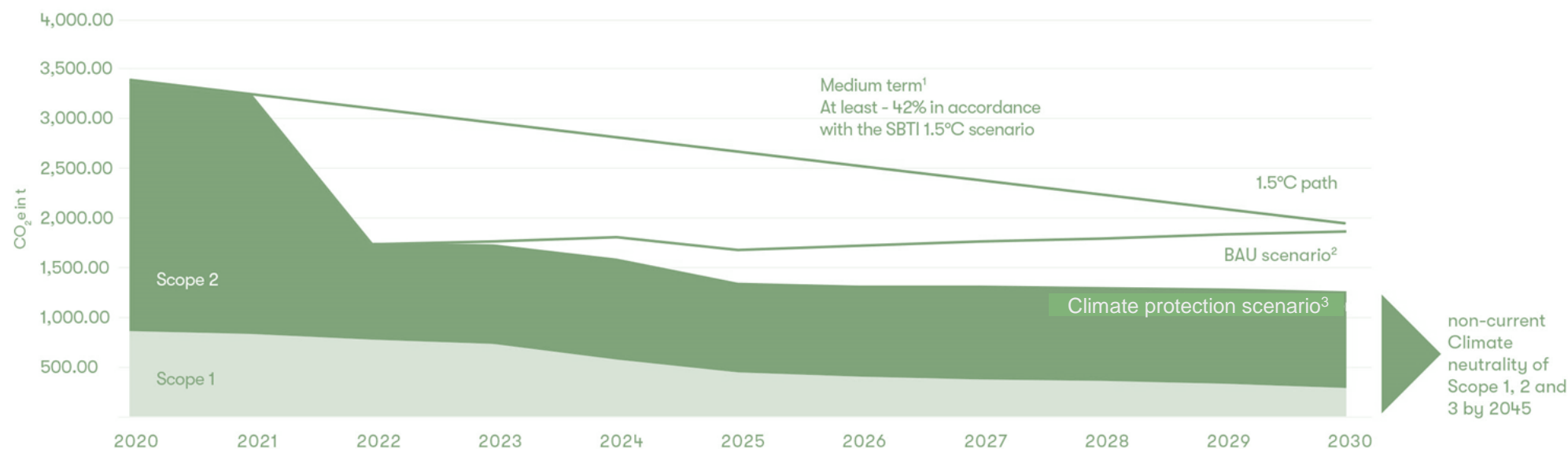


1) Overall emissions analysis: The Scope 3 emissions that have actually arisen during the building construction process are included in the overall analysis. Completed buildings are accounted for with their complete downstream value chain in the year of handover.



Instone's Net Zero Path

Decarbonisation cure and climate targets



1. The progression of Scope 1 and 2 emissions is based on the projections of planned measures and taking into account the planned growth.
2. BAU scenario: Scope 2 emissions calculated based on the assumption that the decarbonisation of the energy sector only progresses moderately (based on BMWi, 2021).
3. Climate protection scenario: Scope 2 emissions are calculated based on the assumption that the decarbonisation of the energy sector will achieve climate neutrality by 2045 (based on Prognos et al., 2021).

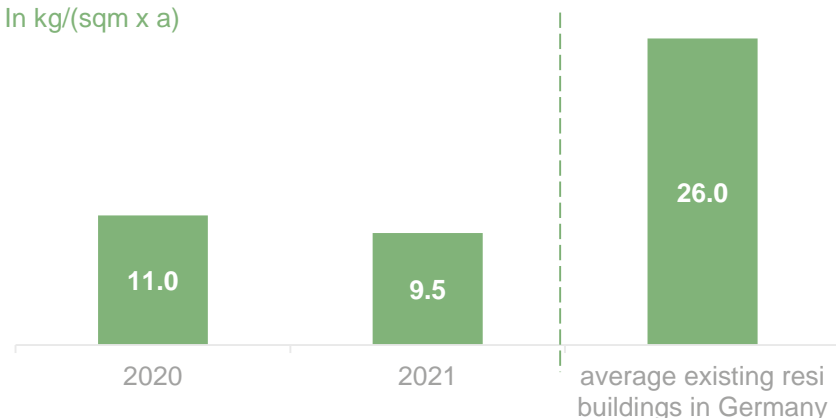
Major ESG-KPIs – achievements and targets

	Major KPIs	2020	2021	Targets
E	Expected GHG emissions of portfolio in use	11 kg CO₂e/m²	9.5 kg CO₂e/m²	-50% (2030 vs. 2020)
	Share of projects with renewable energy supply	~14%	~22%	At least 40% (2030)
	Share of projects with energy requirements at least NZEB -10%	~79.6%	~82.5%	100% of project portfolio in 2030
	GHG emissions / scope 1 and 2 abs.	3,387 t CO ₂ e	3,456 t CO ₂ e	-42% (2030 vs. 2020)
	GHG emissions / scope 1 and 2 Intensity	0.024 t CO ₂ e/sqm	0.010 t CO ₂ e/sqm	-42% (2030 vs. 2020)
	GHG emissions / scope 3 abs.	110,058 t CO ₂ e	147.849 t CO ₂ e	Net zero climate neutrality (2045)
	GHG emissions / scope 3 Intensity	0.766 t CO ₂ e/sqm	0.416 t CO ₂ e/sqm	Net zero climate neutrality (2045)
	Charging stations for EVs	~330	~734	From 2025, 100% of projects in construction to provide charging stations
	Brownfield developments (land plot size)	833.746sqm	690,204sqm	Acquisition focus on brownfield projects
S	Collection of environmental KPIs (e.g. environmental diversity, waste, water and recycling)	/	ongoing	100% data delivered by 2025
	Shares of affordable housing: social / subsidized / privately financed (incl. nyoo)	15% / 2% / 83%	17% / 1.5% / 81.5%	at least 50% share of revenues with affordable housing (social / subsidized / nyoo) by 2030
	Share of female employees in management positions (below C-level)	25% (1 st)* / 22% (2 nd)	25% (1 st)* / 23% (2 nd)	at least stable
	Employee satisfaction and loyalty	75%	70% / 76%	75% / 80%
G	Code of Conduct for employees and contractors (UN Charter)	100%	100%	100%
	Employee compliance and data protection training	96%	99%	100%
	Compliance cases (suspected)	2	0	0
	Independent Supervisory Board	100%	100%	100%
	Integration of ESG targets into management compensation scheme (1 st management level)	Implemented	Implemented	Continuous evaluation and adoption

GHG emissions of the INS portfolio significantly below German average

GHG emissions Instone portfolio¹

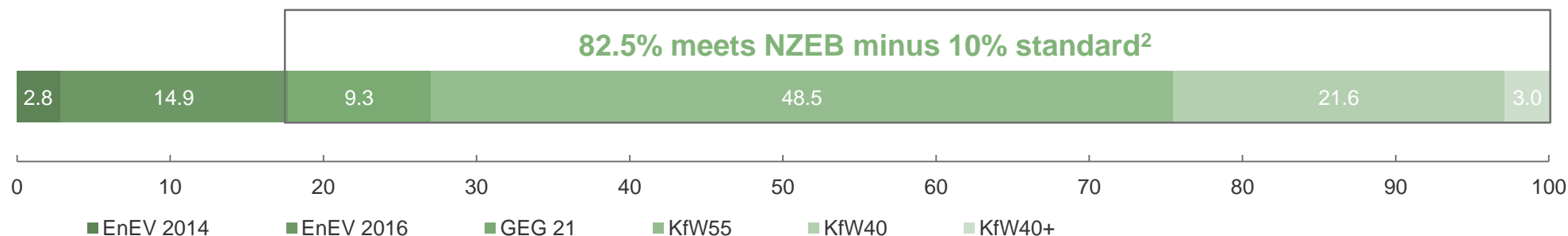
In kg/(sqm x a)



- ✓ High-quality insulation and modern heating technology lead to significantly reduced GHG emissions for Instone projects compared to average of existing resi buildings in Germany
- ✓ Instone targets share of buildings with primary energy demand of less than 90% compared to NZEB² (NZEB -10%) by 2030 of 100%

Project portfolio per energy efficiency standard (as of 31/12/2021)³

In %



1) Diagram refers to the entire Instone portfolio based on the planned energy efficiency during usage (operational carbon only)
 2) As defined as of December 31, 2021
 3) Based on share of surface area / Portfolio: All buildings planned, under construction and completed in 2021

ESG: Strong initial rating underscores commitment to industry leadership

Instone Real Estate Group SE

Real Estate Development Germany ETR:INS

ESG Risk Rating

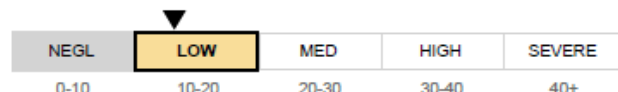
13.2

Not available

Updated Nov 12, 2021

Momentum

Low Risk



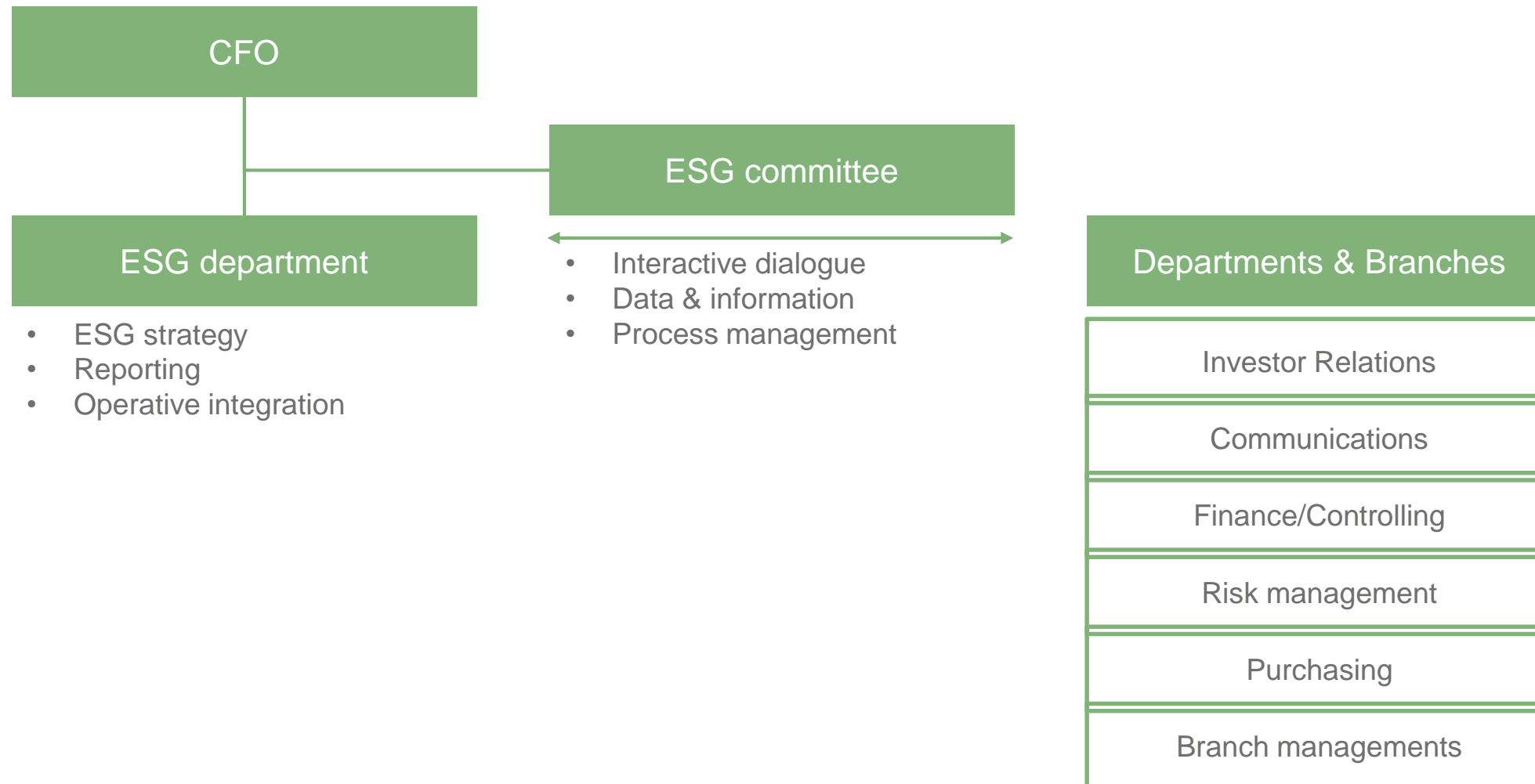
ESG Risk Rating Ranking

UNIVERSE	RANK (1 st = lowest risk)	PERCENTILE (1 st = lowest risk)
Global Universe	702/14640	6th
Real Estate INDUSTRY	148/1043	15th
Real Estate Development SUBINDUSTRY	4/284	2nd











- ✓ INS among the top 2% of the 284 global real estate development companies
- ✓ Top 6% across all sectors
- ✓ Clear commitment to improve ratings in the future

Strengthened ESG governance structure



Our contribution to our main fields of action, measurements and the UN SDGs

Key action areas	Measures	Affected UN SDGs
Environment	<ul style="list-style-type: none"> Determining the status quo of greenhouse gas data within the Company Initiating a continuous LCA process → leveraging potential for optimisation in planning and building materials Committing to greenhouse gas emission-reduction targets based on SBTi, TCFD and the GHG protocol Reviewing the use of recyclable and recycled materials Gradually converting the vehicle fleet to hybrid/electric cars Making changes to business travel, mainly rail travel within Germany Considering and developing mobility concepts for neighbourhoods developed by Instone 	   
Employees	<ul style="list-style-type: none"> Improving opportunities for education on specialist topics, soft skills and digital tools Expanding recruitment measures (new recruiting formats in social media, lectures at universities, podcasts on job profiles, vlogs/online options for job applications, speed dating) Greater information and integration of possible career paths for employees Expanding our internal and external communication on diversity with the help of examples and our mission statement Establishing continuous diversity monitoring Annual employee surveys and regional and national processing of potential improvements and feedback Continuous, sustained and transparent communication (regular broadcasts by the Management Board, the intranet, regular regional-office meetings, dialogue at function level) Extending mobile working from one to two days a week Flexible office use Exploiting the potential for optimisation from the analysis of client surveys 	   

Our contribution to our main fields of action, measurements and the UN SDGs

Key action areas	Measures	Affected UN SDGs
Social	<ul style="list-style-type: none"> Continuing to develop social impact guidelines within the Company and integrating them into projects/neighbourhoods <ul style="list-style-type: none"> Improving participation opportunities (e.g. citizen workshops while obtaining planning permission, on-site and online informational events) Building long-term partnerships that sustainably support the residents of the neighbourhoods to improve the quality of life in the neighbourhood (e.g. neighbourhood managers, DHL parcel service points, neighbourhood initiatives, education services) Improving joint services and social infrastructure Creating balanced housing and neighbourhood mixes Creating areas to increase the quality of life in the neighbourhood (e.g. play areas, green spaces, meeting areas, cycle paths and pedestrian footpaths) Increasing traffic safety Promoting the construction of subsidised and cut-price residential housing and expanding partnerships Further expanding the construction of affordable residential housing in B and C locations with the help of the new subsidiary Supporting local authorities with the timely implementation of urban development goals Establishing of digital customer satisfaction analysis and deriving measures 	
Protection of Human Rights	<ul style="list-style-type: none"> Continual review of our processes to ensure adherence to human rights compliance requirements Informing and training our employees regarding corruption and bribery Reviewing the processes of our implemented systems for reporting corruption and bribery 	 
Measures to combat bribery/corruption		

Westville, Frankfurt am Main

Realizing an innovative energy concept

- Former industrial site turned into an attractive living quarter for more than 3,000 people
 - ~1,300 apartments, thereof 380 subsidized
 - Three child care facilities
 - Large green areas incl. six playgrounds
 - Specially designed heat pumps for waste heat recovery from nearby data center
 - 100 % energy standard KfW 55
- ▶ Attractive living quarter combined with a highly innovative, sustainable energy concept



Niederkasseler Lohweg, Düsseldorf

Creating living quarters on former industrial sites

- Brownfield redevelopment incl. deconstruction and recycling of a seven-storey office building
- Mix of 221 subsidized and privately financed apartments plus local square, 430 sqm playground and child care facility
- Construction of a two-storey underground car park, incl. underground backwater vessels
- 10% of the parking lots equipped with charging stations for e-cars
- Nesting aids for bats and swifts
- Planting of several mid-size trees



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
- 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



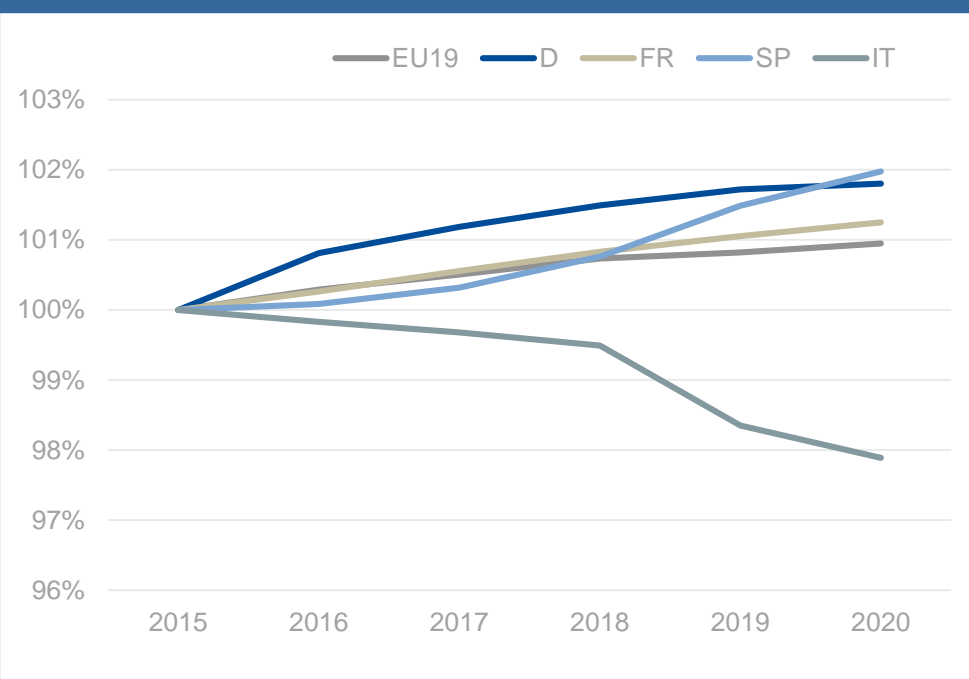
INSTONE
REAL
ESTATE



Market Environment

Structural demand growth supported by net immigration

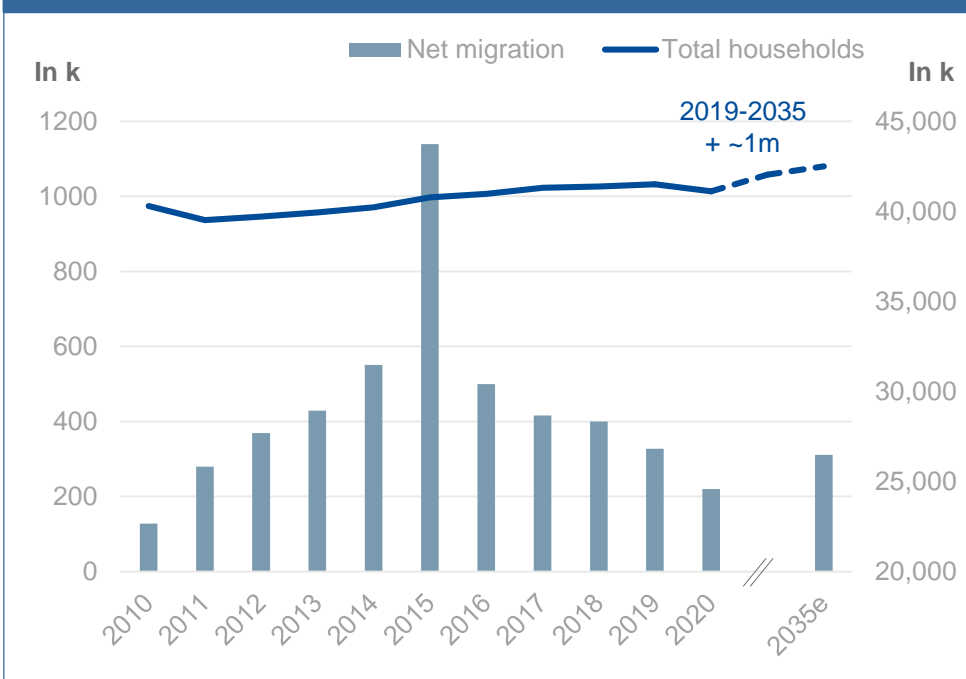
Population growth, indexed 2015=100



✓ Germany outperforms the EU19 average

Source: Eurostat

German households and net migration development

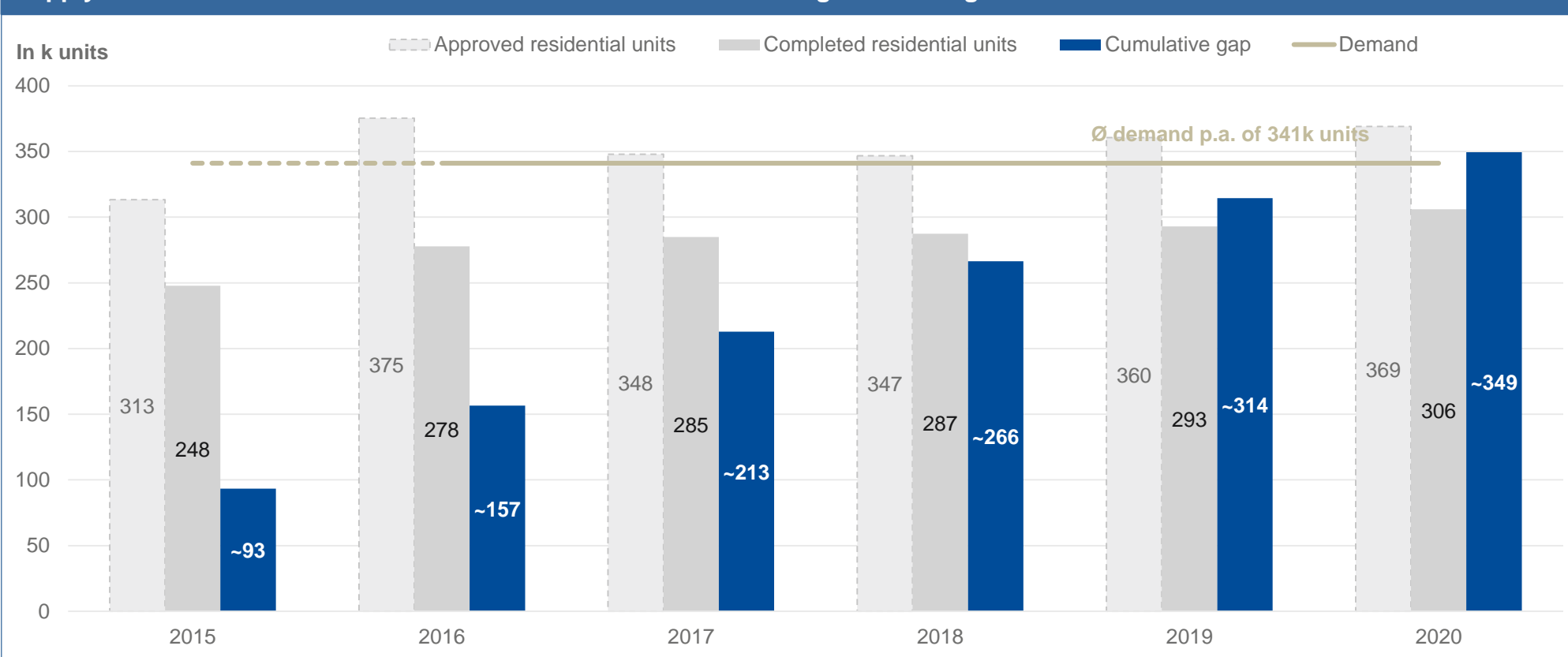


✓ Number of households with positive underlying trend due to further net migration and increase in number of single-person households

Source: destatis Fachserie 1 Reihe 3, Haushalte am Haupt- und Nebenwohnsitz, DB Research

Backlog of undersupply is further building up

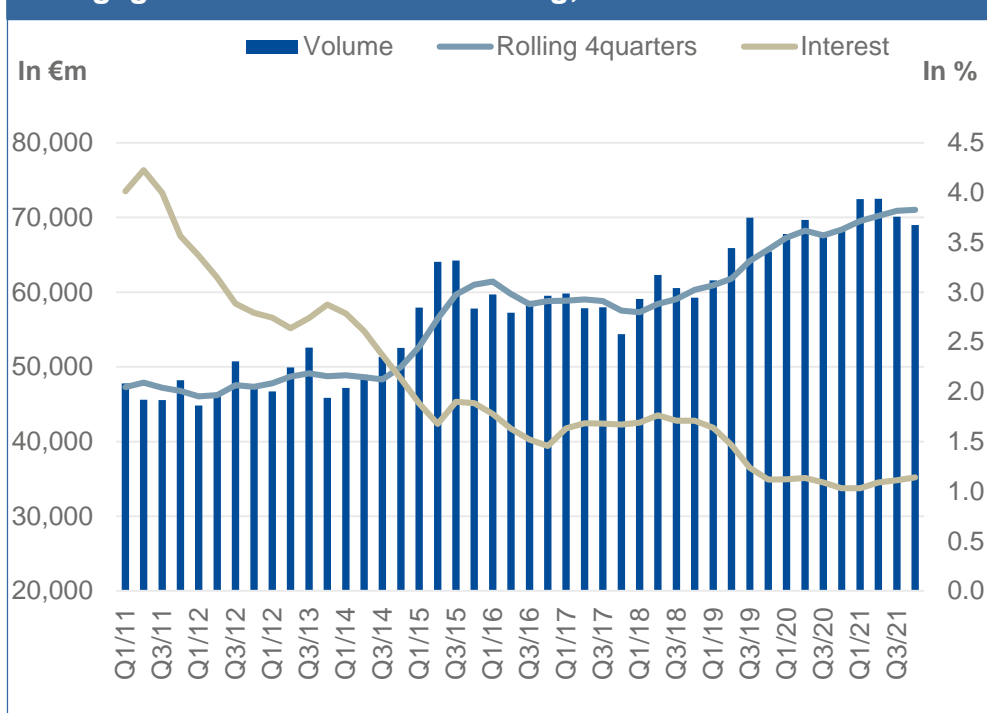
Supply and demand imbalance in German residential market: No signs of easing



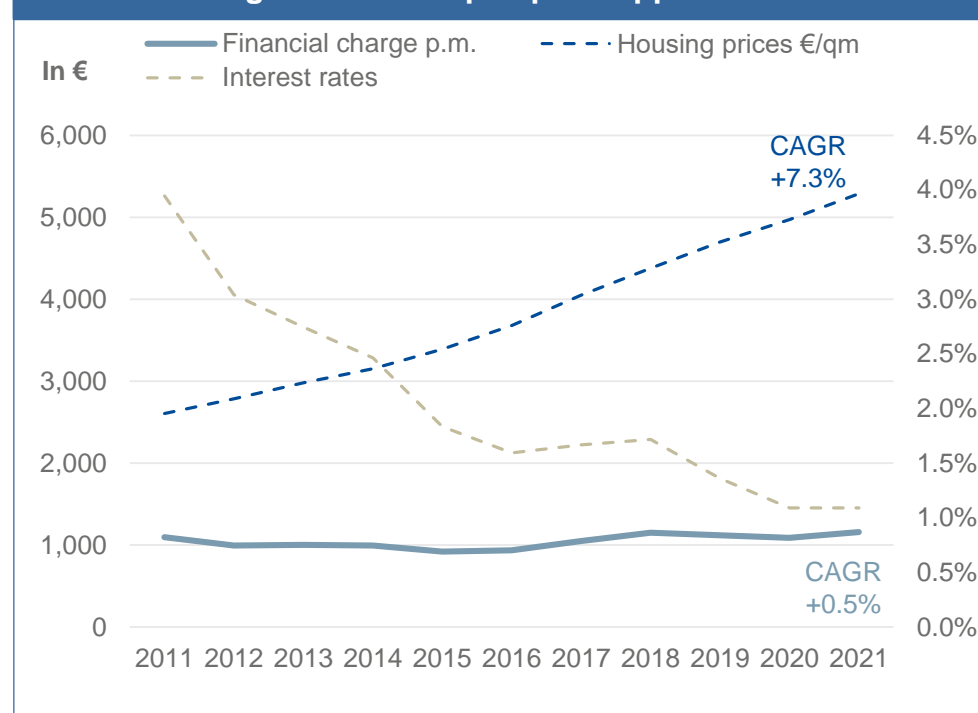
Source: supply - destatis (Fachserie 5 Reihe1, 20/07/2021), average demand 2016-2020 IW-Gutachten Nov. 2021

Lending markets stay very supportive and German resi still highly affordable

Mortgage loans: volumes still rising; rates at record lows



Financial charges stable despite price appreciation

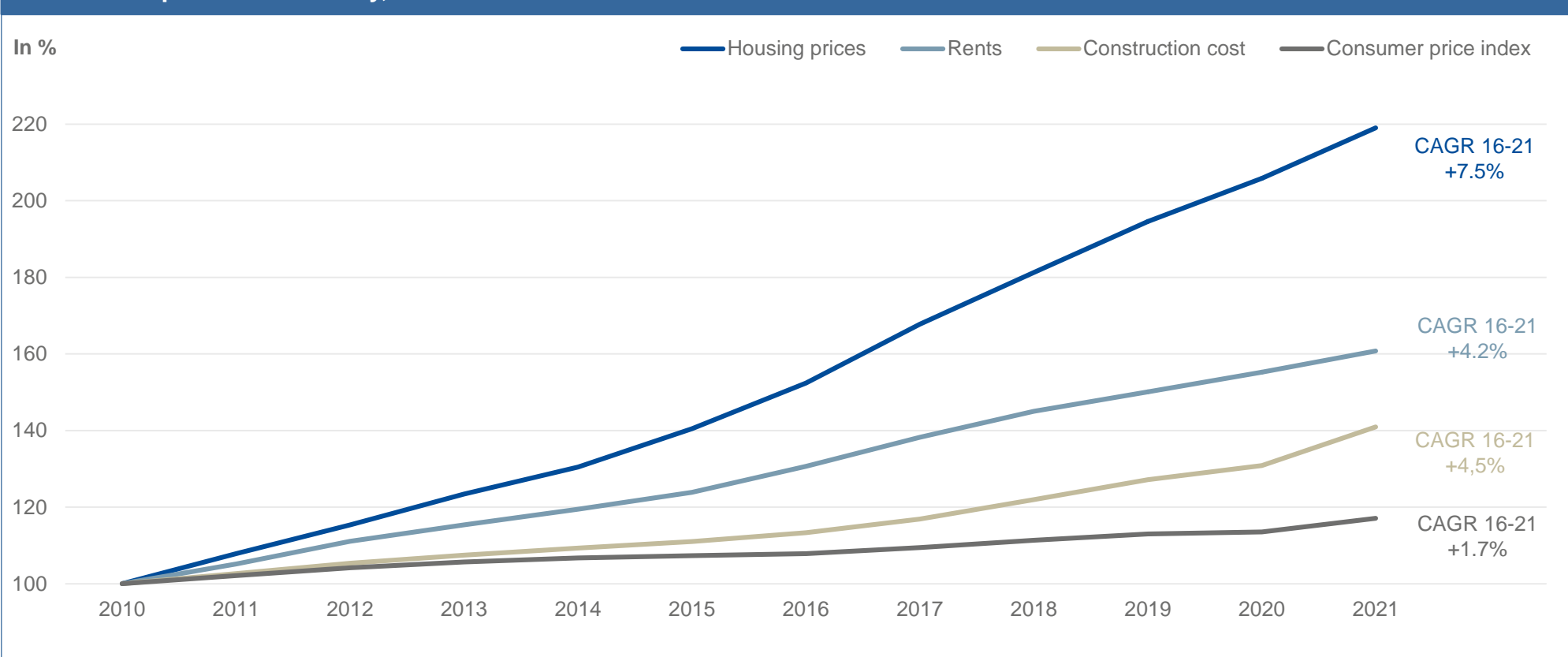


Source: Deutsche Bundesbank as of 03/02/2022, total volumes of residential mortgage loans to households, effective interest rate for mortgage loans with maturities >5-10 years

Source: Bulwiengesa housing prices for new multi-family flats (12/2021), Deutsche Bundesbank as of 03/02/2022, weighted interest rates for loans with an initial rate fixation >5-10 years, calculation of financial charge based on assumption of initial amortisation of 2% and 15% equity

Positive price trend also in COVID environment underpins strength of the asset class

Price development in Germany, indexed 2010=100



Source: Bulwiengesa house price index (12/2021) house prices and rents for new flats in Germany, destatis (02/22)

Appendix

Project Portfolio Key Figures

€m	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Volume of sales contracts	87.6	761.7	170.7	89.1	118.6**	246.0	94.9	54.1*	69.4
Project Portfolio	7,567.7	7,500.0	7,154.9	6,268.1	6,054.2	6,053.6	5,937.5	5,701.3	5,744.4
<i>thereof already sold</i>	3,070.1	3,038.9	2,308.7	2,444.0	2,360.5	2,328.8	2,108.6	2,017.1	2,189.0
<i>thereof already realized revenues</i>	1,684.0	1,621.0	1,276.2	1,436.1	1,307.8	1,265.5	n.a.	n.a.	n.a.
Units	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Volume of sales contracts	191	1,906	468	169	372**	708	128	347*	109
Project Portfolio	16,607	16,418	15,913	14,338	13,678	13,561	13,374	13,075	12,952
<i>thereof already sold</i>	7,404	7,215	5,401	5,679	5,510	5,381	4,770	4,648	4,799

*Of which €24.3m (303 units) from updated business plan of already sold project Westville.

**Of which €6.3m (186 units) from updated business plan of already sold project part in "Schönhof-Viertel", Frankfurt.

Project Portfolio as of 31/03/2022

(projects > €30m sales volume, representing total: ~ €7.6bn)

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
<u>Hamburg</u>						
Schulterblatt "Amanda"	Hamburg	96 Mio. €	●	●	●	●
Kösliner Weg	Norderstedt-Garstedt	93 Mio. €	●	●		
Sportplatz Bult	Hannover	120 Mio. €				
Rothenburgsort	Hamburg	215 Mio. €	●	●	◐	◐
Büntekamp	Hannover	146 Mio. €	●	◐		
Saeseler Chaussee 211	Hamburg	84 Mio. €	●	●		
<u>Berlin</u>						
Rote Kaserne West	Potsdam	67 Mio. €	●	●	●	●
<u>NRW</u>						
Niederkasseler Lohweg	Düsseldorf	N/A	●	●	●	●
Unterbach / Wohnen am Hochfeld	Düsseldorf	197 Mio. €	●	●	◐	◐
Literaturquartier	Essen	N/A	●	●	●	
REME	Mönchengladbach	118 Mio. €		◐		
west.side	Bonn	202 Mio. €	●	●	●	◐
Gartenstadtquartier	Dortmund	103 Mio. €	●	◐		
Bickendorf	NRW	716 Mio. €	●			
Projekt NRW - I	NRW	73 Mio. €		●		

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 31/03/2022

(projects > €30m sales volume, representing total: ~ €7.6bn)

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
<u>Rhine-Main</u>						
Wiesbaden-Delkenheim, Lange Seegewann	Wiesbaden	106 Mio. €	●	●	●	
Siemens-Areal	Frankfurt	604 Mio. €	●	●	◐	◐
St. Marienkrankenhaus	Frankfurt am Main	217 Mio. €	●	●	●	●
Friedberger Landstraße	Frankfurt am Main	306 Mio. €		◐		
Elisabethenareal Frankfurt	Frankfurt am Main	87 Mio. €	●	●		
Steinbacher Hohl	Frankfurt am Main	56 Mio. €	●	●		
Gallus	Frankfurt am Main	41 Mio. €	●	●		
Westville	Frankfurt am Main	N/A	●	●	●	◐
Aukamm	Wiesbaden	186 Mio. €	●		◐	
Heusenstamm	Heusenstamm	156 Mio. €	●			
Kesselstädter Str.	Maintal	207 Mio. €	●			
Polaris	Hofheim	61 Mio. €	●	◐		
Wiesbaden Rheinblick	Wiesbaden	284 Mio. €	●			
Eichenheege	Maintal	97 Mio. €	●			
<u>Leipzig</u>						
Semmelweisstrasse	Leipzig	109 Mio. €	●	●		
Parkresidenz	Leipzig	260 Mio. €	●	●	◐	◐
Rosa-Luxemburg-Straße	Leipzig	109 Mio. €	●	●		
Heide Süd	Halle (Saale)	38 Mio. €	●	◐		

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 31/03/2022

(projects > €30m sales volume, representing total: ~ €7.6bn)

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
<u>Baden-Württemberg</u>						
City-Prag - Wohnen im Theaterviertel	Stuttgart	128 Mio. €	●	●	●	●
Schwarzwaldstraße	Herrenberg	50 Mio. €	●	●	●	●
S' LEDERER	Schorndorf	N/A	●	●	●	●
Neckartalterrassen	Rottenburg	164 Mio. €	●	●	◐	◐
Schäferlinde	Herrenberg	61 Mio. €	●	◐		
Schwarzwaldstraße BA II	Herrenberg	70 Mio. €	●			
<u>Bavaria South</u>						
Ottobrunner Straße	München	100 Mio. €	●	●		
Beethovenpark	Augsburg	N/A	●	●	●	●
<u>Bavaria North</u>						
Schopenhauerstraße	Nürnberg	68 Mio. €	●	●	●	●
Stephanstraße	Nürnberg	N/A	●	●	●	●
Seetor	Nürnberg	112 Mio. €	●	●	●	●
Eslarner Straße	Nürnberg	50 Mio. €	●	●		
Lagarde	Bamberg	81 Mio. €	●	●	◐	
Boxdorf	Nürnberg	59 Mio. €	●	●		
Marina Bricks	Regensburg	30 Mio. €	●	●	●	●
Thumenberger Weg	Nürnberg	111 Mio. €	●	●		
Worzeldorf	Nürnberg	68 Mio. €	●			
Projekt Bayern Nord - I	Nürnberg	85 Mio. €		●		

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.

Approvals/Acquisition Strategy

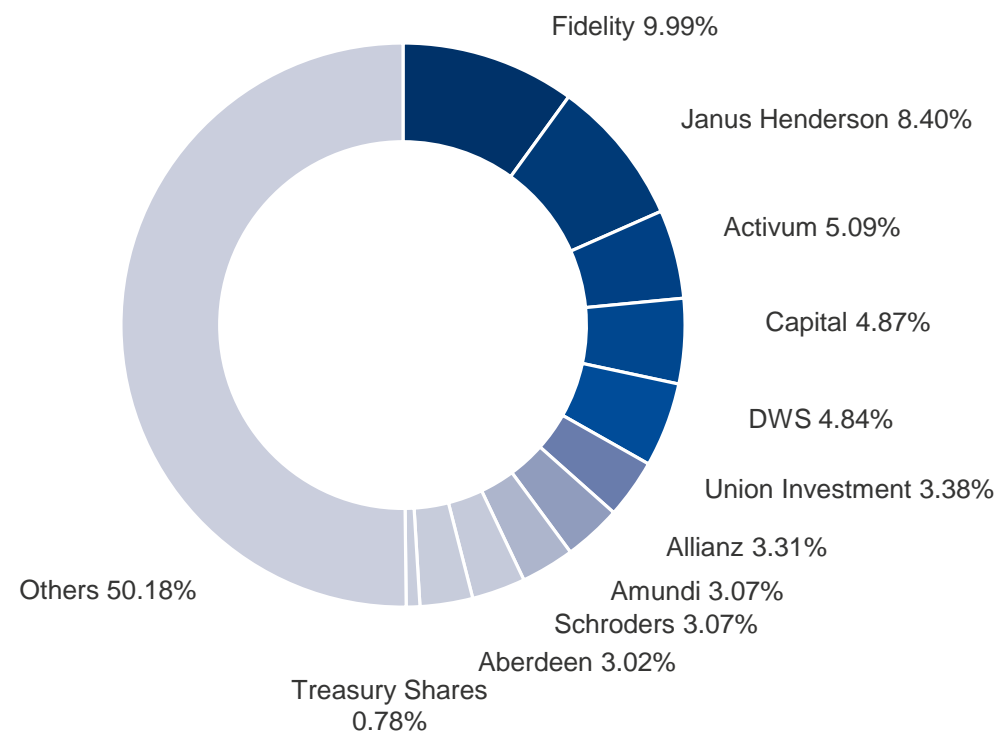
	Projects without need for zoning processes		Projects with zoning processes
	Masterplan in place	No requirement due to §34 BauGB (building code)	Brownfield projects
	<ul style="list-style-type: none"> Generally less attractive for INS due to higher competition 	<ul style="list-style-type: none"> Within built-up districts Insertion rule within settlement No precise predefinition of building character (negotiation with municipality) 	<ul style="list-style-type: none"> Close cooperation with municipalities and other stakeholders Development of new city districts Focus on off-market deals Tender processes: Only deals where INS has a special angle
	+	+	+
Value potential	+	+	+
Duration	6 months	6 months	Avg. approx. 2 – 5 years

Instone Share

Basic data

- ISIN: DE000A2NBX80
- Ticker symbol: INS
- No of shares: 46,988,336
- Index: SDAX
- Market cap*: €690m
- Average daily trading volume: €1.4m
- Free float (May 09, 2022): 99.2%
- Market segment: Prime Standard, Frankfurt

Shareholder structure (May 09, 2022)



Financial Calendar

2022

May	12	Quarterly Statement for the first quarter of 2022
May	13	Roadshow Europe, Deutsche Bank (virtual)
May	16	Roadshow UK, Credit Suisse, (London)
May	19	German SMID Cap Forum, Stifel Europe, Frankfurt/Main
May	25	dbAccess German Corporate Conference, Frankfurt/Main
June	09	Annual General Meeting
June	16	Morgan Stanley Europe & EEMEA Property Conference, London
June	29	Pan-European Real Estate Conference, Kepler Cheuvreux, Paris
August	11	Group Interim Report for the first half of 2022
September	19	11 th German Corporate Conference, Berenberg/Goldman Sachs, Munich
November	10	Quarterly Statement for the first nine months of 2022

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

Dr. Foruhar Madjlessi
CFO



- ✓ CFO since 2019
- ✓ Recognized capital market expert with extensive expertise in the field of corporate finance
- ✓ 20-year career in investment banking with various management positions at Deutsche Bank and Merrill Lynch

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

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