INSTONE REAL ESTATE

FY 2018 RESULTS PRESENTATION

MARCH 28, 2019

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2018 Key Achievements

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

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

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FY 2018 Key Figures vs Outlook

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

*€12m ppa-effect

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

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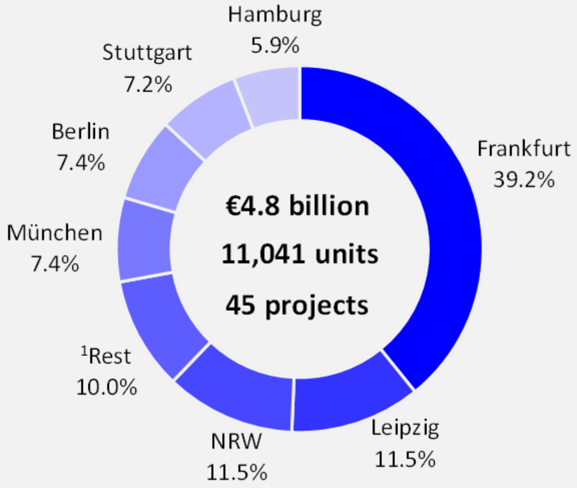
€4.8bn Project Portfolio

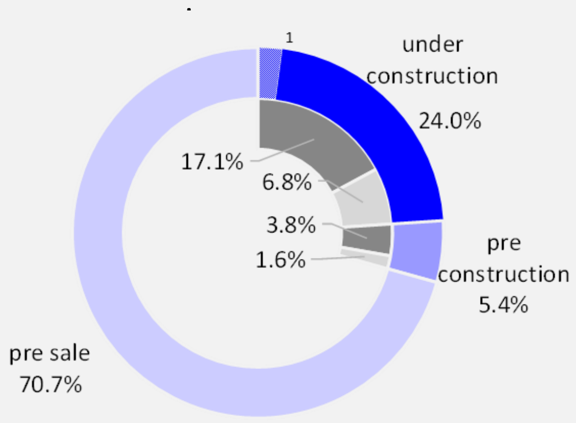
- 45 projects with 11,041 units; 21% of expected sales volume already sold; 24% of expected sales volume under construction
- Avg. appartment size: 80 sqm / ASP per sqm: €5,336 incl. parking space (€5,090 excl.) / ASP per appartment: €427K

Project portfolio by region;
based on sales volume



1) includes Wiesbaden, Ulm, Mannheim, Hannover

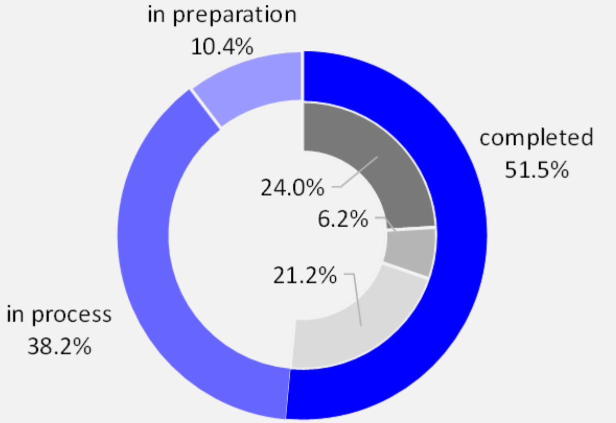
Project portfolio by status;
based on sales volume



Inner circle:
- Units sales agreement
- No unit sales agreement

1) thereof 2.1% of delivered volume of the project portfolio

Project portf. by state of building right;
based on sales volume



Inner circle:
- Building permit
- Building application submited
- Before building application

Project portfolio data per 31.12.2018

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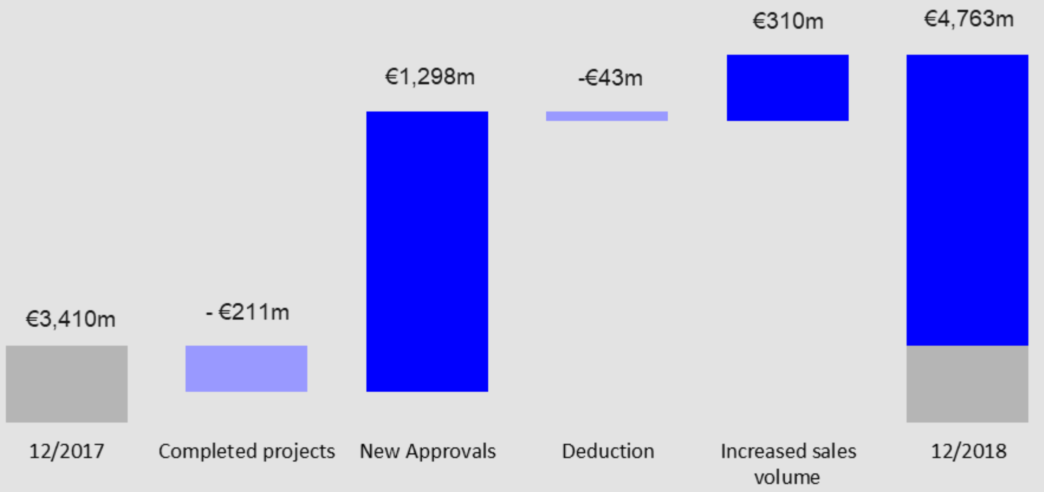
FY 2018 – Significant Increase of Project Portfolio

Project portfolio (expected sales volume)



(Projects remain in portfolio until being fully completed and handed over to customers)

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

1) Expect signing in Q2 2019
2) Signed, but project is still subject to a condition subsequent, the occurrence of which is uncertain. (see adhoc release of 13.12.2018)
3) Relates to investment volume

Status Update on Project in German Metropolitan Region

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

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

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Cost Price Inflation (CPI)

Market:

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

Instone:

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

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

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

House Price Inflation (HPI)

Market:

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

Instone:

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

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

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

Earnings Before Tax Sensitivity for FY 2021*

Cost Price Inflation p.a. (columns) / House Price Inflation p.a. (rows)

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

*Includes only existing projects not yet being in the sales process

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Basis of Presentation

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

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FY 2018 Results of Operations

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

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

Extraordinary items (€m)	
IPO related	2.0
Management Changes	1.5
Acquisition DD related	1.6
Total	**5.1**

- Significantly improved group financing structure

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Tax Consideration and Minorities

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

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

Moderate Leverage

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

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

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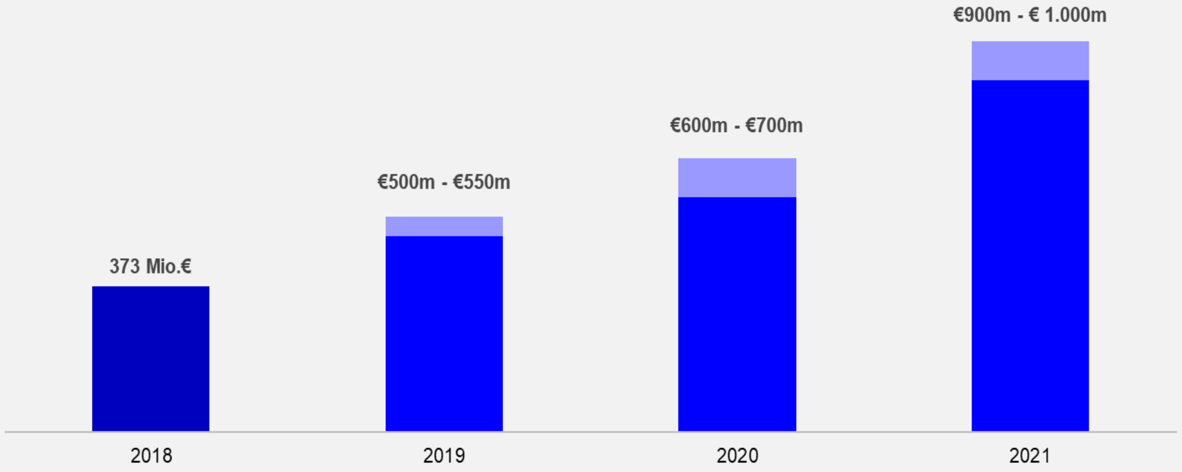
Positive Development Continues

Outlook FY 2019

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

Revenue ramp-up*



	2018	2019	2020	2021
Thereof from projects with building right**:	100%	92%	56%	24%
Thereof from existing projects**:	100%	100%	99%	78%

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

(**% figures referring to midpoint of guidance)

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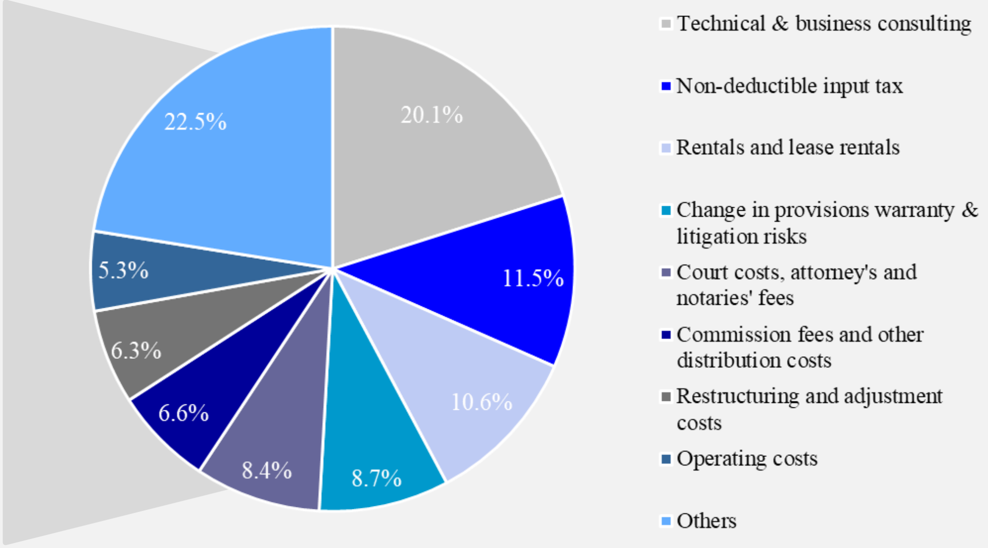
Project Cost

FY 2018	€k
Cost of materials	-320,353
+ Changes in inventories	+57,026
- Indirect sales cost	-1,870
- Capitalized interest on changes in inventories	-1,133
Total project cost	**-266,330**

Platform Cost

FY 2018	€k
Personnel expenses	-33,563
+ Other operating income	+2,675
- Other operating expenses	-28,513
+ Indirect sales cost	+1,870
+Subsequent expenses for the acquisition of subsidiaries	+661
Total platform cost	**-56,870**



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Income statement (reported), €m

		FY 2018	FY 2017
1	**Total revenue**	**360.8**	**199.7**
	Changes in inventories	57.0	120.2
		417.9	**319.9**
	Other operating income	2.7	5.4
2	Cost of materials	-320.4	-242.6
3	Staff costs	-33.6	-49.5
	Other operating expenses	-27.9	-43.6
	Depreciation and amortization	-0.6	-0.4
	Earnings from operative activities	**38.1**	**-11.0**
	Income from associated affiliates	0.3	0.2
	Other net income from investments	0.0	-0.1
	Finance income	0.5	0.6
	Finance costs	-8.9	-20.7
	Write-down of long-term securities	-0.4	0.0
4	**Finance result**	**-8.8**	**-20.4**
	EBT (reported)	**29.6**	**-31.2**
	Income taxes	-20.5	0.2
	Net income (reported)	**9.0**	**-31.0**

Source: Audited historical financials, Company information.

Commentary

1. The change in total revenues of €161.1 million to €360.8 million (previous year: €199.7 million) includes €128.7 million from the period-related revenue recognition for apartments that have already been sold, but are not yet fully completed in accordance with IFRS 15. Without the establishment of the new standard, these sales revenues would have been recognised as changes in inventories amounting to only €115.3 million. The increase in construction activity for these apartments will no longer lead to an increase in inventory, but will be recognised directly in revenue.

2. The increase in construction activities for project developments and the purchase of land for new project developments led to an increase in the cost of materials to €320.4 million (adjusted previous year: €242.6 million). In the financial year, the direct selling expenses were allocated to the cost of materials in line with the fulfilment status of the underlying sales contract on the basis of the first-time application of IFRS 15.

3. Personnel expenses fell by €15.9 million in 2018 to €33.6 million (previous year: €49.5 million). This reduction was primarily due to liabilities for special payments related to a long-term incentive plan in the previous year, which did not accrue during the 2018 financial year.

4. The financial result in 2018 improved to €-8.8 million (previous year: €-20.4 million). A key factor here was the decline in interest expense by €11.7 million due to the significant improvement in the Instone Group's financing structure. In the previous year, interest expenses for shareholder loans amounting to €6.6 million were included. These shareholder loans were able to be repaid in February 2018.

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Condensed balance sheet, €m

	FY 2018	FY 2017
Non-current assets	**2.8**	**4.0**
5 Inventories	404.4	659.4
6 Contract assets	158.5	0.0
Other receivables	33.0	52.0
Cash and cash equivalents	88.0	73.6
Current assets	**683.8**	**785.1**
Total assets	**686.6**	**789.1**
Total equity	**246.7**	**52.2**
7 Financial liabilities	177.7	241.0
Other provisions and liabilities	8.5	0.0
8 Deferred tax liabilities	32.2	7.7
Non-current liabilities	**218.4**	**254.2**
Financial liabilities	87.8	134.7
9 Trade payables	78.3	275.7
Other provisions and liabilities	55.1	72.4
Current liabilities	**482.7**	**482.7**
Total equity and liabilities	**686.6**	**789.1**

 Source: Audited historical financials, Company information.

Commentary

5 The decrease in inventories by €255 million is essentially the result of the first-time adoption of IFRS 15 for the reporting period. Taking this new standard into account, the previously as inventories reported projects with already concluded purchase agreements with customers are now reported as contract assets.

6 The first-time adoption of IFRS 15 leads to an increase in contract assets. However, the increase in contract assets is lower than the reduction in inventories, as prepayments received in amount of €318.1 million are netted off against contract assets. The gross amount of contracts assets is €466.0 million.

7 Non-current and current financial liabilities for the financial year fell by €265.5 million (previous year: €375.7 million). In connection with the successful IPO in 2018, €57.8 million in liabilities to former shareholders of Instone Real Estate Group AG was repaid. Non-current financial liabilities to banks for project-related financing declined moderately during the financial year.

8 The first-time application of IFRS 15 and the associated revenue recognition over-time of sales contracts to customers has resulted in a deferred valuation difference in work-in-progress sold. This was the main reason for the increase in deferred tax liabilities as at 31 December 2018 to €30.5 million (previous year: €7.7 million).

9 Trade payables decreased to €78.3 million in 2018 (previous year: €275.7 million). This was primarily due to the netting of prepayments received for work-in-progress sold with the contract assets under IFRS 15.

Condensed cash flow statement, €m

		FY 2018	FY 2017
	Consolidated earnings	**9.0**	**-31.0**
	Other non-cash income and expenses	7.9	29.7
	Decrease / increase of inventories, contract assets, trade receivables and other assets	132.2	-112.3
	Increase / decrease of contract liabilities, trade payables and other liabilities	-183.1	83.4
	Income taxes paid	-6.5	-4.2
10	**Cash flow from operating activities**	**-40.4**	**-34.5**
11	Cash flow from investing activities	0.5	-22.7
	Free cash flow	**-39.9**	**-57.2**
	Increase of issued capital incl. contributions to capital reserves	150.5	0.0
	Increase from other neutral changes in equity	-9.3	0.0
	Repayment of shareholder loans / Payout to non-controlling interests	-28.3	-0.7
	Cash proceeds from borrowings	83.9	33.5
	Cash repayments of borrowings	-135.5	0.0
	Interest paid	-7.1	-14.8
12	**Cash flow from financing activities**	**54.3**	**18.2**
	Cash change	14.3	-38.9
	Cash and cash equivalents at the beginning of the period	73.6	112.5
	Cash and cash equivalents at the end of the period	**88.0**	**73.6**

Commentary

10 The cash flow from Instone Group operations of €-40.4 million in the financial year (previous year: €-34.5 million), resulted from the increase in cash outflows due to new investments in land for project developments. The decline in inventories for work-in-progress and the increase in contract assets resulted in a total cash inflow of €132.2 million in the financial year. Adjusted for the offsetting of advance payments received in the financial year, the total cash outflow was €98.2 million. The decline in liabilities by €183.1 million resulted primarily from offsetting advance payments received against assets. Adjusted by the offsetting of advance payments received in the financial year, this resulted in an increase of €47.3 million.

11 The cash flow from investing activities was not significant in the financial year. The cash inflow in the financial year amounted to €0.5 million (previous year: cash outflow of €22.7 million due to the purchase of shares of Instone Real Estate Development GmbH).

12 Cash flow from financing activities increased in 2018 from €18.2 million to €54.3 million, mainly due to the inflow of €150.5 million from the issue of the new shares as well as incoming payments from newly acquired loans of €83.9 million. Loans from former shareholders amounting to €57.8 million were repaid in the financial year while at the same time loans granted to former shareholders amounting to €29.5 million were repaid by the former shareholders. Repayments for project-related loans amounting to €135.5 million were also made.

Source: Audited historical financials, Company information.

Project Portfolio Key Figures

In € million	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Volume of sales contracts	206.2	104.2	120.0	30,0	58.4	88.5	120.4	90.8
Project Portfolio (as of)	4,763.2	3,620.3	3,589.1	3,408.5	3,410.0	3,374.8	3,039.8	n.a.

In units	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Volume of sales contracts	459	245	273	56	110	189	334	193
Project Portfolio (as of)	11,041	8,924	8,863	8,355	8,390	8,042	7,675	n.a.

Unless otherwise stated, the figures are quarterly values

FY 2018 – Revenue Contribution (Top 10 Projects)

Project	City	Revenues (€m)
Quartier Stallschreiber Strasse / Luisenpark	Berlin	74.7
Heeresbäckerei	Leipzig	61.5
Therese	Munich	29.5
Wohnen am Kurpark / Wilhelm IX	Wiesbaden	28.5
Marienkrankenhaus	Frankfurt	25.0
west.side	Bonn	22.9
Franklin	Mannheim	21.8
NMA	Hamburg	20.7
Wohnen am Safranberg	Ulm	13.8
T. Kontor	Leipzig	10.5
Total Revenues FY 2018		**372.8**

(Top 10 projects = >80% of total revenues)

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FY 2018 – Volume of Concludes Sales Contracts (Top 10 Projects)

Project	City	Volume (€m)	Units
City Prag – Wohnen im Theaterviertel	Berlin	109.3	251
west.side	Bonn	102.2	276
Quartier Stallschreiber Strasse / Luisenpark	Berlin	69.6	139
Marienkrankenhaus	Frankfurt	41.6	48
Wohnen am Kurpark / Wilhelms IX	Wiesbaden	29.9	43
Franklin	Mannheim	27.3	77
T. Kontor	Leipzig	25.4	96
Sebastianstrasse / Schuhmanns Höhe	Bonn	12.3	38
Therese	Munich	10.1	2
Heeresbäckerei	Leipzig	7.3	21
Total Volume FY 2018		**460.8**	**1,033**

(Top 10 projects = >90% of total volume)

FY 2018 – Construction Launches

Project	City	Exp. Sales Volume (€m)	Units
Franklin	Mannheim	~65	~200
Heeresbäckerei (final secton)	Leipzig	~10	~30
Quartier Stallschreiber Strasse / Luisenpark	Berlin	~125	~235
Marienkrankenhaus	Frankfurt	~200	~235
T. Kontor	Leipzig	~25	~96
west.side	Bonn	~50	~158
Total		**~475**	**~954**

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Sales Offer per 31 Dec 2018 (Top 5 Projects)

Project	City	Sales volume (€m)	Units
Marienkrankenhaus	Frankfurt	149.9	134
Quartier Stallschreiber Strasse / Luisenpark	Berlin	85.6	140
Sebastianstrasse / Schumanns Höhe	Bonn	54.8	146
Wohnen am Kurpark / Wilhelms IX	Wiesbaden	35	50
Theaterfabrik	Leipzig	14.5	51
Total Sales Offer		**369.4**	**557**

(Top 5 projects = >90% of total sales volume)

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

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
Hamburg						
Essener Straße	Hamburg	94 Mio. €	●			
Schulterblatt	Hamburg	83 Mio. €	●	◑		
Kösliner Weg	Norderstedt-Garstedt	102 Mio. €				
Sportplatz Bult	Hannover	116 Mio. €				
Berlin						
Quartier Stallschreiber Straße / Luisenpark	Berlin	233 Mio. €	●	●	●	●
Wendenschloss	Berlin	119 Mio. €	●	◑		
Rote Kaserne West	Potsdam	47 Mio. €		●		
NRW						
Sebastianstraße / Schumanns Höhe	Bonn	68 Mio. €	●	●	●	
Niederkasseler Lohweg	Düsseldorf	73 Mio. €	●	◑		
Düsseldorf Unterbach / Wohnen im Hochfeld	Düsseldorf	141 Mio. €	●	◑		
west.side	Bonn	181 Mio. €	●	●	◑	◑
Gartenstadtquartier Dortmund	Dortmund	83 Mio. €				

a) Status as per 31.12.2018

b) Semi-filled circle means that the milestone has yet been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building right the semi-filled circle means that the zoning process has been initiated. No circle for „land plot acquired" means that the land has not yet been purchased but secured by contract.

INSTONE REAL ESTATE

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

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
Rhine-Main						
Wiesbaden-Delkenheim, Lange Seegewann	Wiesbaden	92 Mio. €	●	◑		
Siemens-Areal	Frankfurt	551 Mio. €	●	◑		
Marienkrankenhaus	Frankfurt am Main	210 Mio. €	●	●	●	◑
Rebstock	Frankfurt am Main	49 Mio. €	●	●	●	●
Friedberger Landstraße	Frankfurt am Main	324 Mio. €		◑		
Elisabethenareal	Frankfurt am Main	58 Mio. €	●			
Wohnen am Kurpark / Wilhelms IX	Wiesbaden	101 Mio. €	●	●	●	●
Steinbacher Hohl	Frankfurt am Main	42 Mio. €	●			
Gallus	Frankfurt am Main	40 Mio. €		●		
Leipzig						
Heeresbäckerei	Leipzig	122 Mio. €	●	●	●	●
Semmelweisstrasse	Leipzig	69 Mio. €	●	●		
Parkresidenz	Leipzig	216 Mio. €	●	◑		

a) Status as per 31.12.2018

b) Semi-filled circle means that the milestone has yet been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building right the semi-filled circle means that the zoning process has been initiated. No circle for „land plot acquired“ means that the land has not yet been purchased but secured by contract.

INSTONE REAL ESTATE

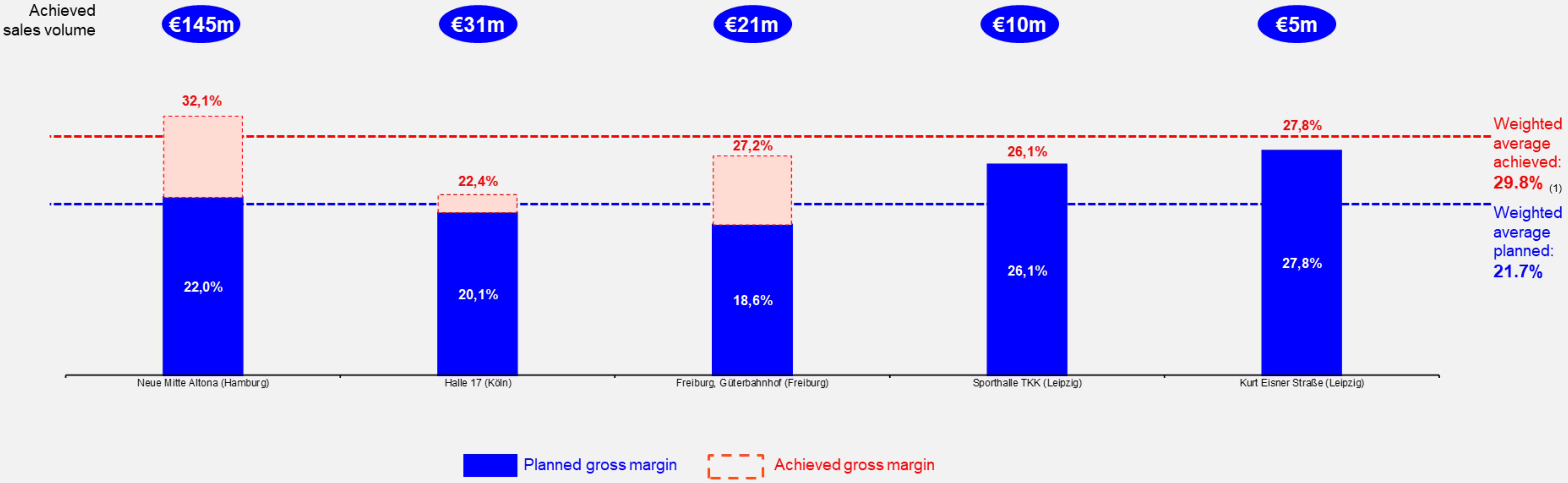
Project Portfolio (projects >€30m sales volume, representing total: >€4.6bn)

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

a) Status as per 31.12.2018
*investment volume

b) Semi-filled circle means that the milestone has yet been achieved for sections of the project (land plot acquisition, start of sales or construction). Concerning the building right the semi-filled circle means that the zoning process has been initiated. No circle for „land plot acquired“ means that the land has not yet been purchased but secured by contract.

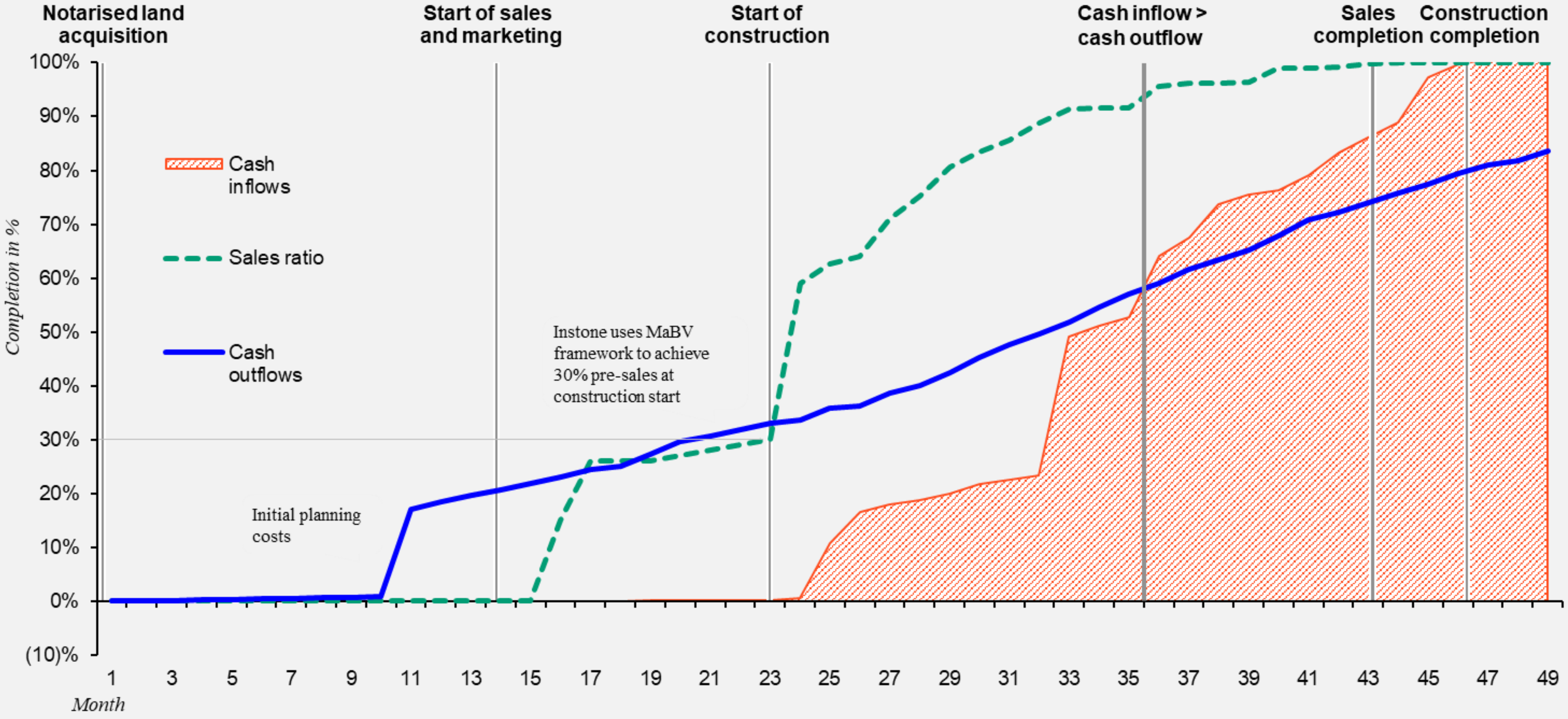
Achieved Gross Margins of Projects Completed in 2018



Source: Company information as of 31 December 2018.
(1) Weighted average by expected sales volume.

Typical Project Cash Flow Profile

Example project



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

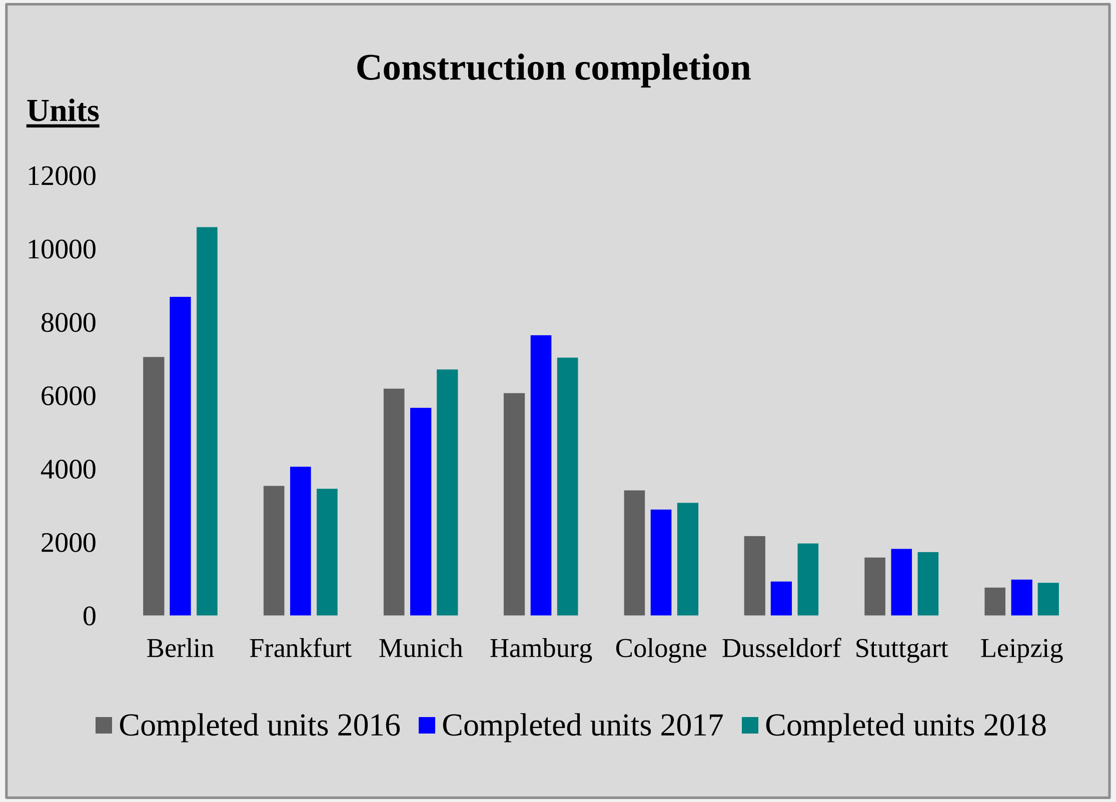
Project cash flows driven by pre sales and the MaBV framework

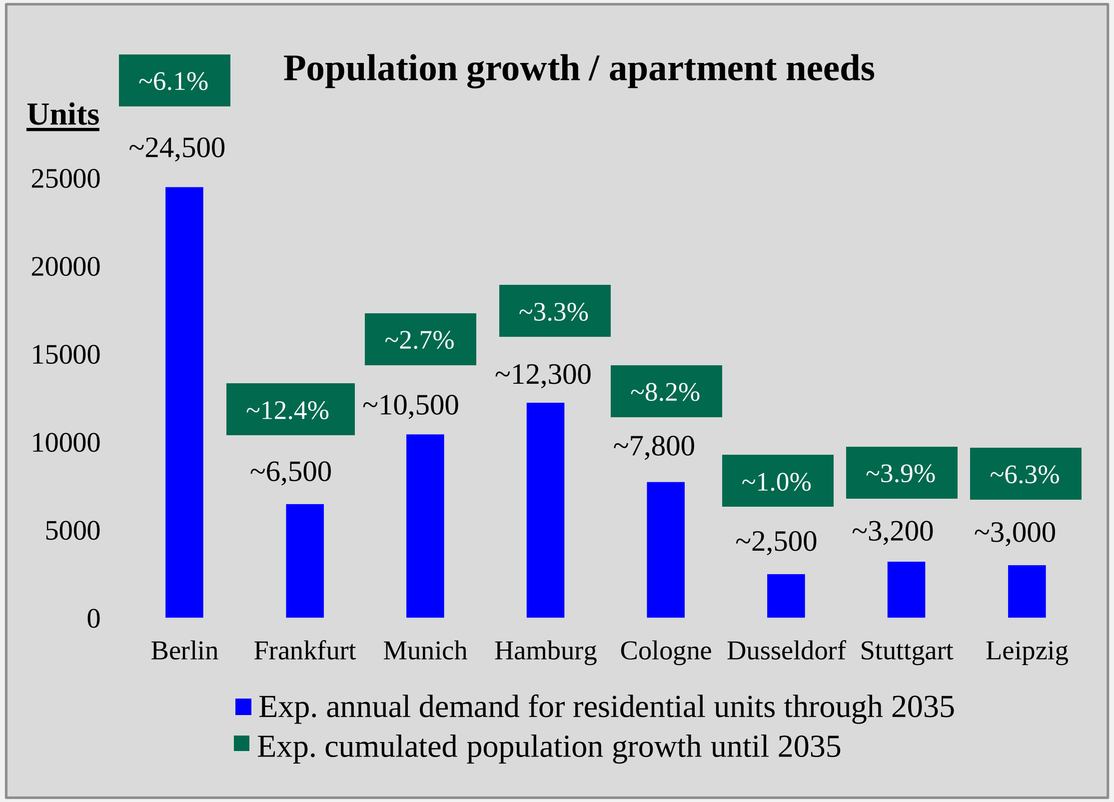
 Source: Company information.

Strict Approach to Corporate M&A

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

Steady High Demand for New Construction in Top 8 German Cities



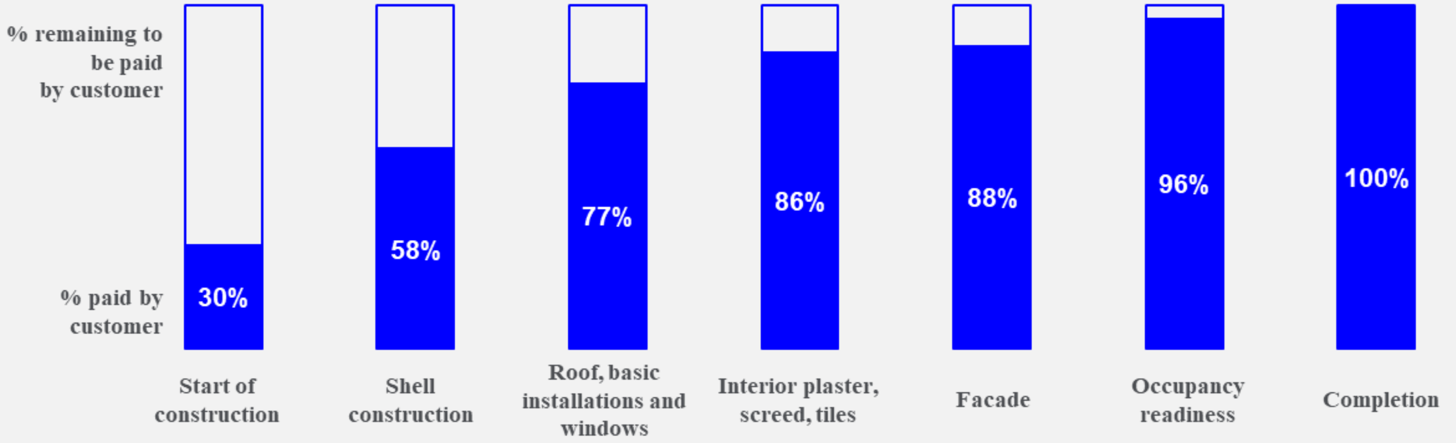


Source: Municipal Statistical Offices; bulwiengesa; IZ Reseacrh

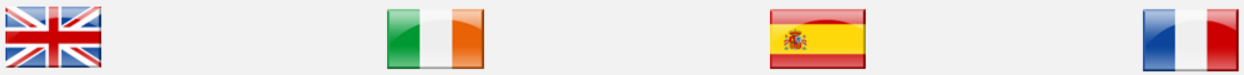
INSTONE REAL ESTATE

Favourable Regulatory Framework Leading to Attractive Cash Flow Profile

Private customers' payment profile for German residential development projects



German regulatory framework for customer payments compared to other European markets



5% upfront	10% upfront	10% upfront	35% upfront
		10% over construction period	65% over construction period
95% at completion	90% at completion	80% at completion	

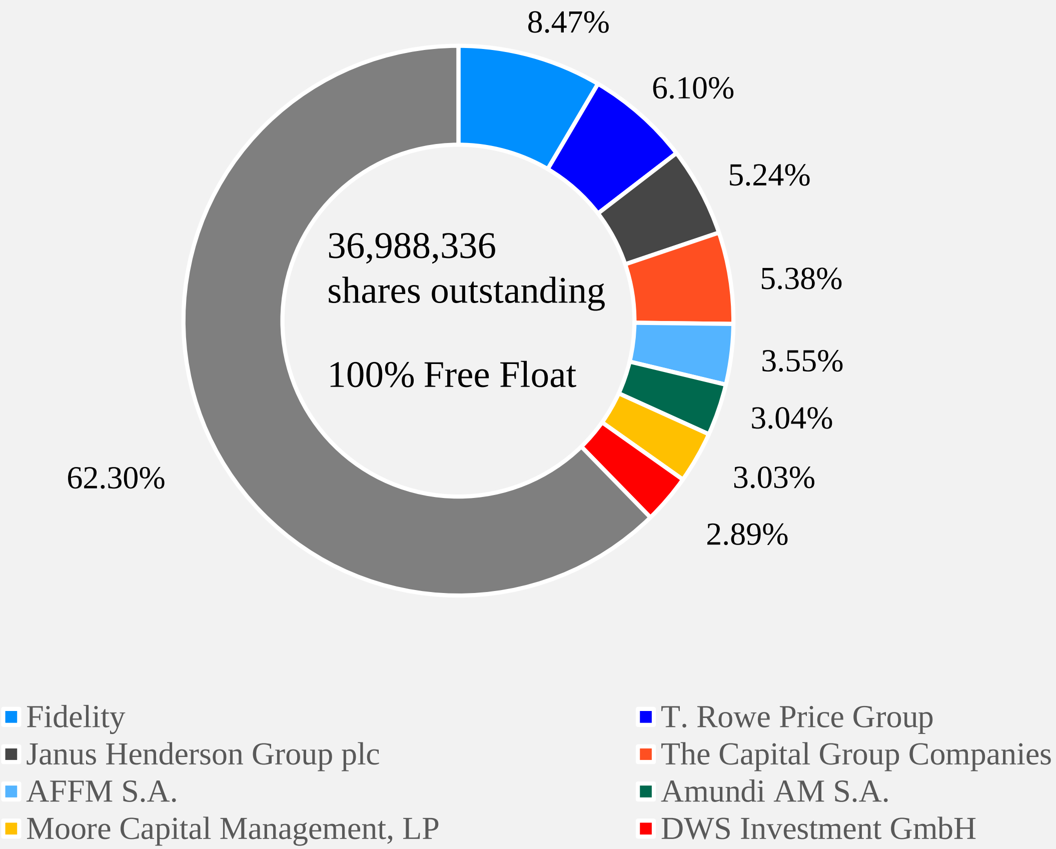
- **Derisked:** B2C development process per se low-risk via regulatory framework ("MaBV")[1]
- **Certainty:** No cancellation possibilities[2]
- **Capital-light:** Predefined payment schedule limiting equity requirement from Instone
- **Very favourable payment schedules** vs. other European countries, particularly UK, Ireland and Spain

Significant amount of construction costs covered by customers' regular payments

(1) MaBV - Real estate agent and commercial construction industry ordinance ("Makler- und Bauträgerverordnung").
(2) Unless significant delays occur and are not solved within a set reasonable deadline.

INSTONE REAL ESTATE

Instone Shareholders:



Source: Voting right notifications according to Article 40, Section 1 of the WpHG [the German Securities Trading Act]

Financial Calendar / Events:

28 Mar 19	**Publication of Annual Financial Report 2018**
29 Mar 19	Capital Markets Day, London
1 April 19	Roadshow Frankfurt
2-3 April 19	Roadshow London
4 April 19	Roadshow Paris
9-10 April 19	Roadshow New York and Boston
11 April 19	Roadshow Canada
15 May 19	UBS Pan European Small and Mid-Cap Conference, London
28 May 19	**Publication of Quarterly Statement as of 31/03/2019**
6 June 19	db access Conference, Berlin
20 June 19	Morgan Stanley Europe & EEMEA Property Conference, London
13 June 19	**Annual General Meeting, Essen**
27 Aug 19	**Publication of Quarterly Report as of 30/06/2019**
26 Nov 19	**Publication of Quarterly Statement as of 30/09/19**

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