INSTONE REAL ESTATE GROUP SE

INTERIM CONSOLIDATED REPORT Q2 2022

30 JUNE 2022

Key figures at a glance

TABLE 001

In millions of euros

		6M 2022	6M 2021
Key performance indicators			
Volume of sales contracts		145.6	207.7
Volume of new approvals[1]		285.3	235.8
Revenue adjusted		268.0	260.5
Key earnings figures			
Gross profit adjusted		68.8	76.7
Gross profit margin adjusted	In %	25.7	29.4
EBIT adjusted		35.9	41.1
EBIT margin adjusted	In %	13.4	15.8
EBT adjusted		28.5	33.5
EBT margin adjusted	In %	10.6	12.9
EAT adjusted		19.6	23.4
EAT margin adjusted	In %	7.3	9.0
Key liquidity figures			
Cash flow from operations		19.5	146.2
Cash flow from operations without new investments		90.2	192.0
Free cash flow		– 56.6	148.8

[1] Excluding volume of approvals from joint ventures consolidated at equity.

Key figures at a glance

TABLE 001

In millions of euros

		30/06/2022	31/12/2021
Key performance indicators			
Project portfolio		7,727.4	7,500.0
Key balance sheet figures			
Total assets		1,681.2	1,520.8
Equity		567.7	590.9
Cash and cash equivalents and term deposits[1]		213.4	151.0
Net financial debt[2]		287.1	239.5
Leverage[3]		1.8	1.5
Loan-to-cost[4]	In %	23.0	20.1
ROCE[5] adjusted	In %	18.5	22.0
Employees			
Number		486	457
FTE[6]		409.2	387.6

[1] Term deposits are comprised of cash investments of more than three months.

[2] Net financial debt = financial liabilities less cash and cash equivalents and term deposits.

[3] Leverage = net financial debt/12-month adjusted EBITDA.

[4] Loan-to-cost = net financial debt/(inventories + contract assets).

[5] Return on capital employed = LTM EBIT adjusted/(four-quarter average equity + net financial debt).

[6] Full-time employees.

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INTERIM GROUP MANAGEMENT REPORT

Results of operations, net assets and financial position

Results of operations

The following presentation of the adjusted results of operations reflects the business of the Instone Group, which was largely influenced by project developments. The adjustments to the adjusted results of operations in relation to the income statement are described in the segment reporting on page 29.

Adjusted results of operations TABLE 002

In millions of euros

	6M 2022	6M 2021	Change
Revenue adjusted	268.0	260.5	2.9%
Project costs adjusted	– 199.2	– 183.8	8.4%
Gross profit adjusted	**68.8**	**76.7**	**– 10.3%**
Gross profit margin adjusted	**25.7%**	**29.4%**	
Platform costs adjusted	– 34.4	– 38.1	– 9.7%
Share of results of joint ventures adjusted	1.5	2.5	– 40.0%
Earnings before interest and tax (EBIT) adjusted	**35.9**	**41.1**	**– 12.7%**
EBIT margin adjusted	**13.4%**	**15.8%**	
Income from investments adjusted	0.0	0.1	– 100.0%
Financial result adjusted	– 7.5	– 7.6	– 1.3%
Earnings before tax (EBT) adjusted	**28.5**	**33.5**	**– 14.9%**
EBT margin adjusted	**10.6%**	**12.9%**	
Income taxes adjusted	– 8.9	– 10.1	– 11.9%
Earnings after tax (EAT) adjusted	**19.6**	**23.4**	**– 16.2%**
EAT margin adjusted	**7.3%**	**9.0%**	

Revenue

Adjusted revenues improved by 2.9% to €268.0 million in the first six months of the 2022 financial year (previous-year period: €260.5 million). Due to the greater progress in construction in relation to the comparable period for the project developments already sold, revenue increased slightly, although sales were comparatively lower. In the same period of the previous year, two significant institutional sales had already been achieved that could not be achieved in the current financial year due to a reduced demand from investors due to the general environment of uncertainty.

The adjustment of effects from purchase price allocations weighed on the adjusted revenue in the amount of €0.9 million (previous-year period: €0.0 million). The separate measurement of share deals (“Westville” project) increased the adjusted revenue by €17.5 million (previous-year period: €20.1 million).

Revenue TABLE 003

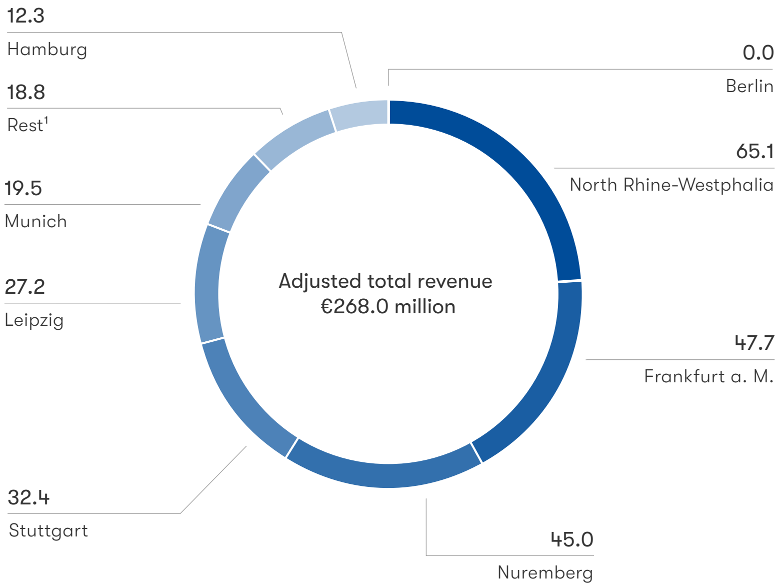
In millions of euros

	6M 2022	6M 2021	Change
Revenue	**249.6**	**240.3**	**3.9%**
+ effects from purchase price allocations	0.9	0.0	n/a
+ effects from share deal agreements	17.5	20.1	– 12.9%
Revenue adjusted	**268.0**	**260.5**	**2.9%**

The adjusted revenues of the Instone Group are spread across the following regions:

Sales (adjusted) by region

In millions of euros



[1] Includes, among others, Potsdam (€5.8 million), Bamberg (€1.4 million) and Wiesbaden (€1.8 million)

Project costs

The adjusted project costs, mainly consisting of the cost of materials and changes in inventories, rose disproportionately to €199.2 million in the first six months of 2022 (previous-year period: €183.8 million). The sharper increase in project costs is already reflected in the significant increase in construction costs. The individual components of the project costs developed as follows: The increased purchases of land and the continuation of construction activities led to a significant increase in the cost of materials to €268.2 million (previous-year period: €198.6 million). The decreases in inventories of – €82.0 million (previous-year period: – €29.5 million) reflected the increasing level of sales of the projects being realised. Indirect sales expenses in the amount of €1.1 million (previous-year period: €0.6 million) and material cost-related other operating income from grants and released liabilities of – €3.9 million (previous-year period: €0.0 million) were allocated to adjusted project costs in the first six months of 2022. The adjustment of the capitalised interest in the changes in inventories of €1.0 million (previous-year period: €1.2 million) added to the adjusted project costs. Effects from the amortisation of purchase price allocations reduced adjusted project costs by – €6.8 million (previous-year period: – €4.9 million). Due to the separate valuation of share deals, adjusted project costs again increased by €21.7 million (previous-year period: €17.9 million).

Project costs TABLE 004

In millions of euros

	6M 2022	6M 2021	Change
Project costs	**186.2**	**169.1**	**10.1%**
+ effects from purchase price allocations	– 6.8	– 4.9	38.8%
+ effects from reclassifications	– 1.8	1.8	n/a
+ effects from share deal agreements	21.7	17.9	21.2%
Project costs adjusted	**199.2**	**183.8**	**8.4%**

Gross profit

Due to the disproportionate increase in the cost of materials in the first half of 2022, adjusted gross profit decreased to €68.8 million (previous-year period: €76.7 million) compared with the previous year.

Gross profit TABLE 005

In millions of euros

	6M 2022	6M 2021	Change
Gross profit	**63.4**	**71.3**	**– 11.1%**
+ effects from purchase price allocations	7.8	4.9	59.2%
+ effects from reclassifications	1.8	– 1.8	n/a
+ effects from share deal agreements	– 4.2	2.2	n/a
Gross profit adjusted	**68.8**	**76.7**	**– 10.3%**
Gross profit margin adjusted	**25.7%**	**29.4%**	

The adjusted gross profit margin – calculated from the adjusted gross profit relating to the adjusted revenue – amounted to 25.7% (previous-year period: 29.4%) and therefore remains at a high level even in comparison with the industry.

Platform costs

The adjusted platform costs, consisting of staff costs, other operating income and expenses and depreciation and amortisation, fell to €34.4 million (previous-year period: €38.1 million). In the period under review, indirect sales costs of – €1.1 million (previous-year period: – €0.6 million) and material cost-related other operating income of €3.9 million (previous-year period: €0 million) were reclassified in project costs.

Platform costs TABLE 006

In millions of euros

	6M 2022	6M 2021	Change
Platform costs	**31.6**	**38.7**	**– 18.3%**
+ effects from reclassifications	2.8	– 0.6	n/a
Platform costs adjusted	**34.4**	**38.1**	**– 9.7%**

Staff costs at the end of the second quarter of 2022 were €26.2 million (same period in the previous year: €25.1 million) – a year-on-year rise of around 4%. The higher number of employees as at 30/06/2022 of 486 (previous year: 437) to implement the medium-term growth targets as well as the corresponding increase in the FTE figure of 409.2 (previous year: 365.4) was the cause of the increase, while the lower expenses for performance-related bonuses compared with the same period in the previous year had the opposite effect. Other operating income increased to €9.4 million (previous-year period: €1.8 million) was mainly driven by the reversal of provisions for warranties that were no longer needed. Other operating expenses fell to €12.5 million in the period under review (previous-year period: €13.1 million), mainly due to lower warranty expenses. Depreciation and amortisation was €2.4 million (previous-year period: €2.3 million).

Share of results of joint ventures

The adjusted results from investments accounted for using the equity method of €1.5 million (previous-year period: €2.5 million) was almost entirely attributable to the construction activities of the sales from the Berlin Friedenauer Höhe joint ventures in the previous year.

Earnings before interest and tax (EBIT)

Adjusted earnings before interest and tax fell to €35.9 million, mainly due to the disproportionately higher material expenses (previous-year period: €41.1 million).

EBIT TABLE 007

In millions of euros

	6M 2022	6M 2021	Change
EBIT	**33.2**	**35.1**	**– 5.4%**
+ effects from purchase price allocations	7.8	4.9	59.2%
+ effects from reclassifications	– 0.9	– 1.2	– 25.0%
+ effects from share deal agreements	– 4.2	2.2	n/a
EBIT adjusted	**35.9**	**41.1**	**– 12.7%**
EBIT margin adjusted	**13.4%**	**15.8%**	

Investment and financial result

Adjusted income from investments fell in the period under review to €0 million (previous-year period: €0.1 million).

The reported financial result improved in the financial year to – €8.4 million (previous-year period: – €8.8 million). The reduction in interest expenses is mainly attributable to the decrease in gross debt in previous years.

The adjusted financial result also improved to – €7.5 million (previous-year period: – €7.6 million). It includes reclassifications of capitalised interest from project financing prior to the start of sales in the amount of €0.9 million (previous-year period: €1.2 million), which reduced the adjusted project costs by the same amount.

Earnings before tax (EBT)

Adjusted earnings before tax decreased to €28.5 million due to the disproportionate increase in the cost of materials (previous-year period: €33.5 million).

EBT TABLE 008

In millions of euros

	6M 2022	6M 2021	Change
EBT	**24.9**	**26.4**	**– 5.7%**
+ effects from purchase price allocations	7.8	4.9	59.2%
+ effects from share deal agreements	– 4.2	2.2	n/a
EBT adjusted	**28.5**	**33.5**	**– 14.9%**
EBT margin adjusted	**10.6%**	**12.9%**	

Income taxes

The tax rate in the adjusted results of operations in the first six months of 2022 was 31.2% (previous-year period: 30.1%).

Earnings after tax (EAT)

As a result of the effects mentioned above, the adjusted earnings after tax of the Instone Group totalled €19.6 million (previous-year period: €23.4 million).

Earnings after tax and after minority interests

The non-controlling interests in adjusted earnings after tax amounted to – €0.9 million (previous-year period: – €2.4 million).

Earnings per share

Adjusted earnings per share in the first six months were €0.44 (previous-year period: €0.55) below the value in the same period of the previous year.

Earnings per share TABLE 009

In millions of euros

	6M 2022	6M 2021	Change
Shares (in thousands of units)[1]	46,774.0	46,988.3	– 0.5%
Owners of the Company	17.9	20.2	– 11.4%
Earnings per share (in euros)	0.38	0.43	– 11.6%
Owners of the Company adjusted	20.5	25.8	– 20.5%
Earnings per share adjusted (in euros)	0.44	0.55	– 20.0%

[1] Average weighted number of shares as at 30/06/2022.

Net assets

Condensed statement of financial position[1] TABLE 010

In millions of euros

	30/06/2022	31/12/2021	Change
Non-current assets	86.6	70.2	23.4%
Inventories	925.7	843.7	9.7%
Contract assets	342.2	358.0	– 4.4%
Other current assets	113.3	97.9	15.7%
Cash and cash equivalents and term deposits	213.4	151.0	41.3%
Assets	**1,681.2**	**1,520.8**	**10.5%**
Equity	567.7	590.9	– 3.9%
Liabilities from corporate finance	202.2	199.1	1.6%
Liabilities from project-related financing	298.3	191.4	55.8%
Provisions and other liabilities	612.9	539.3	13.6%
Equity and liabilities	**1,681.2**	**1,520.8**	**10.5%**

[1] Items have been adjusted: Term deposits have been allocated to liquid assets due to short- to medium-term availability, and financial liabilities allocated on the basis of their use in corporate finance or project financing.

The total assets of the Instone Group increased to €1,681.2 million as at 30 June 2022 (31 December 2021: €1,520.8 million). This was mainly attributable to the increase in inventories and liquid assets.

As at 30 June 2022, inventories had risen to €925.7 million (31 December 2021: €843.7 million). This increase in inventories is mainly the result of the purchase of new land for future residential project developments. As at 30 June 2022, acquisition costs and incidental acquisition costs for land amounting to €681.0 million (31 December 2021: €631.9 million) were included in inventories.

Receivables from customers for work-in-progress (gross contract assets) already sold and valued at the current completion level of development rose to €1,000.6 million as at 30 June 2022 (31 December 2021: €858.6 million) due to the increased completion of work-in-progress. Advance payments received from customers amounted to €665.3 million as at 30 June 2022 (31 December 2021: €506.6 million). The increase reflects the progress made in construction in the financial year linked to advance payments from customers.

Contract assets TABLE 011

In millions of euros

	30/06/2022	31/12/2021	Change
Contract assets (gross)	1,000.6	858.6	16.5%
Payments received	– 665.3	– 506.6	31.3%
	335.3	**352.0**	**– 4.7%**
Capitalised costs to obtain a contract	6.9	6.0	15.0%
Contract assets (net)	**342.2**	**358.0**	**– 4.4%**

Trade receivables fell to €1.6 million as at 30 June 2022 (31 December 2021: €48.2 million). This decline is mainly due to agreed payments for property sales made in December 2021.

The shares accounted for using the equity method, which also included investments in project companies, rose in the first six months of 2022 from €30.8 million to €41.3 million as a result of a capital injection into our Stuttgart joint venture for the "Europaviertel" project and the construction progress of project developments in other joint ventures.

Cash and cash equivalents and term deposits of €213.4 million (31 December 2021: €151.0 million) increased mainly as a result of the expansion of project financing. As at the reporting date, the term deposits amounted to a total of €80.0 million (31 December 2021: €20.0 million) and had a maturity of more than three months.

Non-current financial liabilities increased to €325.1 million as at 30 June 2022 (31 December 2021: €220.9 million). During the same period, current financial liabilities rose to €175.4 million (31 December 2021: €169.6 million). The increase in financial liabilities entirely resulted from the increased utilisation of project financing lines in line with the scheduled construction progress of our projects.

Trade payables fell during the first six months of 2022 to €110.4 million (31 December 2021: €125.1 million) and mainly included the services provided by contractors.

The increase in other current liabilities to €372.3 million (31 December 2021: €292.4 million) resulted mainly from advance payments received for the "Westville" project in the amount of €263.2 million (31 December 2021: €241.4 million) and liabilities from government grants in the amount of €91.3 million (31 December 2021: €29.8 million).

The equity ratio as at 31 March 2022 was 33.8% (31 December 2021: 38.9%). As at the reporting date, group equity included 810,038 treasury shares with acquisition costs of €11.4 million.

Leverage increased slightly compared with 31 December 2021, but remains at a low level.

Financial liabilities TABLE 012

In millions of euros

	30/06/2022	31/12/2021	Change
Non-current financial liabilities	325.1	220.9	47.2%
Current financial liabilities	175.4	169.6	3.4%
Financial liabilities	**500.5**	**390.5**	**28.2%**
– Cash and cash equivalents and term deposits	– 213.4	– 151.0	41.3%
Net financial debt (NFD)	**287.1**	**239.5**	**19.9%**
Inventories and contract assets/liabilities	1,247.8	1,190.1	4.8%
Loan-to-cost [1]	**23.0 %**	**20.1 %**	
EBIT adjusted (LTM[2])	150.5	155.7	– 3.3%
Depreciation and amortisation (LTM[2])	4.7	4.6	2.2%
EBITDA adjusted (LTM[2])	**155.2**	**160.3**	**– 3.2%**
Leverage (NFD/EBITDA adjusted [LTM[2]])	1.8	1.5	

[1] Loan-to-cost = net financial debt/(inventories + contract assets/liabilities).

[2] LTM = last twelve months.

The increased net debt due to financing-related costs from the project business and the lower result increased leverage slightly to 1.8 times the adjusted EBITDA. At the same time, the ratio of net debt to balance sheet inventories, contract assets and contract liabilities improved to 23.0% (31 December 2021: 20.1%).

Financial position

In the first six months of 2022, the utilisation of corporate financing lines remained unchanged at €197.5 million (31 December 2021: €197.5 million). Utilisation of project-financing lines rose to €298.0 million (31 December 2021: €190.9 million). The total funding available, then amounting to €968.8 million (31 December 2021: €612.1 million) increased in the financial year due to the conclusion of new conventional project financing. As at 30 June 2022, loan amounts totalling €601.3 million (31 December 2021: €295.6 million) were available from project financing and €367.5 million (31 December 2021: €316.5 million) from corporate finance.

The balance sheet liabilities from corporate financing valued at the current repayment amount rose to €202.2 million in the first six months of the 2022 financial year (31 December 2021: €199.1 million). Recognised liabilities from project-related financing increased to €298.3 million (31 December 2021: €191.4 million). Recognised total liabilities from financing operations thus increased to €500.5 million at the reporting date (31 December 2021: €390.5 million). The current project financing included in this is comprised of option agreements for extension.

The maturities of the non-discounted repayment amounts are as follows:

Financial liabilities TABLE 013

In millions of euros

	Due in	Credit amount	Utilisation as at 30/06/2022
Corporate finance			
Promissory note loan	2022	69.5	69.5
Promissory note loan	2024	28.0	28.0
Promissory note loan	2025	100.0	100.0
Syndicated loan	2023	10.0	0.0
Syndicated loan	2024	110.0	0.0
Syndicated loan	2024	50.0	0.0
		367.5	**197.5**
Project financing			
Term <1 year	2022	123.8	72.3
Term >1 and <2 years	2023	210.9	119.1
Term >2 and <3 years	2024	37.3	37.1
Term >3 years	>2024	229.3	69.4
		601.3	**298.0**

Condensed statement of cash flows

TABLE 014

In millions of euros

	6M 2022	6M 2021	Change
Cash flow from operations	19.5	146.2	–86.7%
Cash flow from investing activities	–76.1	2.6	n/a
Free cash flow	**–56.6**	**148.8**	**n/a**
Cash flow from financing activities	59.0	–103.7	n/a
Cash change in cash and cash equivalents	**2.4**	**45.1**	**–94.7%**
Cash and cash equivalents at the beginning of the period	131.0	87.0	50.6%
Other changes in cash and cash equivalents	0.0	0.0	n/a
Cash and cash equivalents at the end of the period	**133.4**	**132.1**	**1.0%**

Cash flow from operations

TABLE 015

In millions of euros

	6M 2022	6M 2021	Change
EBITDA adjusted	38.3	43.3	–11.5%
Other non-cash or reclassified items	–9.0	–6.9	30.8%
Taxes paid	–0.9	–7.4	–88.1%
Change in net working capital[1]	–8.9	117.2	n/a
Cash flow from operations	**19.5**	**146.2**	**86.7%**
Payments for land	70.7	45.8	54.5%
Cash flow from operations without new investments	**90.2**	**192.0**	**–53.0%**

[1] Net working capital is made up of inventories, contract assets and trade receivables less contract liabilities and trade payables.

The cash flow from operations of the Instone Group of €19.5 million in the first half of 2022 (previous-year period: €146.2 million) was essentially due to the increased payment flows to suppliers for current projects with simultaneous purchase price payments and land acquisition taxes for land plots totalling €70.7 million (previous-year period: €45.8 million).

The operating cash flow, adjusted for payments for land, in the period under review was €90.2 million (previous-year period: €192.0 million).

Cash flow from investing activities in the first six months of 2022 amounted to –€76.1million (previous-year period: €2.6 million). This was mainly due to new short-term deposits in the amount of €60.0 million and the investment in the capital of our joint venture for the “Europaviertel” project, Stuttgart, amounting to €8.5 million.

The cash flow from financing activities as at 30 June 2022 stood at €59.0 million (previous-year period: –€103.7 million). This was mainly due to the dividend payment of €28.8 million and the net take-up of finance facilities in the amount of €105.3 million. This includes payments received from new finance facilities taken out in the amount of €138.2 million, and repayments for terminated finance facilities in the amount of €32.9 million.

As at 30 June 2022, financial resources excluding term deposits increased to €133.4 million (31 December 2021: €131.0 million).

Project business at a glance

Real estate business key performance indicators TABLE 016

In millions of euros

		6M 2022	6M 2021
Volume of sales contracts		145.6	207.7
Volume of sales contracts	In units	287	541

		30/06/2022	31/12/2021
Project portfolio (existing projects)		7,727.4	7,500.0
of which, already sold		2,891.4	3,038.9
Project portfolio (existing projects)	In units	16,644	16,418
of which, already sold	In units	7,179	7,215

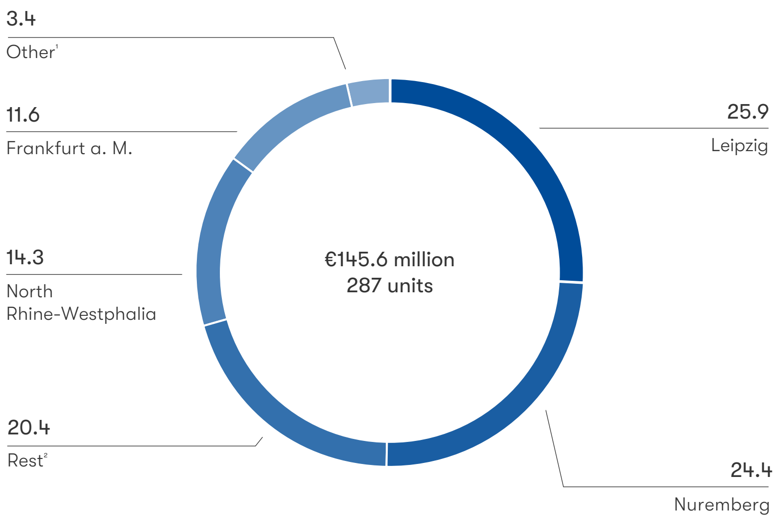
The uncertainty among private and institutional investors, which was noticeable in the Q1 quarterly report in 2022 as a result of the changed financing environment due to increased equity shares for private real estate financing and increased interest rates, had a significant impact on the sales process in the second quarter of 2022. At €145.6 million and 287 units, the volume of sales contracts achieved is therefore below the originally anticipated speed of sales. The sales increase in Q2 2022 in individual unit sales was almost halved compared with Q1 2022, meaning that the sales activities in our projects with individual unit sales led to a volume of €115 million and 239 units. Beyond the investor sales realised in the first quarter of 2022 – the "Lagarde 8" projects and the sale of a day care centre in the "Parkresidenz" project – there were no further investor sales in the second quarter of 2022. The increase in the sales volume in the area of investor goods mainly resulted from purchase price adjustments depending on building cost indexing.

The aforementioned sales effects for Q2 2022 also essentially describe the lower volume of sales contracts in the period under review compared with the previous year (€207.7 million). In the comparative consideration of the sales units of 287 as at 30 June 2022 and of 541 units as at 30 June 2021, it should be taken into account that the number of sales in 2021 includes a non-recurring effect from the consolidation of the plans for our "Schönhof-Viertel, Frankfurt" project in the amount of 186 sales units.

The realised volume of sales contracts of around 80% as at 30 June 2022 was mainly focused on the most important metropolitan regions of Germany. Around 20% is located in other prosperous medium-class cities.

Marketing in H1 2022 by region

In %



[1] includes Berlin, Hamburg, Munich and Stuttgart
[2] mainly includes Potsdam and Wiesbaden

The following projects essentially contributed to successful marketing in the first six months of 2022:

Real estate business key performance indicators – volume of sales contracts TABLE 017

In millions of euros

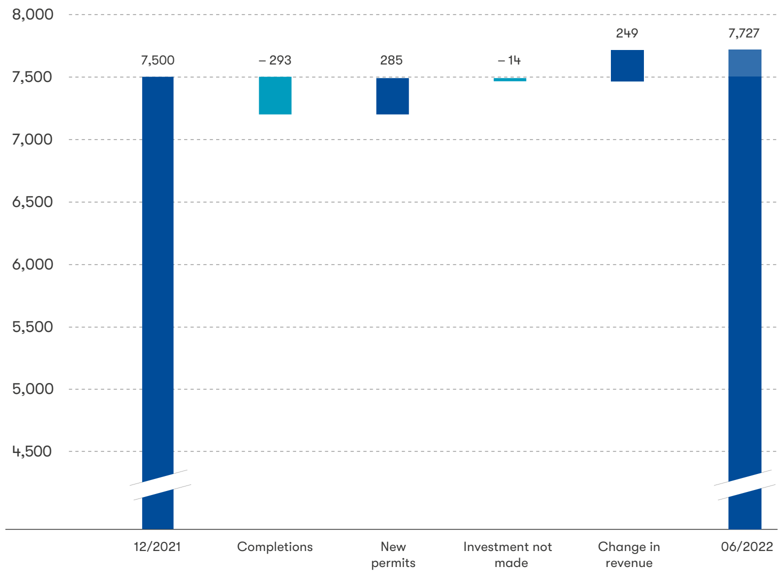
		Volume	Units
Parkresidenz	Leipzig	37.7	90
Seetor "City Campus"	Nuremberg	30.3	58
"Wohnen im Hochfeld" Unterbach	Dusseldorf	18.9	26
Bamberg, Lagarde	Bamberg	n/a	46
"Schönhof-Viertel"	Frankfurt am Main	14.7	19
Rote Kaserne West – "Fontane Gärten"	Potsdam	8.3	13
"Fuchsgarten" – Nuremberg Boxdorf	Nuremberg	5.4	10

The sales supply of our individual sales projects on the market was increased in comparison with the first quarter of 2022 (248 residential units) and stood at 326 residential units with an expected revenue volume of €225 million. The increase in the sales supply can mainly be explained by the start of sales of two sub-projects of the "Parkstadt Leipzig" project, the start of sales of "Fuchsgarten" in Nuremberg-Boxdorf and the continued successful sale of several units from the existing sales portfolio.

In addition to the changes in the financing environment described above compared with the previous year and the resulting reluctance to purchase, Instone is examining the bottlenecks caused in particular by the Russian attack on Ukraine and increases in construction costs for each project that is ready for sales. In individual cases, this may lead to delays in the start of sales for individual sales properties and sales decisions in the case of institutional sales. This will also have an impact on the volume of sales contracts and the sales supply on the market over the course of the year.

Development of the project portfolio as at 30/06/2022

In millions of euros



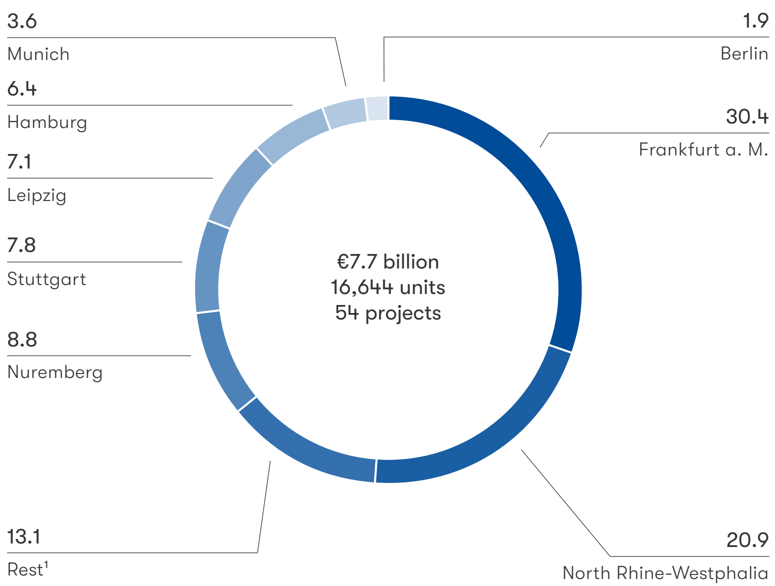
As at 30 June 2022, Instone Real Estate's project portfolio comprised 54 projects, from which we then anticipated a total volume of sales contracts of €7,727.4 million[1], representing an increase from that of 31 December 2021 (€7,500.0 million). In the second quarter of 2022, two new projects with an expected revenue volume of €185.4 million were acquired. In addition to the "Wendenschlossstraße" property in Berlin, which was removed from the portfolio calculation at the end of the first quarter of 2022 following its handover to the investor, further completions were successfully implemented in the second quarter of 2022 with the "St. Marienkrankenhaus" project in Frankfurt am Main and the "Bleichertwerken" project in Leipzig, and were therefore removed from the project portfolio. The existing projects also resulted in realised and expected revenue increases of approximately €249 million due to the further consolidation of the plans and changes to the sales concepts and increases in sales prices as a result of indexing.

In addition to the supply bottlenecks resulting from the Covid-19 pandemic, the increase in energy and material prices fuelled by the Russian attack on Ukraine as well as further supply bottlenecks, if evident and expected, were taken into account in the valuation of the project portfolio in Q2 2022. The price developments currently assumed on the sales and cost side result in an expected project gross profit margin on the project portfolio excluding the major "Westville" project in Frankfurt of around 24% as at the reporting date (31 December 2021: around 25%).[2]

[1] This included approved investment authorisations with a prospective project volume of around €73 million in which the process of securing the land is still being fleshed out.
[2] If the large "Westville" project were to be taken into consideration, the expected project gross profit margin for the project portfolio would be about 23% (31 December 2021: around 24%).

Project portfolio by region

In %

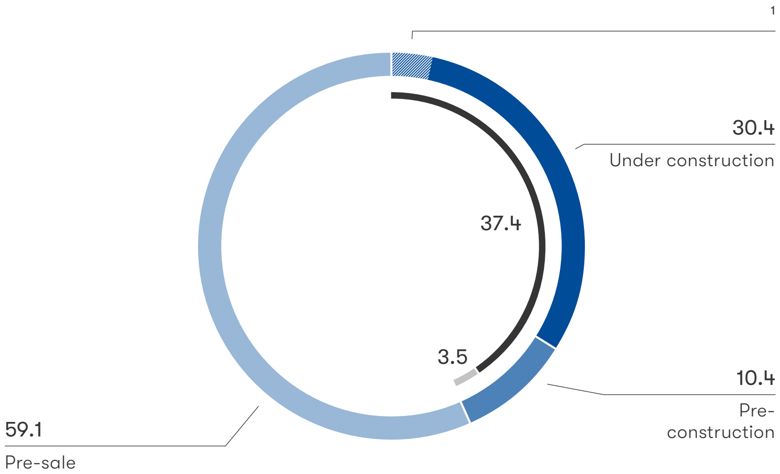


[1] Included Wiesbaden, Hanover, Potsdam, Bamberg

The majority – approximately 87% – of the anticipated overall volume of revenue from the project portfolio as at 30 June 2022 is located in the most important metropolitan regions of Germany: Berlin, Bonn, Düsseldorf, Frankfurt am Main, Hamburg, Cologne, Leipzig, Munich, Nuremberg and Stuttgart. Around 13% is attributable to other prosperous medium-sized cities.

Project portfolio by group
Basis: Sale proceeds

In %



Internal sector:
■ Sold
■ Unsold

[1] 2.8% of the project portfolio has already been handed over.

Based on the continuous growth of our project portfolio in recent years, the majority of our ongoing projects were in the "pre-sale" stage of development.

The comparison with 31 December 2021 showed a slight decline in the "under construction" category by approx. 1.1 percentage points, which can mainly be explained by the completion and withdrawal of the "St. Marienkrankenhaus" project from the project portfolio and the opposing effects from the start of construction in nine projects. Accordingly, the "pre-construction" category, mainly due to the aforementioned construction starts, fell from 12.7% at the end of the year to approx. 10.4%.

Compared with the 2021 annual financial statements (55.8%), the "pre-sale" category increased to 59.1%. The main drivers of this are the investment approvals and additions to the project portfolio for the "Nuremberg-Lichtenreuth", "Hainburg, Am Kaiserberg" and "Nauen" projects in the first half of the year. The successful sale of a "Lagarde 8" sub-project in Bamberg and the initiation of marketing for the "Fuchsgarten, Nuremberg-Boxdorf" project and two construction fields of the "Parkresidenz" project had a negative impact in this category.

In addition, the preceding diagram shows that, as at 30 June 2022 we have already sold approximately 37% of the anticipated overall revenue volume of the project portfolio. In terms of the anticipated revenue volume, approximately 92% of the "under construction" and "pre-construction" projects were sold as at 30 June 2022.

In addition to the 54 projects, Instone Real Estate's project portfolio will be supplemented by three further projects that will be realised in joint ventures. Overall, a total volume of sales of over €1 billion (Instone share approx. €500 million) and the development of approximately 1,800 residential units was expected for these projects. Successful progress towards realisation was achieved last year through the sale of three project sections of the "Friedenauer Höhe" quarter in Berlin. In addition to the sale to Quantum Immobilien KVG at the beginning of 2021, three construction fields with 396 rental apartments were sold to DWS at the end of 2021 together with OFB as part of a forward deal. Both the start of construction and the start of sales for another construction site in the southern area took place in the second quarter.

Adjusted revenue

In the first fix months of 2022, we achieved adjusted revenue of €268.0 million (previous year: €260.5 million). The following projects contributed significantly to the adjusted revenues in the period under review:

Key projects revenue realisation (adjusted) TABLE 018

In millions of euros

		Revenue volume (adjusted)
"Wohnen im Hochfeld" Unterbach	Dusseldorf	34.6
Seetor "City Campus"	Nuremberg	33.3
"Schönhof-Viertel"	Frankfurt a. M.	28.2
Parkresidenz	Leipzig	27.1
Westville	Frankfurt a. M.	17.5
Beethovenpark ("Augusta and Luca")	Augsburg	14.7
Rote Kaserne West – "Fontane Gärten"	Potsdam	13.1
west.side	Bonn	12.4
Niederkasseler Lohweg	Dusseldorf	12.0
S'LEDERER	Schorndorf	11.1

The building blocks of success for realising the adjusted revenues were steady marketing progress and a further development process in the structural implementation of our projects. For this reason, in addition to the marketing progress achieved, the start of construction and progress in the projects under construction, in particular, contributed to the generation of revenue. Construction started in nine projects in the period under review. This included a second neighbourhood section with two construction fields in the "Schönhof-Viertel" project in Frankfurt. Around 210 apartments, a student hostel and a four-to five-group children's nursery will be built on the two areas already sold to the Nassauische Heimstätte group in 2019. Construction began on the penultimate sub-project of the "Wohnen im Hochfeld" neighbourhood in Düsseldorf-Unterbach, with around 60 apartments, 78% of which have already been sold in individual sales. In addition, in the "Neckar.Au Viertel" project in Rottenburg, construction started on the site sold to The Liebenau Foundation in late 2021. The concept provided for the construction of inclusive living space over a floorspace of around 1,630 m². Last year, the branch in Leipzig started selling and constructing the first construction areas for the "Parkresidenz" neighbourhood and sales of two further construction fields started in the second quarter of 2022. The first six months of 2022 also saw the start of construction work on further construction phases for a total of around 250 residential units.

The development of projects already under construction is solid, but there is a negative development with regard to the planned progress of some projects. The material and supply bottlenecks caused by the attack on Ukraine, which were already noticeable in Q1 2022, are increasingly delaying the progress of ongoing projects. Furthermore, the increase in the prices of materials and energy, which has been significant in some cases, continues to have a noticeable impact on our construction costs. As a result, both the sales targets for 2022 and the gross profit margin of the project portfolio have been negatively impacted.

We continue to monitor all developments on the market and in our projects closely and compensate for them as far as possible by making the appropriate adjustments to relevant processes. The handover processes for the projects already completed so far ran according to schedule.

At completion, Instone Real Estate projects reported a 100% sales ratio in almost all cases. In the case of fully completed projects, our portfolio does not contain any more than 1% of unsold units.

Risk and opportunities report

At Instone Real Estate, risk and opportunities management is an integral part of the Group-wide system of corporate governance. For a detailed overview of our risk and opportunities management processes as well as the risk and opportunities situation, please refer to the "Risk and opportunities report" on pages 144–160, of the 2021 Annual Report.

The risk and opportunities situation developed unfavourably for the Instone Group in comparison to our disclosure in the 2021 management report, due in particular to the direct and indirect effects of the Russian occupation of Ukraine.

The material risks are presented below.

In order to counteract the high inflation in the European Union, the Council of the European Central Bank raised the key interest rate for the first time in eleven years in 2022. The resulting historically strong rise in interest rates for real estate financing could adversely affect the affordability of residential real estate for individual customer groups and a general increase in uncertainty among investors could have a further dampening effect on demand. In addition, our projects are usually financed by a mix of bank loans and equity. The now rising interest rates mean higher financing costs for our projects. Instone Real Estate considers the impact in the short to medium term to be relevant in the interest rate risk sub-category.

Instone Real Estate still considers the project implementation/construction risk sub-category to be relevant and has reassessed it against the backdrop of the Russian attack on Ukraine. This conflict results in risks with regard to the speed of construction, as it places an additional strain on supply chains, both as a result of the (EU) sanctions against Russia and the destruction in Ukraine. In addition, this crisis is fuelling the increase in energy and material prices.

The changes in the risk and opportunities situation were continuously monitored, assessed and, if necessary, incorporated into the ongoing forecast. From the current perspective, there were no identifiable risks that risked jeopardising the continued existence of the Instone Group.

Outlook

Against the backdrop of the deterioration in the framework conditions for the project business caused by Russia's attack on Ukraine, the Management Board suspended the forecast for the current 2022 financial year in May.

Instone's industry environment is characterised by significantly higher construction costs, in particular due to rising costs of materials and energy. There was a marked exacerbation of the shortage of material availability, which could have negative effects on construction speed and revenue recognition.

The general increase in inflationary tendencies has also triggered a sharp rise in mortgage interest rates. This may adversely affect the affordability of Instone products for individual groups of buyers, increase the short-term uncertainty for customers overall, and therefore lead to a slowdown in the speed of sales.

Based on the business development in the first half of 2022 and updated planning, the Management Board has derived a new forecast for the current 2022 financial year.

The Management Board now expects the financial and operating performance indicators to develop as follows:

Forecast TABLE 019

In millions of euros

	2022
Adjusted revenue	600 to 675
Adjusted gross profit margin	≥ 25 %
Adjusted earnings after tax	40 to 50
Volume of sales contracts	around 350

The forecast is based on the assumptions that the current slowdown in the speed of sales to private individuals will continue, that the conclusion of transactions with institutional investors could largely be postponed to the next financial year, that costs for construction materials will remain at the current high level and that material availability will remain limited until the end of the year.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed consolidated income statement

CONSOLIDATED INCOME STATEMENT TABLE 020

In thousands of euros

	01/01/–30/06/2022	01/01/–30/06/2021
Revenue	249,615	240,348
Changes in inventories	82,020	29,539
	331,635	**269,886**
Other operating income	9,433	1,779
Cost of materials	– 268,240	– 198,593
Staff costs	– 26,177	– 25,141
Other operating expenses	– 12,471	– 13,072
Depreciation and amortisation	– 2,393	– 2,273
Consolidated earnings from operating activities	**31,788**	**32,586**
Share of results of joint ventures	1,460	2,550
Other results from investments	29	87
Finance income	750	7
Finance costs	– 9,112	– 8,722
Other financial result	– 38	– 122
Consolidated earnings before tax (EBT)	**24,876**	**26,387**
Income taxes	– 7,860	– 8,576
Consolidated earnings after tax (EAT)	**17,017**	**17,810**
Attributable to:		
Group interests	17,946	20,222
Non-controlling interests	– 929	– 2,411
Weighted average number of shares (in units)	46,774,026	46,988,336
Basic and diluted earnings per share (in €)	0.38	0.43

Condensed consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME TABLE 021

In thousands of euros

	01/01/–30/06/2022	01/01/–30/06/2021
Consolidated earnings after tax	**17,017**	**17,810**
Items which are not reclassified into the consolidated earnings in future periods		
Actuarial gains and losses	–135	1,382
Income tax effects	43	–442
Income and expenses after tax recognised directly in equity	**–92**	**940**
Total comprehensive income for the financial year after tax	**16,924**	**18,750**
Attributable to:		
Group interests	17,854	21,161
Non-controlling interests	–929	–2,411
	16,924	**18,750**

Condensed consolidated statement of financial position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION TABLE 022

In thousands of euros

	30/06/2022	31/12/2021
ASSETS		
Non-current assets		
Goodwill	6,056	6,056
Intangible assets	1,192	1,446
Right of use assets	8,469	9,376
Property, plant and equipment	2,071	2,274
Interests in joint ventures	41,259	30,845
Other investments	479	469
Financial receivables	24,864	17,580
Other receivables	64	5
Deferred tax	2,142	2,142
	86,595	**70,193**
Current assets		
Inventories	925,723	843,703
Financial receivables	80,165	20,046
Contract assets	342,221	358,017
Trade receivables	1,575	48,202
Other receivables and other assets	111,109	47,988
Income tax assets	420	1,639
Cash and cash equivalents	133,362	130,969
	1,594,575	**1,450,564**
TOTAL ASSETS	**1,681,170**	**1,520,756**

Condensed consolidated statement of financial position (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION TABLE 022

In thousands of euros

	30/06/2022	31/12/2021
Equity and liabilities		
Equity		
Share capital	46,988	46,988
Capital reserves	358,983	358,983
Group retained earnings/loss carryforwards	175,574	186,378
Accumulated reserves recognised in other comprehensive income	–1,557	–1,465
Treasury shares at acquisition cost	–11,385	0
Equity attributable to shareholders	568,603	590,884
Non-controlling interests	–869	61
	567,735	**590,945**
Non-current liabilities		
Provisions for pensions and similar obligations	4,791	4,398
Other provisions	4,143	6,140
Financial liabilities	325,068	220,943
Liabilities from net assets attributable to non-controlling interests	0	5
Leasing liabilities	5,345	6,474
Deferred tax	46,205	45,630
	385,552	**283,591**
Current liabilities		
Other provisions	20,968	24,050
Financial liabilities	175,432	169,606
Leasing liabilities	3,389	3,193
Contract liabilities	20,112	11,667
Trade payables	110,393	125,112
Other liabilities	372,297	292,439
Income tax liabilities	25,293	20,153
	727,883	**646,220**
Total equity and liabilities	**1,681,170**	**1,520,756**

Condensed consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS TABLE 023

In thousands of euros

	01/01/–30/06/2022	01/01/–30/06/2021
Consolidated earnings after tax	**17,017**	**17,810**
(+) Depreciation and amortisation / (–) Write-ups of non-current assets	2,393	2,273
(+) Profit / (–) Loss on disposals of property, plant and equipment	4	0
(+) Increase / (–) Decrease in provisions	– 4,945	1,870
(+) Current income tax income / (–) Current income tax expense	7,242	2,732
(+) Deferred income tax income / (–) Deferred income tax expense	618	5,402
(+) Income from equity carrying amounts / (–) Expenses	– 1,460	– 2,550
(+) Profit from the investment result of minority interests / (–) Expenses	– 29	5
(+) Interest income / (–) Interest expenses	8,400	8,836
(+/–) Change in net working capital[1]	– 8,892	117,245
(+) Income tax reimbursements / (–) Income tax payments	– 883	– 7,414
= Cash flow from operations	**19,464**	**146,210**
(–) Outflows for investments in intangible assets	– 12	– 396
(+) Proceeds from disposals of property, plant and equipment	18	0
(–) Outflows for investments in property, plant and equipment	– 396	– 330
(+) Proceeds from disposals of investments	0	115
(–) Outflows for investments in financial assets	– 6,726	– 21,896
(–) Outflows for investments in unconsolidated companies and other companies	– 8,955	0
(+) Proceeds due to financial investments within the scope of current financial planning	0	125,000
(–) Disbursements due to financial investments within the scope of current financial planning	– 60,000	– 100,000
(+) Interest received	0	78
= Cash flow from investing activities	**– 76,071**	**2,571**

Condensed consolidated statement of cash flows (continued)

CONSOLIDATED STATEMENT OF CASH FLOWS TABLE 023

In thousands of euros

	01/01/–30/06/2022	01/01/–30/06/2021
(–) Acquisition of treasury shares	– 11,303	0
(+) Contributions from minority shareholders	0	16,849
(–) Payments to minority shareholders	0	– 363
(+) Proceeds from loans and borrowings	138,211	39,693
(–) Repayments of loans and borrowings	– 32,893	– 142,312
(–) Payments from lessees to repay liabilities from lease agreements	– 1,873	– 1,891
(–) Interest paid	– 4,393	– 3,440
(–) Dividends paid	– 28,750	– 12,217
= Cash flow from financing activities	**59,000**	**– 103,682**
Cash and cash equivalents at the beginning of the period	130,969	87,044
(+/–) Change in cash and cash equivalents	2,393	45,099
= Cash and cash equivalents at the end of the period	**133,362**	**132,143**

[1] Net working capital is composed of inventories, contract assets and trade receivables less contract liabilities and trade payables.

Condensed consolidated statement of changes in equity

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY TABLE 024

In thousands of euros

	Total	Share capital	Capital reserves	Group retained earnings/loss carryforwards	Accumulated reserves recognised in other comprehensive income	Treasury shares at acquisition cost	Equity attributable to shareholders	Non-controlling interests
As at: 31 December 2020	**521,033**	**46,988**	**358,983**	**115,544**	**–2,080**	**0**	**519,435**	**1,598**
As at: 01 January 2021	**521,033**	**46,988**	**358,983**	**115,544**	**–2,080**	**0**	**519,435**	**1,598**
Consolidated earnings after tax	17,810	0	0	20,222	0	0	20,222	–2,411
Changes in actuarial gains and losses	940	0	0	0	940	0	940	0
Total comprehensive income	**18,750**	**0**	**0**	**20,222**	**940**	**0**	**21,161**	**–2,411**
Dividend payments	–12,217	0	0	–12,217	0	0	–12,217	0
Other neutral changes	239	0	0	0	0	0	0	239
	–11,978	0	0	–12,217	0	0	–12,217	239
As at: 30 June 2021	**527,804**	**46,988**	**358,983**	**123,548**	**–1,141**	**0**	**528,379**	**–575**
As at: 31/12/2021	**590,945**	**46,988**	**358,983**	**186,378**	**–1,465**	**0**	**590,884**	**61**
As at: 01 January 2022	**590,945**	**46,988**	**358,983**	**186,378**	**–1,465**	**0**	**590,884**	**61**
Consolidated earnings after tax	17,017	0	0	17,946	0	0	17,946	–929
Changes in actuarial gains and losses	–92	0	0	0	–92	0	–92	0
Total comprehensive income	**16,924**	**0**	**0**	**17,946**	**–92**	**0**	**17,854**	**–929**
Acquisition of treasury shares	–11,301	0	0	0	0	–11,301	–11,301	0
Transaction costs net of tax effect	–84	0	0	0	0	–84	–84	0
Changes to the scope of consolidation	0	0	0	0	0	0	0	0
Dividend payments	–28,750	0	0	–28,750	0	0	–28,750	0
	–40,135	**0**	**0**	**–28,750**	**0**	**–11,385**	**–40,135**	**0**
As at: 30 June 2022	**567,735**	**46,988**	**358,983**	**175,574**	**–1,557**	**–11,385**	**568,603**	**–869**

Selected explanatory notes to the condensed consolidated interim financial statements

Basis of the condensed consolidated interim financial statements

Basis for preparing the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of Instone Real Estate and its subsidiaries as at 30 June 2022 have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim reporting" and the German Accounting Standard (DRS) 16 "Semi-annual financial reporting".

They should be read in conjunction with the consolidated financial statements and the notes thereto in the Company's Annual Report for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the related Interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) as they applied on the balance sheet date, in accordance with Regulation No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union and the supplementary disclosures in accordance with Section 315e HGB.

The preparation of the interim report requires management to make a series of assumptions and estimates. This may lead to discrepancies between the values shown in the interim report and the actual values.

Various items from the condensed consolidated statement of financial position and the condensed consolidated income statement are combined into one item for a better overview. The condensed consolidated income statement is prepared according to the nature of expense method.

The condensed consolidated interim financial statements are prepared in euros, which is the functional currency and the reporting currency of the Group. All amounts are expressed in thousands of euros (€ thousand) unless otherwise stated. Commercial rounding may lead to immaterial rounding differences in the totals.

First-time application of accounting standards in the current financial year

In recent years, the International Accounting Standards Board (IASB) has made various changes to existing IFRSs and published new IFRSs as well as Interpretations of the IFRS Interpretations Committee (IFRS IC). In addition, the IASB has published amendments to existing standards as part of the Annual Improvement Project (AIP). The primary aim of the collective standards is to clarify inconsistencies and formulations.

The changes to the accounting standards that came into effect on 1 January 2022 have no impact on these condensed consolidated interim financial statements.

Scope of consolidation

As at 30 June 2022, in addition to Instone Real Estate Group SE, a total of 18 (31 December 2021: 18) domestic and two (31 December 2021: two) European foreign companies are part of these condensed consolidated interim financial statements and are fully consolidated.

As at 30 June 2022, eight joint ventures (31 December 2021: eight) and one associated company (31 December 2021: one) were valued using the equity method.

In total, six group entities (31 December 2021: six) had a low business volume or no business operation and were not consolidated for reasons of materiality. They are reported under other investments.

Segment reporting

Operating segment reporting in accordance with IFRS 8 is based on the management approach and thus corresponds to the management and reporting system that Instone Real Estate uses for its segments. Instone Real Estate operates in only one business segment and one geographical segment and generates revenue and holds assets mainly in Germany.

However, the internal reporting for the single business segment differs from the figures in IFRS accounting. In its internal reporting, Instone Real Estate focuses in particular on the development of housing projects. For this reason, Instone Real Estate conducts segment reporting for this one business segment.

Internal corporate governance for this segment is based in particular on the internal reporting system for the presentation of key developments relating to real estate and financial key performance indicators, supplemented by an examination of key project milestones and liquidity development.

Instone Real Estate manages its segment through the adjusted results of operations using key performance indicators adjusted revenue, adjusted gross profit and adjusted earnings after interest and tax.

Adjusted revenue

The performance of the business segment is reported via adjusted revenue on the basis of revenue recognition over time. Adjusted revenue is calculated by adding the revenue recognition from share deals in the same way as from asset deals, without the effects from purchase price allocations.

Adjusted gross profit

The adjusted gross profit is used to analyse the project-based company performance and is determined on the basis of the adjusted revenue less the cost of materials, changes in inventories, other operating income after subtracting the cost of materials, indirect distribution costs and capitalised interest, but excluding effects from purchase price allocations and share deals.

Adjusted earnings after tax

Adjusted earnings after tax is calculated on the basis of adjusted gross profit less platform costs, consisting of staff costs, other operating income and expenses, depreciation and amortisation, income from investments and other earnings, financial result and income taxes, but is also adjusted for the effects from purchase price allocations and share deals, as well as any non-recurring effects, where applicable. The results of joint ventures are included in adjusted earnings before interest and tax, as future earnings of project companies to be recorded under this item are to be allocated to operating earnings.

The effects of the adjusted results of operations are derived from the following:

Share deal effects

The project companies Westville 2 GmbH, Westville 3 GmbH, Westville 4 GmbH and Westville 5 GmbH are commercially conceived as asset management companies and constitute one major project in Frankfurt am Main. Instone Real Estate has already sold these project companies in the form of a share deal with the obligation to build a residential complex. In the adjusted results of operations, the overall “Westville” project is managed in the same way as the other projects in the Instone Group, with revenue recognition over time in accordance with IFRS 15. These companies are valued and included in the consolidated financial statements in accordance with IAS 2. The effects from this different valuation are reflected in the revenues of €17,482 thousand (previous-year period: €20,129 thousand) and project costs of – €21,662 thousand (previous-year period: – €17,912 thousand). In the period under review, an adjustment was made to determine the tax expense for share deal effects on the expected minimum taxation of the companies’ sales revenues.

Effects from purchase price allocations

Due to the first-time consolidation of Instone Real Estate Development GmbH in 2014 and Instone Real Estate Leipzig GmbH in 2015 as well as the business activities of S&P Stadtbau GmbH in the 2020 financial year, as at 30 June 2022 inventories and contract assets still included write-ups of €23,580 thousand (31 December 2021: €31,358 thousand) from purchase price allocations. The ongoing amortisation of these purchase price allocations on the basis of the progressive implementation of the projects included in these initial consolidations is adjusted for internal reporting. The adjustment for the amortisation of purchase price allocations was attributable as follows: €932 thousand (previous-year period: – €17 thousand) to revenue, €0 thousand (previous-year period: €0 thousand) to cost of materials and €6,846 thousand (previous-year period: €4,940 thousand) to changes in inventories. Based on current estimates, the Instone Group expects these effects to expire in 2024.

Reclassifications and non-recurring effects

As at 30 June 2022, indirect sales expenses in the amount of €1,083 thousand (previous-year period: €566 thousand) as well as material cost-related other operating income in the amount of – €3,852 thousand (previous-year period: €0 thousand) were allocated to project costs. The adjustment of the capitalised interest in the changes in inventories of €938 thousand (previous-year period: €1,199 thousand) burdened the project costs.

In the following table, the differences arising from the valuation of the individual data are carried over from the adjusted results of operations into the consolidated reporting:

RECONCILIATION OF ADJUSTED RESULTS OF OPERATIONS 01/01–30/06/2022

TABLE 025

In thousands of euros

	Adjusted results of operations	Share deal effects	Reclassifications	Effects from PPA	Reported results of operations
Revenue	**268,029**	**–17,482**	**0**	**–932**	**249,615**
Project costs	**–199,206**	**21,662**	**–1,830**	**–6,846**	**–186,220**
Cost of materials	–265,471	0	–2,769	0	–268,240
Changes in inventories	66,266	21,662	938	–6,846	82,020
Gross profit	**68,823**	**4,180**	**–1,830**	**–7,778**	**63,395**
Platform costs	**–34,376**	**0**	**2,769**	**0**	**–31,607**
Staff costs	–26,177	0	0	0	–26,177
Other operating income	5,581	0	3,852	0	9,433
Other operating expenses	–11,387	0	–1,083	0	–12,471
Depreciation and amortisation	–2,393	0	0	0	–2,393
Share of results of joint ventures	1,460	0	0	0	1,460
EBIT	**35,907**	**4,180**	**938**	**–7,778**	**33,247**
Other results from investments	29	0	0	0	29
Financial result	–7,461	0	–938	0	–8,400
EBT	**28,475**	**4,180**	**0**	**–7,778**	**24,876**
Tax	–8,870				–7,860
EAT	**19,605**				**17,017**

RECONCILIATION OF ADJUSTED RESULTS OF OPERATIONS 01/01–30/06/2021

TABLE 026

In thousands of euros

	Adjusted results of operations	Share deal effects	Reclassifications	Effects from PPA	Reported results of operations
Revenue	**260,459**	**–20,129**	**0**	**17**	**240,348**
Project costs	**–183,792**	**17,912**	**1,765**	**–4,940**	**–169,054**
Cost of materials	–199,159	0	566	0	–198,593
Changes in inventories	15,367	17,912	1,199	–4,940	29,539
Gross profit	**76,667**	**–2,216**	**1,765**	**–4,922**	**71,293**
Platform costs	**–38,141**	**0**	**–566**	**0**	**–38,707**
Staff costs	–25,141	0	0	0	–25,141
Other operating income	1,779	0	0	0	1,779
Other operating expenses	–12,506	0	–566	0	–13,072
Depreciation and amortisation	–2,273	0	0	0	–2,273
Share of results of joint ventures	2,550	0	0	0	2,550
EBIT	**41,076**	**–2,216**	**1,199**	**–4,922**	**35,136**
Other results from investments	87	0	0	0	87
Financial result	–7,637	0	–1,199	0	–8,836
EBT	**33,525**	**–2,216**	**0**	**–4,922**	**26,387**
Tax	–10,095				–8,576
EAT	**23,430**				**17,810**

Disclosures about the condensed consolidated income statement

Revenue

Revenue is spread across the following regions:

REVENUE BY REGION TABLE 027

In thousands of euros

	01.01. – 30/06/2022	01.01. – 30/06/2021
Germany	249,560	240,277
Rest of Europe	55	71
	249,615	**240,348**

The composition of revenue by revenue type is shown in the following table:

REVENUE BY REVENUE TYPE TABLE 028

In thousands of euros

	01.01. – 30/06/2022	01.01. – 30/06/2021
Revenue from building contracts		
Revenue recognised over time	245,365	232,105
Revenue recognised at a point in time	755	5,250
	246,120	**237,355**
Income from leases	3,364	2,832
Other services	132	161
	249,615	**240,348**

The total amount of unfulfilled or partly unfulfilled performance obligations as at the balance sheet date is €1,294,206 thousand (31 December 2021: €1,406,683 thousand).

Depreciation and impairment

There was no impairment of right of use assets, property, plant and equipment or intangible assets.

DEPRECIATION AND AMORTISATION TABLE 029

In thousands of euros

	01.01. – 30/06/2022	01.01. – 30/06/2021
Right of use assets	– 1,670	– 1,779
Property, plant and equipment	– 457	– 477
Intangible assets	– 266	– 17
	– 2,393	**– 2,273**

Income taxes

INCOME TAXES TABLE 030

In thousands of euros

	01.01. – 30/06/2022	01.01. – 30/06/2021
Current income tax		
German trade tax	– 3,776	– 1,152
Corporation tax	– 3,466	– 1,580
	– 7,242	**– 2,732**
Deferred tax		
Deferred tax	– 618	– 5,844
	– 7,860	**– 8,576**

Disclosures about the condensed consolidated statement of financial position

Inventories

INVENTORIES TABLE 031

In thousands of euros

	30/06/2022	31/12/2021
Work-in-progress	925,667	843,647
Finished goods	56	56
	925,723	**843,703**

Work-in-progress is subject to disposal restrictions due to project financing by banks amounting to €400,368 thousand (31 December 2021: €94,460 thousand).

Borrowing costs in the amount of €11,347 thousand (31 December 2021: €10,456 thousand) were capitalised as part of production costs recognised for inventories attributable to project-related financing based on individual agreements with external lenders.

The inventories were subject to impairment of €6,879 thousand (31 December 2021: €6,844 thousand). Reversals of impairment losses in the period under review were €530 thousand (previous-year period: €0 thousand).

Contract assets

The structure of contract assets is composed as follows:

CONTRACT ASSETS TABLE 032

In thousands of euros

	30/06/2022	31/12/2021
Contract assets	1,000,584	858,648
Payments received	– 665,312	– 506,601
	335,272	**352,047**
Receivables from costs to obtain a contract	6,949	5,970
	342,221	**358,017**

The change in contract assets is due to the increase in fulfilment of the underlying contracts with customers and the parallel increase in advance payments.

The cycle of contract assets is – equivalent to the project term – an average of three years.

The amortisation of the costs to obtain a contract in the amount of €4,718 thousand (previous-year period: €1,071 thousand) offsets the fulfilment of the underlying contracts with customers.

Financial liabilities

FINANCIAL LIABILITIES TABLE 033

In thousands of euros

	30/06/2022	31/12/2021
Non-current		
To financial institutions from project financing	180,472	76,695
To financial institutions from corporate financing	27,913	27,868
Loans from third parties	99,539	99,439
Liabilities to minority shareholders	17,145	16,942
	325,068	**220,943**
Current		
To financial institutions from project financing	100,246	97,335
To financial institutions from corporate financing	71,471	70,535
Loans from third parties	3,653	1,674
Liabilities to minority shareholders	62	62
	175,432	**169,606**
	500,501	**390,550**

FINANCIAL LIABILITIES 2022

TABLE 034

In thousands of euros

				Non-cash changes		
	30/06/2022	01/01/2022	Cash flow from financing activities	Neutral offsetting	Deferred interest	Amortisation from the valuation using the effective interest method
Loans from banks	380,102	272,433	105,127	0	2,074	469
Loans from third parties	103,192	101,113	191	0	1,984	–96
Liabilities to minority shareholders	17,207	17,004	0	0	203	0
	500,501	**390,550**	**105,318**	**0**	**4,260**	**373**

FINANCIAL LIABILITIES 2021

TABLE 035

In thousands of euros

				Non-cash changes		
	31/12/2021	31/12/2020	Cash flow from financing activities	Neutral offsetting	Deferred interest	Amortisation from the valuation using the effective interest method
Loans from banks	272,433	380,943	–110,606	0	895	1,201
Loans from third parties	101,113	100,713	224	–11	0	187
Liabilities to minority shareholders	17,004	45	16,610	62	287	0
	390,550	**481,701**	**–93,772**	**51**	**1,182**	**1,388**

Current and non-current loans from banks consisted of fixed and variable interest rate loans issued by various banks.

In accordance with the Group's policy, Instone Group's loans from banks are not the subject of contractual assurances and are instead secured by land charges.

Other disclosures

Disclosures about related persons and companies

Key related persons and companies include any material entities valued at equity and members of the Management Board and Supervisory Board.

Relationships with joint ventures

RELATIONSHIPS WITH JOINT VENTURES/OTHER INVESTMENTS TABLE 036

In thousands of euros

	30/06/2022	31/12/2021
Receivables		
FHP Friedenauer Höhe Dritte GmbH & Co. KG	5,145	4,718
FHP Friedenauer Höhe Erste GmbH & Co. KG	9,886	3,807
FHP Friedenauer Höhe Sechste GmbH & Co. KG	8,692	7,954
FHP Friedenauer Höhe Vierte GmbH & Co. KG	513	513
Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG	4	0
Twelve GmbH & Co. KG	28	7,524
Wohnpark Heusenstamm GmbH & Co. KG	62	31
	24,329	**24,546**
Liabilities		
Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG	400	400
	400	**400**

The financial receivables from the four project companies FHP Friedenauer Höhe Dritte GmbH & Co. KG, FHP Friedenauer Höhe Erste GmbH & Co. KG, FHP Friedenauer Höhe Sechste GmbH & Co. KG and FHP Friedenauer Höhe Vierte GmbH & Co. KG consist of interest-free loans with residual maturities of between four and seven years. The financial liabilities to Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG consist of interest-free loans and have a residual term of up to one year. The receivables from Twelve GmbH & Co. KG consist of an advance on costs and have a residual term of up to one year.

Relationships with related persons

There were no material transactions between Instone Real Estate Group SE, Essen, Germany, or a Group company and persons from the Management or related persons or companies during the reporting period. There are no conflicts of interest in terms of the participating members of the Management Board and the Supervisory Board.

Further disclosures on financial instruments

The carrying amounts for individual classes of financial instruments and the carrying amounts for individual categories are shown below in accordance with IFRS 7.

CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS IN 2022

TABLE 037

In thousands of euros

	Carrying amount 30/06/2022	Fair value through profit and loss	At amortised costs	Not within the scope of application of IFRS 9
ASSETS				
Financial assets				
Financial receivables				
Non-current	24,864	0	24,864	0
Current	80,165	0	80,165	0
	105,029	**0**	**105,029**	**0**
Other investments	479	479	0	0
Contract assets	342,221	0	0	342,221
Trade receivables	1,575	0	1,575	0
Other receivables and other assets	111,172	0	111,172	0
Cash and cash equivalents	133,362	0	133,362	0
	693,839	**479**	**351,139**	**342,221**
Equity and liabilities				
Financial liabilities				
Financial liabilities				
Non-current	325,068	0	325,068	0
Current	175,432	0	175,432	0
	500,501	**0**	**500,501**	**0**
Contract liabilities	20,112	0	0	20,112
Liabilities from net assets attributable to non-controlling interests	0	0	0	0
Trade payables	110,393	0	110,393	0
Other liabilities	372,297	0	372,297	0
	1,003,302	**0**	**983,190**	**20,112**

CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS IN 2021

TABLE 038

In thousands of euros

	Carrying amount 31/12/2021	Fair value through profit and loss	At amortised costs	Not within the scope of application of IFRS 9
ASSETS				
Financial assets				
Financial receivables				
Non-current	17,580	0	17,580	0
Current	20,046	0	20,046	0
	37,626	**0**	**37,626**	**0**
Other investments	469	469	0	0
Contract assets	358,017	0	0	358,017
Trade receivables	48,202	0	48,202	0
Other receivables and other assets	47,993	0	47,993	0
Cash and cash equivalents	130,969	0	130,969	0
	623,276	**469**	**264,790**	**358,017**
Equity and liabilities				
Financial liabilities				
Financial liabilities				
Non-current	220,943	0	220,943	0
Current	169,606	0	169,606	0
	390,550	**0**	**390,550**	**0**
Contract liabilities	11,667	0	0	11,667
Liabilities from net assets attributable to non-controlling interests	5	5	0	0
Trade payables	125,112	0	125,112	0
Other liabilities	292,439	0	292,439	0
	819,773	**5**	**808,100**	**11,667**

With the short-term financial instruments accounted for at amortised costs, the carrying amount corresponds to the fair value, due to the short remaining term to maturity. In the case of non-current financial liabilities, the carrying amount of a part corresponds to the fair value due to the variable interest rate. A fair value was determined for the fixed-interest non-current liabilities, which is €12,478 thousand less than the carrying amount as at 30 June 2022. As at 31 December 2021: the fair value exceeded the carrying amount by €12,654 thousand. Non-current liabilities fall under fair value hierarchy level 2. The fair value was determined using a cash value method using company-specific current interest rates derived from the market. Long-term financial receivables are accounted for at amortised cost. Their fair value differs from the carrying amount by – €687 thousand. These bonds fall under fair value hierarchy level 2 and were determined using a cash value method taking into account current market interest rates.

Events after the balance sheet date

There were no events of particular significance to report after the balance sheet date on 30 June 2022.

Disclosures on preparation and approval

The Management Board of Instone Real Estate Group SE prepared the interim consolidated financial statements on 10 August 2022 and approved them for forwarding to the Supervisory Board.

Essen, Germany, 10 August 2022

The Management Board

Kruno Crepulja Dr Foruhar Madjlessi Andreas Gräf

OTHER INFORMATION

Insurance of legal representatives

To the best of our knowledge, we hereby declare that the semi-annual report for the interim consolidated financial statements accurately reflects the results of operations, net assets and the financial position of the Instone Group in accordance with applicable accounting principles and that the Company's management report together with the combined management report accurately reflect business performance, including the operating result and financial position, of the Instone Group, and that it also describes the significant opportunities and risks associated with the anticipated development of the Instone Group during the remainder of the financial year.

Essen, Germany, 10 August 2022
The Management Board

Kruno Crepulja   Dr Foruhar Madjlessi   Andreas Gräf

Review report

To Instone Real Estate Group SE, Essen/Germany

We have reviewed the condensed consolidated interim financial statements – comprising the condensed consolidated statement of financial position as of 30 June 2022, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity for the six month period from 1 January to 30 June 2022 as well as selected explanatory notes to the condensed consolidated interim financial statements – and the interim group management report for the six month period from 1 January to 30 June 2022 of Instone Real Estate Group SE, Essen/Germany, that are part of the half-year financial report under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and of the interim group management report in compliance with German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of Instone Real Estate Group SE, Essen/Germany, are not prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Düsseldorf/Germany, 10 August 2022

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Prof. Dr Holger Reichmann
Wirtschaftsprüfer (German Public Auditor)

Signed: Michael Pfeiffer
Wirtschaftsprüfer (German Public Auditor)

Disclaimer

Forward-looking statements

This interim group report contains forward-looking statements that are based on current management plans, goals and forecasts. However, these statements relate only to findings that are available as at the date this condensed consolidated interim report was prepared. Management does not guarantee that these forward-looking statements will necessarily materialise. Actual future development and the results actually achieved are subject to various risks and can therefore deviate significantly from the forward-looking statements. Several risk factors cannot be influenced by Instone Real Estate and therefore cannot be conclusively assessed in advance. These include changes in the economic and competitive environment, legislation, fluctuations in interest or exchange rates, legal disputes and investigative proceedings and the availability of financial resources. These and other risks are listed in the 2020 consolidated report, which is combined with the company management report, as well as in this condensed consolidated interim report. Furthermore, business development and economic results may also be encumbered by other factors. Following publication of this consolidated interim report, there is no intention to in any way update the forward-looking statements made herein or to adjust them to events and developments.

Rounding of figures

Some figures disclosed in this condensed consolidated interim report have been commercially rounded. As a result, there may be minor deviations between figures in the Tables and their analysis in the text of the condensed consolidated interim report, as well as between individual amount totals in Tables and the total values indicated in the text. All key performance indicators and percentage changes are calculated on the basis of the underlying data and shown in the unit “thousands of euros”.

Quarterly comparison

TABLE 039

In millions of euros		Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Real estate business key performance indicators							
Volume of sales contracts		58.0	87.6	761.7	170.7	89.1	118.6
Volume of sales contracts	In units	96	191	1,906	468	169	372
Project portfolio (existing projects)		7,727.4	7,567.7	7,500.0	7,154.9	6,268.1	6,054.2
of which already sold		2,891.4	3,070.1	3,038.9	2,308.7	2,444.0	2,360.5
Project portfolio (existing projects)	In units	16,644	16,607	16,418	15,913	14,338	13,678
of which already sold	In units	7,179	7,404	7,215	5,401	5,679	5,510
Volume of new approvals[1]		185.5	99.8	254.0	1,097.6	165.9	69.8
Volume of new approvals	In units	461	174	517	2,292	275	161
Adjusted results of operations							
Revenue adjusted		149.5	118.5	378.0	145.1	132.4	128.1
Project costs adjusted		–115.9	–83.3	–277.5	–100.8	–96.2	–87.6
Gross profit adjusted		**33.6**	**35.2**	**100.5**	**44.3**	**36.2**	**40.5**
Gross profit margin adjusted		**22.5%**	**29.7%**	**26.6%**	**30.5%**	**27.3%**	**31.6%**
Platform costs adjusted		–15.7	–18.7	–22.2	–20.2	–21.8	–16.3
Share of results of joint ventures adjusted		0.9	0.6	12.0	0.1	0.0	2.5
Earnings before interest and tax (EBIT) adjusted		**18.9**	**17.0**	**90.4**	**24.2**	**14.4**	**26.7**
EBIT margin adjusted		**12.6%**	**14.3%**	**23.9%**	**16.7%**	**10.9%**	**20.8%**
Income from investments adjusted		0.0	0.0	0.0	0.0	0.1	0.0
Financial result adjusted		–3.8	–3.7	–9.1	–2.6	–3.5	–4.1
Earnings before tax (EBT) adjusted		**15.1**	**13.4**	**81.3**	**21.7**	**10.9**	**22.6**
EBT margin adjusted		**10.1%**	**11.3%**	**21.5%**	**15.0%**	**8.2%**	**17.6%**
Income taxes adjusted		–4.8	–4.1	–24.7	–4.8	–3.3	–6.8
Earnings after tax (EAT) adjusted		**10.3**	**9.3**	**56.6**	**16.9**	**7.6**	**15.8**
EAT margin adjusted		**6.9%**	**7.8%**	**15.0%**	**11.6%**	**5.7%**	**12.3%**
Earnings per share (adjusted)	In euros	0.24	0.20	1.19	0.36	0.21	0.34

[1] Excluding volume of approvals from joint ventures consolidated at equity.

Multi-year overview

TABLE 040

In millions of euros

		6M 2022	2021	2020	2019	2018
Key liquidity figures						
Cash flow from operations		19.5	43.9	119.9	–205.1	–40.4
Cash flow from operations without new investments		90.2	256.3	225.0	115	32.1
Free cash flow		–56.6	167.4	–64.2	–237.5	–39.9
Cash and cash equivalents and term deposits[1]		213.4	151.0	232.0	117.1	88.0
Key balance sheet figures						
Total assets		1,681.2	1,520.8	1,283.1	1,123.4	686.6
Inventories		925.7	843.7	777.8	732.1	404.4
Contract assets		342.2	358.0	194.2	219.0	158.5
Equity		567.7	590.9	521.0	310.2	246.9
Financial liabilities		500.5	390.5	481.7	595.5	265.6
Of which, from corporate finance		202.2	199.1	207.2	180.8	66.1
Of which, from project financing		298.3	191.4	274.5	414.7	199.5
Net financial debt[2]		287.1	239.5	249.7	478.4	177.5
Leverage		1.8	1.5	2.8	3.6	3.5
Loan-to-cost[3]	In %	23.0	20.1	25.7	50.3	n/a
ROCE[4] adjusted	In %	18.5	22.0	10.3	22.8	11.9
Employees						
Number		486	457	413	375	311
FTE[5]		409.2	387.6	342.5	307.7	258.7

In millions of euros

		6M 2022	2021	2020	2019	2018
Real estate business key performance indicators						
Volume of sales contracts		145.6	1,140.1	464.4	1,403.1	460.8
Volume of sales contracts	In units	287	2,915	1,292	2,733	1,033
Project portfolio (existing projects)		7,727.4	7,500.0	6,053.6	5,845.7	4,763.2
of which already sold		2,891.4	3,038.9	2,328.8	2,174.0	998.2
Project portfolio (existing projects)	In units	16,644	16,418	13,561	13,715	11,041
of which already sold	In units	7,179	7,215	5,381	4,814	2,395
Volume of new approvals[6]		285.3	1,587.4	489.9	1,284.2	1,298.0
Volume of new approvals	In units	635	3,245	1,171	3,857	3,314
Adjusted results of operations						
Revenue adjusted		268.0	783.6	480.1	736.7	372.8
Project costs adjusted		–199.2	–562.1	–333.5	–548.8	–266.3
Gross profit adjusted		**68.8**	**221.5**	**146.6**	**187.8**	**106.4**
Gross profit margin adjusted		**25.7%**	**28.3%**	**30.5%**	**25.5%**	**28.5%**
Platform costs adjusted		–34.4	–80.5	–65.5	–59.0	–56.9
Share of results of joint ventures adjusted		1.5	14.6	2.7	0.7	0.0
Earnings before interest and tax (EBIT) adjusted		**35.9**	**155.7**	**83.8**	**129.6**	**49.6**
EBIT margin adjusted		**13.4%**	**19.9%**	**17.5%**	**17.6%**	**13.7%**
Income from investments adjusted		0.0	0.1	–1.2	–5.7	–0.4
Financial result adjusted		–7.5	–19.3	–23.2	–16.1	–7.7
Earnings before tax (EBT) adjusted		**28.5**	**136.5**	**59.4**	**107.8**	**41.5**
EBT margin adjusted		**10.6%**	**17.4%**	**12.4%**	**14.6%**	**11.5%**
Income taxes adjusted		–8.9	–39.6	–18.3	–2.2	–22.4
Earnings after tax (EAT) adjusted		**19.6**	**96.9**	**41.1**	**105.6**	**19.1**
EAT margin adjusted		**7.3%**	**12.4%**	**8.6%**	**14.3%**	**5.1%**
Earnings per share (adjusted)	In euros	0.44	2.10	0.99	2.69	0.44
Dividend per share[7]	In euros		0.62	0.26		
Dividends paid[7]			29.1	12.2		

[1] Term deposits are comprised of cash investments of more than three months.
[2] Net financial debt = financial liabilities less cash and cash equivalents and term deposits.
[3] Loan-to-cost = net financial debt/(inventories + contract assets).
[4] Return on capital employed = LTM EBIT adjusted/(four-quarter average equity + net financial debt).
[5] Full-time employees.
[6] Excluding volume of approvals from joint ventures consolidated at equity.
[7] Current financial year: proposed dividend / proposed distribution for current number of entitled shares (46,988,336 shares)

Contact

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About us

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Management Board

Kruno Crepulja
(Chair of the Management Board/CEO),
Dr Foruhar Madjlessi,
Andreas Gräf

Chairman of the Supervisory Board

Stefan Brendgen

Commercial Register

Registered in the Commercial Register
of the Essen District Court under
HRB 29362

Sales tax ID number
DE 300512686

Concept, design and implementation

MPM Corporate Communication Solutions,
Mainz
www.mpm.de

Financial calendar

11/08/2022	Publication of the semi-annual report as at 30 June 2022
10/11/2022	Publication of the quarterly statement as at 30 September 2022

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