

# **Results Presentation Q3 2023**

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# Highlights

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## Continued modest improvement in B2C business, sales starts add positive momentum

### Operational Highlights

- ✓ **Sales:** Private customer demand shows modest improvement, institutional buyers in 'wait and see' mode,
  - ✓ Private investors: encouraging initial results from new sales starts in Q4
  - ✓ Positive impact on retail business from introduction of special depreciation on new-builds expected (Law: *Wachstumschancengesetz*)
- ✓ **Construction costs:** Stabilized; recent sideways movement of CPI
- ✓ **Financial strategy:** Continuous focus on costs & cash preservation
  - ✓ Reduced platform costs; positive operating cash flow in 9M-23

## 9M results demonstrate sustained high profitability

### 9M 2023 Results

- ✓ Adjusted revenues: €433.3m (9M-2022: €441.9m, -1.9%)
- ✓ Adjusted gross profit margin: 25.5% (9M-2022: 25.8%)
- ✓ Adjusted EBIT: €65.8m (9M-2022: €60.9m, +8.0%)
- ✓ Adjusted earnings after tax (EAT): €37.1m (9M-2022: €34.0m, +9.1%)

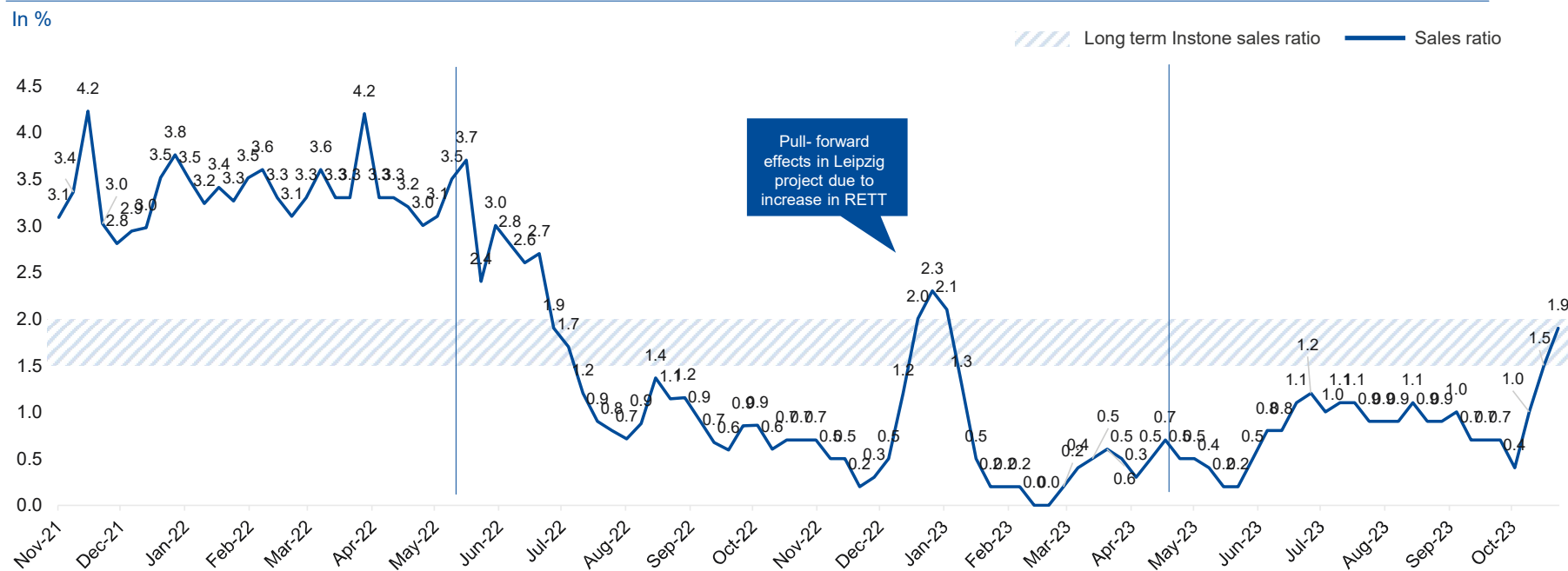
## Well on track for full year earnings targets

### Outlook

- ✓ Adj. revenues of €600-700m
- ✓ Adj. gross margin of approx. 25%
- ✓ Adj. EAT of €40-50m

# Sales ratio: Continued moderate improvement from depressed levels

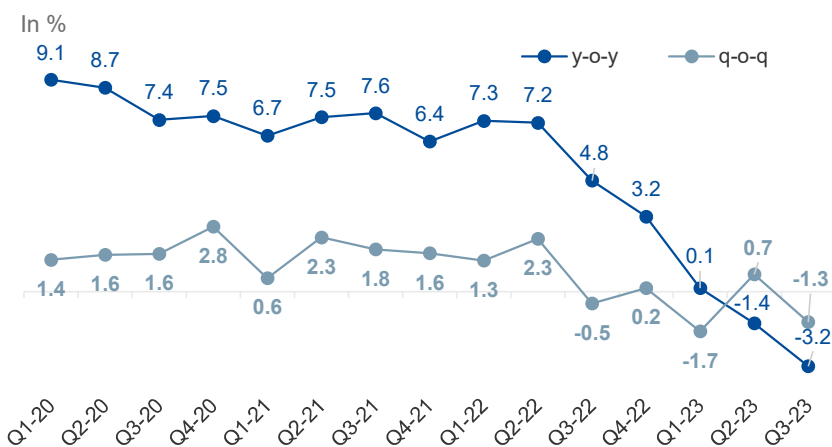
## Sales ratio<sup>1</sup>



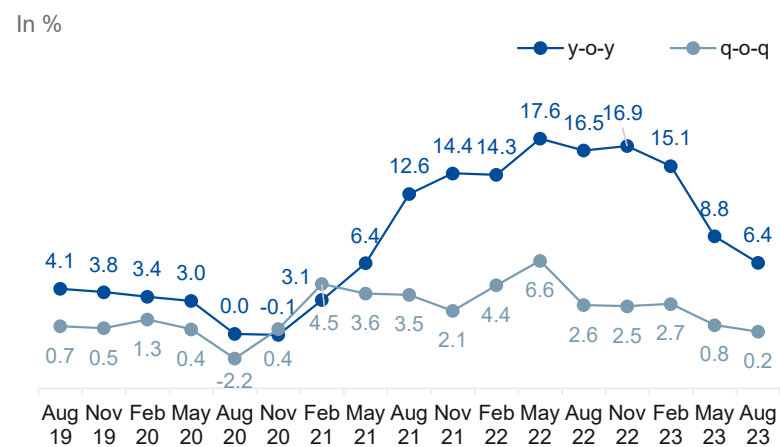
- ✓ Deliberate decision to postpone new sales starts in first 9 months of 2023; first new sales start in October with initial positive feedback
- ✓ Sales ratio recently approached long term mean; improving momentum is primarily driven by equity-oriented buy-to-let investors
- ✓ Higher demand for projects in well advanced stages of construction
- ✓ Positive impact from introduction of increased depreciation on new builds expected ('*Wachstumschancengesetz*', 6% p.a. vs. current 3%)

# New build prices with only moderate decline; CPI stabilisation

House price inflation<sup>1</sup>



Construction price inflation<sup>2</sup>



- ✓ New build condo headline prices in top 7 decreased only slightly in Q3 (only moderate y-o-y decline)
- ✓ Institutional market is still largely dried up; while retail customer demand shows modest recovery
- ✓ Construction price inflation is levelling off
  - ✓ INS budgeted mid-single-digit CPI growth for FY 2023 appears well reachable so far; contracts awarded are in line with budget
  - ✓ Negotiating power vis-à-vis construction companies is continuously improving

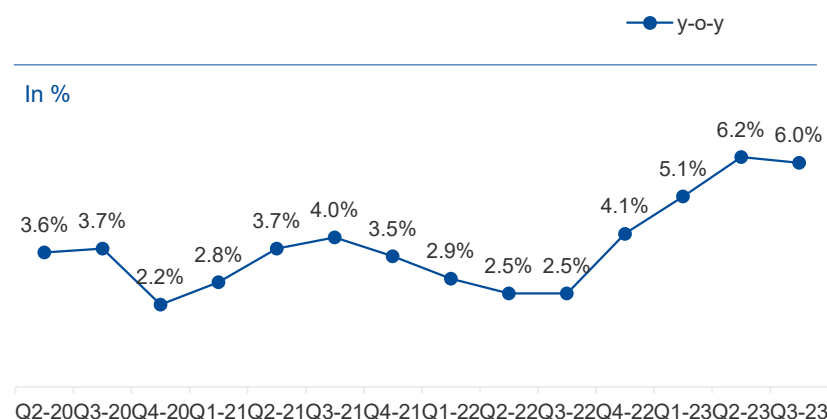
# Price development: yield expansion partly compensated by further accelerating rent growth

House price sensitivity: price impact in different scenarios<sup>1</sup>

		Rent Yield / Rent Multiple								
		4.2%	4.0%	3.8%	3.7%	3.6%	3.4%	3.3%	3.2%	3.1%
		24x	25x	26x	27x	28x	29x	30x	31x	32x
Rent Increase 2y forward	2%	-24%	-20%	-17%	-14%	-11%	-8%	-4%	-1%	2%
	4%	-22%	-19%	-16%	-12%	-9%	-6%	-3%	1%	4%
	6%	-21%	-17%	-14%	-11%	-7%	-4%	-1%	3%	6%
	8%	-19%	-16%	-12%	-9%	-6%	-2%	1%	5%	8%
	10%	-18%	-14%	-11%	-7%	-4%	0%	3%	7%	10%
	12%	-16%	-13%	-9%	-5%	-2%	2%	5%	9%	12%
	14%	-15%	-11%	-7%	-4%	0%	3%	7%	10%	14%
	16%	-13%	-9%	-6%	-2%	1%	5%	9%	12%	16%
	18%	-12%	-8%	-4%	0%	3%	7%	11%	14%	18%

- ✓ The impact of yield expansion due to higher rates is mitigated by accelerating rent growth. Price correction of 5-8% for institutional market appears realistic scenario<sup>1</sup>
- ✓ A positive yield spread to interest costs was historically rather the exception (due to expected rent growth/inflation)
- ✓ Market stabilisation as of mid 2024 could imply that forward yields may rise further- at least temporarily - to around 4% due to extended time period leading to additional 5-8% of rental growth (as highlighted in the graph above in green)

New-build rent development<sup>2</sup> - accelerating positive momentum



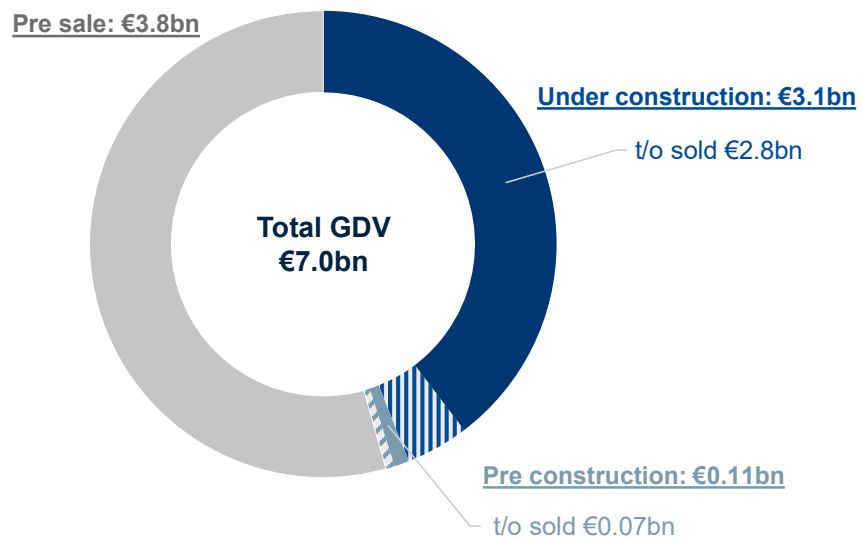
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“Pressure in the rental markets is increasing. // New build rents +2.7% qoq – stronger growth than for existing housing units.”

Source: Immoscout24

# Under construction projects de-risked as 90% sold

Project portfolio as of 30/09/2023 by development (GDV)



- ✓ Projects with GDV of €3.1bn are “under construction” of which 90% (€2.8bn) already sold
- ✓ Of the €2.8bn sold volume as of the reporting date €2.1bn has been recognised in revenues



# **Q3 2023 Financial Performance & Outlook**

# Adjusted Results of Operations

High profitability maintained – Well on track to reach FY earnings targets

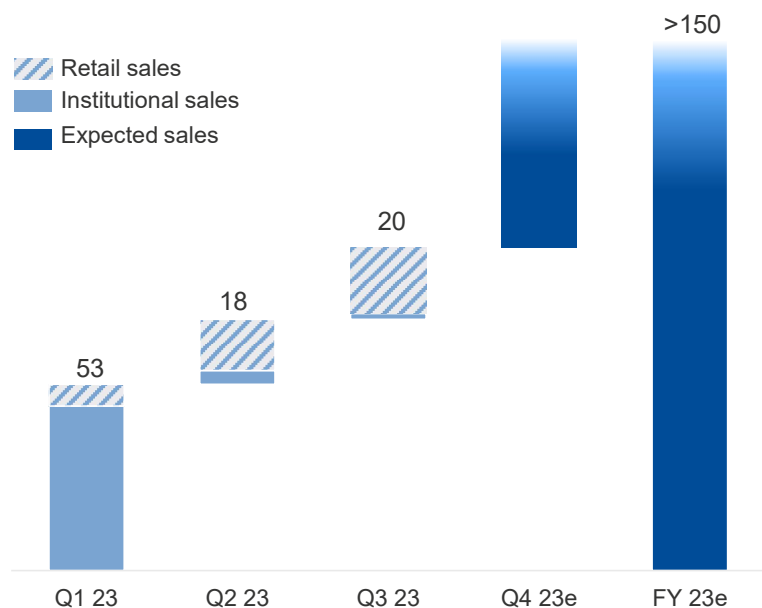
€m	Q3 2023	Q3 2022	Change	9M 2023	9M 2022	Change
<b>Revenues</b>	<b>153.8</b>	173.9	-11.6%	<b>433.3</b>	441.9	-1.9%
Project cost	-115.3	-129.0	-10.6%	-322.6	-328.2	-1.7%
<b>Gross profit</b>	<b>38.5</b>	45.0	-14.4%	<b>110.7</b>	113.8	-2.7%
Gross Margin	25.0%	25.9%		25.5%	25.8%	
Platform cost	-17.9	-20.7	-13.5%	-50.9	-55.1	-7.6%
Share of results of JVs	1.9	0.7		6.0	2.2	
<b>EBIT</b>	<b>22.5</b>	25.0	-10.0%	<b>65.8</b>	60.9	8.0%
EBIT Margin	14.6%	14.4%		15.2%	13.8%	
Financial & other results	-2.6	-4.1		-12.6	-11.6	
<b>EBT</b>	<b>19.9</b>	20.8	-4.34%	<b>53.2</b>	49.3	7.9%
EBT Margin	12.9%	12.0%		12.3%	11.2%	
Taxes	-6.7	-6.4		-16.1	-15.3	
Tax rate	33.5%	30.7%		30.2%	31.0%	
<b>EAT</b>	<b>13.2</b>	14.4	-8.3%	<b>37.1</b>	34.0	9.1%
EAT Margin	8.6%	8.3%		8.6%	7.7%	
<b>EAT post minorities</b>	<b>13.3</b>	14.5	-8.5.2%	<b>37.5</b>	35.0	6.9%
<b>EPS<sup>1</sup></b>	<b>0.30</b>	0.32	-2.2%	<b>0.86</b>	0.75	14.7%

- ✓ Majority of revenues is based on pre-sold units
- ✓ Strong Gross Margin reflects quality of projects and construction cost control
- ✓ Platform cost benefit from reduced staff costs (lower FTE despite increased construction volume); low level is distorted by high level of other operating income (incl. releases of project related provisions)
- ✓ JV result reflects positive development of construction and sales activity of Berlin JV
- ✓ Higher financing costs mainly due to increased project related interest cost (partly compensated by higher interest income)
- ✓ EPS also benefits from lower weighted average no. of shares

# Bulk of 2023 adjusted revenues target already logged in

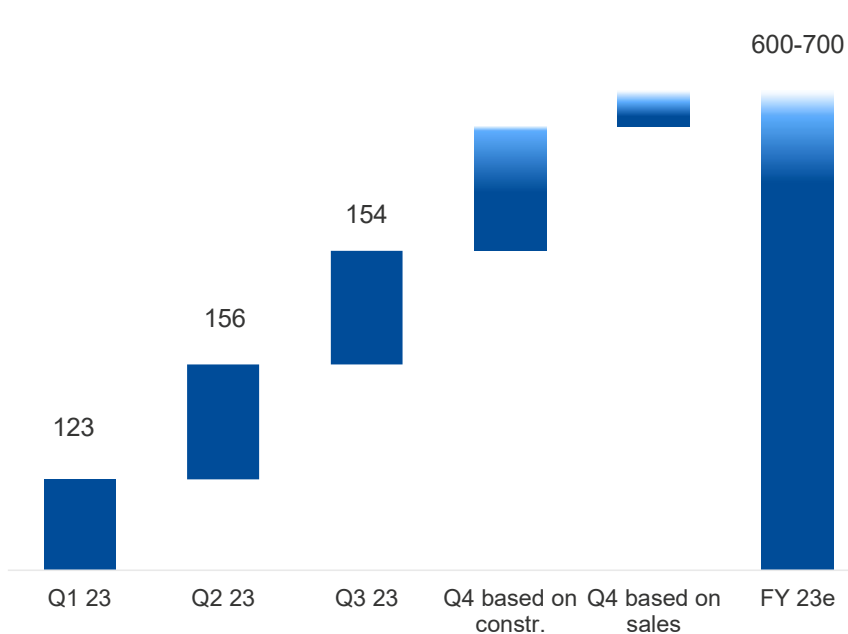
Concluded sales contracts – expected development in 2023

In €m



Adj. revenues – expected development in 2023

In €m



## Rock solid balance sheet maintained

€m	30/09/2023	30/06/2023	31/12/2022
Corporate debt	165.6		
Project debt <sup>1</sup>	283.9		
<b>Financial debt<sup>1</sup></b>	<b>449.5</b>	<b>535.6</b>	<b>520.6</b>
Cash and cash equivalents and term deposits <sup>1</sup>	-177.0		
<b>Net financial debt<sup>1</sup></b>	<b>272.5</b>	<b>322.0</b>	<b>265.1</b>
Inventories and contract asset / liabilities	1,297.7		
<b>LTC<sup>1,2</sup></b>	<b>21.0%</b>	<b>24.2%</b>	<b>20.8%</b>
Adjusted EBIT (LTM) <sup>3</sup>	93.5		
Adjusted EBITDA (LTM) <sup>3</sup>	98.3		
<b>Net financial debt<sup>1</sup> / adjusted EBITDA</b>	<b>2.8x</b>	<b>3.2x</b>	<b>2.8x</b>

- ✓ Further improved balance sheet ratios in Q3
- ✓ Very moderate LTC
- ✓ Solid net debt/adjusted EBITDA of 2.8x
- ✓ Balance sheet and liquidity provide for downside protection as well as financial flexibility

## Strong Q3-cash flow further strengthens financial profile

Cash Flow (€m)	Q3 2023	Q3 2022	9M 2023	9M 2022
EBITDA adj.	23.7	26.3	69.5	64.6
Other non-cash items	3.1	-3.6	-3.7	-12.7
Taxes paid	-23.7	-2.0	-27.0	-2.9
Change in working capital	56.0	-66.7	-20.1	-75.6
<b>Operating cash flow</b>	<b>59.1</b>	<b>-46.2</b>	<b>18.7</b>	<b>-26.7</b>
Land plot acquisition payments (incl. RETT) <sup>1</sup>	0.5	3.4	10.2	74.1
<b>Operating cash flow excl. investments</b>	<b>59.6</b>	<b>-42.8</b>	<b>28.9</b>	<b>47.4</b>

- ✓ Strong Q3 operating cash flow based on predictable milestone payments
- ✓ EUR 10.2m new land payments in first 9M relating to prior year commitments
- ✓ Focus continues to be on cash preservation and maximising value from existing land bank
- ✓ Positive operating cash flow for FY-2023 expected

Liquidity (€m)	Total	t/o drawn	t/o available
<b>Corporate debt</b>			
Promissory notes	165.5	165.5	-
Revolving Credit Facilities	170.0	-	170.0
<b>Cash and cash equivalents and term deposits<sup>2</sup></b>			177.0
<b>Total corporate funds available</b>			<b>347.0</b>
<b>Project debt<sup>2</sup></b>			
<b>Project finance<sup>2,3</sup></b>	<b>456.4</b>	<b>282.8</b>	<b>173.6</b>

- ✓ Well-funded to weather the downturn
- ✓ Ample cash and available funding to benefit from potential attractive distressed opportunities
- ✓ Unchanged strong access to liquidity: Completed raising of new promissory note of EUR 20m in October (3 yrs maturity, interest: c. 6.5%)

1 RETT: Real Estate Transfer Tax

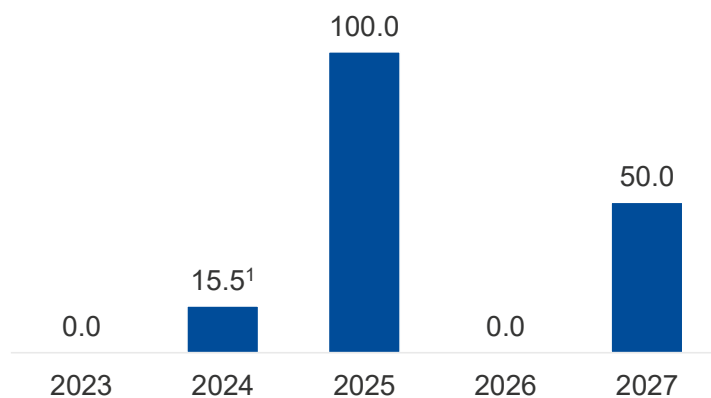
2 Q3/23: Excl. €82.8 million restricted cash and €54.7 million financial debt in connection with Project Westville client related subsidized KFW loan

3 Net available project financing

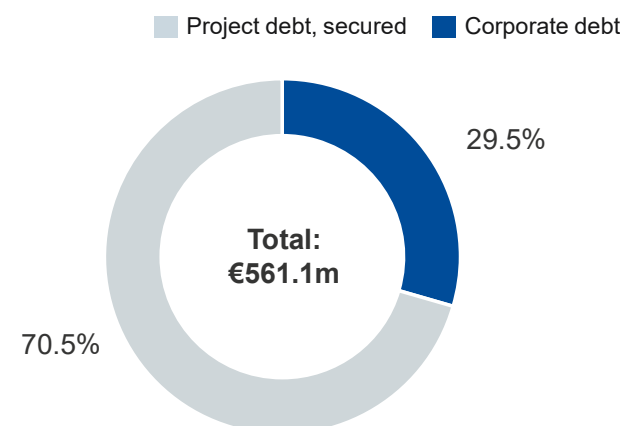
# Financing: No major maturities until H2-2025

Maturity profile (corporate debt) as of 30/09/2023

In €m



Secured/unsecured as of 30/09/2023



Weighted average corporate debt maturity	2.4 years
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Weighted average corporate interest costs	4.06%
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Share of corporate debt with floating interest	0%
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- ✓ Majority of financial debt is project related
- ✓ No major short-term maturities

## Outlook 2023: well on track for full year targets

€m	Forecast 2023
Revenues (adjusted)	<b>600-700</b>
Gross profit margin (adjusted)	<b>~25%</b>
EAT (adjusted)	<b>40-50</b>
Volume of concluded sales contracts	<b>&gt;150</b>

# Appendix



# Project portfolio key figures

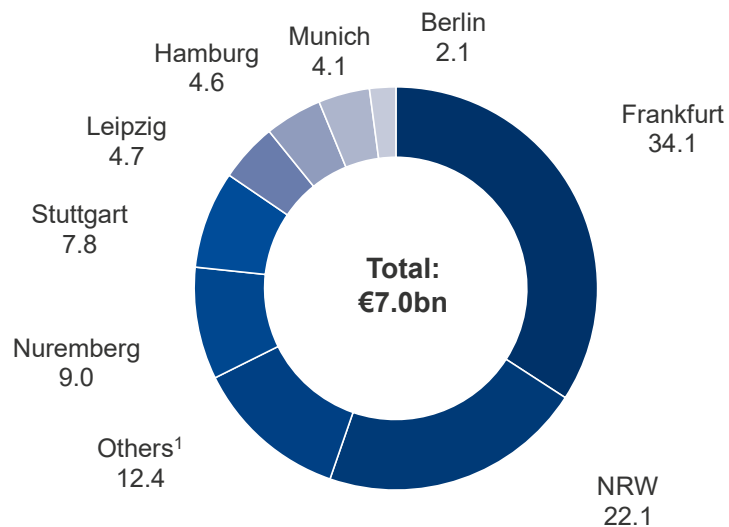
€m	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Volume of sales contracts	20.2	18.4	52.7	42.0	104.6	58.0	87.6	761.7	170.7
Project Portfolio	7,015.5	7,182.6	7,600.4	7,668.8	7,827.4	7,727.4	7,567.7	7,500.0	7,154.9
<i>thereof already sold</i>	2,822.7	2,868.8	2,958.7	2,980.5	2,945.4	2,891.4	3,070.1	3,038.9	2,308.7
<i>thereof already realized revenues</i>	2,089.4	2,002.2	1,944.7	1,902.7	1,721.0	1,597.1	1,684.0	1,621.0	1,276.2
Units	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Volume of sales contracts	37	28	110	44	199	96	191	1,906	468
Project Portfolio	14,269	15,148	16,107	16,209	16,580	16,644	16,607	16,418	15,913
<i>thereof already sold</i>	6,588	7,017	7,198	7,309	7,265	7,179	7,404	7,215	5,401

(Unless otherwise stated, the figures are quarterly values)

# Diversified project portfolio across most attractive German regions

Project portfolio as of 30/09/2023 by region (GDV)

In %

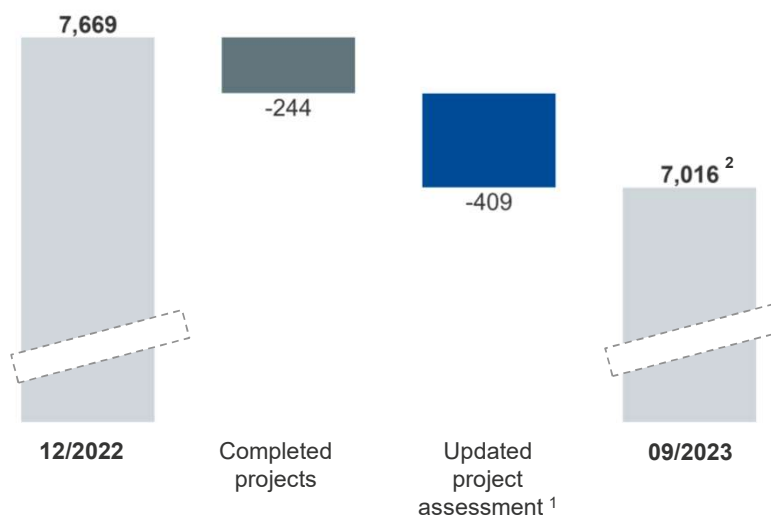


- ✓ 48 projects / 14,269 units
- ✓ 88% in metropolitan regions
- ✓ ~79 average sqm / unit
- ✓ ~€5,728 ASP / sqm
- ✓ Additional four JV projects (INS share of GDV: ~€650m)

# Significant pipeline allows opportunistic investment strategy

## Project portfolio development (GDV)

In €m



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

## Fundamental Instone value rests on three distinct pillars

- 1 **Pre-sold projects**
  - **c.€3.1bn** currently under construction
    - t/o **c.€2.8bn** pre-sold (90%)
    - in addition **c.€70m** pre-construction already pre-sold
  - tangible and substantially de-risked cash-flow profile
- 2 **Land bank**
  - Residual unsold and paid land bank recognised at cost<sup>2</sup> of **>€400m**
  - substantial incremental value
- 3 **Future potential**
  - Ability to source new projects
  - Highly attractive opportunities likely to materialise within 12-24 months
  - Additional income streams from various strategic initiatives

(As of 30 September 2023; in EUR million)

De-risked free cash flow from projects under construction <sup>1</sup>	c.500m
Unsold land bank at cost <sup>2</sup>	>400
<b>Notional gross asset value<sup>2</sup></b>	<b>c.900m</b>
Net debt	-272.4
<b>Notional value to shareholders<sup>3</sup></b>	<b>&gt;600m</b>

1) Free cash flow post platform cost and taxes incl. at-equity result

2) Note: "unsold land bank at cost" excluding unsold portion of projects under construction

3) Note: 43.32m shares issued and outstanding (excluding Treasury shares)

## Substantial cash return to shareholders

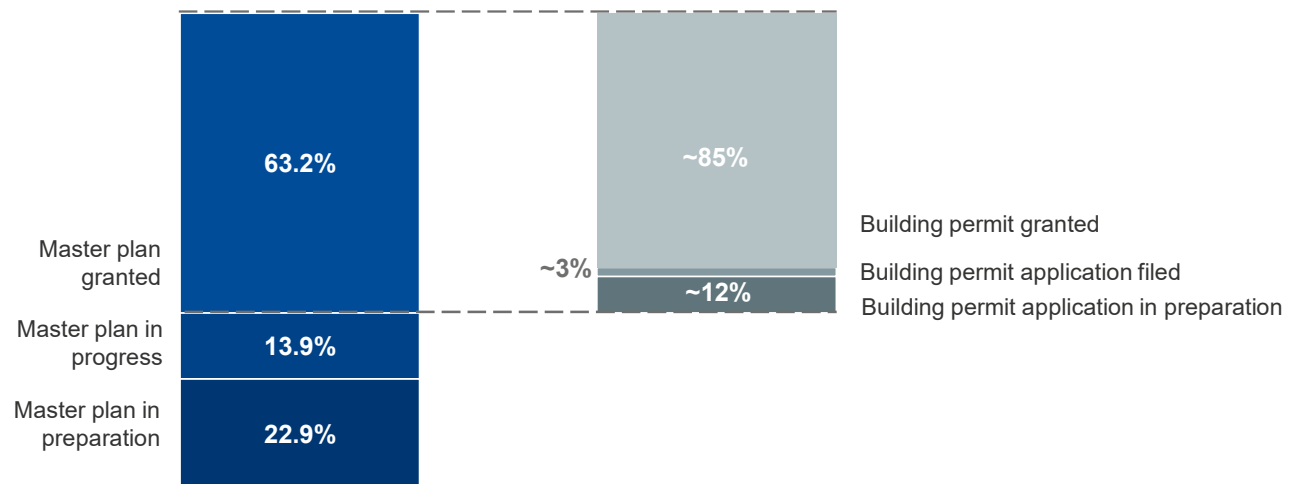
Share Buyback	SBB I	SBB II	Total
No. of shares <sup>1</sup>	2,349,416	1,349,417	<b>3,698,833</b>
Percentage of share capital (%)	5.00	2.87	<b>7.87</b>
Volume (€ million)	25.4	11.4	<b>36.9</b>
Average purchase price (€)	10.82	8.48	<b>9.97</b>

Dividends	Total
2022 payout (€ million)	<b>28.7</b>
2023 payout (€ million)	<b>15.2</b>

- ✓ Share buy back completed; used full existing authorisation
- ✓ Two consecutive programmes: 18 March 2022 – 06 February 2023
- ✓ Total cash return to shareholders exceeds EUR 80 million within 15 months including 2021 and 2022 dividends

# Status of building rights

Project portfolio as of 30/09/2023 by building right status (GDV)



# Project portfolio as of 30/09/2023

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

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
<b><u>Hamburg</u></b>						
SE - Kösliner Weg	Norderstedt-Garstedt	106 Mio. €	●	●		
H - Sportplatz Bult	Hannover	120 Mio. €				
HH - RBO	Hamburg	217 Mio. €	●	●	◐	●
H - Büntekamp	Hannover	169 Mio. €	●	◐		
<b><u>Berlin</u></b>						
HVL - Nauen	Nauen	148 Mio. €	●	●		
P - Fontane Gärten	Potsdam	67 Mio. €	●	●	●	●
<b><u>NRW</u></b>						
D - Unterbach	Düsseldorf	200 Mio. €	●	●	◐	◐
E - Literaturquartier	Essen	N/A	●	●	●	●
MG - REME	Mönchengladbach	124 Mio. €		◐		
BN - west.side	Bonn	203 Mio. €	●	●	●	●
DO - Gartenstadtquartier	Dortmund	98 Mio. €	●	◐		
K - Bickendorf	Köln	631 Mio. €	●			
DU - 6-Seen Wedau	Duisburg	76 Mio. €	●	●		
KK - Kempen	Kempen	52 Mio. €	●	◐		

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

# Project portfolio as of 30/09/2023

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

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
<b><u>Rhine-Main</u></b>						
WI - Delkenheim	Wiesbaden	114 Mio. €	●	●	●	●
F - Schönhof-Viertel	Frankfurt	621 Mio. €	●	●	◐	◐
F - Friedberger Landstr.	Frankfurt am Main	306 Mio. €		◐		
F - Elisabethenareal	Frankfurt am Main	90 Mio. €	●	●		
F - Steinbacher Hohl	Frankfurt am Main	73 Mio. €	●	●	●	●
F - Gallus	Frankfurt am Main	47 Mio. €	●	●		
F - Westville	Frankfurt am Main	N/A	●	●	●	●
OF - Heusenstamm	Heusenstamm	194 Mio. €	●			
MKK - Kesselstädter	Maintal	233 Mio. €	●			
MTK - Polaris	Hofheim	70 Mio. €	●	●		
WI - Rheinblick	Wiesbaden	315 Mio. €	●			
MKK - Eichenheege	Maintal	119 Mio. €	●			
<b><u>Leipzig</u></b>						
L - Parkresidenz	Leipzig	274 Mio. €	●	●	◐	◐

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

Project	Location	Sales volume (expected)	Land plot acquired	Building right obtained	Sales started	Construction started
<b><u>Baden-Württemberg</u></b>						
S - City-Prag	Stuttgart	135 Mio. €	●	●	●	●
WN - Schorndorf	Schorndorf	N/A	●	●	●	●
TÜ - Rottenburg	Rottenburg	170 Mio. €	●	●	◐	◐
BB - Herrenberg III, Schäferlinde	Herrenberg	74 Mio. €	●	◐		
BB - Herrenberg II, Zeppelinstraße	Herrenberg	82 Mio. €	●	◐		
<b><u>Bavaria South</u></b>						
M - Ottobrunner	München	118 Mio. €	●	●		
A - Beethovenpark	Augsburg	N/A	●	●	●	●
<b><u>Bavaria North</u></b>						
N - Eslarner Straße	Nürnberg	60 Mio. €	●	●		
BA - Lagarde	Bamberg	86 Mio. €	●	●	◐	◐
N - Schopenhauer	Nürnberg	67 Mio. €	●	●	●	●
N - Seetor	Nürnberg	114 Mio. €	●	●	●	●
R - Marina Bricks	Regensburg	30 Mio. €	●	●	●	●
N - Boxdorf	Nürnberg	65 Mio. €	●	●	●	●
N - Thumenberger	Nürnberg	133 Mio. €	●	●		
N - Worzeldorf	Nürnberg	72 Mio. €	●	◐		
N - Lichtenreuth	Nürnberg	87 Mio. €	●	●		

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

## Opportunity Growth Act Introduction (“Wachstumschancen Gesetz“)

### Key Positives from Increased Depreciation Expected

- Positive impact for buy-to-let investors expected
- Increase of depreciation on newly built residential properties from (currently) 3% linear to 6% degressive p.a.
- The higher depreciation is expected to have a substantial positive impact on the return expectations and thus demand the willingness to pay from private buy-to-let investors (due to full tax deductibility from personal income)
- The law is expected to be passed by the German parliament (Bundestag) in mid-December but will become effective as of 1 October 2023 retroactively

## No major impact from other new subsidy schemes expected

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

Programme details	<ul style="list-style-type: none"> <li>Name: "Wohneigentum für Familien" = homes for families</li> <li>Volume: EUR 350 million</li> <li>Start: October 16, 2023</li> </ul>	<ul style="list-style-type: none"> <li>Name: "Klimafreundlicher Neubau" = climate friendly new-build</li> <li>Volume: EUR 750 million</li> <li>Start: March 1, 2023</li> </ul>
Recipient	<ul style="list-style-type: none"> <li><b>Families</b> with at least 1 child &lt;18 yrs living in their household</li> <li>Household income of max. €90,000 (up from €60,000 previously) plus €10,000 per child</li> </ul>	<ul style="list-style-type: none"> <li>Resi landlords, other institutional or private investors</li> </ul>
Objective	<ul style="list-style-type: none"> <li><b>Help-to-buy:</b> Build or buy new home/condominium for own use for the first time (for at least 10 years)</li> <li><b>Energy efficiency:</b> <ul style="list-style-type: none"> <li>at least energy standard KfW40 plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude"</li> <li>Higher subsidies possible with additional certificate for sustainable buildings "QNG"</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>New build</b> of energy efficient buildings</li> <li><b>Energy efficiency</b> <ul style="list-style-type: none"> <li>at least energy standard KfW40 plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude"</li> <li>Higher subsidies possible with additional certificate for sustainable buildings "QNG"</li> <li>Use of fossil fuels not allowed</li> </ul> </li> </ul>
Subsidies	<ul style="list-style-type: none"> <li>No direct grant; max. one housing unit</li> <li>Subsidized mortgages, reduced interest costs (0.01%-0.72%) by federal KfW Bank <ul style="list-style-type: none"> <li>170,000 EUR – 270,000 EUR credit volume (with QNG certificate)</li> <li>Will be accepted as equity substitute</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>No direct grant</li> <li>Subsidized mortgages by federal KfW Bank (volumes per unit) <ul style="list-style-type: none"> <li>Max. 100,000 EUR credit volume</li> <li>Up to 150,000 EUR with QNG certificate</li> </ul> </li> </ul>

## 2022 ESG achievements and disclosures

### Environment

- *EU Taxonomy related disclosure*
  - 96.5% of Instone 2022 revenues are eligible for EU taxonomy assessment
  - 86.7% of Instone 2022 revenues are EU taxonomy aligned
  - 94.2% of individual buildings contributing to Instone 2022 revenues are taxonomy aligned
- Scope 1 and 2 emissions reduced by 19.5% vs. base year 2020 (in line with SBTi requirements) through gradual conversion from construction sites to green electricity and replacement of company vehicles with electric vehicles
- Established calculation of GHG emissions into a standard process covering the entire value chain (including life cycle analysis)
- Started considerations of concrete measures to reduce Scope 3 emissions with a view to deriving an Instone specific marginal abatement cost curve

### Social

- 2022 employee survey shows further improved satisfaction rate of 75% (2021: 70%)
- Social-Impact-Initiative established five internal working groups to improve sustainability and increase social impact of projects, and share ESG best practices within the Instone Group
- Top ranking on social media employee platform reconfirms Instone as an attractive employer<sup>1</sup>
- First time offer of an employee share plan

### Governance

- Target to increase diversity on Supervisory Board by an additional female member (30% female) – Target successfully implemented at the AGM 2023
- Sustainability reporting already essentially compliant with ESRS/CSRD/Taxonomy requirements on a voluntary basis (mandatory from financial year 2025 onwards)

# ESG: Top rating underscores commitment to industry leadership

## Instone Real Estate Group SE

Real Estate Development Germany ETR:INS

### ESG Risk Rating

**12.0**

Updated May 10, 2023

**-1.2**

Momentum

## Low Risk



### ESG Risk Rating Ranking

UNIVERSE	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> = Top Score)
Global Universe	592/15343	5th
Real Estate INDUSTRY	147/1057	15th
Real Estate Development SUBINDUSTRY	6/288	3rd



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

## Major ESG-KPIs – achievements and targets

	Major KPIs	2021	2022	Targets
E	<b>Taxonomy-compliant revenues (in %)</b>	n/a	86.7	<b>Predominantly taxonomy-compliant</b>
	<b>Share of projects/objects with energy requirements at least NZEB - 10%<sup>1</sup></b>	<b>~82.5%</b>	<b>~97.4%</b>	<b>100% of project/object portfolio in 2030</b>
	GHG emissions / scope 1 and 2 abs.	2,746 t CO <sub>2</sub> e	2,147 t CO <sub>2</sub> e	-42% (2030 vs. 2020)
	GHG emissions / scope 3 abs.	100,367 t CO <sub>2</sub> e	429,489 t CO <sub>2</sub> e	Net zero climate neutrality (2045)
	GHG emissions in relation to revenues	0.1316 kg CO <sub>2</sub> e/€	0.7112 kg CO <sub>2</sub> e/€	Net zero climate neutrality (2045)
	GHG emissions in relation to net room area	1,517 kg CO <sub>2</sub> e/sqm	1,536 kg CO <sub>2</sub> e/sqm	Net zero climate neutrality (2045)
	Energy consumption in relation to revenues (Offices and Construction Sites)	n/a	0.0055 kWh/€	n/a
	Water consumption in relation to revenues <sup>2</sup>	n/a	0.000056 ccm/€	n/a
	Charging stations for EVs	~734	~1,433	From 2025, 100% of projects in construction to provide charging stations
S	Brownfield developments (land plot size)	~645,000sqm	~532,000sqm	Acquisition focus on brownfield projects
	Shares of affordable housing: social / subsidized / privately financed (incl. nyoo)	17% / 1.5% / 81.5%	18% / 1% / 81%	at least 50% share of revenues with affordable housing (social / subsidized / nyoo) by 2030
	Share of female employees in management positions (below C-level)	25% (1st)* / 23% (2nd) / n/a (3 <sup>rd</sup> )	20% (1st)* / 28% (2nd) / 19% (3 <sup>rd</sup> )	at least stable and growing
	Employee satisfaction and loyalty	70% / 76%	75% / 72%	75% / 80%
G	Code of Conduct for employees and contractors (UN Charter)	100%	100%	100%
	Employee compliance and data protection training	99%	100%	100%
	Compliance cases (suspected)	0	0	0
	Independent Supervisory Board	100%	100%	100%
	Client Satisfaction	n/a	1.7	< 2.4

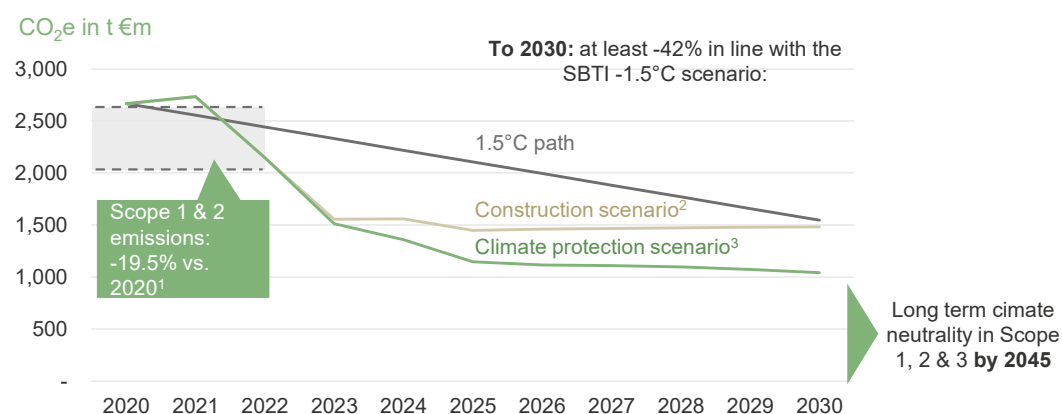
## 87% of revenues are compliant with EU Taxonomy

	Absolute revenue	Proportion of total revenues	Climate change mitigation	Climate change adaptation
<b>A. Taxonomy-eligible activities</b>				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>				
Activity: 7.1 New Construction (Taxonomy-aligned)	€538m	86.7%	100%	100%
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)</b>				
Activity: 7.1 New Construction (not Taxonomy-aligned)	€61m	9.8%		
<b>Total A.1 + A.2</b>	<b>€599m</b>	<b>96.5%</b>		
<b>B. Taxonomy-non-eligible activities</b>				
Revenue of Taxonomy-non-eligible activities (B)	€22m	3.5%		
<b>Total A + B</b>	<b>€621m</b>	<b>100%</b>		

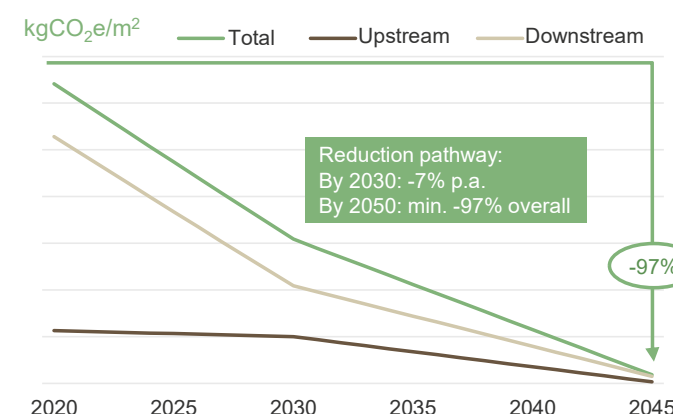
- Instone reports according to Art. 8 of the Taxonomy Ordinance on non-financial reporting according to the NFRD/HGB for the disclosure of Taxonomy-eligible and Taxonomy-aligned revenues, CapEx & OpEx
- Economic activity of Instone is the "7.1 New Construction", other possible economic activities fall under a materiality limit of 3% set by Instone, just like CapEx and OpEx
- 86.7% of INS 2022 adj. revenues are taxonomy-aligned, 100% of those contribute to the environmental goal of climate protection  
→ i.e., the *Technical Screening Criteria* and *Do Not Significant Harm* criteria have already been met or will be met upon completion of construction
- 191 buildings were considered, of which 180 buildings are considered taxonomy-compliant
- Minimum safeguards are observed

# Clear pathway to reduce GHG emissions scope 1 to 3

Projected versus actual climate targets



Scope 3 emissions target curve based on SBTi<sup>4</sup>



- ✓ Scope 1 and 2 emissions reduced by 19.5% vs. base year 2020 (in line with SBTi requirements) through gradual conversion from construction sites to green electricity and replacement of company vehicles with electric vehicles
- ✓ For scope 3 emissions (~99% of total emissions) a relative increase of 4% was recorded vs. 2021, mainly driven by a 323% increase in completed projects and share of buildings undergoing refurbishment (listed buildings)
- ✓ Based on the comparison of the portfolio of completed buildings, an average increase in energy intensity in the usage phase of 9% compared to the previous year could be determined

1 Baseline 2020 has changed vs. prev. report, further explanation can be found in the Annual Report // 2 BAU scenario: based on the assumption that decarbonising the energy sector is only progressing moderately // 3 Climate protection scenario: based on the assumption that decarbonising the energy sector achieves climate neutrality in 2045 // 4 Upstream emissions: cover erection of the building (incl. manufacturing of materials) / downstream emissions: largely consist of the use phase (95%) and of the demolition/disposal (5%)

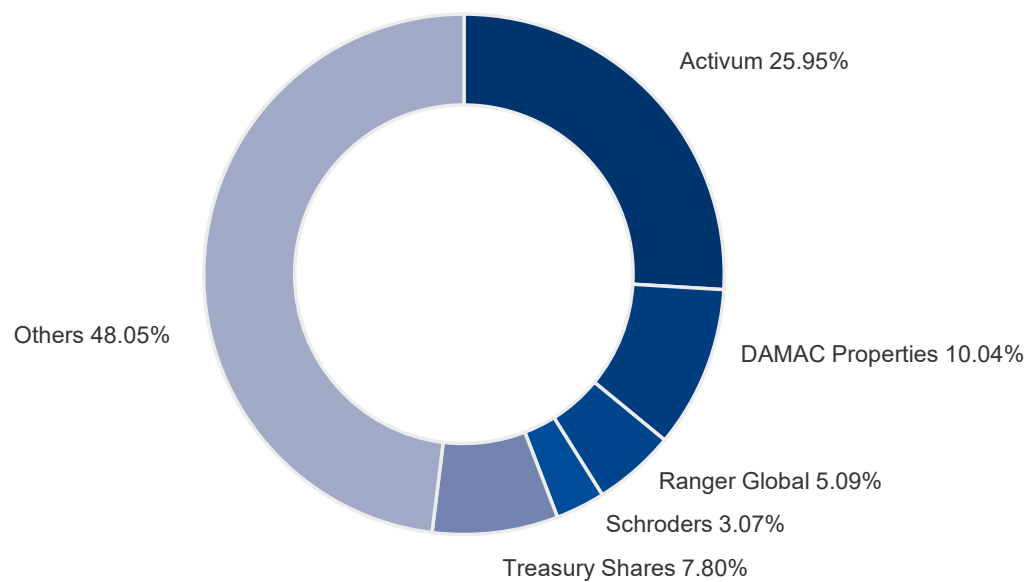


# Instone share

## Basic data

- ISIN: DE000A2NBX80
- Ticker symbol: INS
- No of shares: 46,988,336
- Market cap<sup>1</sup>: €274.9m
- Average daily trading volume: €0.4m
- Market segment: Prime Standard, Frankfurt

## Shareholder structure (November 2023)



# Financial calendar

## 2023

November	09	Quarterly Statement for the first nine months of 2023
November	14	Roadshow, Frankfurt (Deutsche Bank)
November	15	Pan-European Real Estate Conference (Kepler Cheuvreux), London
November	29	UBS Global Real Estate Conference, London

## 2024

January	11	Barclays European Real Estate Conference, London
January	15	ODDO BHF Forum, Virtual
January	16	UniCredit Kepler Cheuvreux German Corporate Conference, Frankfurt
March	21	Annual Report 2023
May	08	Quarterly Statement for the first quarter of 2024
June	05	Annual General Meeting
August	08	Group Interim Report for the first half of 2024
November	07	Quarterly Statement for the first nine months of 2024

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