Instone Real Estate Group SE

Investor presentation
March 2025

Instone Group

Agenda

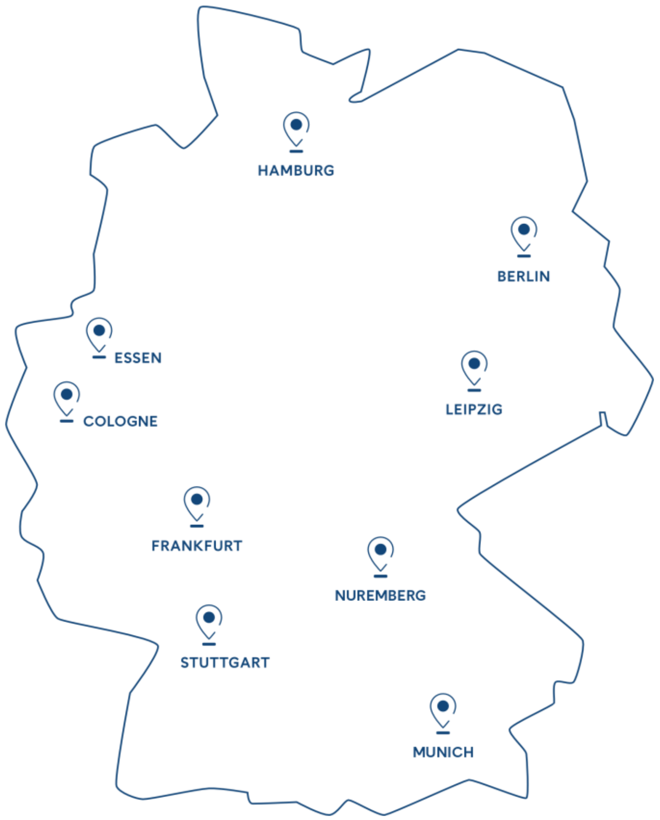
Key Investment Highlights

Instone is a Leading Residential Developer in Germany

Instone at a Glance

- ✓ **Leading homebuilding developing platform** in Germany
- ✓ Addressing **fundamental structural undersupply** in German real estate market
- ✓ **Comprehensive product portfolio** from custom apartments and single houses in prime metropolitan areas to affordable housing units (nyoo)
- ✓ **Attractive business model** based on covering entire real estate development value chain, from land acquisition to sales

Proven track record of >30 years



>1m sqm
Successfully developed and marketed since 1991+

~€6.9bn
GDV project portfolio as of 31/12/2024

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

412 employees
As of 31/12/2024

8 branches + HQ
Presence in all German metropolitan regions

Investment highlights

1 | **Leading German residential developer** supported by long-term housing shortage trends

2 | **Very solid profitability also during downturn**; well prepared for upward new upward cycle

3 | Innovative and scalable nyoo product as key driver for **growth in the mid-term**

4 | **Strong balance sheet and sound cash generation as foundation for sustainable growth**

5 | Strong commitment to **ambitious ESG goals**

Covering the entire value chain with deeply rooted construction expertise

Acquisition	Planning application	Sales	Construction	Completion
Fully in-house	Internal/external experts	Internal/external sales teams	External contractors	
No speculative land banking	High building density assessment	30% pre-sale hurdle rate prior to construction	Strong construction management background	Positive track-record concerning on time deliveries

6-12 months → 12-48 months → Dependent on project size


Nuremberg | Fuchsgärten


Berlin | Friedenauer Höhe


Schorndorf | S´Lederer


Essen | Literaturquartier


Frankfurt | Florentinus

Q4 2024 Highlights

Q4 highlights & outlook

Q4-2024 with strongest quarterly sales performance since Q4-2021

Operational Highlights

- **Strong Q4 Sales (€173.6m) : broad-based demand from both private sales and institutional deals**
  - Retail: Sound momentum from buy-to-let; add. tailwind in Q1-25 from sales starts with very attractive tax depreciation schemes
  - Institutional: Promising signs from one larger and three smaller deals; broader institutional demand remains cautious
- **Ample financial headroom for growth:** Liquidity of c.€270m + RCF lines and very low financial gearing (LTC 10.5%)

FY-2024 results: Delivered on all targets

FY-2024 Results[1]

- **Revenues:** €527.2m (-14.4% yoy)
- **Gross profit margin:** 22.6% (2023: 25.1%)
- **EAT:** €36.9m (-23.4% yoy)
- **Sales:** €330.2m (+56.2% yoy)
- **DPS (proposal):** €0.26 (2023: €0.33) - €0.26 intended as a floor moving forward

Outlook 2025: Dynamic sales recovery expected – as key lead indicator

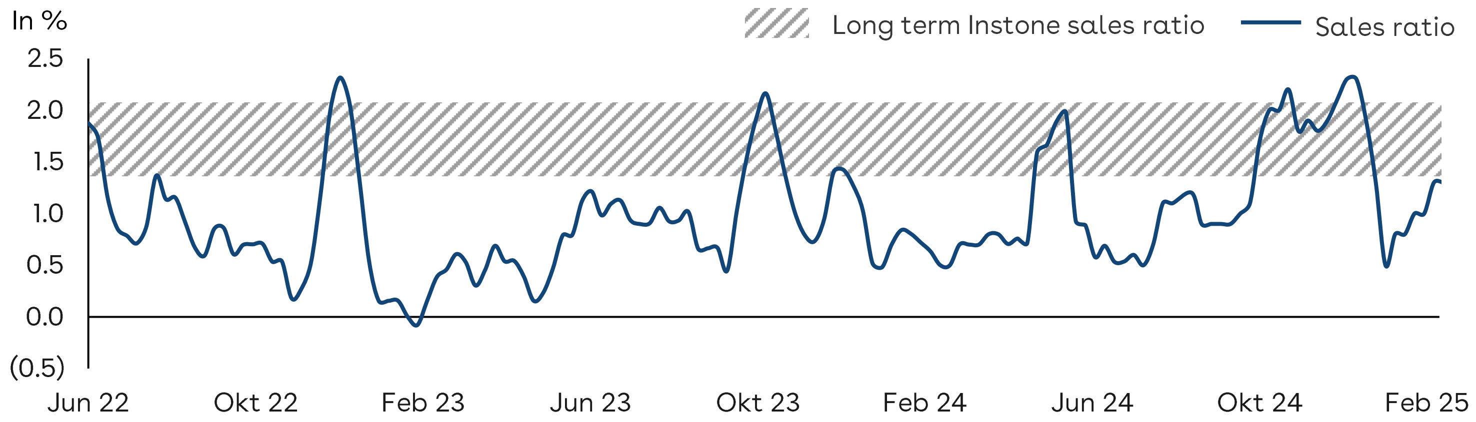
Outlook[1]

- **Revenues:** €500-600m
- **Gross profit margin:** ~23%
- **EAT:** €25-35m
- **Sales:** >€500m

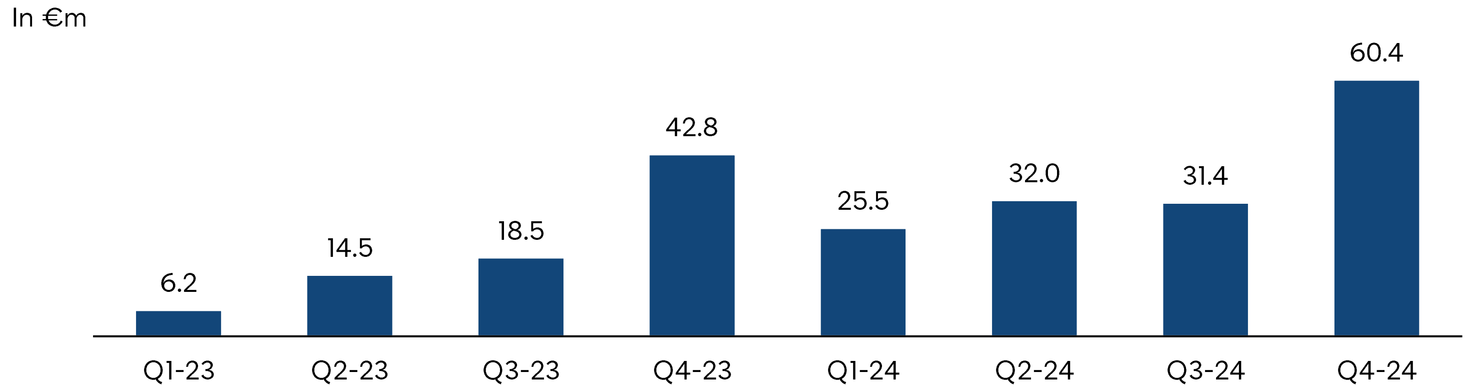
1 Adjusted results

Retail sales ratio: Strong Q4 momentum

Retail sales ratio[1]



Quarterly development of retail sales



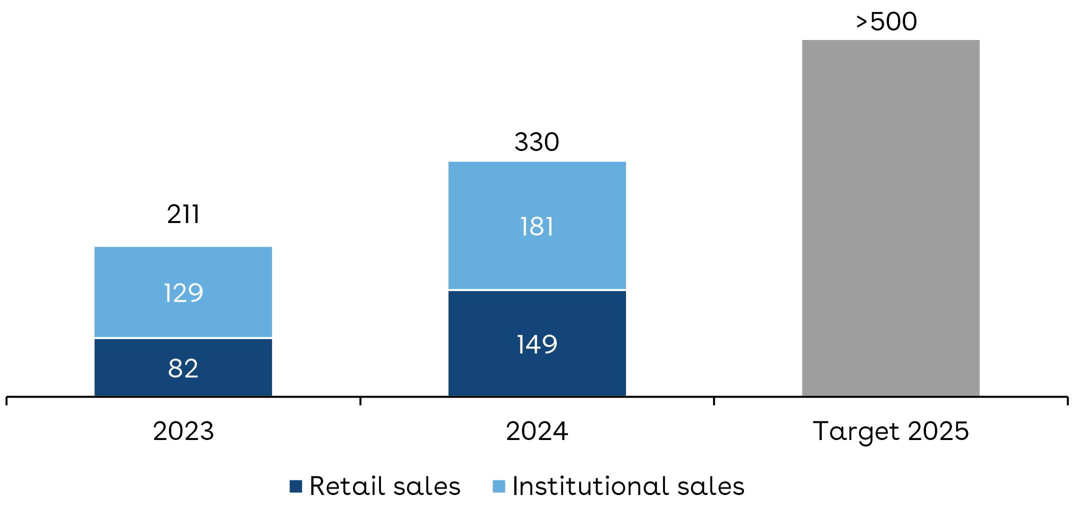
- Continued sales recovery from trough levels (private sales up from €82m to €149m in 2024, +82%); with significant pick-up in Q4 24
- Institutional investors overall still cautious but several transactions signed in Q4 24; broader recovery expected in H2-2025
- Sales start of three projects ytd with very attractive tax incentives (on basis of Growth Opportunities Act); very strong initial market feedback - Q1 with weaker seasonality
- **Sales ratio:** 1.3% (10 CW), 5.25 avg. weekly number of units sold / 389 avg. number of units on offer

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

Sales & revenue breakdown

Sales mix

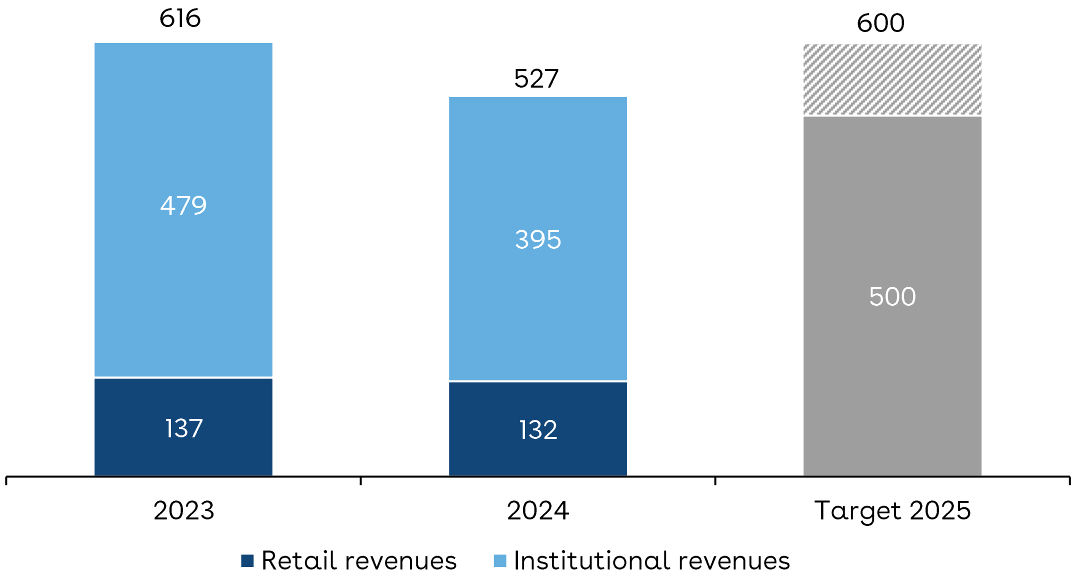
In €m



- Slightly decreasing share of institutional sales and still significantly below the pre-recession levels; stronger recovery of instutional investors as the major swing factor
- Strongest sales momentum is expected from private buy-to-let investors in the coming months

Revenue mix

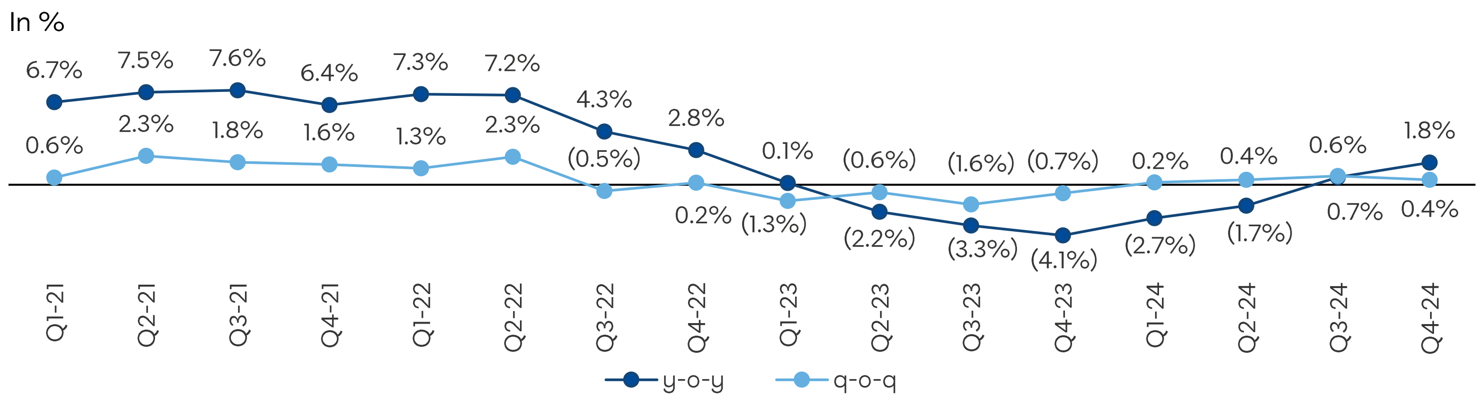
In €m



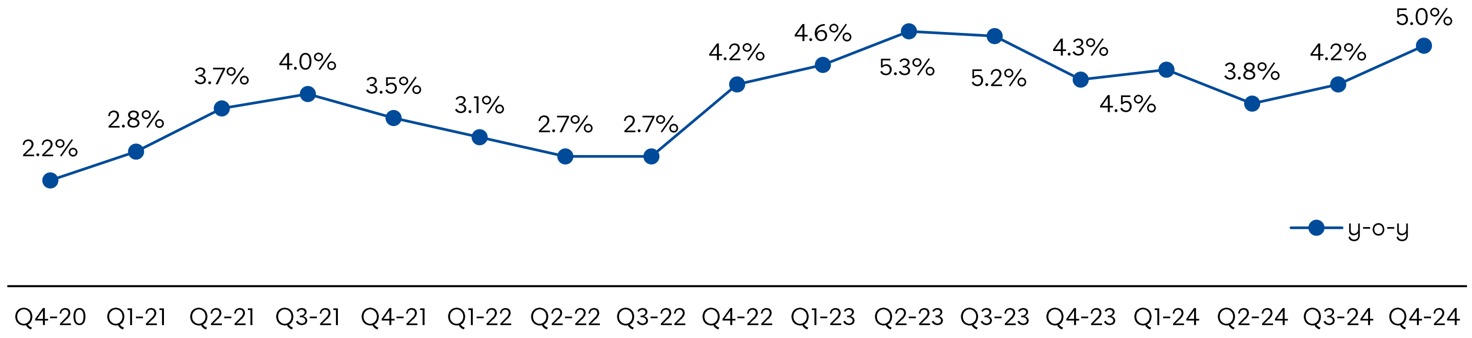
- Pre-sold projects from the past are still major contributor to revenues
- Continued recovery of sales volume translating into revenues with time-lag

Prices entering new upward cycle; sustained dynamic rent growth

House price inflation (new builds)[1]



New-build rent development – Accelerating positive momentum[1]

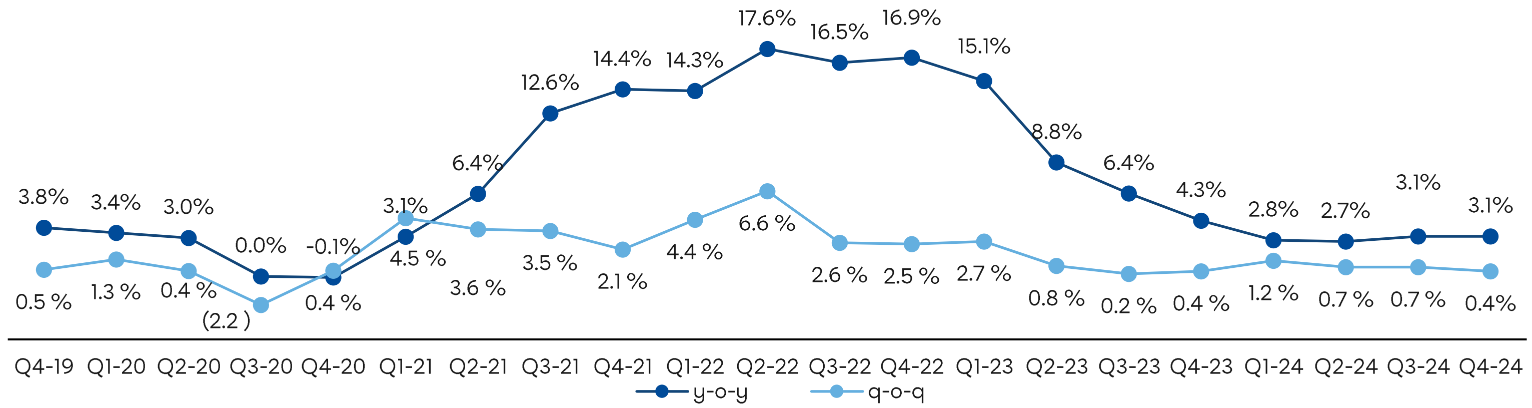


- Q4 figures once again confirm that new build prices have passed the bottom of the cycle
- Significant outperformance of new builds vs. existing stock during downturn due to superior energy efficiency and rent growth
- Rising scarcity for energy efficient apartments in good quality locations drives dynamic rent growth

1 Bulwiengesa data; for house price &rent index, quarterly data condo prices& rents in top 7 cities (new build)

Moderate CPI growth – INS with unrivalled low construction costs

Construction price inflation[1]



- Overall construction price inflation stabilising at a moderate level
- CPI for larger projects is even lower - costs largely stable for Instone

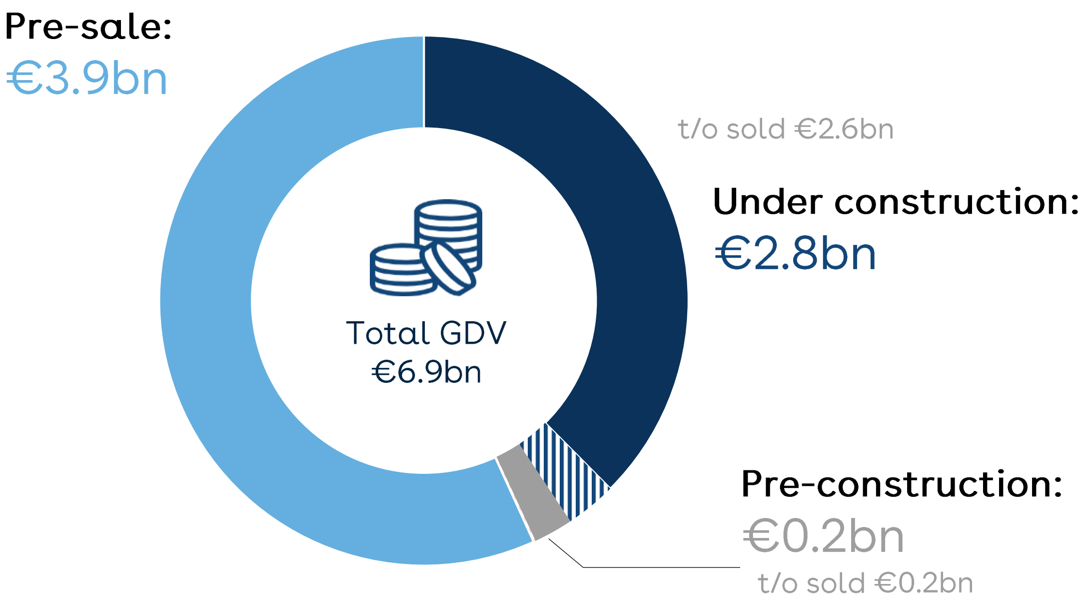
Instone (nyoo) is approaching the market with unrivalled low production costs

- INS is offering third party development with its innovative nyoo product at a very attractive price point for a highly energy efficient product (QNG "40" standard)
- Nyoo currently in several discussions with potential customers for third party development (private and publicly owned housing companies)
- INS's ability to build profitably at a low price point was the key success factor in closing recent institutional deal of the Grafental project (Q4-24)

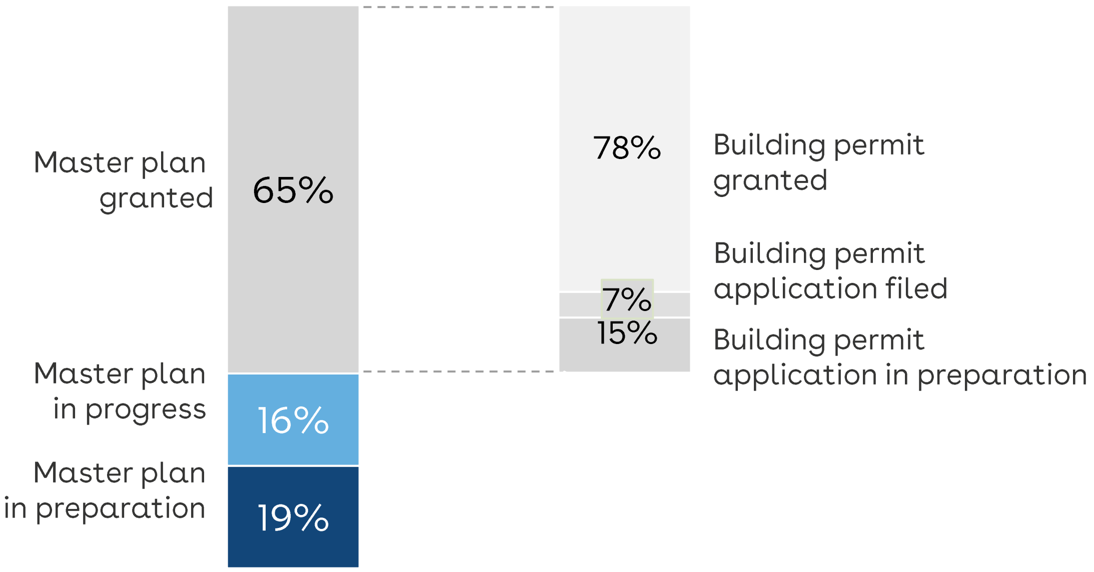
1 Statistisches Bundesamt (Federal Statistical Office)

Under construction projects de-risked with 92% sold

Project portfolio as of 31/12/2024 by development (GDV)



Project portfolio as of 31/12/2024 by building right status (GDV)



- Projects with GDV of c.€2.8bn are "under construction" of which 92% already sold
- Of the c.€2.75bn sold volume as of the reporting date c.€2.23bn has been recognised in revenues
- Some €1.7bn of land bank with zoning rights obtained
- Land value c.€490m + outstanding land payment c.€80m (accounting for c.15% of pre-sales GDV)

Q4 2024 Financial Performance & Outlook

Adjusted results of operations: Solid profitability maintained

€m	Q4 2024	Q4 2023	Change		2024	2023	Change
Revenues	142.7	182.7	(21.9%)	1	527.2	616.0	(14.4%)
Project cost	(116.4)	(138.9)	(16.2%)		(408.0)	(461.5)	(11.6%)
Gross profit	26.3	43.8	(40.0%)		119.2	154.5	(22.8%)
Gross Margin	18.4%	24.0%		2	22.6%	25.1%	
Platform cost	(17.1)	(25.6)	(33.2%)	3	(72.9)	(76.5)	(4.7%)
Share of results of JVs	2.9	2.1		4	11.2	8.1	
EBIT	12.1	20.3	(40.4%)		57.5	86.1	(33.2%)
EBIT Margin	8.5%	11.1%			10.9%	14.0%	
Financial & other results	(1.2)	(2.3)		5	(6.9)	(14.9)	
EBT	10.9	18.0	(39.4%)		50.6	71.2	(28.9%)
EBT Margin	7.6%	9.9%			9.6%	11.6%	
Taxes	(3.1)	(7.0)			(13.7)	(23.1)	
Tax rate	28.1%	38.6%			27.1%	32.4%	
EAT	7.9	11.1	(28.8%)		36.9	48.2	(23.4%)
EAT Margin	5.5%	6.1%			7.0%	7.8%	
EAT post minorities	7.9	11.9	(33.6%)		36.6	49.3	(25.7%)
EPS[1]	0.18	0.27	(33.6%)	6	0.84	1.14	(25.7%)

1. Lower construction output, in line with expectations – bulk of revenues is derived from pre-sold units
2. Sustained high margin level reflects quality of projects and cost control with inhouse construction management; temporary Q4 margin drop due to project mix
3. Platform costs: underlying platform costs decreased significantly (personnel costs -11%); increase of expenses for LTIP due to positive stock performance
4. Increase in JV result reflects positive contribution of Berlin JV
5. Improved financial result mainly due to a reduction in net debt (-€54m in Q4 yoy) and the related rise in interest income; slight increase in capitalized interest (+€0.8m yoy)
6. Lower tax rate due to higher earnings contribution from JV projects

1 Weighted average number of shares 43,323 (2024) / 43,349 (2023)

Very strong balance sheet

€m	31/12/2024	31/12/2023
Corporate debt	137.2	
Project debt[1]	261.5	
Financial debt[1]	398.7	454.5
Cash and cash equivalents and term deposits[1]	(266.2)	
Net financial debt[1]	132.5	186.8
Inventories and contract asset / liabilities	1,258.7	
LTC[1,2]	10.5%	15.1%
Adjusted EBIT (LTM)[3]	57.5	
Adjusted EBITDA (LTM)[3]	62.5	
Net financial debt[1] / adjusted EBITDA	2.1x	2.1x

- LTC (loan-to-cost ratio) decreased to a very low level of 10.5%
- … and very solid net debt/adjusted EBITDA of 2.1x at the trough of the cycle
- Balance sheet offers ample headroom for growth investments in a buyers' market for land

1 Q4/24: Excl. €160m restricted cash and €112.6m financial debt in connection with Project Westville client related subsidized KfW loan
2 Loan-to-Cost: Net financial debt/(Inventories + Contract assets/liabilities)
3 LTM: Last twelve months

Financially very strong position - Firepower for future growth

Cash Flow (€m)	Q4 2024	Q4 2023	2024	2023
EBITDA adj.	13.3	21.6	62.5	91.1
Other non-cash items	3.0	(5.7)	(2.5)	(9.5)
Taxes paid	(6.7)	(17.3)	(19.1)	(44.3)
Change in working capital	(34.1)	90.5	61.6	70.4
Operating cash flow	(24.5)	89.0	102.5	107.7
Land plot acquisition payments (incl. RETT)[1]	42.1	0.2	45.5	10.4
Operating cash flow excl. investments	17.5	89.2	148.0	118.1

- Very strong cash generation from high share of pre-sold projects and highly predicable milestone payments
- Acquisition payments also relate to commitments from prior years (c.€27)
- Projects from the 2024 land acquisitions (Lahnwarte/Frankfurt and Grafental/Dusseldorf) are already in the sales process (land payment only for Grafental project in Q4)

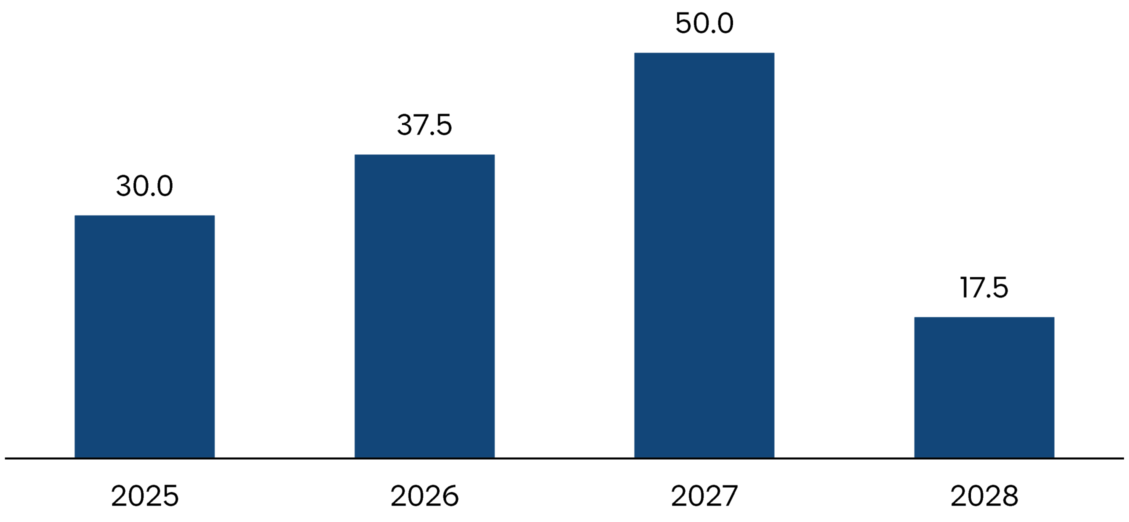
Liquidity (€m)	Total	t/o drawn	t/o available
Corporate debt			
Promissory notes	135.0	135.0	-
Revolving Credit Facilities	141.6	-	141.6
Cash and cash equivalents and term deposits[2]			266.2
Total corporate funds available			**407.8**
Project debt[2]			
Project finance[2,3]	62.5	-	62.5

- Liquidity: Significant net cash position on corporate level (~€270m) plus c. 140m RCF provides significant financial flexibility and providing Instone a major competitive advantage in market consolidation phase
- Acquisitions: Signed two transactions at attractive price points with GDV of €260m in 2024
- Significant acquisition pipeline: Several deals in advanced negotiation process (>500m under exclusivity)

1 RETT: Real Estate Transfer Tax
2 Q4/24 Excl. €160m restricted cash and €112.6m financial debt in connection with Project Westville client related subsidized KFW loan
3 Net available project financing

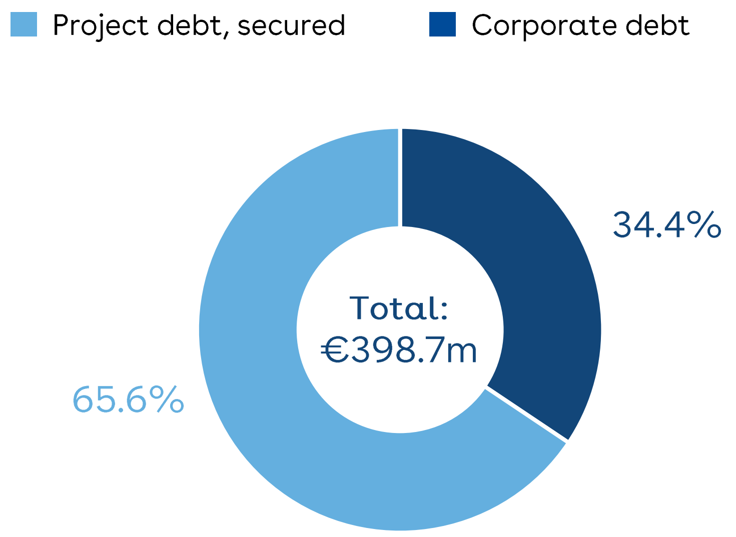
Financing: Strong access to debt financing in tough markets

Maturity profile (corporate debt) as of 31/12/2024



Weighted average corporate debt maturity	2.1 years
Weighted average corporate interest costs	4.56%
Share of corporate debt with floating interest	0%

Secured/unsecured as of 31/12/2024



- Successful smoothing of maturity profile through partial extension of the €100m promissory note in H1-24[1]
- New RCF line of €100m concluded in December, further proof of strong access to debt capital
- Majority of financial debt is project related
- Significant net cash position (c. €130m) on corporate level

1 Refinancing promissory note in 2024: repayment of €35m in 2024, €30m in 2025 and extension of €17.5m to 2026 & 2028 respectively; interest step-up from 4.0% to 4.5% in 08/2025, from 4.5% to 5.25% in 08/2026

Outlook: Delivery on targets & sales revovery expected

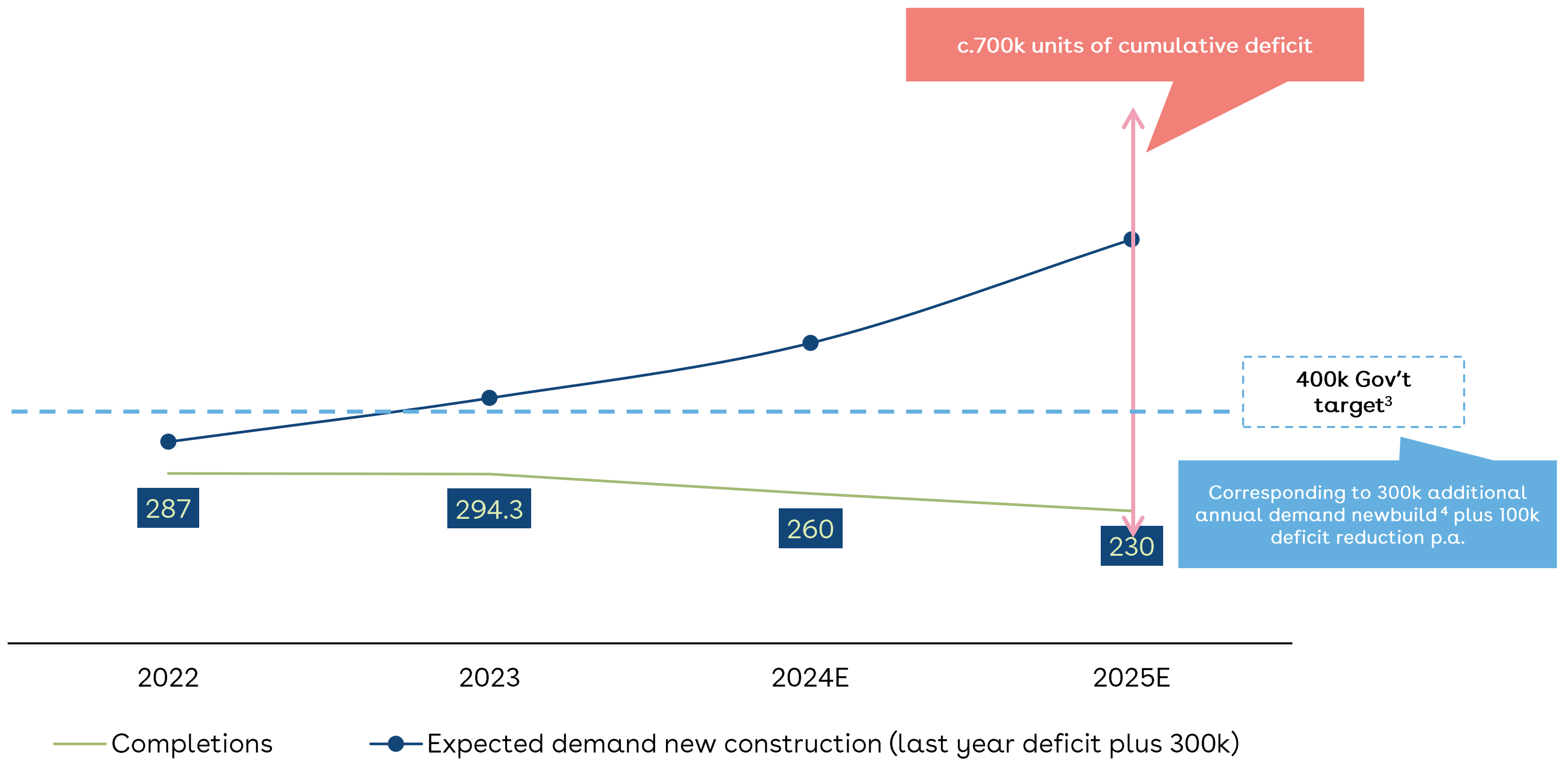
€m	Forecast 2024	Status 2024	Forecast 2025
Revenues (adjusted)	500-600	✓ 527.2	500-600
Gross profit margin (adjusted)	~22%	✓ 22.6%	~23%
EAT (adjusted)	30-40	✓ 36.9	25-35
Volume of concluded sales contracts	>300	✓ 330.2	>500

Market Environment

Structural supply shortage in German resi continues to widen

Expected increase in the structural housing shortage

German housing shortage[1,2]



Continued **growth in demand** for residential space

Expected **increase of 600,000 households** driven by continued **migration** especially from Ukraine (fuelling 1.45m population growth in 2022-2023)

New housing completions consistently below government target; **22% drop in new housing** expected between 2023-2025

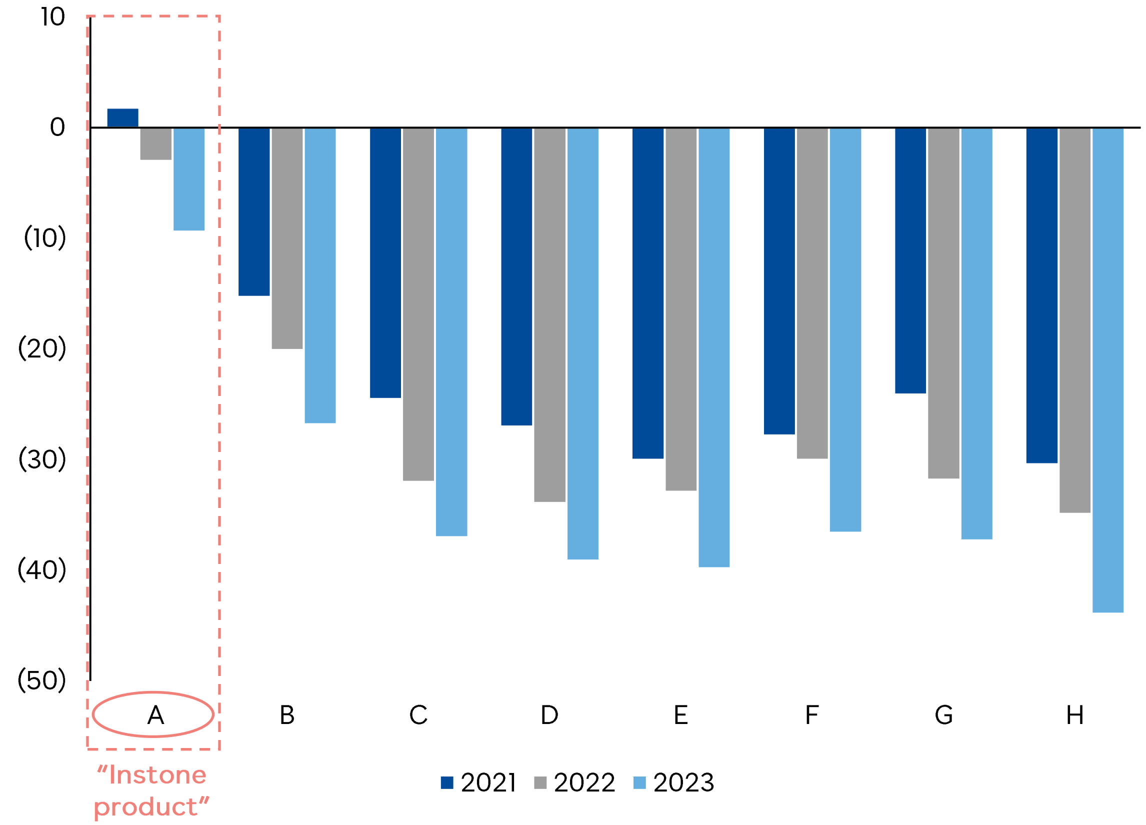
Forecasted **cumulative deficit building up** to c. 700k cumulative units in 2025E

1 Pestel Institute, cumulative deficit c.700k 2025E (cumulative demand for construction less building completions)
2 Demand (ZIA Spring Report); completions 2022A (EIU) 2023E-2025E (ifo Institut); government housing target for supply (Deutsche Bundesbank)
3 Includes 100k deficit reduction p.a.
4 Average demand for newbuild, considering migration and overall population development

New-builds steadily gaining relative attractiveness

Offer prices for multi-family homes: discounts per energy efficiency category[1]

Discounts vs. reference category in %



Further widening of price differential according to energy efficiency

- Stronger expected price drops for non-renovated existing buildings
- **Price premium for energy-certified** properties continues to increase yoy (label H vs. A+ ~45% lower) – **even higher for new builds**
- Investors can **benefit from the strong German ESG regulation**

Instone with leading position for energy efficient buildings

100%
Buildings EU Taxonomy compliant in terms of energy consumption[2]

~80%+
Below German avg. carbon emissions of existing properties

Source: ING Research & Savills
1 Due to change in EU Taxonomy requirements, reporting changed vs. prev. year from project view to revenue relevant view
2 In addition to energy consumption, the EU taxonomy also takes into account other criteria such as the use of greenfield sites or water consumption

Upcoming market consolidation offers vast opportunities

Instone well positioned to exploit market opportunities

- ✓ **Industry leading gross margins** (c.23% in 2024)
- ✓ **Low production costs** vs. peers also due to strong inhouse construction expertise
- ✓ **Affordable selling prices** (c.2,900 €/sqm) for third party turnkey developments (incl. margin, VAT, high KfW40 energy standard)
- ✓ **Robust balance sheet** (LTC 10.5%), strong cash position
- ✓ Strong **cash generation from** projects under construction (~ EUR 190m)
- ✓ Approx. 92% of units under construction (EUR 2.8bn) are already sold
- ✓ Avg. **holding period of unsold land plots > 4 years**. Value creation from land development book value ps: EUR 13.39
- ✓ First project acquired in 2024 with GDV of c.€300m at a significant discount to previous price expectations due to very low competition

Larger players are abandoning the business, and many smaller players are struggling

Players with **weak balance sheet** and/or **lower margins** are suffering most

Many players bought land at peak of cycle with **high financial leverage** (land ready for construction without operational upside)

1 43,322,575 shares as of 31/12/2024

nyoo: Growth Perspective

Mid to long-term opportunity: nyoo

Instone's nationwide platform and innovative approach for affordable housing offer opportunity to fill demand gap

Key challenges for reduced construction costs

1. Highly fragmented market
2. Government requisites for building and social housing
3. Federal states with their individual housing regulations (and also municipalities)
4. Highly qualified staff required due to construction complexity and customer individualisation
5. Low innovation spirit

Key pathways for cost-efficiency

- Simplification of product
- Standardisation of planning
- Industrialisation of development and construction

Solutions–How does Instone do it?

- ✓ Standardisation
- ✓ Digital modular planning process
- ✓ High architectural and ESG standards
- ✓ Target locations in B cities
- ✓ Target lower-mid markets–between social housing and core business

Benefits

- Expand addressable market
- Scalability & growth potential
- Competitive positioning
- Strong margins & capital returns

First projects confirm INS's competitive edge

Affordable housing segment – recent track record

DUS 19, Düsseldorf (Unterbach)

- Land plot ~5,300 sqm
- Living space: ~5,000 sqm
- 66 units (52 publicly subsidized)
- Energy efficiency standard KfW 55

Completed in May 2023

DUI 76, Duisburg (Buchholz)

- Land plot ~5,400 sqm
- Living space: ~6,200 sqm
- 78 units (46-125 sqm)
- Energy efficiency standard KfW 55, green roofs

Completed in September 2023

Grafental, Düsseldorf (Flingern Nord)

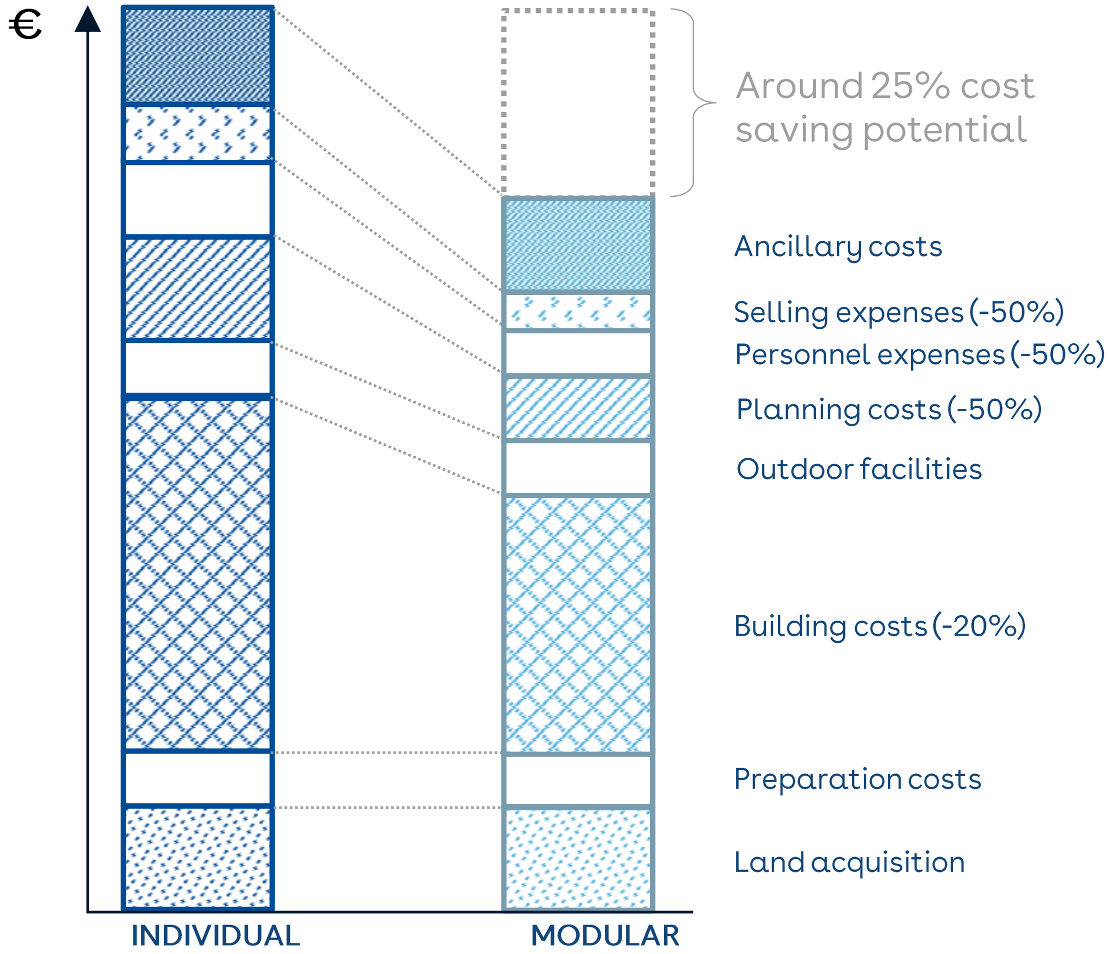
- Joint project with INS Development (core product). nyoo part includes:
  - Land plot ~5,760 sqm
  - Living space ~12,470 sqm
  - 167 units (49-103 sqm)
  - High energy efficiency standard Effizienzhaus-NH-40

DUI 06, Duisburg (Wedau)

- Land plot ~15,800 sqm
- Living space ~16,000 sqm
- 155 apartments, 26 town houses
- High energy efficiency standard Effizienzhaus-NH-40, green roofs

Unrivalled low production costs achievable

PROJECT COSTS



Around 25% cost saving potential

- Reduction of total production cost including planning, marketing, sales etc.

Cost savings by standardisation

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

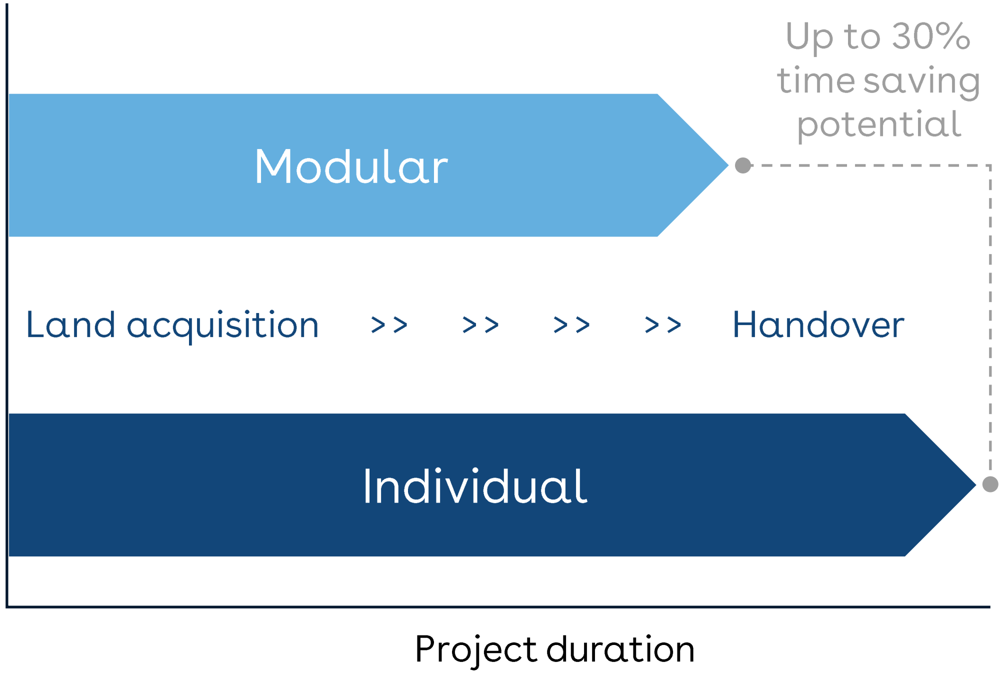
~20% reduction of building costs

- Reducing underground construction
- Optimised floor planning
- Standardisation of materials

Further potential

- Prefabrication
- Scalability potential

Considerable savings in project duration resulting in superior project IRR



Time savings

- ~ 6m of planning and approval process
- Up to 12m of construction process

Additional potential

- Prefabrication / industrialisation reaching critical mass in scale
- Type approval

Highly attractive project economics

Project related economics

Project size	€20-50m	▪ Standardised planning and simplified execution provides for attractive economics in smaller size projects
Target gross margin	~20%	▪ Projects gross margins expected to be lower compared to target margins for INS core product ▪ Lower margin reflects reduced capital intensity, platform costs and risk profile of nyoo product
Target EBIT margin	In line with core product	▪ EBIT margin in line with core product ▪ Standardised planning and more efficient / repetitive construction works allow for leaner nyoo platform costs vs INS core product
Target IRR/ ROCE	Exceeding core product	▪ Accelerated planning, reduced complexity, minimized underground construction as well as sales more geared towards institutions result in improved project IRR and superior ROCE

Comparison of products

	Traditional Instone Product	Instone nyoo
Price	▪ Mid to high price segment ▪ €5,000/sqm–9,000/sqm	▪ **Lower to mid-price segment** (between social housing and Instone core product) ▪ Approx. €4,000/sqm–5,000/sqm
Complexity	▪ Customization and optionality ▪ Includes underground construction	▪ **Standardisation** and low optionality ▪ Minimising underground construction
Location	▪ Focused on largest metropolitan areas	▪ Focused on well-connected **B locations**
Project size	▪ >€50m ▪ Development of entire residential quarters; including master planning process	▪ >€20m ▪ Less complex projects
Target customer	▪ Mid-high income owner occupiers and buy-to-let investors ▪ Institutional investors	▪ Municipal housing companies ▪ Professional landlords; less owner occupiers ▪ Institutional investors

ESG Strategy

Driving sustainable success: how value creation is linked to sustainability

Major ESG-KPIs achievements

- EU Taxonomy-compliant revenues: 94.7% in 2024 (up from 90% in 2023)
- *Share of projects/objects with energy requirements at least NZEB - 10%: 100%*
- GHG emissions scope 1 and 2 reduced by 62.3% from the base year 2020, in line with SBTi
- *Implementation of 7 working groups with focus on ESG topics (predominantly reduction Scope 3 emissions) comprising 30 employees*
- Social impact scoring model *which is applied to each project*
- *Successfully implementation of the diversity target by increasing female representation on the supervisory board to >30% ;* share of female employees and *2nd management level increased to 33%* (up from 28% in 2023)
- *On track with implementation of voluntary[1] CSRD/ESRS reporting*

Key objectives

Predominantly **EU taxonomy-compliant**

100% of project/object portfolio with energy requirements of NZEB-10% **by 2030**

GHG emissions **scope 1 and 2** reduction **target of 42% reached.**

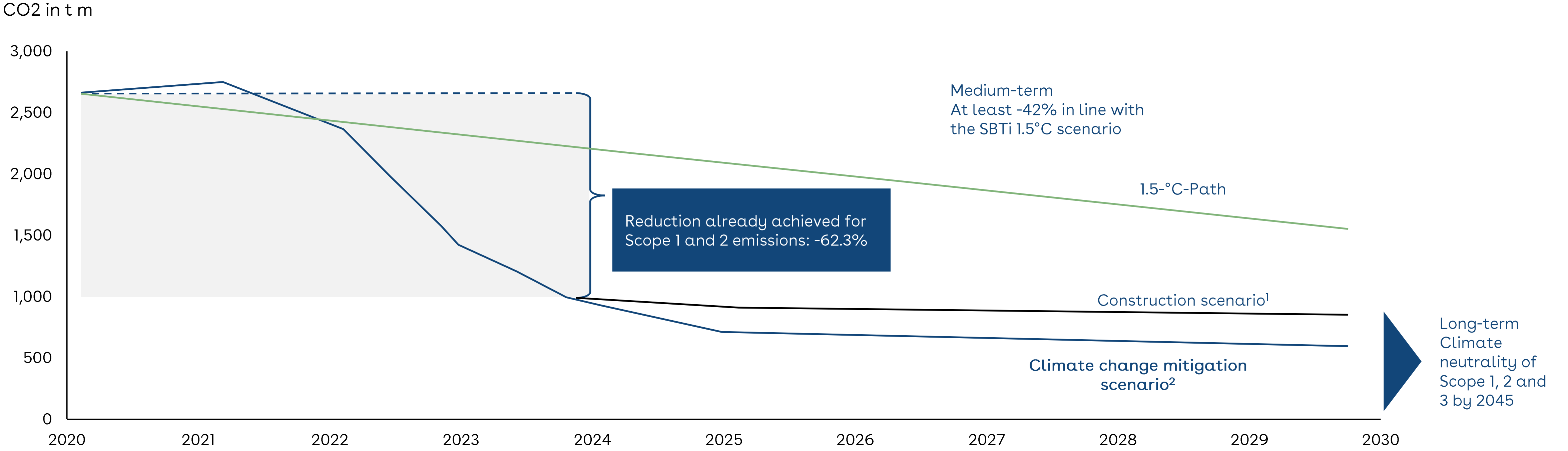
Net Zero climate neutrality **by 2045**

Continuous expansion of ESG governance

1 Final EU decision regarding CSRD reporting is pending

Clear pathway to reduce GHG emissions scope 1 to 3

Scope 1 & 2 emissions: projected vs. achieved



- Scope 1 and 2 emissions reduced by 62.3% in 2024 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 1-3 emissions, a reduction of 10.6% in 2024 compared to the previous year

1 Construction scenario scenario: based on the assumption that decarbonizing the energy sector is only progressing moderately
2 Climate change mitigation scenario: based on the assumption that decarbonizing the energy sector achieves climate neutrality in 2045

ESG: Top rating underscores commitment to industry leadership

Instone Real Estate Group SE

Real Estate Development   Germany   ETR:INS

ESG Risk Rating **11.4** **-0.6**

Last Full Update Nov 8, 2024   Momentum

Low Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

ESG Risk Rating Ranking

UNIVERSE	RANK (1st = lowest risk)	PERCENTILE (1st = Top Score)
Global Universe	616/15079	5th
Real Estate INDUSTRY	147/1008	15th
Real Estate Development SUBINDUSTRY	4/275	2nd

SUSTAINALYTICS
a Morningstar company

- Instone among the top 2% of the 275 global real estate development companies, improved score vs. 2023
- Top 5% across all sectors

Appendix

Project portfolio key figures

€m	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Volume of sales contracts	173.6	34.7	33.9	88.0	120.1	20.2	18.4	52.7	42.0
Project Portfolio	6,891.1	7,111.0	7,124.9	6,885.8	6,972.0	7,015.5	7,182.6	7,600.4	7,668.8
thereof already sold	*2,755.0*	*2,675.8*	*2,784.8*	*2,781.1*	*2,693.4*	*2,822.7*	*2,868.8*	*2,958.7*	*2,987.3*
thereof already realized revenues	*2,281.8*	*2,231.6*	*2,246.3*	*2,140.7*	*2,022.5*	*2,089.4*	*2,002.2*	*1,944.7*	*1,902.7*

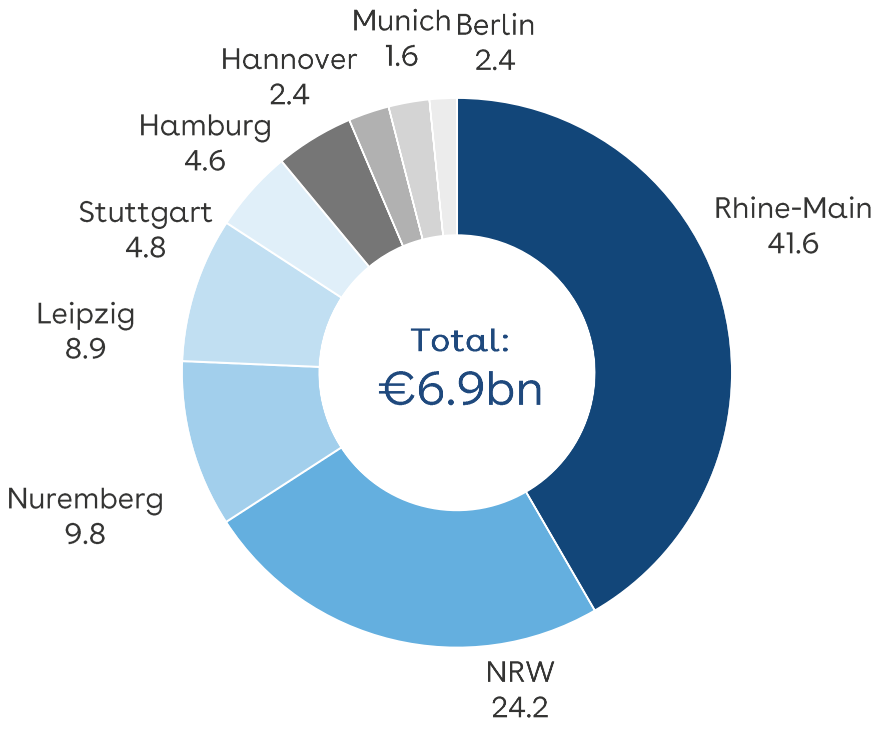
Units	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Volume of sales contracts	366	55	68	213	195	37	28	110	44
Project Portfolio	14,243	14,650	14,760	14,252	14,252	14,269	15,148	16,107	16,209
thereof already sold	*6,188*	*6,074*	*6,448*	*6,430*	*6,217*	*6,588*	*7,017*	*7,198*	*7,309*

(Unless otherwise stated, the figures are quarterly values)

Diversified project portfolio across most attractive German regions

Project portfolio as of 31/12/2024 by region (GDV)

In %

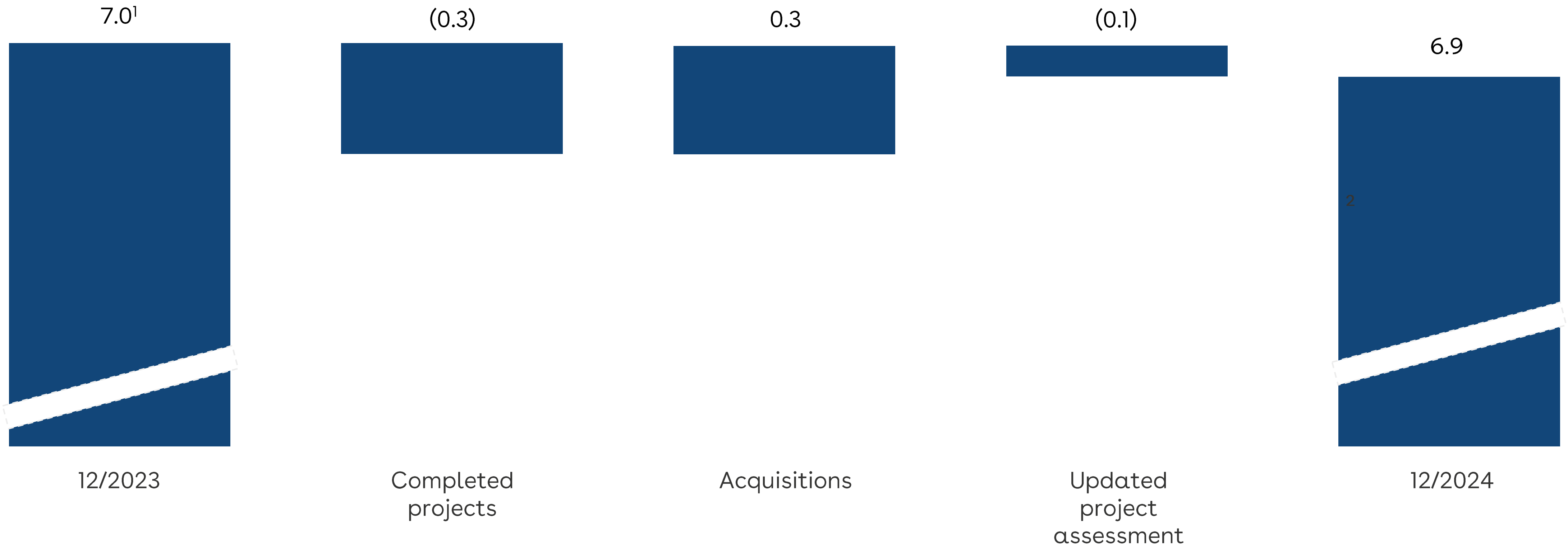


- 42 projects / 14,243 units / ~1,275m sqm of saleable space
- 98% in metropolitan regions
- ~78 average sqm / unit
- ~€5,709 ASP / sqm
- Additional four JV projects (Instone share of GDV: ~€630m)

Significant pipeline; well prepared to seize market opportunities

Project portfolio development (GDV)

In €bn



1 excluding GDV of at-equity JVs

Expected future cash flows suggest significant upside[1]

Fundamental Instone value rests on three distinct pillars

1 Pre-sold projects

- c.€2.8bn currently under construction
  - t/o c.€2.6bn pre-sold (92%)
- In addition c.€170m 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[2] of ~€490m; average vintage >4 years

→ Substantial incremental value

3 Upside from construction starts and acquisitions

- CF potential from new construction starts which will increase as of H2-25 in particular
- Ability to source new projects with very attractive future CF potential
- Highly attractive acquisition opportunities likely to materialise within 12-24 months

(As of 31 December 2024; in €m)	
De-risked free cash flow from projects under construction[1]	~190m
Unsold land bank at cost[2]	~490m
Notional gross asset value[2]	**>680m**
Net debt	-132.4m
Notional value to shareholders[3]	**>550m**

1 Free cash flow post platform cost and taxes; Incl. proportionate share of at-equity JVs
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)

Growth Opportunities Act with attractive tax incentives for new-build properties (scenario analysis)

Model assumptions	
Price / sqm	€5,700
Lettable space	85 sqm
Purchase price	€484,500
Ancillary costs	€38,760
Land (18% of total purchase price)	€94,187
Building costs	€429,073
Building costs per sqm	€5,048
Rental yield	4%
Rental growth p.a.	2.5%
Equity ratio (20%)	135,660 €
Debt interest rate	3.5%
Income tax	44%

Payback of capital from tax incentives		
	4 years	10 years
Total depreciation	€142,658	€218,532
Depreciation as % of total purchase price	27.3%	41.8%
Tax incentive	€63,212	€96,831
Tax incentive as % of total purchase price	12.1%	18.5%
Tax incentive as % of equity	46.6%	71%

Attractive post tax returns		
Average RoE (cash returns)	14.5%	10.7%
Tax free disposal gains after 10 years		

- Tax incentives allow for fast payback of capital and highly attractive inflation protected post tax returns for buy-to-let investors
- Tax free disposal gains after 10 years

- Growth Opportunities Act:
  - 5% degressive on new build properties
  - plus additional 5% linear depreciation over 4 years (according to § 7) if tax relevant building costs are <5,200 €/sqm and energy standard of QNG 40 certification is met

Project portfolio as of 31/12/2024

Projects > €30m sales volume, representing total: ~ €6.9bn – JVs are not included

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Planning right obtained	Sales start	Construction started
Hamburg							
Kösliner Weg	Norderstedt	101m €	24,539	●	●	2025	
RBO	Hamburg	219m €	29,902	●	●	●	●
Büntekamp	Hanover	169m €	25,044	●	◑	2026	
Berlin							
Nauen	Nauen	163m €	28,686	●	●	2026	
NRW							
Unterbach	Düsseldorf	190m €	40,229	●	●	◑	●
Literaturquartier	Essen	N/A	18,178	●	●	●	●
REME	Mönchengladbach	128m €	28,315		◑	2030	
west.side	Bonn	204m €	63,739	●	●	●	●
Gartenstadtquartier	Dortmund	95m €	25,514	●	◑	2025	
Bickendorf	Cologne	650m €	146,713	●		2028	
6-Seen Wedau	Duisburg	81m €	16,589	●	●	2025	
Kempen	Kempen	50m €	11,103	●	◑	2025	
Grafental	Düsseldorf	189m €	29,765	●	●	◑	

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

Project portfolio as of 31/12/2024

Projects > €30m sales volume, representing total: ~ €6.9bn – JVs are not included

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Planning right obtained	Sales start	Construction started
Rhine-Main							
Delkenheim	Wiesbaden	113m €	51,395	●	●	●	●
Schönhof-Viertel	Frankfurt	619m €	91,399	●	●	◑	◑
Friedberger Landstr.	Frankfurt	308m €	38,241		◑	2027	
Elisabethenareal	Frankfurt	85m €	9,989	●	●	2026	
Steinbacher Hohl	Frankfurt	N/A	13,746	●	●	●	●
Westville	Frankfurt	N/A	101,224	●	●	●	●
Heusenstamm	Heusenstamm	173m €	39,364	●		2025	
Kesselstädter	Maintal	232m €	38,315	●	◑	2026	
Polaris	Hofheim	67m €	10,215	●	●	2025	
Rheinblick	Wiesbaden	315m €	51,751	●		2026	
Eichenheege	Maintal	118m €	18,055	●		2027	
Lahnstraße	Frankfurt	80m €	10,334	●	●	2025	
Leipzig							
Parkresidenz	Leipzig	289m €	66,227	●	●	◑	◑
Semmelweis 9	Leipzig	68m €	24,218	●	●	2025	
Rosa-Luxemburg	Leipzig	170m €	26,656	●		2026	
Heide Süd	Halle	59m €	10,521	●	●	2026	

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

Project portfolio as of 31/12/2024

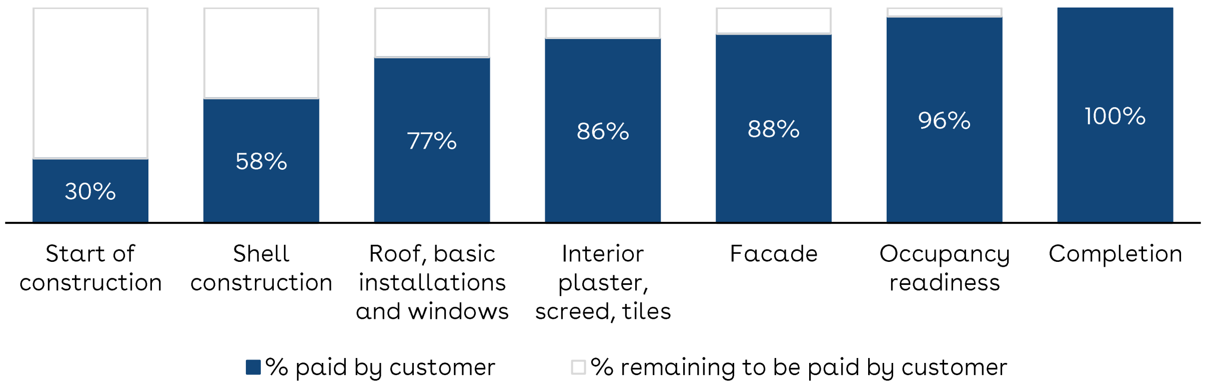
Projects > €30m sales volume, representing total: ~ €6.9bn – JVs are not included

Project	Location	Sales volume (expected)	Lettable space (sqm)	Land plot acquired	Planning right obtained	Sales start	Construction started
Baden-Wurttemberg							
Rottenburg	Rottenburg	172m €	33,930	●	●	●	●
Herrenberg III, Schäferlinde	Herrenberg	80m €	13,963	●	◑	2026	
Herrenberg II, Zeppelinstraße	Herrenberg	80m €	14,888	●	●	2025	
Bavaria South							
Ottobrunner	Munich	111m €	10,102	●	●	2025	
Bavaria North							
Eslarner Straße	Nuremberg	N/A	12,570	●	●	●	●
Lagarde	Bamberg	90m €	17,773	●	●	●	◑
Schopenhauer	Nuremberg	65m €	11,206	●	●	●	●
Seetor	Nuremberg	112m €	16,134	●	●	●	●
Boxdorf	Nuremberg	66m €	10,098	●	●	●	●
Thumenberger	Nuremberg	126m €	16,548	●	●	2025	
Worzeldorf	Nuremberg	69m €	11,428	●	◑	2026	
Lichtenreuth	Nuremberg	87m €	11,558	●	●	2026	

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

Favourable regulatory framework leading to attractive cash flow profile

Private Customer's Payment Profile for German residential development projects



German regulatory framework for customer payments compared to other European markets

UK	Ireland	Spain	France
5% upfront	10% upfront	10% upfront	35% upfront
		10% over construction period	65% over construction period
95% at completion	90% at completion	80% at completion	

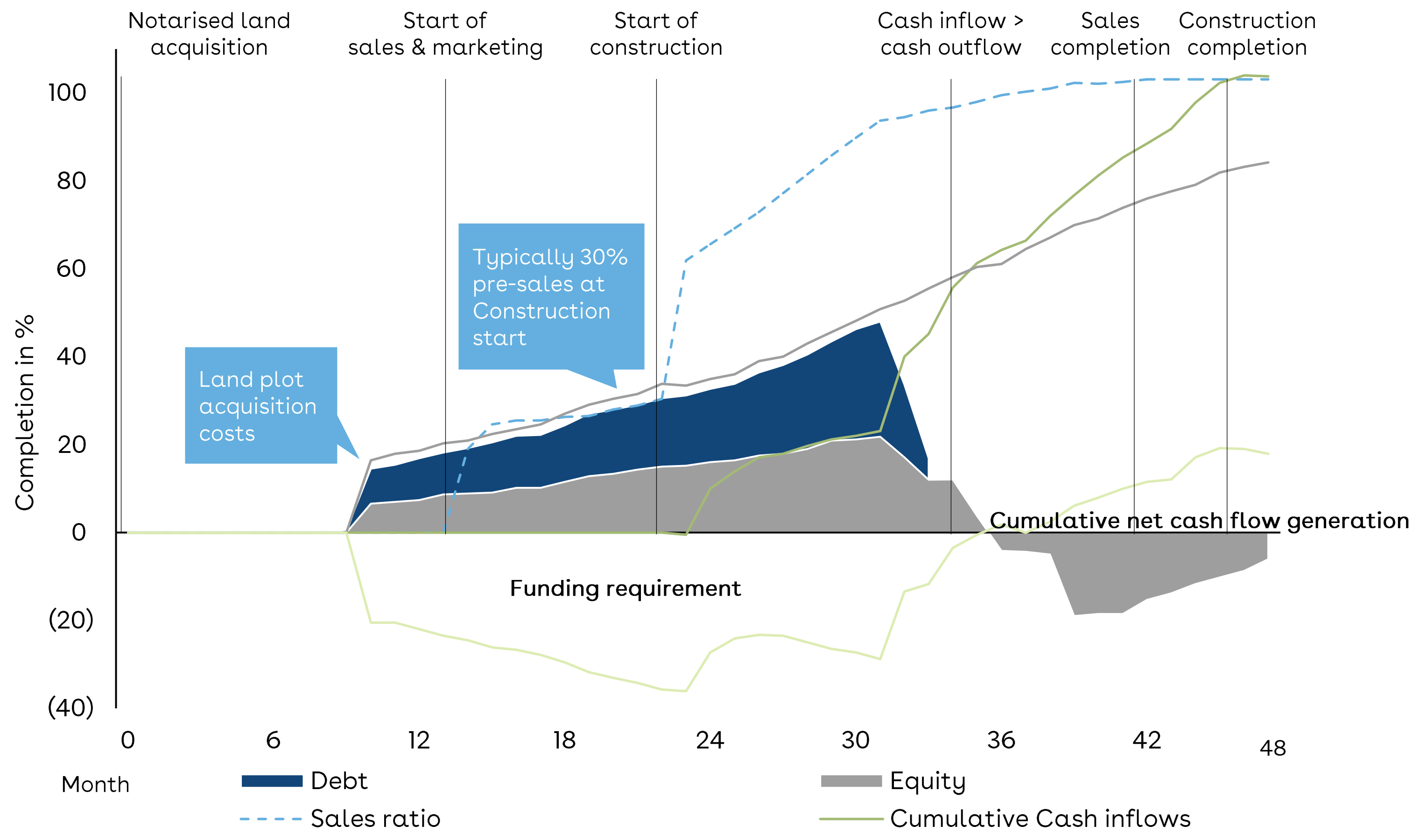
- **De risked:** B2C development process per se low-risk via regulatory framework ("MaBV")[1]
- **Certainty:** No cancellation possibilities
- **Capital-light:** Predefined payment schedule limiting equity requirement from Instone
- **Very favourable payment schedules** vs. other European countries,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

Significant amount of construction costs covered by customers' regular payments

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

Funding requirements minimized due to high pre-sales levels

Illustrative cumulative financing profile of a typical B2C Instone project



- Debt financing land c.50% (with zoning c.75%)
- Debt financing construction up to c.80%
- Revenue recognition: *GDV x Sales Progress (%) x Construction Progress (%)*

Supportive German subsidy schemes

Key positives from new subsidy scheme

The German government increases tax depreciation and invests >€1bn p.a. to support owner-occupiers (help-to-buy) and new build of rental apartments

Programme details	▪ Name: Social housing subsidies ▪ Budget: €3.15bn in 2024 (€18.15bn total volume until 2027) ▪ 40% of investment born by the federal states (additionally)	▪ Name: Degressive Depreciation (Growth Opportunities Act) ▪ Volume: 5% depreciation p.a.; can be **combined with 5% special depreciation** (§ 7 EstG) if tax relevant selling price excl. land is below €5,200 / sqm (QNG criteria must be met)	▪ Name: **"Wohneigentum für Familien"** = homes for families ▪ Volume: €350m ▪ Start: 16/10/2023	▪ Name: **"Klimafreundlicher Neubau"** = climate friendly new-build ▪ Volume: €0.76bn (KFN)[2] ▪ Start: 2023; Renewal: February-2024	▪ Name: **"Klimafreundlicher Neubau im Niedrigpreissegment"** = climate friendly new-build in the affordable segment ▪ **Volume: €2bn** ▪ Start: Oct-24 - Dec-25
Recipient	▪ Beneficiary: Housing companies, institutional and private investors ▪ Eligibility: – New construction, extension or conversion of new living space – Modernisation of existing space – Social rental apartments or owner-occupied residential properties	▪ Buy-to-let investors ▪ For newly built residential properties	▪ Families with at least 1 child <18 years living in their household ▪ Household income of max. €90,000 (up from €60,000 previously) plus €10,000 per child ▪ Required to own at least 50% of the building (as only home in Germany)	▪ Resi landlords, other institutional or private investors	▪ Private investor, corporates or other investors
Objective	▪ Support the construction and modernisation of social housing	▪ Expected to have a positive impact on the return expectations ▪ Increased willingness to pay from private buy-to-let investors (due to full tax deductibility from personal income) ▪ Boost construction of rental apartments	▪ Help-to-buy: Build or buy new home/condominium for own use for the first time (for at least 10 years) ▪ Energy efficiency: – At least energy standard KfW40 (plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude") – Higher subsidies possible with the additional certificate for sustainable buildings "QNG"	▪ New build of energy efficient buildings ▪ Energy efficiency – At least energy standard KfW40 (plus additional requirements regarding GHG emissions defined in regulation "Qualitätssiegel Nachhaltiges Gebäude") – Higher subsidies possible with additional certificate for sustainable buildings "QNG" – Use of fossil fuels not allowed	▪ Increase supply in the affordable rental segment (space efficient and climate friendly) ▪ Energy efficiency: – Energy standard 55 (no fossil fuels) – Emission targets over the life cycle have to be met (including construction) – QNG ▪ Cap for construction costs and floor space
Subsidies	▪ Loan per apartment: €200k ▪ Amortisation discount: 30-35% ▪ Interest rate: 0-0.5% ▪ Required minimum energy standard of 55	▪ Increase of depreciation on newly built residential properties from (currently) 3% linear to 5% degressive p.a.; threshold for special depreciation from €4,800 to 5,200 / sqm	▪ No direct grant; max. one housing unit ▪ Subsidized mortgages, reduced interest costs (0.01%-0.8%[1]) by federal KfW Bank – €90-270k loan volume (with QNG certificate) – Will be accepted as equity substitute	▪ No direct grant ▪ Subsidized mortgages (2.52%- 3.02%) by federal KfW Bank (volumes per unit) – Max. €100,000 loan volume – Up to €150,000 with QNG certificate	▪ No direct grant ▪ Subsidized loans – €100,000 per apartment – Different durations (e.g. 1% for 10 yrs)

1 Relates to annuity mortgages (10 year fixed rates). Bullet repayments at end of term priced at 1.15% p.a.
2 Includes Klimafreundlicher Neubau (KFN)

Major ESG-KPIs – achievements

	Major KPIs	2024	2023
E	Taxonomy-compliant revenues (in %)	94.7	90.0
	GHG emissions / scope 1 - 3 abs.	178.174 t CO2e	197,657 t CO2e
	GHG emissions / scope 1 - 2 abs.	1,001 t CO_2e	1,437 t CO_2e
S	Share of female employees in management positions (below C-level)	16.7% (1st) / 33.3% (2nd)/	20% (1st) / 28% (2nd)/
	Code of Conduct for employees and contractors (UN Charter)	100%	100%
G	Employee compliance and data protection training	100%	100%
	Compliance cases (suspected)	0	0
	Diversity Supervisory Board (female share)	33%	33%

Neckar.Au, Rottenburg

Social Impact for the society and the newly developed quarter

- Reduction of sealing by converting a former commercial area into a residential area
- Five construction sites with around 480 apartments
- Extensive (roof) greening to improve the quality of stay
- Around 11,300 sqm for playgrounds and green spaces an around 420 bicycle parking spaces
- Use of CO2 reduced concrete
- Implementation of 4 residential groups with 24 places for people with mental and/or physical disabilities in cooperation with the Liebenau Foundation in cooperation with FUNKE e.V.

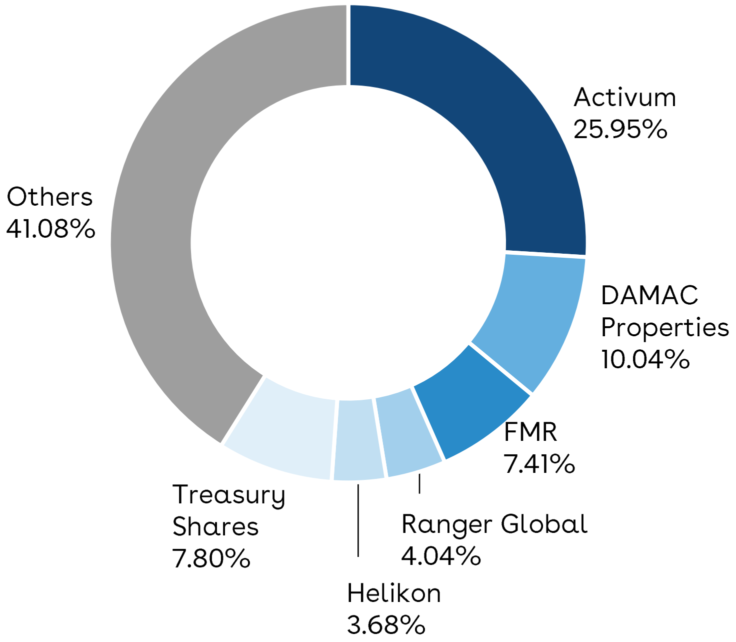
> Highly liveable quarters with great social impact

Instone share

Basic data

- ISIN: DE000A2NBX80
- Ticker symbol: INS
- No of shares: 46,988,336
- Market cap: €390.9m
- Average daily trading volume: €0.12m
- Market segment: Prime Standard, Frankfurt

Shareholder structure (March 2025)



1 Based on closing price on 01/03/ 2025 at €8.32

Financial calendar

2025

18	**March**	2025	Annual Report 2024
21	**March**	2025	BofA EMEA Real Estate CEO Conference 2025, London
24	**March**	2025	Roadshow Paris, Kepler Cheuvreux
08	**May**	2025	Quarterly Statement for the first three months of 2025
11	**June**	2025	Annual General Meeting, Essen
12	**June**	2025	Warburg Highlights Conference, Hamburg
07	**August**	2025	Group Interim Report for the first half of 2025

The Instone Management Board

Kruno Crepulja

CEO

- CEO since 2008 (of Instone's predecessor formart)
- Comprehensive experience as an engineer, site manager and project developer
- 17-year career on the management boards of large development companies
- Appointed until 31 December 2025

David Dreyfus

CFO

- CFO, since September 1, 2023
- >28 years of experience in corporate finance and capital markets, including as Director with Lazard and Senior Partner of Lilja & Co.
- Mr. Dreyfus already advised Instone in preparation and execution of its IPO in 2017 and 2018
- Appointed until 31 December 2027

Andreas Gräf

COO

- COO since 2008 (of Instone's predecessor formart)
- Established the residential development as a standalone business model at HOCHTIEF
- Working in the construction and real estate sector for 30 years
- Appointed until 31 December 2025

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