

Proposal of the Management Board on the appropriation of net retained profits according to sec. 170 Abs. 2 AktG

The Management Board intends to propose to the Annual General Meeting on 9 June 2021 the following appropriation of net retained profits:

1. Distribution to shareholders	Distribution of a dividend of EUR 0.26 per entitled share = EUR 12,216,967.36
2. Transfer to retained earnings	EUR 0
3. Carryforward to new account	EUR 2,452,194.14
4. Retained net profit	EUR 14,669,161.50

The total dividend is based on the eligible share capital on 11 March 2021 of EUR 46,988,336, divided among 46,988,336 no-par shares. The number of eligible shares may change by the date of the resolution on the appropriation of net retained profits. In such event, the Management Board and the Supervisory Board will propose an adjusted resolution for the appropriation of profits that will still allow for a distribution of EUR 0.26 per eligible share.

The retained net profit results from a net loss of EUR -15,774,540.93 including a profit carried forward of EUR 17,642,170.58 from the previous year and a withdrawal from the capital reserves of EUR 12,801,531.85.

Assuming the dividend proposal is approved, the following applies to the payment of the dividend: As the dividend for the 2020 financial year will be paid entirely from the capital contributions account for tax purposes as referred to by section 27 of the Körperschaftsteuergesetz (KStG – German Corporation Tax Act) (rather than contributions paid into nominal capital), the dividend will be paid without the deduction of capital gains tax or the solidarity surcharge. The dividend is not subject to taxation for domestic shareholders. It therefore does not entail the possibility of a tax refund or tax credit. In the opinion of the German fiscal authorities, the distribution reduces the acquisition cost of the shares for tax purposes. Shareholders who are resident in the Netherlands (or shareholders not resident in the Netherlands that have a permanent establishment in the Netherlands to which the shares of the Company are attributed) and who are subject to Dutch capital gains tax are requested to inform the Company electronically of the shares they hold as at the date of the Annual General Meeting at **hauptversammlung@instone.de** to allow the technical settlement of the dividend.