

Instone Group: Very solid business performance in the first three quarters of 2025 with strong momentum in retail sales; annual targets for 2025 confirmed

- *Adjusted revenues of EUR 347.5 million in the first three quarters of 2025 (9M-2024: EUR 384.5 million) are in line with expectations*
- *Continued high adjusted gross profit margin of 23.9 per cent compared to the industry (9M-2024: 24.2 per cent), remains proof of the quality of Instone Group's projects and cost leadership*
- *Sales of EUR 229.0 million (9M-2024: EUR 156.6 million) are significantly higher than in the previous year, with strong demand from private investors*
- *Adjusted earnings after tax of EUR 21.4 million (9M-2024: EUR 29.0 million) underscores solid profitability and on-track performance with regard to annual targets*
- *Acquisition of land with a GDV of over EUR 1.1 billion year-to-date signals a return to growth strategy*
- *With a very strong balance sheet (loan-to-cost: 13.6 per cent) the company is well positioned for further growth.*
- *Outlook for 2025 confirmed: revenues of EUR 500 to 600 million, earnings after tax of EUR 25 to 35 million, sales of more than EUR 500 million*

Essen, Germany 6 November 2025: Instone Real Estate Group SE ("Instone Group") is well on track to achieving all of its targets for the 2025 financial year, despite operating in an environment characterised by numerous macroeconomic uncertainties. Strong demand from private investors continues to have a positive impact on business development. The launch of new projects is a key growth driver in this regard. Single unit sales to private end customers have seen a very dynamic increase overall compared with the previous year, with growth accelerating further during the course of the year. The recovery in demand among institutional investors is still moving at a much slower pace, but Instone Group is in advanced talks with investors regarding several potential transactions and is confident that this customer segment will also make a significant contribution to achieving its sales target of EUR 500 million in 2025.



Based on current demand indicators, the company clearly expects the gradual market recovery to continue.

Instone Group maintains industry-leading profitability

Adjusted revenues amounted to EUR 347.5 million in the first three quarters of 2025 and were below the previous year's level as expected (9M-2024: EUR 384.5 million), due to a lower construction output. Instone Group continued to benefit from the high proportion of pre-sold projects. Of the projects under construction, totalling around EUR 2.7 billion, around 91 per cent had already been sold by the reporting date.

The adjusted gross profit margin remained at very high and industry-leading level of 23.9 per cent in the first nine months of 2025 (9M-2024: 24.2 per cent). The company's leading profitability underlines the quality of its project portfolio and also benefits from structural competitive advantages such as economies of scale in purchasing and the high level of vertical integration with in-house construction management.

Due to lower revenues and a corresponding decline in adjusted gross profit, adjusted operating profit (adjusted EBIT) decreased to EUR 35.2 million (9M-2024: EUR 45.4 million) despite reduced platform costs. Adjusted earnings after taxes (EAT) of EUR 21.4 million were, as expected, slightly lower than in the previous year (9M-2024: EUR 29.0 million) due to somewhat higher net interest expenses. Nevertheless, the company is well on course to achieving its profit target for the 2025 financial year.

Continued dynamic growth in retail sales; final quarter of 2025 promises further increase in sales volume

Instone Group sold properties worth around EUR 229.0 million in the first three quarters of 2025 showing a significant increase in comparison to the previous year (9M-2024: EUR 156.6 million). Single-unit sales to private buy-to-let investors and owner occupiers showed very dynamic growth despite ongoing macroeconomic uncertainties. Accordingly, sales revenues from retail sales rose by around 88 per cent to approximately EUR 166.5 million in the first 9 months of 2025 (9M-2024: EUR 88.7 million). The sales starts of five new projects made a significant contribution to this. These projects are tailored to the attractive promotion scheme

for buy-to-let investors under the Growth Opportunities Act. These products benefit from the increased degressive depreciation of 5.0 per cent and an additional linear special depreciation of a further 5.0 per cent over four years for energy-efficient properties which provide a basis for very attractive post-tax returns for buy-to-let. Further sales launches are planned for the fourth quarter and some have already been implemented, which should contribute to additional growth acceleration in the final quarter.

The institutional market is still characterised by a generally higher level of reluctance to buy, and the recovery in demand is progressing much more slowly. However, in the third quarter of 2025, a major institutional sale was successfully completed with the sale of a sub-project in Düsseldorf-Grafental to a local cooperative with a sales volume of around EUR 55 million, marking an important step towards achieving the sales target for the full year. We are currently in advanced discussions regarding several transactions, so that we can expect further institutional sales by the end of the year. The company thus confirms its sales target of EUR 500 million for the full year 2025.

Strong balance sheet provides significant potential for growth

The strength of Instone Group's balance sheet continues to represent an important competitive advantage, particularly in the current market environment, and is increasingly paying off as attractive growth opportunities are seized.

The ratio of net debt to contract assets plus balance sheet inventories valued at cost (loan-to-cost, LTC) remained at a very low level of 13.6 per cent as at the Q3 reporting date (31 December 2024: 10.5 per cent). The ratio of net debt to adjusted EBITDA was only 3.1x (31 December 2024: 2.1x).

As at 30 September 2025, freely available cash and cash equivalents amounted to more than EUR 220 million. In addition, the company has substantial unused credit lines (RCFs) and project financing lines.

As a result of the execution of the growth strategy, a gradual increase in debt ratios is to be expected. However, maintaining a strong balance sheet remains a cornerstone of Instone Group's business model.



**Attractive project portfolio secures revenue potential for the coming years;
Acquisitions strengthen the basis for additional growth**

The expected sales value of Instone Group's project portfolio (gross development value, GDV) was around EUR 7.1 billion as at the quarterly reporting date (31 December 2024: EUR 6.9 billion). The current size of the pipeline already safeguards the business potential for the coming years.

The part of the portfolio that is in the construction phase amounts to around EUR 2.7 billion, of which around 91 per cent has already been sold. This continues to ensure a high level of visibility with regard to expected future revenues and cash flows.

Regarding the further development of the project portfolio and the associated strengthening of the growth profile, the market for land acquisitions has developed very positively on the supply side in recent months. Instone Group is taking advantage of the opportunities currently available on the market and has already acquired projects with a GDV of over EUR 1.1 billion year-to-date. A significant part of these acquisitions was only signed after the end of the third quarter and is therefore not yet included in the reported project portfolio as of the quarterly reporting date. These projects offer above-average returns and further strengthen the basis for growth in the coming years. The company plans to realise around half of the volume purchased to date together with strong financial partners. Instone Group continues to have an extensive acquisition pipeline and plans to purchase land with a GDV of EUR 2 billion in the 2025 and 2026 financial years.

"Our results for the first nine months prove that we are well on track to achieve our financial targets for 2025. Demand is clearly continuing to rise, the market recovery is continuing, and our investments are strengthening the basis for additional future growth. Accordingly, we are confident about the prospects for our business model in the coming years," says Kruno Crepulja, CEO of Instone Group.

Outlook for 2025 confirmed

Based on the business development in the first nine months, the Management Board confirms its outlook for the current 2025 financial year and expects adjusted revenues of EUR 500 to



600 million, an adjusted gross profit margin of around 23 per cent, adjusted earnings after taxes of EUR 25 to 35 million and sales of at least EUR 500 million.

The definitions of the key performance indicators mentioned in the release can be found in the glossary on the company's website at: [Glossary: Instone Real Estate Group SE](#)

About Instone Real Estate Group SE (Instone Group)

The Instone Group is one of the leading residential developers in Germany and is listed on the Prime Standard of the German stock market. Since 1991, we have been developing future-proof and sustainable urban residential quarters with apartments for sale or rent throughout Germany – to provide a long-lasting good life in the country's metropolitan areas. Our diverse expertise, combined with efficient processes and a solid financial basis, creates real added value for our stakeholders in environmental, social and economic terms. This means we are taking responsibility for one of the most pressing social issues of our time – creating needs-based and attractive living space. The company employs 414 employees at nine locations across Germany. As at 30 September 2025, the project portfolio included 46 development projects with an anticipated overall sales volume of approximately EUR 7.1 billion and around 14,000 residential units.

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