

Instone Group: Annual targets achieved; 2026 outlook assumes a significant increase in sales and earnings

- *Adjusted revenues of EUR 504.4 million in 2025 (2024: EUR 527.2 million), in line with expectations*
- *Continued industry leading gross margin of 23.8% (2024: 22.6%) highlights the quality of Instone Group's projects and its cost leadership*
- *Sales volume of EUR 502.3 million (2024: EUR 330.2 million) confirms a recovery in demand, driven by strong momentum from private investors*
- *Adjusted earnings after tax of EUR 31.6 million (2024: EUR 36.9 million) demonstrates solid profitability even towards the end of the industry downturn; earnings growth expected from 2026 onwards*
- *The Management Board and the Supervisory Board propose a dividend of EUR 0.43 per share for 2025 to the Annual General Meeting*
- *Land acquisitions with a GDV of approximately EUR 1.2 billion underscore the return to a growth strategy*
- *With a very strong balance sheet (loan-to-cost ratio: 11.9 percent) the company is well positioned for further growth*
- *Outlook for 2026: revenues of EUR 550 bis 600 million, earnings after tax of EUR 35 to 40 million, sales of EUR 650 to 750 million*
- *Outlook assumes no prolonged geopolitical escalation in the Middle East that would lead to significant macroeconomic disruptions affecting the company's business model*

Essen, Germany, 17 March 2026: Instone Real Estate Group SE ("Instone Group") achieved all of its financial and operational targets for the 2025 financial year in an environment characterised by numerous macroeconomic uncertainties. Strong demand from private buy-to-let investors is a key positive factor in the business performance. The sales starts of new projects proved to be a key growth driver in this regard. Single unit sales to private end customers increased significantly compared to the previous year, with growth accelerating over the course of the year. The fourth quarter recorded by far the highest sales volume since



the onset of the industry downturn. Institutional sales also made a significant contribution to this success in the fourth quarter, despite the continued challenges in this customer segment. Instone Group expects demand to recover in 2026 and anticipates a return to earnings growth in the coming years, now that the trough of the cycle has been passed.

Instone Group maintains industry-leading profitability

Adjusted revenues amounted to EUR 504.4 million in 2025, slightly below the previous year's level as planned (2024: EUR 527.2 million), primarily due to lower construction output. Instone Group continued to benefit from a high volume of projects already sold. Of the projects under construction totalling around EUR 2.7 billion, around 90% had already been sold as of the reporting date.

The adjusted gross margin of 23.8% in 2025 (2024: 22.6%) remained at a high, industry-leading level. This strong profitability underscores the quality of the project portfolio and is also attributable to 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, a reduced at-equity result and a slight increase in platform costs adjusted operating profit (adjusted EBIT) decreased to EUR 51.1 million (2024: EUR 57.5 million). Adjusted earnings after tax of EUR 31.6 million were also, as expected, slightly below the previous year's level (2024: EUR 36.9 million), partly due to a somewhat more negative net financial result. However, the Management Board believes that this solid result marks the trough of the industry cycle and expects earnings to increase again from 2026 onwards.

Recovery in demand continues with growth accelerating in the final quarter; sales to private investors remain the key driver of growth

In 2025, Instone Group sold properties with a total value of EUR 502.3 million, representing a significant increase compared to the previous year (2024: EUR 330.2 million). Single unit sales to private buy-to-let investors and owner occupiers recorded very strong growth despite ongoing macroeconomic uncertainty. Revenues from retail sales doubled to approximately EUR 299.5 million in 2025 (2024: EUR 149.1 million). The sales starts of new projects were a



key growth driver. These projects are specifically tailored to the attractive incentive conditions of the Growth Opportunities Act for buy-to-let investors. They benefit from an increased degressive depreciation rate of 5.0 percent p.a. as well as an additional linear special depreciation of a further 5.0 percent p.a. over four years for energy efficient residential buildings, enabling very attractive post tax returns. For 2026, a further significant increase in the number of sales launches is planned, promising an additional growth boost.

The institutional market is still characterised by a general reluctance to buy. Nevertheless, several transactions with a volume of around EUR 130 million were successfully sold in the final quarter to various institutional client groups, such as a financial investor, a municipal housing association, a fund, and a cooperative. At around EUR 203 million (2024: EUR 181 million), sales volume to institutional buyers was slightly higher than in the previous year and thus also accounted for a significant share of total sales. Instone Group sees the development in the final quarter in particular as a positive sign that institutional demand is also recovering steadily.

Strong balance sheet provides significant growth potential

The strength of Instone Group's balance sheet continues to represent an important competitive advantage in the current market environment, which is also increasingly paying off as attractive growth opportunities are being 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 11.9 percent as of the reporting date (31 December 2024: 10.5 percent). The ratio of net debt to adjusted EBITDA was only 2.8x (31 December 2024: 2.1x).

As of December 31, 2025, freely available cash amounted to more than EUR 250 million. In addition, the company has substantial undrawn revolving credit facilities (RCFs) of approximately EUR 190 million.

As a result of the execution of the growth strategy, a gradual increase in financial gearing 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 future growth

As of the reporting date, the expected sales value of the Instone Group's project portfolio (gross development value, GDV) was around EUR 7.1 billion (December 31, 2024: EUR 6.9 billion). In addition, the Group holds projects in non-consolidated entities with a proportionate revenue volume of over EUR 800 million. The current pipeline already secures business potential for the coming years.

Projects in the portfolio currently under construction account for around EUR 2.7 billion, of which more than 90 percent have already been sold, providing high visibility regarding future revenues and cash flows.

With regard to further developing the project portfolio and strengthening the growth profile, the market for land acquisitions developed very positively on the supply side in the past year. Instone Group is taking advantage of the opportunities currently available on the market and already acquired projects with a GDV of more than EUR 1.2 billion in 2025. These projects offer above-average returns and are also strengthening the basis for growth in the coming years. Around half of the acquired volume is planned to be realized together with strong financial investors. The company continues to have an extensive acquisition pipeline and plans to acquire land with a total GDV of at least EUR 2.0 billion across 2025 and 2026.

Dividend of EUR 0.43 per share – level to be maintained in the coming years

The Management Board and Supervisory Board propose a dividend of EUR 0.43 for 2025 to the Annual General Meeting. This dividend level is intended to represent a floor for the coming years, while dividends are expected to increase steadily over the medium term with growing earnings.

“Achieving our annual targets in a still challenging market environment confirms the strength of the Instone Group platform. Demand for energy efficient new-build apartments continues to rise significantly, and our strong balance sheet enables us to invest in additional value-



generating growth. We are therefore confident about the prospects for our business model in the coming years,” says Kruno Crepulja, CEO of Instone Group.

Outlook for 2026 anticipates significantly positive business development

Based on the expected further recovery in demand in 2026, the Management Board assumes sales of EUR 650 million to EUR 750 million. This will be reflected in revenues with a time lag. For 2026, the Management Board therefore expects adjusted revenues of EUR 550 to EUR 600 million, an adjusted gross profit margin of over 24.0 percent, and adjusted earnings after taxes of EUR 35 to EUR 40 million.

In the current geopolitical situation, the Management Board unfortunately cannot ignore the disclaimer that the outlook assumes that there will be no prolonged conflict in the Middle East and therefore no lasting macroeconomic turmoil that would affect our business model.

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 422 employees at nine locations across Germany. As at 31 December 2025, the project portfolio included 48 development projects with an anticipated overall sales volume of approximately EUR 7.1 billion and around 14,000 residential units. www.instone-group.de/en



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