

Instone Real Estate Group SE: Annual General Meeting approves dividend payout of EUR 0.33 per share; first project acquisitions in two years

- *All resolutions proposed by the Management Board and Supervisory Board adopted by a large majority*
- *Two land plots acquired in Düsseldorf and Frankfurt*
- *Focus on providing affordable and needs-based housing*
- *Pioneering role in the specialist field of ESG*

Essen, 5 June 2024: Instone Real Estate Group SE ('Instone Group') resolved to pay a dividend of EUR 0.33 per share at its Annual General Meeting in Essen today. The Annual General Meeting also approved all other resolutions proposed by the Management Board and Supervisory Board by an overwhelming majority. Moreover, the company announced its first property acquisitions in two years, further underscoring its strength in what remains a challenging market environment. The two sites in Frankfurt and Düsseldorf will be developed to build a total of around 570 residential units.

CEO Kruno Crepulja emphasised the financial strength of the Instone Group at the Annual General Meeting. All financial targets had been achieved. "Despite the difficult market conditions, we have shown strength and held our ground well in very stormy waters," said Crepulja. "Thanks to our continued very good profitability, we achieved a gross profit margin of 25.1 per cent. That is an excellent figure." Thanks to the high cash flows of the past two years, the balance sheet could be strengthened even further. The loan-to-cost ratio, the ratio of net debt to contract assets plus balance sheet inventories, was 15.1 per cent at the end of 2023. "Not many of our competitors are in such a favourable position," he added.

Two land purchases successfully concluded

The Instone Group remains very optimistic with regard to 2024. With sales revenues of EUR 88 million in the first quarter of 2024, the company already recorded an increase of more than



50 per cent compared to the prior-year quarter. Around 40 per cent of the apartments were sold to institutional investors. The company also announced the purchase of two land plots: A plot totalling 3,664 m² on Lahnstrasse in Frankfurt-Gallus was acquired, which will enable the development of 170 residential units with a sales volume of around EUR 70 million. The second site of around 16,000 m² is located in the eastern part of Düsseldorf. Here, 400 apartments with a target value of around EUR 180 million are to be built, around 40 per cent of which will be publicly subsidised.

Crepulja: "We are currently observing a slight increase in demand. At the same time, the current market situation is providing us with attractive opportunities for property acquisitions. Thanks to our financial strength, we can become active at any time and capitalise on attractive opportunities. Growth is once again at the top of the agenda. This year, for example, we are planning to acquire properties with a target sales value of €400 million following development."

Affordable and sustainable housing

The demand for housing will continue to increase in the coming years due to net immigration and declining construction activity. The Instone Group aims to contribute to ensuring that housing remains affordable for the majority of people despite rising interest rates and construction costs. To this end, its subsidiary nyoo combines standardised and digitalised planning with serial construction methods, enabling construction to be more cost-effective than that of its competitors. This model will also be used to develop an entire building plot on the site acquired in Düsseldorf. The Instone Group's explicit goal is to construct at least 50 percent of residential units as either publicly subsidised or price-controlled by 2030.

High priority placed on environmental protection and social requirements

"We are well aware of our social and ecological responsibility," says Crepulja. "We can already confirm that 90 per cent of project sales are taxonomy-compliant. 152 of the 167 relevant projects have achieved taxonomy conformity. We are on course to becoming an ESG pioneer among residential project developers – and we are already well on the way to achieving this – and this is something that is already happening around two years before we are actually required to report."



All three aspects of the ESG criteria (environmental, social and corporate governance) have equally high priority for the Instone Group. In order to harmonise economic growth with environmental protection and social requirements, five working groups were formed within the company in October 2022. These groups are tasked with developing recommendations for action and proposing measures on a variety of issues. Specifically, these are the topics of sustainable construction with a focus on sustainable building materials and resource-optimised planning, hybrid timber construction, neighbourhood infrastructure, neighbourhood impact and ESG Inside.

In terms of neighbourhood issues, there is a particular focus on energy, mobility and water management as well as the requirements for vibrant living spaces that meet the needs of those people living and working there. Diversity, fair pay, general employee satisfaction and overall good working conditions are among the topics covered by the ESG Inside group. Crepulja: “The commitment of our colleagues is extraordinary. Over 30 employees are involved in the processes and work together intensively across departments to develop practicable solutions to the demands placed on us and to incorporate the knowledge gained directly into their daily work. We can be justifiably proud of this.”

Shareholders approved all of the resolutions proposed by the management and the proposed changes to the Supervisory Board by a large majority. The voting results of the Annual General Meeting on 5 June 2024 are available on the company's website.



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 421 employees at nine locations across Germany. As at 31 March 2024, the project portfolio included 45 development projects with an anticipated overall sales volume of approximately EUR 6.9 billion and over 14,000 residential units. www.instone-group.de/en

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