Instone
Group

INSTONE – FOUNDATIONS FOR A GOOD LIFE.

Annual Financial Statement 2024

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Statement of financial position

Statement of financial position

TABLE 01

Assets

In thousands of euros

				Note	31/12/2024	31/12/2023
A.	Non-current assets					
	I.	Intangible assets				
		Concessions acquired for consideration and licences to such rights and assets			36	620
	II.	Property, plant and equipment				
		Operating and office equipment			134	136
	III.	Financial assets		1		
		1.	Investments in affiliated companies		222,651	222,651
		2.	Loans to affiliated companies of which to shareholders		96,400	119,400
		3.	Investments		1,400	1,400
					320,451	**343,451**
					320,621	**344,207**
B.	Current assets					
	I.	Receivables and other assets		2		
		1.	Receivables from affiliated companies from trade payables: €120 thousand (previous year: €120 thousand) of which from other assets: €112,471 thousand (previous year: €88,153 thousand)		112,591	88,273
		2.	Receivables from companies with which there is an equity relationship		641	511
		3.	Other assets		6,039	2,284
					119,271	**91,068**
	II.	Cash on hand, bank balances		3	**195,145**	**209,158**
					314,416	**300,226**
C.	Prepaid expenses and deferred income				**38**	**435**
D.	Deferred tax assets			4	**9,232**	**5,642**
					644,308	**650,509**

Statement of financial position (continued)

Statement of financial position

TABLE 01

Equity and liabilities

In thousands of euros

			Note	31/12/2024	31/12/2023
A.	Equity		5		
	I.	Share capital		46,988	46,988
		Own shares		-3,666	-3,666
		Issued capital		43,323	43,323
		Conditional capital: €4,699 thousand (previous year: €4,699 thousand)			
	II.	Capital reserves		358,958	358,958
	III.	Other profit provisions		49,245	29,988
	IV.	Net profit		26,415	21,455
				477,940	**453,723**
B.	Provisions				
	1.	Provisions for pensions and similar obligations	6	2,147	2,160
	2.	Tax provisions	7	7,115	4,439
	3.	Other provisions	7	9,242	7,989
				18,504	**14,588**
C.	Liabilities				
	1.	Loans from banks and other lenders of which with a remaining term of up to one year: €32,728 thousand (previous year: €7,645 thousand) of which with a remaining term of more than one year: €105,000 thousand (previous year: €170,000 thousand)	8	137,728	177,645
	2.	Trade payables of which with a remaining term of up to one year: €125 thousand (previous year: €1,844 thousand)	9	125	1,844
	3.	Liabilities to affiliated companies of which with a remaining term of up to one year: €8,605 thousand (previous year: €1,540 thousand) of which from other liabilities: €8,605 thousand (previous year: €1,540 thousand)	10	8,605	1,540
	4	Liabilities to companies in which participations are held of which with a remaining term of up to one year: €3 thousand (previous year: €0 thousand) of which trade payables: €3 thousand (previous year: €0 thousand)		3	0
	5.	Other liabilities of which with a remaining term of up to one year: €1,402 thousand (previous year: €1,168 thousand) of which in the context of social security: €0 thousand (previous year: €2 thousand) of which from taxes: €726 thousand (previous year: €481 thousand)	11	1,402	1,168
				147,864	**182,198**
				644,308	**650,509**

Income statement

Income statement from 1 January to 31 December 2024

TABLE 02

In thousands of euros

		Note	2024	2023
1.	Revenue	12	8,027	7,802
2.	Other operating income	13	5,930	5,569
	Operating performance		**13,957**	**13,370**
3.	Staff costs	14		
	a) Salaries		-13,235	-12,469
	b) Social security contributions and expenses for pensions and other employee benefits			
	of which for retirement pension: €100 thousand (previous year: €140 thousand)		-1,217	-1,600
4.	Depreciation and amortisation of intangible non-current assets and property, plant and equipment		-632	-714
5.	Other operating expenses		-16,058	-14,329
	Operating profit		**-17,185**	**-15,742**
6.	Income from profit and loss transfer agreements	16	67,281	51,594
7.	Income from other securities and loans of the financial assets			
	of which from affiliated companies: €8,482 thousand (previous year: €15,254 thousand)	16	8,499	15,267
8.	Other interest and similar income			
	of which from discounting: €73 thousand (previous year: €37 thousand)	16	6,934	4,496
9.	Expenses from the acceptance of losses	16	-6,364	-3,090
10.	Interest and similar expenses			
	of which to affiliated companies €-214 thousand (previous year: €-1,793 thousand)			
	of which from compounding: €-9 thousand (previous year: €-58 thousand)	16	-10,822	-11,970
11.	Taxes on income and earnings			
	of which deferred tax income: €3,591 thousand (previous year: €855 thousand)	17	-9,829	-17,717
12.	**Earnings after tax/Annual net profit**		**38,513**	**22,836**
13.	Transfer to other profit provisions		-19,257	-11,418
14.	Profit carried forward from the previous year		7,158	10,037
15.	**Net profit**		**26,415**	**21,455**

Notes to the annual financial statements

Basis of the annual financial statements

General principles

Instone Real Estate Group SE (hereinafter also referred to as the "Company") with its registered office at Grugaplatz 2-4, 45131 Essen, Germany, is registered under reference number HRB 32658 in the Commercial Register of the Essen District Court. Instone Real Estate Group SE has been listed on the Regulated Market of the Frankfurt Stock Exchange since 15 February 2018.

The Company is the supreme parent company of Instone Real Estate Group SE (hereinafter also referred to as "Instone Group") and performs the function of management holding in it. As part of this function, it is responsible for defining and monitoring the overall strategy and implementing the corporate objectives.

The Company holds investments in subsidiaries whose principal activity is the acquisition, development, construction, leasing, management and sale of land and buildings, as well as investment in other companies active in this industry.

Instone Real Estate Group SE is the controlling company for corporate and commercial tax purposes of Instone Real Estate Development GmbH, Nyoo Real Estate GmbH as well as for almost all domestic companies, including for sales tax purposes.

The annual financial statements of Instone Real Estate Group SE have been prepared according to the accounting standards applicable to corporations as per the German Commercial Code (Sections 242 et seqq. and 264 et seqq. HGB) at the time of their preparation, taking into account the specific legal form statutory provisions of the German Stock Corporation Act (AktG). As a listed company, the Company is a large corporation within the meaning of Section 264d HGB in conjunction with Section 267 (3) sentence 2 HGB.

The income statement has been prepared according to the nature of expense method pursuant to Section 275 (2) HGB.

In order to improve the clarity of the presentation, individual items in the statement of financial position and income statement have been grouped together. The item loans from banks also includes loans from other lenders due to their similar use. The item name has been extended accordingly.

All amounts are expressed in thousands of euros (€ thousand) unless stated otherwise. As a result, there may be minor deviations between figures in tables and their respective analyses in the body of the text of the Notes to the financial statements, as well as between totals of individual amounts in tables and the total values similarly provided in the text.

As the parent company of the Instone Group, the Company prepares a consolidated financial statement in accordance with the International Financial Reporting Standards (IFRS® Accounting Standards) as applicable in the European Union and the supplementary commercial law provisions to be applied in accordance with Section 315e (1) of the German Commercial Code (HGB). The annual and consolidated financial statements are announced in the Federal Gazette. The consolidated financial statements are also available for access on the Company's website. The management report was combined, in application of Section 315 (5) HGB in conjunction with Section 298 (2) HGB, with the management report of the Instone Group's consolidated financial statements and will be published together with them.

Accounting and measurement principles

Intangible assets are recorded at acquisition cost. These include software for commercial and technical applications only. Intangible assets are generally amortised on a straight-line basis over a period of one to five years.

Property, plant and equipment are valued at cost of acquisition or capital cost less scheduled and unscheduled depreciation and amortisation. Manufacturing costs include direct production costs and appropriate parts of overheads. Depreciation and amortisation on property, plant and equipment is carried out on a straight-line basis in accordance with their service lives. The normal service life for operating and office equipment is between two and 14 years.

Low-value fixed assets with acquisition costs of up to EUR 250.00 were recorded as an expense in the year of acquisition or production. Independently useful fixed assets whose cost of acquisition or production exceeds EUR 250.00, but not EUR 1,000.00, are combined into a single item and are depreciated on a straight-line basis over five years. Due to the fact that it is insignificant, purchased user software (trivial programs) is listed under business and office equipment.

Interests in affiliated companies and investments are valued at acquisition cost. Unscheduled depreciation and amortisation takes place in the case of permanent impairment.

Loans are carried at amortised costs or, in the case of an expected permanent impairment, at the lower fair value.

If impairment provisions regarding non-current assets were recognised in previous years and the reasons for the impairment have been partially or completely eliminated in the meantime, the impairment is reversed up to a maximum of the acquisition cost.

Receivables and other assets are recorded at acquisition cost. For the valuation of receivables and other assets, the foreseeable risks are taken into account through appropriate impairment provisions. The amount of the impairment provision is based on the probable default risk. Receivables are generally deemed to have been realised at the time of the transfer of risk – in other words at the time of handover to the purchaser. At this point, the revenue in the P&L and the receivables are included on in the balance sheet.

Cash and cash equivalents are reported at their nominal value.

Expenses paid before the date up to which the financial statements are prepared are reported under **Prepaid expenses and deferred income** on the assets side of the statement of financial position, insofar as they represent expenses for a certain period thereafter.

Deferred tax arises due to temporary differences between the statements of financial position prepared for commercial and for tax purposes. Not only are the differences from the Company's own statement of financial position items included in this calculation, but also for those subsidiaries where Instone Real Estate Group SE functions as the controlling company. Deferred tax assets are also recognised for tax refund claims arising from the anticipated utilisation of existing tax loss carryforwards in subsequent years. Deferred tax liabilities are capitalised if it can be assumed with sufficient certainty that the associated economic benefits can be claimed. Deferred tax assets and liabilities are offset. Their amount is calculated on the basis of the tax rates which apply, or are expected to apply, at the time of adoption. For all other purposes, deferred tax liabilities are measured on the basis of the tax regulations in force or enacted at the time of reporting. The option to capitalise under Section 274 (1) sentence 2 HGB was exercised and the resulting asset was accounted for with the liability amount after offsetting.

Equity is recognised at nominal value.

Treasury shares are deducted from the share capital at their nominal value. The amount of acquisition costs exceeding the nominal value is offset against the other retained earnings. Transaction costs in connection with the purchase of treasury shares are recognised as a profit or loss. In the event of a renewed issue, shares are withdrawn from the treasury shares holdings at average cost.

Provisions for pensions and similar obligations include obligations by the Company with respect to current and future benefits for eligible current and former employees and their survivors. These obligations largely relate to pension benefits. The individual commitments are determined on the basis of the length of service and the salaries of the employees. The measurement of provisions for defined benefit plans is based on the actuarial value of the respective obligation. This is determined using the projected-unit credit method. This projected unit credit method not only includes pensions and accrued benefits known as of the reporting date but also wage increases (3.00%; previous year: 3.00%), pension increases for commitments with an adjustment guarantee (1.00%; previous year: 1.00%), pension increases for other commitments (2.25%; previous year: 2.25%) and fluctuation probabilities (3.42%; previous year: 3.42%) that are expected in the future. The calculation is based on actuarial reports using biometric calculation methods ("Richttafeln 2018 G" (guideline tables) produced by Professor Dr Klaus Heubeck). Direct pension obligations are valued in accordance with the provisions of Section 253 (1) and (2) HGB.

The option under Section 253 (2) sentence 2 HGB was used for determining the actuarial interest rate. Provisions for pension obligations or comparable long-term obligations may therefore be discounted as a lump sum with the average market interest rate which results for an assumed residual term of 10 years. The underlying actuarial interest rate for discounting pension obligations amounted to 1.90% (previous year: 1.82%). In accordance with Section 253 (6) sentence 3 HGB, the difference between the recognition of provisions in accordance with the corresponding average market interest rate from the past ten years and the recognition of the provisions in accordance with the corresponding average market interest rate from the past seven financial years is to be determined in each financial year.

The difference arising from the change in the annual average interest rate due to the extension of the period from seven to ten years is determined as follows:

Pension provisions

TABLE 03

In euros

	31/12/2024	31/12/2023
Provisions derived		
Using the 10-year average interest rate	4,630,213.00	4,526,381.00
Using the 7-year average interest rate	4,572,461.00	4,606,857.00
Difference according to Section 253 (6) HGB	-57,752.00	80,476.00
Of which, subject to a distribution block in accordance with Section 253 (6) sentence 1 HGB	0.00	80,476.00

The liabilities from pension commitments are primarily covered by assets that are used exclusively for meeting pension obligations and cannot be accessed by other creditors. These include assets which are invested in trust as part of a Contractual Trust Arrangement, reinsurances pledged to employees and fund units acquired from deferred compensation. They are measured at fair value. Depending on the nature of the cover fund, this value is derived from market prices, bank statements and insurance information. If the fair value is greater than the acquisition cost, a dividend block is observed. According to Section 246 (2) sentence 2 HGB, the fair value of the cover fund is to be offset against the covered pension obligations, as are the associated income and expenses.

Provisions for pensions are calculated using actuarial principles and include the Company's obligations with regard to current and future benefits for eligible active and passive employees.

The **tax provisions** and **other provisions** are formed on the basis of reasonable commercial judgement. Price and cost increases expected in future are taken into account when determining the settlement value of the other provisions. Provisions with a residual maturity of more than one year are each discounted with the average market interest rate of the past seven years with matching maturities calculated and announced by the Deutsche Bundesbank using the net method. The internal value is the one used for the HGB valuation of provisions for long-term stock option programmes. The intrinsic value corresponds to the current closing price on the valuation date due to the valuation parameters taken into account on the reporting date.

Liabilities are recognised at the settlement value.

Estimates and assumptions

The preparation of the financial statements requires estimates and assumptions that may affect the application of the Company's accounting principles, recognition and measurement. Estimates are based on past experience and other knowledge of the transactions to be posted. Actual amounts may differ from these estimates.

Notes to the statement of financial position

Schedule of assets

Schedule of assets

TABLE 04

In thousands of euros

	Acquisition/manufacturing costs				Depreciation and amortisation	Carrying amount	Carrying amount from previous year
	1/1/2024	Additions	Disposals	31/12/2024	Accumulated depreciation and amortisation	31/12/2024	31/12/2023
Intangible assets							
Concessions acquired for consideration and licences to such rights and assets	1,766	0	0	1,766	-1,730	36	620
	1,766	**0**	**0**	**1,766**	**-1,730**	**36**	**620**
Property, plant and equipment							
Operating and office equipment	268	46	0	314	-180	134	136
	268	**46**	**0**	**314**	**-180**	**134**	**136**
Financial assets							
Investments in affiliated companies	222,651	0	0	222,651	0	222,651	222,651
Loans to affiliated companies	119,400	100,584	-123,584	96,400	0	96,400	119,400
Investments	1,400	0	0	1,400	0	1,400	1,400
	343,451	**100,584**	**-123,584**	**320,451**	**0**	**320,451**	**343,451**
Total non-current assets	**345,485**	**100,630**	**-123,584**	**322,531**	**-1,910**	**320,621**	**344,207**

	Depreciation and amortisation		
	1/1/2024	Depreciation and amortisation in the financial year	Accumulated depreciation and amortisation
Intangible assets			
Concessions acquired for consideration and licences to such rights and assets	-1,147	-584	-1,730
	-1,147	**-584**	**-1,730**
Property, plant and equipment			
Operating and office equipment	-132	-48	-180
	-132	**-48**	**-180**
Total depreciation and amortisation	**-1,278**	**-632**	**-1,910**

Non-current assets

1 Financial assets

The development of shares in affiliated companies is presented in the following overview.

Development of shares in affiliated companies TABLE 05

In thousands of euros

	2024	2023
Acquisition costs		
As at 1 January	**222,651**	**222,626**
Additions	0	25
As of 31 December	**222,651**	**222,651**
Carrying amounts as at 31 December	**222,651**	**222,651**

Shares in affiliated companies are shown in the following table.

Investments in affiliated companies TABLE 06

In thousands of euros

	31/12/2024	31/12/2023
Investments in affiliated companies		
Instone Real Estate Development GmbH	222,137	222,137
Westville 1 GmbH	464	464
Nyoo Real Estate GmbH	25	25
Instone Real Estate Beteiligungsgesellschaft mbH	25	25
	222,651	**222,651**

With the exception of Instone Real Estate Beteiligungsgesellschaft mbH, all companies are included in the consolidated financial statements of the Company. Non-inclusion in the consolidated financial statements is based on materiality estimates as the Company does not conduct any operating business.

The development of loans to affiliated companies is presented in the following table.

Development of loans to affiliated companies TABLE 07

In thousands of euros

	2024	2023
Acquisition costs		
As at 1 January	**119,400**	**200,362**
Additions	100,584	0
Disposals	-123,584	-80,962
As of 31 December	**96,400**	**119,400**
Carrying amounts as at 31 December	**96,400**	**119,400**

Loans to affiliated companies are presented in the following overview.

Loans to affiliated companies TABLE 08

In thousands of euros

	31/12/2024	31/12/2023
Loans to affiliated companies included in the consolidated financial statement		
Instone Real Estate Development GmbH	80,700	109,000
Nyoo Real Estate GmbH	15,700	10,400
	96,400	**119,400**

The development of investments is shown below.

Development of investments TABLE 09

In thousands of euros

	2024	2023
Acquisition costs		
As at 1 January	**1,400**	**1,300**
Additions	0	100
As of 31 December	**1,400**	**1,400**
Carrying amounts as at 31 December	**1,400**	**1,400**

Additions for the previous financial year relate exclusively to beeboard GmbH.

Current assets

2 Receivables and other assets

The receivables from affiliated companies result mainly from a profit and loss transfer agreement and interest from a loan agreement with Instone Real Estate Development GmbH.

Receivables from affiliated companies TABLE 10

In thousands of euros

	31/12/2024	31/12/2023
Receivables from affiliated companies		
Instone Real Estate Development GmbH	112,585	88,198
Westville 1 GmbH	6	35
Westville 4 GmbH	0	32
Instone Real Estate Projekt Rosenheim GmbH	0	5
Westville 5 GmbH	0	2
Instone Real Estate Projekt MarinaBricks GmbH	0	1
	112,591	**88,273**

The other assets include the following items:

Other receivables and assets TABLE 11

In thousands of euros

	31/12/2024	31/12/2023
Other receivables and assets		
Receivables from the tax authorities	6,030	2,147
Receivable tax exemption Hochtief Solutions AG	0	128
Other assets	6	6
Receivables from social security institutions	3	0
Other	0	2
	6,039	**2,284**

3 Bank balances

Bank balances in the amount of €195,145 thousand (previous year: €209,158 thousand), essentially comprise current cash investments as at 31 December 2024. As in the previous year, they are not subject to any drawing restrictions.

4 Deferred tax assets

Deferred tax assets of €9,232 thousand (previous year: €5,642 thousand) result from valuation and recognition differences in pension and personnel provisions. The calculation of deferred tax is carried out on the basis of a combined income tax rate of 31.74% (previous year: 31.73%).

5 Equity

The share capital of the Company as at 31 December 2024 was €46,988,336.00 (previous year: €46,988,336.00) and is fully paid up. It is divided into 46,988,336 no-par value shares (previous year: 46,988,336 no-par-value shares). The arithmetic nominal value of the shares is €1.00.

On 9 June 2021, the Annual General Meeting resolved to create authorised capital. The Management Board is authorised, with the consent of the Supervisory Board, to increase the registered capital of the Company in the period until 8 June 2026 through the issue of up to 8,000,000 no-par value shares by up to €8,000 thousand (2021 authorised capital).

In addition, the Annual General Meeting on 14 June 2023 resolved to create another authorised capital. The Management Board is therefore authorised to increase the registered capital of the Company in the period until 13 June 2028 through the issue of up to 15,494,168 no-par value shares by up to €15,494 thousand (2023 Authorised Capital).

With effect from 31 August 2021, the Management Board was authorised by the Annual General Meeting to grant options or convertible bond terms once or several times until 8 June 2026 on up to 4,698,833 new shares of the Company (conditional capital), subject to the approval of the Supervisory Board.

The 2019 Annual General Meeting authorised the Management Board to buy back up to 10% of the registered capital at the time, i.e. 3,698,833 shares, by 12 June 2024. With the approval of the Supervisory Board, the Management Board resolved on 10 February 2022 to acquire up to 2,349,416 shares and on 25 October 2022 to acquire up to a further 1,349,417 shares The Management Board intends to use the acquired shares primarily to finance future growth investments. The share buyback took place in the 2022 and 2023 financial years. No treasury shares were acquired in the 2024 financial year (previous year: acquisition of 511,743 treasury shares at prices between €7.70 and €9.65).

At the reporting date of 31 December 2024, treasury shares amounted to 3,665,761 shares (previous year: 3,665,761 shares). This corresponds to 7.80% of the registered capital.

In the financial year, dividends of €14,296,449.80 were paid on the basis of a dividend of €0.33 per share entitled to a dividend.

A minimum dividend under Section 254 of the German Stock Corporation Act (AktG) was not paid.

As part of the acquisition of treasury shares, a total of €32,836,696.55 was offset against the other retained earnings. For the 2024 financial year, the absence of the acquisition of treasury shares resulted in an amount of €0.00 (previous year: €4,036,704.82).

In accordance with Section 58 (2) AktG, €19,256,721.77 from the annual net income was transferred to the other retained earnings.

As of 31 December 2024, the capital reserves amounted to €358,957,638.59 (previous year: €358,957,638.59).

The net profit includes a profit carried forward of €7,158 thousand (previous year: €10,037 thousand).

Information on amounts subject to a distribution block

The provisions for pension obligations recognised on the statement of financial position (before deduction of the corresponding hedging funds) were calculated on the basis of the corresponding average market interest rate from the past ten years. An average formation on the basis of seven financial years would have resulted in lower liabilities of €57,752.00 (previous year: €80,476.00 higher liability), so that this difference is not subject to a distribution block under Section 253 (6) HGB in the reporting year. Deferred tax assets in the amount of €9,232,412.32 (previous year: €5,641,544.60) are blocked from distribution pursuant to Section 268 (8) HGB. A total of €9,232,412.32 is therefore subject to a distribution block (previous year: €5,722,020.60).

6 Provisions for pensions and similar obligations

The liabilities from defined benefit plans of Instone Real Estate are listed in the following table.

Pension provisions TABLE 12

In thousands of euros

	31/12/2024	31/12/2023
Pension provisions		
Settlement value of pensions and similar obligations	4,630	4,526
Fair value of the cover fund	-2,483	-2,366
Net value of the provision for pensions and similar obligations	**2,147**	**2,160**
Acquisition costs of the cover fund	2,657	2,516

The fair value of the cover fund is broken down as follows:

Securities TABLE 13

In thousands of euros

	31/12/2024	31/12/2023
Securities		
CTA assets	2,378	2,265
DC assets	105	101
	2,483	**2,366**

7 Provisions

Provisions TABLE 14

In thousands of euros

	31/12/2024	31/12/2023
Provisions		
Tax	7,115	4,439
Pensions	2,147	2,160
	9,262	**6,599**
Other provisions		
Share option programmes	5,158	2,672
Bonuses	2,520	3,366
External costs of the annual financial statement	631	395
Outstanding annual leave	362	288
Partial retirement top-up amounts	223	141
Partial retirement fulfilment arrears	211	110
Indirect staff costs	66	49
Staff costs	50	185
Compensation levy for severely disabled persons	16	22
Other	7	349
Structural measures	0	414
	9,242	**7,989**
	18,504	**14,588**

8 Loans from banks and other lenders

Loans from banks and other lenders amount to €137,728 thousand (previous year: €177,645 thousand), of which €117,196 thousand (previous year: €151,915 thousand) are attributable to other lenders. The decrease is mainly due to a repayment of the partial amount of a promissory note loan in the amount of €35,000 thousand. At the same time, the repayment structure of one of the existing promissory note loans was changed and the overall term extended until 2028.

9 Trade payables

At the balance sheet date, there were liabilities of €125 thousand (previous year: €1,844 thousand).

10 Liabilities to affiliated companies

Liabilities to affiliated companies TABELLE 15

In thousands of euros

	31/12/2024	31/12/2023
Liabilities to affiliated companies		
Westville 1 GmbH	4,757	0
Nyoo Real Estate GmbH	3,664	1,356
Westville 3 GmbH	116	72
Instone Real Estate Projekt Rosenheim GmbH	67	35
KORE GmbH	2	7
Westville 4 GmbH	0	64
Westville 5 GmbH	0	4
Instone Real Estate Projekt MarinaBricks GmbH	0	2
	8,605	**1,540**

11 Other liabilities

Other liabilities TABLE 16

In thousands of euros

	31/12/2024	31/12/2023
Other liabilities		
Liabilities from taxes	726	481
Liabilities from Supervisory Board bonuses	586	592
Liabilities to workforce	90	94
Liabilities in the context of social security	0	2
	1,402	**1,168**

Notes to the income statement

12 Revenue

Revenue in the amount of €8,027 thousand (previous year: €7,802 thousand) mainly relate to revenue with affiliated companies in Germany resulting from Group-internal services.

13 Other operating income

Other operating income TABLE 17

In thousands of euros

	2024	2023
Other operating Income		
Other income	5,135	3,887
Income from the reversal of provisions	794	1,682
	5,930	**5,569**

The other operating income is mainly the result of the transfer of internal Group costs to the income statement.

14 Staff costs

Staff costs TABLE 18

In thousands of euros

	2024	2023
Staff costs		
Wages and salaries	-13,235	-12,469
Social security contributions	-1,117	-1,460
Pension costs	-100	-140
	-14,452	**-14,069**

On an annual average, the Company had 95 employees (previous year: 100 employees) who are exclusively assigned to the commercial service department at the Essen site.

15 Other operating expenses

Other operating expenses are comprised as shown below. Sundry other operating expenses not recognised elsewhere primarily include administration expenses.

Other operating expenses TABLE 19

In thousands of euros

	2024	2023
Other operating expenses		
Organisational consulting	-6,190	-5,493
Other taxes	-2,100	-1,671
Costs for IT	-1,975	-1,198
Other expenses	-1,673	-728
Insurance premiums	-1,139	-813
Costs of the annual financial statements	-917	-643
Costs of the Supervisory Board	-537	-602
Rents, leases, usage fees	-527	-525
Other general costs	-371	-645
Travel costs	-313	-301
Vehicle leasing	-228	-247
Costs of payment transactions	-69	-93
Severance payments	-20	-1,370
	-16,058	**-14,329**

16 Financial result

The income from profit and loss transfer agreements in the amount of €67,281 thousand (previous year: €51,594 thousand) relates to the profit and loss transfer agreement with Instone Real Estate Development GmbH.

Of the income from other securities and loans of non-current financial assets, €8,482 thousand (previous year (adjusted): €15,254 thousand) relates to affiliated companies.

Income from the discounting of provisions for share option programmes amounts to €73 thousand (previous year: €37 thousand).

The expenses from the acceptance of losses in the amount of €6,364 thousand (previous year: €3,090 thousand) relate to the assumption of the loss from Nyoo Real Estate GmbH.

Net interest income relating to pension provisions in the amount of €114 thousand (previous year: €163 thousand) includes interest from the interest accrued on the pension obligations in the amount of €-4 thousand (previous year: €-37 thousand). These amounts are offset against the interest income from cover assets amounting to €118 thousand (previous year: €200 thousand).

17 Taxes on income and earnings

Taxes on income and earnings TABLE 20

In thousands of euros

	2024	2023
Taxes on Income and earnings		
Trade income tax	-7,032	-9,305
Corporation tax	-6,055	-8,813
Solidarity surcharge	-333	-454
Deferred tax	3,591	855
	-9,829	**-17,717**

The calculation of deferred tax is carried out on the basis of a combined income tax rate of 31.74% (previous year: 31.73%).

Other disclosures

18 Members of the Management Board

The Management Board comprises the following three members:

Kruno Crepulja

- Chairman of the Management Board/CEO of Instone Real Estate Group SE

David Dreyfus

- Member of the Management Board/CFO of Instone Real Estate Group SE

Andreas Gräf

- Member of the Management Board/COO of Instone Real Estate Group SE

19 Members of the Supervisory Board

Stefan Brendgen, freelance management consultant

In addition to his role as Chair of the Supervisory Board of the Company, Stefan Brendgen is a member of the following statutory supervisory boards and comparable domestic and foreign supervisory bodies of commercial enterprises:

- HAHN-Immobilien-Beteiligungs AG (Chair of the Supervisory Board)
- Adler Group S.A. (Chair of the Board of Directors)

Dr. Jochen Scharpe, Managing Partner of AMCI and ReTurn Immobilien GmbH

In addition to his role as Deputy Chairman of the Supervisory Board of the Company, Dr Jochen Scharpe is a member of the following statutory supervisory boards and comparable domestic and foreign supervisory bodies of commercial enterprises:

- FFIRE Immobilienverwaltung AG (Deputy Chair of the Supervisory Board)

Dietmar P. Binkowska, freelance management consultant

In addition to his role as a member of the Supervisory Board of the Company, Dietmar P. Binkowska is a member of the following statutory supervisory boards or comparable domestic and foreign supervisory bodies of commercial enterprises:

- Nordwestlotto in Nordrhein-Westfalen GmbH (Chair of the Supervisory Board)

Christiane Jansen, Managing Director of Westdeutsche Lotterie GmbH & Co. OHG

In addition to her role as a member of the Supervisory Board of the Company, Christiane Jansen is not a member of any other statutory supervisory boards of comparable domestic or foreign supervisory bodies of commercial enterprises.

Stefan Mohr, Partner and Head of Corporate Investments, Activum SG Capital

In addition to his role as a member of the Supervisory Board of the Company, Stefan Mohr is not a member of any other statutory supervisory boards of comparable domestic or foreign supervisory bodies of commercial enterprises.

Sabine Georgi, Executive Director DACH, ULI – Urban Land Institute

In addition to her role as a member of the Supervisory Board of the Company, Sabine Georgi is not a member of any other statutory supervisory boards of comparable domestic or foreign supervisory bodies of commercial enterprises.

20 Remuneration of the Management Board

The main components of the remuneration system for the members of the Management Board are as follows:

Fixed basic remuneration

- The fixed remuneration is paid in equal monthly instalments.

Fringe benefits

- Fringe benefits consist of taxable monetary benefits, such as the private use of company cars or other benefits in kind.

Short-term performance-based emoluments – short-term incentive (STI)

- The one-year variable compensation in the form of an STI is linked to the commercial success of the Instone Group in the underlying financial year and the personal targets set for the individual members of the Management Board.

Multi-year variable compensation (LTI)

- As a further component of variable remuneration, the members of the Management Board are also promised multi-year variable compensation in the form of an LTI bonus.

Pension commitments

- Some members of the Management Board have a company pension plan in the form of individual contractual pension agreements which are valid after reaching the minimum pensionable age of 65 years.

The total remuneration granted for the members of the Management Board for the 2024 financial year within the meaning of Section 285 (9) HGB amounted to a total of €5,165 thousand (previous year: €3,577). Of the total remuneration, €1,448 thousand (previous year: €1,399 thousand) was paid for fixed, performance-independent remuneration components, including benefits in kind and fringe benefits, €767 thousand (previous year: €1,325 thousand) for variable, one-year performance-related remuneration components, and €2,889 thousand (previous year: €780 thousand) for variable, multi-year performance-related remuneration components. The value of fringe benefits was measured at the amount determined for tax purposes. The gross pension costs for the members of the Management Board amount to €59 thousand (previous year: €73 thousand).

The cash value of pension commitments to active and former members of the Management Board amounts to €2,532 thousand (previous year: €2,467 thousand). The pension commitments to former members of the Management Board amount to €1,565 thousand (previous year: €1,559 thousand).

In the reporting year, no advances were paid to members of the Management Board and no loans were made.

21 Remuneration of the Supervisory Board

The total remuneration of the Supervisory Board in the 2024 financial year was €683 thousand (previous year: €645 thousand). Of which, €563 thousand (previous year: €525 thousand) was remuneration for work on the General Committee. Remuneration for work in committees amounted to €120 thousand (previous year: €120 thousand).

In the 2024 financial year, the companies of the Instone Group did not pay or grant any remuneration or other benefits to members of the Supervisory Board for services rendered in a personal capacity, in particular advisory and agency services. Nor were members of the Supervisory Board granted any advances or credits.

22 Auditor's fees

The following total fees were recorded as an expense for the financial year for the services of the auditor, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, Dusseldorf Office:

Audit fees TABLE 21

In thousands of euros

	2024	2023
Audit fees		
Annual audit	840	684
of which relating to previous years	-14	163
Other confirmation services[1]	68	56
Other services[1]	43	31
	951	**771**

[1] Previous year adjusted.

In addition to the annual audit and the audit of the consolidated financial statements for the Group, the auditor primarily performed an audit in accordance with IDW PS 900, which is shown in the audit services. In addition, the auditor has provided other confirmation services, which are audits in accordance with Section 16 MaBV as well as business audits to obtain limited assurance in accordance with ISAE 3000 (revised). In addition, other services were provided in the form of coordinated investigative actions (covenant reporting) in accordance with ISRS 4400 (revised).

23 Events after the end of the financial year

There were no events of particular significance to report after the reporting date of 31 December 2024.

24 Affiliates and investment companies

List of shareholdings as at 31 December 2024

TABLE 22

	Share of capital in %	Direct shareholdings	Indirect shareholdings	Equity In thousand euros	Annual result In thousand euros
Interests in affiliated companies to be consolidated					
DURST-BAU GmbH, Wien, Österreich	100.0		x	517	213
formart Luxemburg S.à r.l., Luxemburg, Luxemburg	100.0		x	1,427	214
Gartenhöfe GmbH, Leipzig, Deutschland	100.0		x	5,894	188
Instone Real Estate Development GmbH, Essen, Deutschland[1]	100.0	x		190,097	0
Instone Real Estate Projekt MarinaBricks GmbH, Erlangen, Deutschland	100.0		x	833	163
Instone Real Estate Projekt Rosenheim GmbH & Co. KG, Nürnberg, Deutschland	100.0		x	3,404	137
Instone Real Estate Projektbeteiligungs GmbH, Erlangen, Deutschland	100.0		x	-6	-10
KORE GmbH, Dortmund, Deutschland	85.0		x	6,553	69
Nyoo Real Estate GmbH, Essen, Deutschland[1]	100.0	x		25	0
Projekt Wilhelmstraße Wiesbaden GmbH & Co. KG, Frankfurt a. M., Deutschland	70.0		x	21	-23
Westville 1 GmbH, Essen, Deutschland	100.0	x		1,826	71
Westville 2 GmbH, Essen, Deutschland	89.9		x	2,030	294
Westville 3 GmbH, Essen, Deutschland	89.9		x	2,052	543
Westville 4 GmbH, Essen, Deutschland	89.9		x	2,068	669
Westville 5 GmbH, Essen, Deutschland	89.9		x	2,214	758
Shares in investments					
beeboard GmbH, Köln, Deutschland	50.0	x		1,918	-1,391
FHP Friedenauer Höhe Dritte GmbH & Co. KG, Berlin, Deutschland	50.0		x	346	488
FHP Friedenauer Höhe Erste GmbH & Co. KG, Berlin, Deutschland	50.0		x	11,667	13,438
FHP Friedenauer Höhe Sechste GmbH & Co. KG, Berlin, Deutschland	50.0		x	-178	807
FHP Friedenauer Höhe Vierte GmbH & Co. KG, Berlin, Deutschland	50.0		x	20,193	23,267
Projekt Am Sonnenberg Wiesbaden GmbH, Essen, Deutschland	51.0		x	-3,466	-1,314
Projektentwicklungsgesellschaft Holbeinviertel mbH & Co. KG, Frankfurt a. M., Deutschland	50.0		x	139	114
Twelve GmbH & Co. KG, Stuttgart, Deutschland	50.1		x	34,199	2,384
Wohnpark Gießener Straße GmbH & Co. KG, Frankfurt a. M., Deutschland	50.0		x	24	-1
Wohnpark Heusenstamm GmbH & Co. KG, Essen, Deutschland	50.1		x	3,744	74
BEYOUTOPE GmbH, Hannover, Deutschland	0.02		x	265	-44

List of shareholdings as at 31 December 2024 TABLE 22

	Share of capital in %	Direct shareholdings	Indirect shareholdings	Equity In thousand euros	Annual result In thousand euros
CONTUR Wohnbauentwicklung GmbH, Köln, Deutschland	50.0		x	24	6
FHP Friedenauer Höhe Verwaltungs GmbH, Berlin, Deutschland	50.0		x	27	12
formart Wilma Verwaltungsgesellschaft mbH, Frankfurt a. M., Deutschland	50.0		x	54	2
Immobiliengesellschaft CSC Kirchberg S.à r.l., Luxemburg, Luxemburg	100.0		x	91	-47
Instone Real Estate Verwaltungsgesellschaft mbH, Essen, Deutschland	100.0		x	22	-3
Instone Real Estate Projektverwaltungs GmbH, Essen, Deutschland	100.0		x	-85	-29
Instone Real Estate Beteiligungsgesellschaft mbH, Essen, Deutschland	100.0	x		24	-1
Kleyer Beteiligungsgesellschaft mbH, Frankfurt a. M., Deutschland	100.0		x	153	13
Projekt Wilhelmstraße Wiesbaden Verwaltung GmbH, Köln, Deutschland	70.0		x	-10	-5
TG Potsdam Projektentwicklungsgesellschaft mbH i.L, Neubiberg, Deutschland[2]	10.0		x	-1,002	-324
Twelve Verwaltungs GmbH, Stuttgart, Deutschland	100.0		x	33	2
Uferpalais Verwaltungsgesellschaft mbH, Essen, Deutschland	70.0		x	48	-40
Westville Vermietungs GmbH, Essen, Deutschland	100.0		x	-1	-21
Wohnpark Heusenstamm Verwaltungs GmbH, Essen, Deutschland	100.0		x	23	0

[1] Profit and loss transfer agreement with Instone Real Estate Group SE.

[2] Annual financial statements 31/12/2020.

25 Contingent liabilities

Obligations from warranties and guarantees amounted to €66,456 thousand (previous year: €57,561 thousand). They were made for obligations of subsidiaries in favour of third parties. On the basis of the financial situation of the subsidiaries, the risk of recourse is low.

26 Other financial obligations

Minimum lease payments due in the future are comprised as follows:

Other financial obligations TABLE 23

In thousands of euros

	31/12/2024	31/12/2023
Other financial obligations		
Due in up to one year	534	543
Due in one to five years	327	634
	860	**1,177**

27 Notifications of voting rights

As of 31 December 2024, there were investments in the Company that were notified in accordance with Section 33 (1) of the German Securities Trading Act (WpHG):

Voting rights notifications in accordance with section 33 of the German Securities Trading Act TABLE 24

Notifiables	Name of Shareholders	Reason for the notification	Voting rights after threshold touch	Voting rights after threshold touch in %	Notification threshold	Date of threshold touch	Publication Instone Group
Saul Goldstein	ASG Fund VI Tower S.à r.l. / ASG Fund VII Tower S.à r.l.	Acquisition/disposal of shares with voting rights	12,192,940	25.95	Exceedance 25%	05/08/2022	09/08/2022
Hussain Ali Habib Sajwani	Samarra Company Limited	Acquisition/disposal of shares with voting rights	4,715,770	10.04	Exceedance 10%	24/04/2023	03/05/2023
FMR LLC, Wilmington, Delaware, United States of America		Acquisition/disposal of shares with voting rights	2,354,526	5.01	Exceedance 5%	09/02/2024	13/02/2024
Ranger Global Real Estate Advisors LLC, New York, United Stated of America		Acquisition/disposal of shares with voting rights	1,899,354	4.04	Shortfall 5%	07/11/2023	10/11/2023
Frederico Riggio	Helikon Long Short Equity Fund Master ICAV	Acquisition/disposal of shares with voting rights	1,537,460	3.27	Exceedance 3%	29/10/2024	05/11/2024

In 2025, the following investments in the Company have been reported in accordance with Section 33 (1) WpHG:

Voting rights notifications in accordance with section 33 of the German Securities Trading Act TABLE 25

Notifiables	Name of Shareholders	Reason for the notification	Voting rights after threshold touch	Voting rights after threshold touch in %	Notification threshold	Date of threshold touch	Publication Instone Group
Fidelity Puritan Trust, Boston, United States of America		Acquisition/disposal of shares with voting rights	1,589,822	3.38	Exceedance 3%	22/01/2025	30/01/2025

28 Declaration of Compliance with the German Corporate Governance Code

The Management Board and Supervisory Board of Instone Real Estate Group SE issued their regular declaration of compliance for the 2024 financial year in December 2024, in line with the recommendations of the German Government Commission on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG).

The declaration of compliance has been made permanently publicly available to shareholders under ↗ Instone Declaration of Compliance on the Company's website.

29 Proposed use of profits

The Management Board proposes to use the net profit of €26,415,158.17 to pay a dividend of €0.26 per share entitled to dividend and to carry forward the remaining net profit, including the amount attributable to shares not entitled to a dividend, to the new account.

Essen, 7 March 2025

The Management Board

Kruno Crepulja David Dreyfus Andreas Gräf

Independent auditor's report

To Instone Real Estate Group SE, Essen/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Instone Real Estate Group SE, Essen/Germany, which comprise the statement of financial position as at 31 December 2024, and the income statement for the financial year from 1 January to 31 December 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the Parent and the Group of Instone Real Estate Group SE, Essen/Germany, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement in accordance with Sections 289f and 315d German Commercial Code (HGB) contained in the "Corporate governance statement" subsection of the "Other disclosures" section of the combined management report, including the further reporting on corporate governance contained therein. In addition, we have not audited the content of the "Sustainability report" contained in the combined management report and the references extraneous to combined management reports and marked as unaudited to texts relating to the requirements of the General Reporting Initiative (GRI) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) that are labelled with the GRI or the TCFD symbol.

In our opinion, on the basis of the knowledge obtained in the audit:

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles, and

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the "Sustainability report" chapter and the above-mentioned corporate governance statement in accordance with Sections 289f and 315d HGB, including the further reporting on corporate governance contained therein, as well as the references extraneous to combined management reports that are marked as unaudited and relate to the requirements of the General Reporting Initiative (GRI) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and are labelled with the GRI or the TCFD symbol.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other

German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the measurement of investments in affiliated companies, which we have determined to be a key audit matter.

Our presentation of this key audit matter has been structured as follows:

a. description (including reference to corresponding information in the annual financial statements)

b. auditor's response

Measurement of investments in affiliated companies

a. The annual financial statements of Instone Real Estate Group SE, Essen/Germany, as at 31 December 2024 report investments in affiliated companies of kEUR 222,651 (34.6% of total assets). These are measured at acquisition cost or, in the case of impairment that is expected to be permanent, at the lower fair value as at the reporting date.

   Of the investments in affiliated companies reported in the annual financial statements, an amount of kEUR 222,137 (99.8%) is attributable to Instone Real Estate Development GmbH, Essen/Germany, whose annual financial statements recognise the majority of the Instone Group's construction projects. The executive directors of Instone Real Estate Group SE, Essen/Germany, tested these investments for impairment as at the reporting date by performing an internal company valuation. The fair value of the investments in this affiliated company was determined as the present value of future cash flows using the discounted cash flow method. The underlying cash flows are based on the corporate planning prepared by the executive directors and acknowledged by the supervisory board, which includes the expectations of the executive directors of Instone Real Estate Development GmbH regarding the future development of the projects. The cash flows are discounted using the weighted average cost of capital.

   The book values of the remaining investments in affiliated companies are tested for indications of impairment as at the reporting date based on analyses performed by the executive directors. If these analyses indicate a need for possibly required impairment losses, a detailed company valuation is performed on the basis of the corporate planning using the discounted cash flow method.

   We classified the measurement of investments in affiliated companies as a key audit matter because the result is highly dependent on discretionary assessments and assumptions made by the executive directors with regard to the estimated future cash flows and the discount rate used, and is therefore subject to considerable uncertainty.

   The disclosures made by the executive directors on investments in affiliated companies are contained in the "Accounting and measurement principles" subsection of the "Basis of the annual financial statements" section as well as the "Non-current assets" subsection of the "Notes to the statement of financial position" section of the notes to the financial statements.

b. As part of our audit of the measurement of investments in affiliated companies, we gained an understanding, with the involvement of our internal valuation experts, of the methodology applied by the executive directors when performing the impairment test, including the methods applied, the assumptions made and the data sources used in the company valuation presented to us.

   As part of our audit, we first gained an understanding of the key processes in place for the measurement of investments in affiliated companies. We evaluated the design of internal controls relevant to the audit and verified that these had been implemented.

We evaluated the reasonableness of the methods applied, the assumptions made and the data used by the executive directors in the context of the measurement. In addition, we assessed the extent to which the measurement can be influenced by subjectivity, complexity or other inherent risk factors.

With regard to the significant investment in Instone Real Estate Development GmbH, we assessed whether the future cash flows underlying the measurement and the discount rate used generally form a suitable basis for the measurement of investments in affiliated companies.

In this context, we verified that the underlying future cash flows are consistent with the corporate planning prepared by the executive directors and acknowledged by the supervisory board. By interviewing the executive directors on matters such as the value drivers underlying the corporate planning and by comparing the assumptions made with macroeconomic and industry-specific market expectations, we verified the plausibility of the planning and examined whether the future cash flows included in the measurement model were derived appropriately from the assumptions made. To assess the quality and reliability of the corporate planning, we also compared the planning of the prior financial years with the actual results and analysed deviations (adherence to planning).

With regard to the determination of the discount rate, we examined the parameters used, including the cost of capital, and verified that these are within the normal market range.

We checked the calculation model for determining the company value for mathematical accuracy.

We verified that the disclosures in the notes to the financial statements were complete and accurate.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the corporate governance statement, including the further reporting on corporate governance contained therein,
- the references contained in the combined management report and marked as unaudited to texts relating to the requirements of the General Reporting Initiative (GRI) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) that are labelled with the GRI or the TCFD symbol,
- the sustainability report contained in the combined management report, and
- the executive directors' confirmations pursuant to Sections 264 (2) sentence 3 and 289 (1) sentence 5 HGB regarding the annual financial statements and the combined management report.

The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the corporate governance statement in the combined management report. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information:

- is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 38006658ab36ab7616595968ea6af44aa2f60fd9b99a7663b83f5c7b6c111943, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 5 June 2024. We were engaged by the supervisory board on 30 September 2024. We have been the auditor of Instone Real Estate Group SE, Essen/Germany, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Nicole Meyer.

Dusseldorf/Germany, 10 March 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Rolf Künemann Wirtschaftsprüfer (German Public Auditor)	Signed: Nicole Meyer Wirtschaftsprüferin (German Public Auditor)

Assurance of legal representatives

To the best of our knowledge and in accordance with the applicable accounting principles, the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company. Furthermore, the combined management report of the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Essen, 7 March 2025

The Management Board

Kruno Crepulja | David Dreyfus | Andreas Gräf

Legal notice

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Management Board

Kruno Crepulja (Chair)
David Dreyfus
Andreas Gräf

Chairman of the Supervisory Board

Stefan Brendgen

Commercial Register

Registered in the Commercial Register
of the Essen District Court under HRB 32658

Sales tax ID number
DE 300512686

Concept, design and implementation

RYZE Digital
www.ryze-digital.de

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