

Instone Real Estate successfully starts the 2018 financial year - positive outlook for 2018 confirmed

- In the first quarter of 2018, improvement of revenues to around EUR 34.8 million, a rise of 32.8% over the same period last year (first quarter 2017: EUR 26.2 million)
- Significant increase in earnings before interest and taxes (EBIT) by around EUR 12.4 million to about EUR 9.1 million (first quarter 2017: EUR -3.3 million)
- High stability of project portfolio – expected total sales volume continues to be about EUR 3.4 billion; further portfolio expansion planned
- Positive outlook for 2018 confirmed: revenues of EUR 320 million – EUR 330 million, adjusted EBIT of EUR 42 million – EUR 48 million. Operating performance of more than EUR 500 million.

Essen, 29 May 2018. Instone Real Estate Group N.V. (symbol: INS, ISIN: NL0012757355) published its financial figures for the first quarter of 2018 today.

The company registered a successful start to the 2018 financial year and met its own targets. Instone Real Estate plans to continue the implemented growth trend for the rest of the financial year.

Kruno Crepulja, Chief Executive Officer of Instone Real Estate: "For us, Instone's positive development in the first quarter represents confirmation of our growth strategy, which we plan to further advance in the current financial year. Our clear target is to expand our portfolio further, so that we can ensure sustained high profitability and maintenance of our successful position as a leading listed residential unit developer in the future too."

Positive development of financials in the first quarter of 2018

The revenues in the first quarter of 2018 amounted to around EUR 34.8 million and thus rose by 32.8% in comparison with the same period last year (first quarter 2017: EUR 26.2 million). At the end of the reporting period, earnings before interest and taxes (EBIT) were around EUR 9.1 million, thus rising by around EUR 12.4 million as compared with the same period last year (first quarter 2017: EUR -3.3 million). Here the first-time adoption of the International Financial Reporting Standard IFRS 15 as of 1 January 2018 had a positive influence with an effect of around EUR 3.9 million on the operating result during the reporting period.

In comparison with last year, the balance sheet total dropped by around EUR 111.7 million to EUR 677.5 million (first quarter 2017: EUR 789.1 million). The major reasons are also the implementation of IFRS 15 as per 1 January 2018 and the associated necessary adjustments in the statement of financial position.

Development of key performance indicators

In general, the development of key ratios per quarter depends on the scheduling of relevant project implementation. The total sales volume of all sales contracts signed in the reporting period amounted to around EUR 30.0 million as compared with around EUR 90.8 million in the first quarter 2017.

In the first quarter, 75 residential units were completed and handed over. The resulting total sales volume was around EUR 30.3 million as compared with a total sales volume of around EUR 17.9 million in the first quarter 2017.

On the key date of 31 March 2018, the Instone Real Estate portfolio contained a total of 45 projects with more than 8,000 residential units. The expected total sales volume continues to constitute about EUR 3.4 billion, as in the fourth quarter 2017, and so underscores the stability of the portfolio.

Positive outlook for the 2018 financial year confirmed

For the 2018 financial year, Instone Real Estate confirms its positive outlook. The company continues to anticipate revenues of between EUR 320 million and EUR 330 million and an operating performance – which consists of revenues and changes in inventories – of more than EUR 500 million. In addition, Instone Real Estate forecasts an adjusted result before interest and taxes (adjusted EBIT) of between EUR 42 million and EUR 48 million for the 2018 financial year. The outlook does not consider the effects from the adoption of IFRS 15.

The quarterly group statement issued today for the first quarter of 2018 has been posted on the company's website and can be downloaded from the following address:

<http://ir.en.instone.de/websites/instonereal/English/3100/reports.html>



About Instone Real Estate (IRE)

Instone Real Estate is one of Germany's leading residential developers. Instone develops modern urban multi-family and residential buildings and refurbishes listed buildings for residential use. Instone develops and markets flats for owner-occupiers, private investors and institutional investors. In 27 years, we have successfully developed more than one million square metres. Around 300 employees work at eight locations nationwide. As of 31 March 2018, Instone's project portfolio consisted of 45 development projects with an expected total sales volume of around EUR 3.4 billion and more than 8,000 units. The "Instone" brand was created in 2017 through the merger of formart GmbH & Co. KG and GRK-Holding GmbH. Since February 2018 Instone has been listed in the Prime Standard at the Frankfurt Stock Exchange.

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