

Instone Real Estate increases its business results in the first half of 2018 and raises forecast for the full year

- Earnings before interest and taxes (EBIT) considerably improved by EUR 11.1 million to EUR 1.5 million
- Revenues increased significantly to EUR 143.9 million
- Successful expansion of the project portfolio: expected total sales volume increased by around EUR 179 million to approximately EUR 3.6 billion
- Outlook for 2018 increased due to the application of IFRS 15: revenues of EUR 370 million to EUR 400 million, adjusted EBT expected to rise to EUR 32 million to EUR 37 million
- Operating performance of more than EUR 500 million confirmed

Essen, 24 August 2018. Instone Real Estate Group N.V. has significantly increased its results in the first half of 2018 compared to the same period of the previous year and is successfully maintaining its growth path. Kruno Crepulja, CEO of Instone Real Estate, is satisfied: "The good results of the first half of 2018 are fully in line with our expectations. We believe, therefore, that we're in a good position to achieve the goals we've set for the 2018 financial year as a whole. Even in the future, the German housing market will continue to offer attractive potentials and will form the basis for the continuation of our sustainable and profitable path of growth."

Successful business development in the first half of 2018

Compared to the same period of the previous year, we have significantly increased earnings before interest and taxes (EBIT) by EUR 11.1 million to EUR 1.5 million. Also, we were able to substantially increase revenues to EUR 143.9 million (first half of 2017: EUR 47.5 million). Furthermore, Instone Real Estate has been able to significantly improve the operating performance to EUR 148.4 million (first half of 2017: EUR 91.4 million). In this respect, operating performance is a key measure for us, as it describes the company's output – consisting of revenues and changes in inventories. While earnings are only marginally affected

by the first-time adoption of the accounting principles in accordance with IFRS 15 in the current financial year, the increase in revenues is more due to this change.

Expansion of the project portfolio

As of the reporting date of 30 June 2018, our portfolio consisted of 44 development projects totalling around 8,900 planned residential units. The expected total sales volume is now EUR 3,589 million, which corresponds to an increase of around EUR 179 million. The expansion of the portfolio is, above all, the result of land purchases in Rottenburg am Neckar and in Leipzig.

The total volume of all sales contracts concluded in the first half of 2018 amounted to around EUR 150.0 million (first half of 2017: EUR 211.2 million). The deviation is basically due to the fact that the major sales launches took place at the end of the first half of 2018 and so will mainly become effective in the second half of the year. For the full financial year 2018 we expect therefore a sales volume of more than EUR 500 million which exceeds the level of the previous year.

In the first half of 2018, we were able to complete 167 residential units with a total sales volume of around EUR 66.8 million (first half of 2017: EUR 43.7 million) and hand them over to our customers.

Outlook for the 2018 financial year adjusted upwards

For the remaining part of the financial year, we continue to expect a positive business performance. Owing to the accounting principles that are applicable since the start of the year in accordance with IFRS 15, Instone Real Estate has adjusted its previous outlook, which it communicated in its annual financial report and confirmed in its quarterly statement. Instone Real Estate is now expecting revenues of EUR 370 million to EUR 400 million, which means an increase of between EUR 50 million and EUR 70 million compared to the previous outlook. Instone Real Estate reconfirms its expected operating performance of more than EUR 500 million. Furthermore, we expect adjusted earnings before taxes (EBT) to be EUR 7 million



higher than in the initial outlook, i.e. in the range of EUR 32 million to EUR 37 million for the 2018 financial year.

If there had been no change in the accounting method that was applied up to the end of the previous financial year – and on whose basis Instone Real Estate had determined the previous outlook – the key figures for the 2018 financial year would have remained unchanged.

The half-year financial report is available for download on the company's website at the following address:

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

About Instone Real Estate

Instone Real Estate is one of Germany's leading residential developers. Instone Real Estate develops modern urban multi-family and residential buildings and refurbishes listed buildings for residential use. Instone Real Estate develops and markets apartments for owner-occupiers, private investors and institutional investors. In 27 years, we have successfully developed more than one million square metres. Around 270 employees work at eight locations nationwide. As of 30 June 2018, Instone Real Estate's project portfolio comprised 44 development projects with an expected total sales volume of roughly EUR 3.6 billion and around 8,900 units. Instone Real Estate has been listed in the Prime Standard at the Frankfurt Stock Exchange since February 2018.

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