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Instone places shares at EUR 21.50 per share

- Total offering volume of about EUR 428 million including over-allotment option.
- Placement of 19,900,000 shares corresponds to free float of 53.8 percent (assuming full exercise of greenshoe option).
- Market capitalization of about EUR 795 million.
- Instone to receive net primary proceeds of EUR 142 million to accelerate its growth.

Essen, February 13, 2018. Instone Real Estate Group (the “Company” and, together with its subsidiaries, “Instone”), a leading nationwide residential real estate developer with a focus on Germany’s key metropolitan regions, today has determined, together with the underwriters, the placement price for its shares at EUR 21.50 per share in connection with the private placement.

Instone placed a total number of 19,900,000 shares with institutional investors. Thereof 7,000,000 new shares from a capital increase and 12,900,000 existing shares from the holdings of the current shareholders, funds established by ActivumSG Capital Management Limited (“ASG”), including additional shares from an over-allotment option were placed.

The total offering volume amounted to approximately EUR 428 million. Assuming the full exercise of the greenshoe option, the free float will amount to approximately 53.8 percent. Based on the placement price, Instone’s market capitalization will be approximately EUR 795 million at the beginning of trading.

Instone’s net proceeds from the placement of new shares amount to approximately EUR 142 million. Thereof the company intends to use approximately EUR 86 million for the acquisition and development of new residential projects as well as for other corporate expenses. Approximately EUR 55.5 million of the net primary proceeds will be used to fully repay an existing shareholder loan.

Kruno Crepulja, CEO of Instone: “The listing of Instone is an important milestone. We will use the major share of the primary proceeds to accelerate the growth of our business. In return, our shareholders will have the opportunity to participate in the successful development of Instone as the largest listed, fully integrated residential real estate developer active in all key metropolitan regions in Germany.”

The start of trading of the Company’s shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) is scheduled for February 15, 2018, under the German Securities Code (WKN) A2JCTW, the International Securities Identification Number (ISIN) NL0012757355 and the ticker symbol ”INS”. Settlement is expected to take place on February 19, 2018.

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Credit Suisse and Deutsche Bank acted as Joint Global Coordinators, and together with BNP PARIBAS, Morgan Stanley and UniCredit Bank AG as Joint Bookrunners. Lilja & Co acted as financial advisor to Instone and ActivumSG.

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About Instone

Instone is a leading nationwide residential real estate developer in Germany. Instone develops modern, urban, multi-family, residential properties and redevelops listed buildings for residential use. Instone develops and sells residential units to owner-occupiers, private buy-to-let and institutional investors, and has developed more than one million square meters over 26 years. The Company has a workforce of around 240 employees at eight locations around Germany. As of September 30, 2017, Instone's project portfolio comprised 48 development projects with an aggregate expected sales volume of approximately EUR 3.4 billion and more than 8,000 units. The Instone brand was created through the combination of formart GmbH & Co. KG and GRK-Holding GmbH in 2017.

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The Joint Bookrunners are acting exclusively for the Company and the selling shareholders and no-one else in connection with the transaction. They will not regard any other person as their respective client in relation thereto and will not be responsible to anyone other than the Company and the selling shareholders for providing the protections afforded to their respective clients, nor for providing advice in relation to the transaction, the contents of this announcement or any other matter referred to herein.

Statements contained herein may constitute "forward-looking statements." Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate," "believe", "intend", "project", "goal" or "target" or the negative of these words or other variations on these words or comparable terminology.Forward-looking statements are based on current expectations and involve a number of known and unknown risks, uncertainties and other factors that could cause the Company's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. You should not place undue reliance on forward-looking statements and the Company does not undertake publicly to update or revise any forward-looking statement that may be made herein, whether as a result of new information, future events or otherwise.

In connection with the placement of the shares, Credit Suisse Securities (Europe) Limited or its affiliates, acting for the account of the Joint Bookrunners, will act as the stabilization manager and may, as stabilization manager, make over-allotments and take stabilization measures in accordance with legal requirements (Art. 5 para. 4 and 5 of the Market Abuse Regulation (EU) No. 596/2014 in conjunction with Articles 5 through 8 of the Commission Delegated Regulation (EU) 2016/1052) to support the market price of the Company's shares and thereby counteract any selling pressure. The stabilization manager is under no obligation to take any stabilization measures. Therefore, stabilization may not necessarily occur and may cease at any time. Such measures may be taken on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) from the date when trading in the shares of the Company is commenced on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and must be terminated no later than 30 calendar days after this date (the "Stabilization Period"). Stabilization transactions aim at supporting the market price of the Company's shares during the Stabilization Period. These measures may result in the market price of the Company's shares being higher than would otherwise have been the case. Moreover, the market price may temporarily be at an unsustainable level.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Company's shares to be placed have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Company's shares may decline and investors could lose all or part of their investment; the Company's shares to be placed offer no guaranteed income and no capital protection; and an investment in such shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the private placement. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties in the Private Placement. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Company’s shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.