

HB Reavis Holding S.á r.l. („HB Reavis“)

QUARTERLY BUSINESS UPDATE FOR THREE MONTHS TO 31 DECEMBER 2017 AND SUMMARY OF BUSINESS RESULTS FOR TWELVE MONTHS TO 31 DECEMBER 2017

1st February 2018

HB Reavis, 3rd largest European office developer, as ranked by leading pan-European real estate magazine Property EU (2016), today announces quarterly business update for three months to 31 December 2017 and provides reflection on business highlights for twelve months to 31 December 2017.

Marian Herman, Chief Financial Officer, said: “Our effort resulted in December 2017 to completion of two assets disposals, namely 33 Central to Wells Fargo that will serve as the bank’s London headquarters and Logistic Center Lovosice to pan-European logistics investor-developer P3. The latter disposal means completion of HB Reavis’ strategic pull-out from its logistics activities, while the former is our first completion of the property-product cycle outside the central and eastern Europe. On the acquisition front, during 4Q 2017, we completed first acquisition in Poland outside of Warsaw, in Lodz. In 2017, we made continuous progress on delivery of our landmark projects: Varso Place in Warsaw, Agora Hub and Agora Tower in Budapest and Stanica Nivy & Nivy Tower which will complement our already existing schemes Twin City A, Twin City B and Twin City C in Nivy Zone district in Bratislava. In London we have substantially progressed on construction of projects 20 Farringdon and Cooper&Southwark both of which are due to complete in 1Q 2018. Earlier in 2017, we have made our commitments in the UK by accomplishing the biggest acquisition in our history and utilizing the weaker Sterling by buying One Waterloo in the premium location next to Waterloo station, the busiest transportation nod in Europe. Considering the scale, it is a perfect fit to our strategy to create and enhance the community filled with our recently launched strategic initiatives. In the area of commercialization, we have managed to contract 79.5 thousand sqm of GLA (excluding HB Reavis CE REIF, which was deconsolidated in mid-2017), translating into workspace for 78 clients. In course of 2017, we have completed two projects, namely, West Station II and 33 Central, totaling 59 thousand sq m. Proving as reliable partner for our lenders and investors, we managed to secure more than €540m of new proceeds through external financing, of which €127m stem from issued bonds. At the end 2017, our gross debt on fully consolidated bases reached €917.7m, which translates into €870m debt according to IFRS rules (adjusted by JV debt). The year for HB Reavis ended with a cash balance of €260m. In 2017 we continued to foster our strategic initiatives that we label “Workspace as a Service” and which represent an addition to our core development activities and encompass our co-working platform HubHub, the end-to-end tailor-made workspace advisory Origameo, smart building component, educational programming and user-centric activities. HubHub is currently operating already in two locations across 3.4 thousand sq m, is home to more than 170 members and is seeking to expand in further locations. Nivy Zone has been registered to receive the 1st BREEAM Communities International certificate in the world where we are shifting our focusing on creating a community for socializing, wellbeing of users and sharing knowledge of employees. The shift on the communities shall be rolled-over across multiple of our projects, particularly Varso Place in Warsaw, Agora in Budapest, Nivy Zone in Bratislava and One Waterloo in London.”

Quarterly business update for the three months until 31 December 2017

1) Acquisitions

- We have made our first acquisition outside the Polish capital Warsaw in Lodz that would enable us to develop total GLA of 30 000 sq m predominantly of office space. We expect the completion of the project in 2020.

2) Commercialization of assets

- As at the end 2017, the group owned 14 income producing office properties across four countries totaling 333 thousand sq m GLA: Apollo Business Center III, Apollo Business Center V, Twin City B, Twin City C, Centrum Bottova and H-Business Center in Slovakia, Metronom Business Centre and Mercuria in Czech Republic (temporary), Postepu 14, Gdanski Business Center C, Gdanski Business Center D, West Station I and West Station II in Poland and One Waterloo in United Kingdom (temporary). Market value of these projects amounted €1.1bn as of June 2017 and weighted average occupancy stood at 92% as of December 2017.
 - For four of these projects, the group has signed the letter of intent (or similar documents) with potential investors. Discussions regarding sale of the following asset: Gdanski Business Center C, Gdanski Business Center D, Metronom Business Center and Twin City C are in various stages.:
- Total 20.7 thousand sq m of leases including renewals were signed with 29 clients during the fourth quarter 2017. Annual passing rent stemming out of these leases, excluding voids and rent-free periods, represents €4.0m including the expansion option. The biggest new tenants include names such as:
 - HB Reavis, Twin City C, Slovakia – 5.1 thousand sq m
 - BASF Polska, West Station II, Poland – 2.8 thousand sq m
 - Amadeus, West Station II, Poland – 2.4 thousand sq m

3) Financing

- During the 4Q 2017, HB Reavis has drawdown the total amount of €94.3m in new external debt financing bringing the total year to date amount of raised debt funding to €541.8m. Out of €94.3m drawdown, the bank financing represented €63.3m and additional new €31m was raised from debt capital markets in Slovakia.
- HB Reavis successfully issued second retail bond in the amount of €31m, with 6-year tenor and 3.25% coupon rate
- We ended the year with an outstanding debt of €917.7m on pro-forma fully consolidated basis including the debt related to Joint Ventures projects with weighted average tenor of 3.8 years. Excluding the debt related to Joint Ventures projects, external debt stood at approximately €870.6m.

4) Completions and developments progress

- 10 development schemes with about 400 thousand sq m of GLA were under construction (or demolition) in four countries, namely: Varso Place (consisting of Varso I, Varso II and Varso Tower) in Warsaw, Poland, Twin City Tower, Nivy Tower & Stanica Nivy in Bratislava, Slovakia, 20 Farringdon and Cooper & Southwark in London, United Kingdom, Agora Hub & Agora Tower in Budapest, Hungary. For Agora Tower, we have also completed obtaining of all necessary permits. Estimated future gross development value of these projects amounts to around €1.8bn.
- HB Reavis achieved practical completion on project 33 Central in London and fulfilled its obligation stemming from forward sale agreement from July 2016 with Wells Fargo. Furthermore, the handover of the property to Wells Fargo and exchange of payments materialized in December 2017.

- In 2018, we expect to achieve the practical completion of projects 20 Farringdon and Cooper & Southwark in London in first half of the year and Twin City Tower in Bratislava in second half of the year.
- We have progressed with our permitting process and gained a Zoning Permit on our project in Bratislava, Forum BC II.

5) Divestments

- We have completed divestment of the project 33 Central in London to Wells Fargo including settlement of payments.
- We have completed the divestment of our last remaining logistics project LC Lovosice, Czech Republic consisting of 43.5 thousand sq m of GLA with a pan-European investor P3.
- The negotiation for prospective sale of Gdanski Business Center buildings C and D, Warsaw consisting of 52.5 thousand sq m of GLA is on track and we expect the closing of the transaction in upcoming months.
- We have entered into exclusive negotiation for the prospective sale of Twin City C, Bratislava consisting of 23.7 thousand sq m of GLA and we expect the closing of the transaction in first quarter of 2018.
- We have entered into exclusive negotiation for prospective sale of Metronom Business Center, Prague consisting of 34.0 thousand sq m of GLA and we expect the closing of the transaction in the first half of 2018.

6) HubHub

- HubHub ended the year with approximately 170 members spread across two locations on 3.4 thousand sq m.

7) New markets expansion / exits

- As part of ongoing evaluation of business opportunities we have made a strategic decision to close our activities in Turkey. After approximately five years of prospecting the market and seeking for a right opportunity, we were not able to build up a project pipeline fulfilling our strict selection criteria. Going forward, we will focus our resources more efficiently to Germany as our primary expansion market as well as expanding our Workspace-as-a-Service in the existing and potentially new countries and continuing our existing development programme.

Summary of key business achievements in the year 2017

1) Acquisitions

In aggregate, we have acquired two projects in two countries for total amount close to €300m

- One Waterloo, London, United Kingdom
 - Prominent South Bank location next to Waterloo station, the busiest transportation nod in Europe
- Enkew Lodz, Poland
 - First acquisition outside Polish capital Warsaw in Lodz

2) Commercialization of assets

Total 79.5 thousand sq m signed rental or occupation agreements including renewals with 78 clients (excluding HB Reavis CE REIF):

The biggest occupiers:

- Diebold Nixdorf, West Station II, Poland – 9.8 thousand sq m
- Astra Zeneca, Postepu 14, Poland – 6.2 thousand sq m (in addition to existing 7.0 thousand sq m)
- HB Reavis, Twin City C, Slovakia – 5.1 thousand sq m

3) Financing

The group raised total amount of new debt financing in excess of €541.8m:

- Total new amount raised from project finance loans amounted to €415.2m
 - We ended the year with an active credit relationship with 15 international banks
- Total new amount raised from debt capital markets of €126.6m consisting of:
 - Issuance of €51.9m bond in Poland
 - Repayment of €33.3m bond in Poland
 - Issuance of €108m bonds in Slovakia consisting of:
 - €45m secured bond with 10-year tenor
 - €51m out of bond Programme for retail investors in Slovakia with 5 and 6-year tenor
 - €12m tranche out of bond Programme with a tenor of 5 years

4) Completions and developments progress

Total Gross Leasable Area of completed projects amounts to 59.0 thousand sq m.

- 33 Central - London, UK
- West Station II – Warsaw, Poland

Construction started in 2017 on the following projects with total target GLA of 204.9 thousand sq m.

- Stanica Nivy – Bratislava, Slovakia
- Nivy Tower - Bratislava, Slovakia
- Agora Tower – Budapest, Hungary
- Agora Hub – Budapest, Hungary

Permitting progress in 2017

Construction permit

- Stanica Nivy – Bratislava, Slovakia
- Nivy Tower - Bratislava, Slovakia
- Agora Tower – Budapest, Hungary
- Agora Hub – Budapest, Hungary

Zoning permit

- Burakowska Street I - Warsaw, Poland
- Burakowska Street II – Warsaw, Poland
- Forum BC II – Bratislava, Slovakia

5) Divestments

We have divested and completed transactions of 2 projects:

- LC Lovosice, Czech Republic
 - Investor: P3
- 33 Central, London, UK – completed and handed over to Wells Fargo based on a forward sale agreement from July 2016
 - Investor: Wells Fargo

6) HubHub

We opened two new locations in 2017 in total amount of 3.4 thousand sq m and ended the year with close to 170 members

- Twin City B - Bratislava, Slovakia
- Postepu 14 – Warsaw, Poland

Forward-Looking Statements

Certain statements contained in this release are “forward-looking”, based on current view on our markets, activities and prospects and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In addition, we, through our management, from time to time, make forward-looking public statements concerning our expected future operations and performance and other developments. All forward-looking statements included in this release are made only as of the date hereof and no representation, assurance, guarantee or warranty is given in relation to them and HB Reavis assumes no obligation to update any written or oral forward-looking statements made by us or on our behalf as a result of new information, future events or other factors.

About HB Reavis

HB Reavis’ mission is to bring remarkable experiences to people’s lives through our real estate solutions.

The people who experience our developments are our main focus - our aim is to deliver great spaces that enhance productivity, well-being and overall experience for those that use them as well as the surrounding communities. As an integrated pan-European developer we design, build and manage our buildings; we also act as investment manager and manage spaces for co-working. We operate in the UK, Poland, the Czech Republic, Slovakia and Hungary while exploring development opportunities in Germany.

Since HB Reavis was founded in 1993 we have successfully delivered 1 million sq m of commercial space. We have further developments in the pipeline totalling almost 1.2 million sq m, with planned value of €5.6 billion. Eleven schemes are currently under construction, with a leasable area totalling 400,000 sq m and value of €1.8 billion.

With capital exceeding €1.2 billion and staff of more than 700 people, we’re proud to say that HB Reavis is among the European market leaders in real estate.

The exceptionally high standards we set in terms of development quality and sustainability have been recognised internationally with a series of awards, including "Best Employer in Poland" awarded in 2016 by AON Hewitt, "Best European Office Developer 2016" in the World Finance awards, "Office Developer" in Annual CEE Investment Awards 2017 by EuropaProperty and "Global Real Estate Investor of the Year" by Estates Gazette Awards 2017 in the United Kingdom.

More details at <http://www.hbreavis.com>