

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

QUARTERLY BUSINESS UPDATE FOR THREE MONTHS TO 31 MARCH 2018

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4th May 2018

HB Reavis, Europe’s leading innovative workspace provider, today announces quarterly business update for three months to 31 March 2018

Marian Herman, Chief Executive Officer, said: “We have had a strong start in to the year with signing of 37.5 thousand sq m of mostly new leases, which represents almost 35% of our 2017 leasing volume. Large part of these lease contracts concentrated into our landmark projects, Varso Place where Cambridge Innovation Center (CIC) will lease more than 13.5 thousand sq m and a reputable hotel chain will take-up large part of Varso 1 building. Overall, Varso Place pre-lease stood at over 23% at the end of the quarter. One of the key highlights of the first quarter was our strategic investment into US-based CIC, where we became significant minority shareholder and obtained a board seat. CIC is an important builder of innovation communities and they will bring the top innovations into Warsaw via their center in Varso Place. In addition to this strategic investment, we acquired a second part of the plot in Lodz, Poland and completed our first acquisition outside of the Polish capital. In addition to that, we reached another milestone in London where we achieved practical completion of our second project Cooper & Southwark, which is already fully leased to a single tenant as of April. We did not complete any divestment in the first quarter but all of those (except Twin City C for which we have decided to consider other options with the same prospective buyer) that we mentioned in the previous business update are on a good track and we hope them to complete in the upcoming months. On 16th April 2018 HB Reavis published its audited annual consolidated financial statements for financial year 2017.”

Quarterly business update for the first three months until 31 March 2018

1) Strategic Investment

- We have invested €48m (\$58m) into Cambridge Innovation Centre (CIC), where we became significant minority shareholder and obtained a board seat
- CIC will also lease approximately 30% of Varso 1 project
- Press Release related to CIC acquisition:
 - <https://hbreavis.com/en/press/hb-reavis-partners-us-innovation-cluster-specialist-cambridge-innovation-center/>

2) Change in Executive Board of Directors

- **Marian Herman** was appointed the new Chief Executive of HB Reavis Group as of 1st March 2018, as part of a long-planned succession of Pavel. Marian moved into the

role from his position as Group Chief Financial Officer and a Board Member of HB Reavis. He has been with the company for more than eight years.

- **Radim Rimanek** simultaneously became Deputy Chief Executive of HB Reavis Group, which is a newly-created role. Radim has been Member of HB Reavis Board for more than five years, having joined HB Reavis in 2012.
- **Pavel Trenka** stepped up into the role of Non-Executive Board Director after handing over Chief Executive role to Marian and after fulfilling his five-year term in the role. He joined the firm in 2007 and alongside Maarten Hulshoff and Ivan Chrenko, the company's founder will remain as a Non-Executive Board Director.

Executive Management of the Group now operates under Marian's and Radim's leadership with Peter Ceresnik, Rene Popik and Robert Kantor being the remaining board members.

3) Acquisitions

- We bought a second part of the plot in Lodz, Poland to complete the acquisition of Enkev Lodz project. The whole project would enable us to develop approximately 45 500 sq m of GLA predominantly of office, including approximately 30 000 sq m related to the first part of plot acquired in 2017

4) Leasing activity

- As at the end of 1Q 2018, the group owned 15 income producing office properties across four countries totaling 341 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 (temporary income producing asset) in Czech Republic (temporary), Postepu 14, Gdanski Business Center C, Gdanski Business Center D, West Station I and West Station II in Poland and Cooper & Southwark and One Waterloo (temporary income producing asset) in United Kingdom. Market value of these projects amounted €1.2bn as of December 2017 and weighted average occupancy stood at 94% as of March 2018, including a lease in Cooper&Southwark that was signed in April.
- Total 37.5 thousand sq m of leases including renewals were signed during the first quarter 2018. Annual passing rent stemming out of these leases, excluding voids and rent-free periods, represents €8.5m. The biggest tenants include names such as:
 - CIC (Varso 2, Poland)
 - Hotel Chain (Varso 2, Poland)
 - Arcadis (West Station II, Poland)

5) Financing

- During the first quarter 2018, HB Reavis has drawdown the total amount of €17m in new external debt financing, primarily from project related loans.

6) Completions and developments progress

- 9 development schemes with about 390 thousand sq m of estimated GLA under construction (or demolition) in four countries, namely: Varso Place (consisting of Varso I, Varso II and Varso Tower), Twin City Tower, Nivy Tower & Nivy Station in Bratislava, Slovakia, 20 Farringdon in London, United Kingdom, Agora Hub & Agora Tower in Budapest, Hungary. Estimated future gross development value at practical completion and full commercialization of these projects amounts to around €1.8bn.

- On the last working day of first quarter 2018, we have obtained a Practical Completion on our Cooper & Southwark project, which is our first refurbishment project and second project in London. As of April, the project is fully let to a single tenant, CBRE.

7) Divestments

- 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 weeks.
- The negotiation for prospective sale of Metronom Business Center, Prague consisting of 34.0 thousand sq m of GLA is on track and we expect the closing of the transaction in upcoming weeks.
- With respect to Twin City C, we have decided to consider other options with the same prospective buyer and not to pursue the divestment that was communicated in the previous business update.

8) Comments on new strategic initiatives

HubHub

- HubHub ended the first quarter 2018 with close to 200 members spread across two locations on 3.4 thousand sq m.

Forward-Looking Statements

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