

HB Reavis

International workspace provider

It's November 2020

hb**reavis**

01

Key presenters

Today's presenters



Peter Pecník

Group CFO

10+ years at HB Reavis

- Prior to his appointment as Group CFO in October 2020, Peter had been overseeing the development on the Polish market as CEO
- Head of Financing for 10 years until October 2018
- Previous experience: Tatra Banka, European Bank for Reconstruction and Development, Deloitte



Peter Andrašina

Head of Corporate Finance

9 years at HB Reavis

- In charge of Corporate Financing, managing UK deals and capital market deals on several markets
- Previous experience: UniCredit Group
- Comenius University in Bratislava: Financial Management

02

Group overview

Highlights

27 years in the real estate industry

Over **1.2 million** sq m of GLA delivered and leased

Over **1.1 million** sq m of GLA in pipeline

Over **730** professionals in 6 countries

International **innovative workspace** provider

Over **€2.93 billion** in total assets*

Over **€1.47 billion** in net asset value*

Source: Company Management as of 30 September 2020

* Based on IFRS financials as of 30th June 2020

Top office developers in Europe by pipeline

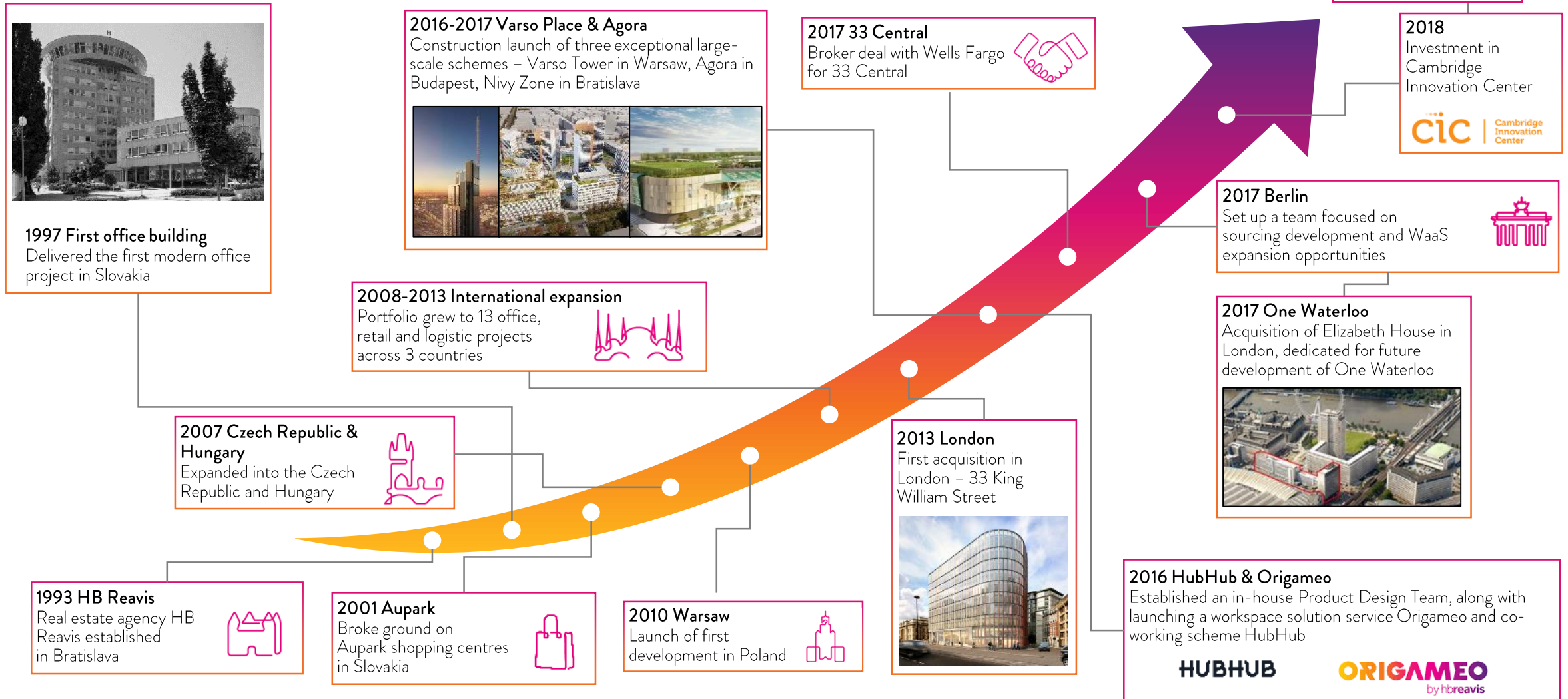
(independent data as of August 2020)

	Company	Office space in pipeline 2020-2022 (sq m)
1	HB Reavis	1,088,183 *
2	Skanska	976,191
3	AXA Investment Managers	927,461
4	Altarea Cogedim	864,700
5	Edge	400,400
6	Hines	337,522
7	BNP Paribas Real Estate	335,423
8	Immobel	186,920
9	AG Real Estate	178,000
10	Gecina	142,800

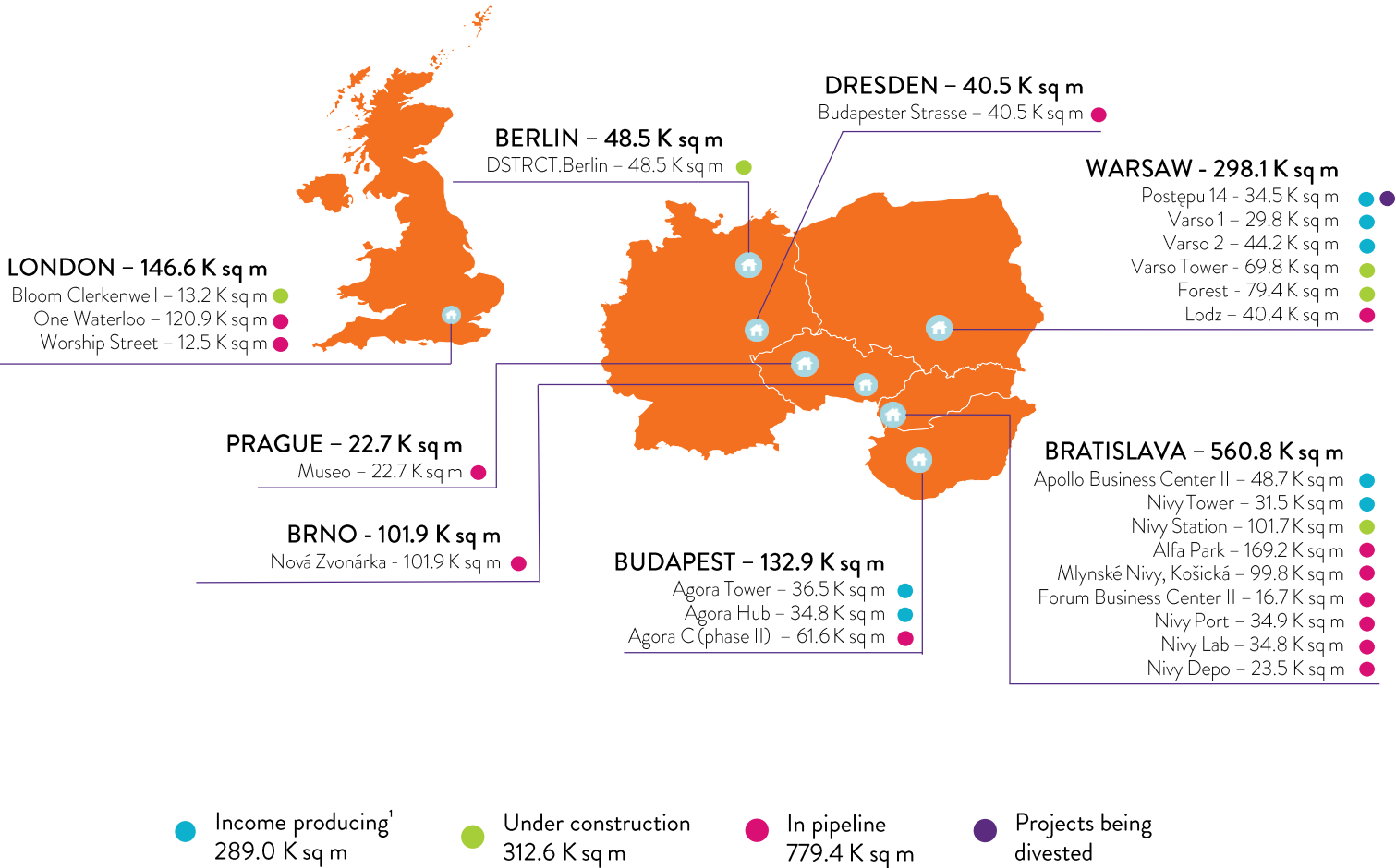
Source: PropertyEU, August 2020

* Based on independent data from PropertyEU and does not match latest Company data

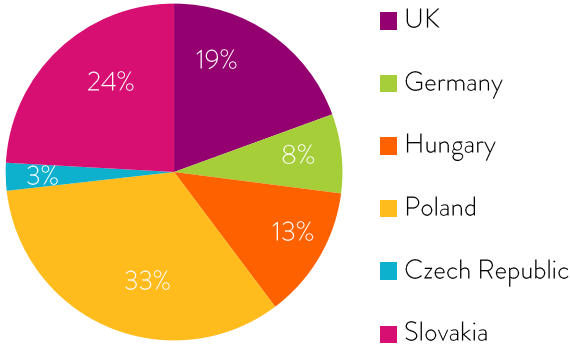
From a Slovak leader to an International workspace provider and Workspace-as-a-Service pioneer



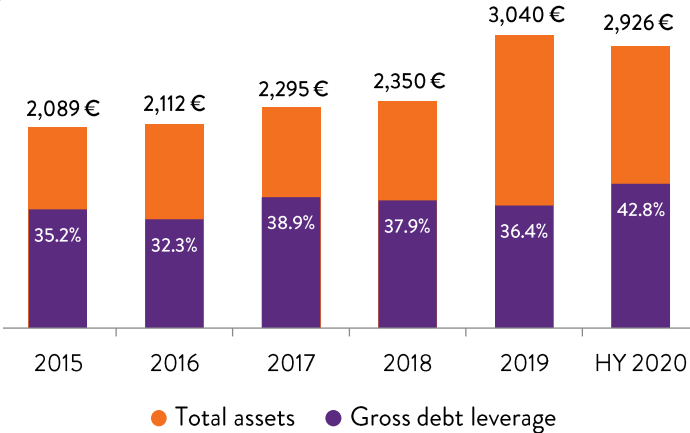
From #1 in CEE to International workspace provider



Total GAV²: €2.6bn
(by country)



Total assets
(in € million)



1 Includes GLA of non-core projects of Centrum Bottova, Kesmark and H Business centrum
2 Gross Asset Value (GAV) – market value of investment properties (in use, under development, or vacant)
Note: Estimated GLA is subject to permits
Source: IFRS financials as of 30 June 2020 Company Management as of 30 September 2020

Leadership team overview

Non-executive Directors



Ivan Chrenko
Chairman, Co-founder

- Co-founder of HB Reavis
- He served as CEO of the HB Reavis Group from 1994 to October 2013
- Only ultimate beneficial owner of HB Reavis



Pavel Trenka
Non-Executive Director
13 years with HB Reavis

- Group CEO from 2013 – 2018
- Joined HB Reavis in 2007
- Previous experience includes McKinsey and Bank Austria



Maarten J. Hulshoff
Non-Executive Director
10 years with HB Reavis

- Maarten Hulshoff chaired the HB Reavis advisory board for eight years
- Previously, he was CEO of Rodamco Europe and Rabobank International following a 19-years career at Citibank, holding a variety of senior positions internationally



Martin Mikláš
Non-Executive Director
2 years with HB Reavis

- Martin has joined the non-executive board of HB Reavis and will support governance, ethics programme, and other strategic projects.
- Prior to HB Reavis, Martin worked for Europe's largest utility companies RWE (now Innogy) in Slovakia, Germany, Poland and the UK in chief finance positions

Chief Executive and Executive Directors



Marian Herman
Group CEO
10 years with HB Reavis

- In charge of Group strategy, overseeing activities in Germany, Hungary and UK, as well as all commercialization activities
- From 2014 to April 2019 Group CFO and member of the Board, previously investment management and divestments
- Previous experience: RREEF, Deutsche Bank, ING Group



Peter Pecník
Group CFO
12 years with HB Reavis

- Prior to his appointment as Group CFO in October 2020, Peter had been overseeing the development on the Polish market as CEO
- Head of Financing for 10 years until October 2018
- Previous experience: Tatra Banka, European Bank for Reconstruction and Development, Deloitte



Peter Čerešník
Member of the Board
4 years with HB Reavis

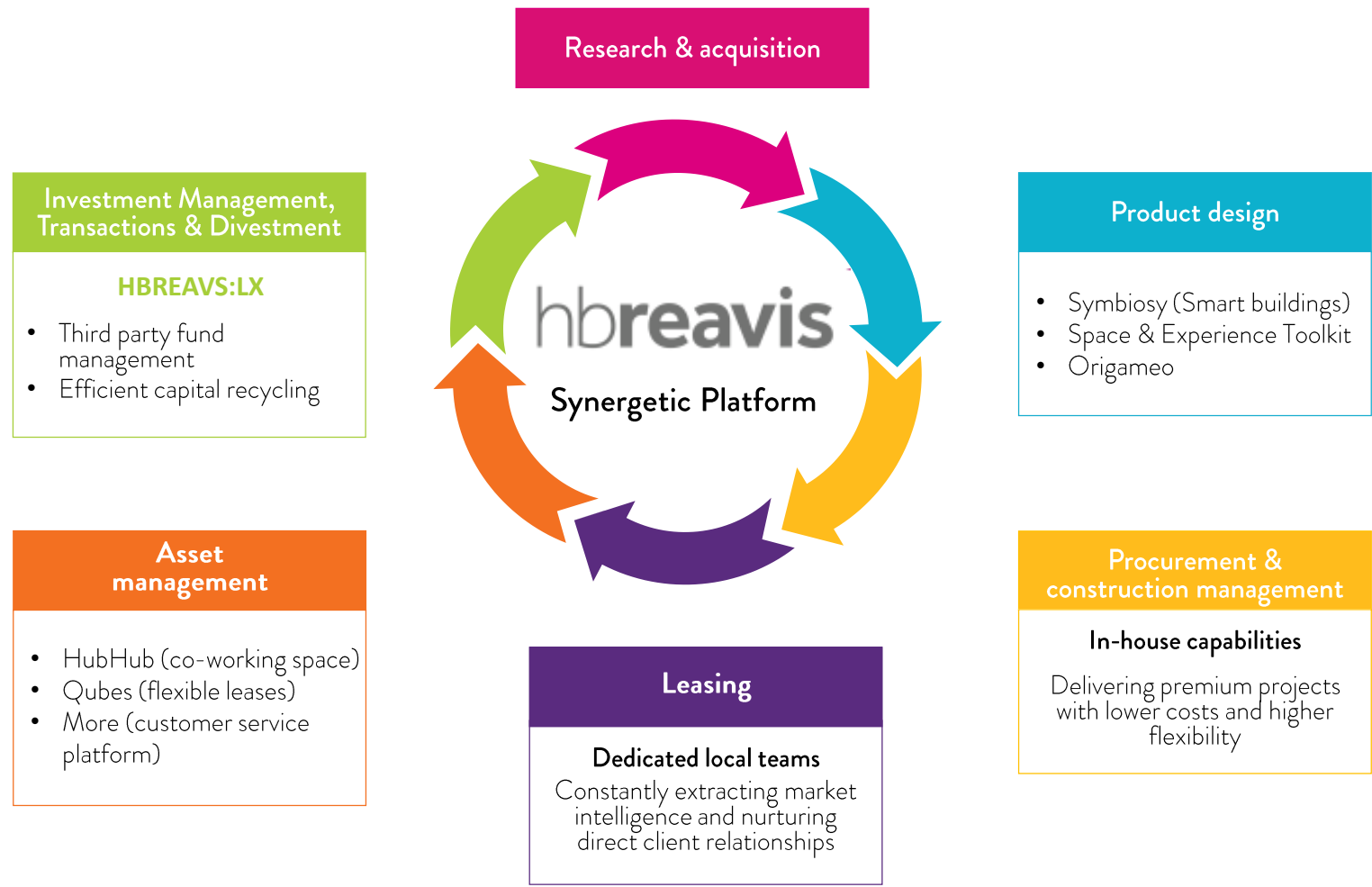
- Joined HB Reavis in 2016 as Board member, initially responsible for commercialization activities and WaaS product lines. Now responsible for development, construction and procurement.
- Previous experience includes leadership positions at Exe, Microsoft and the SAS Institute



Pavel Jonczy
Member of the Board
5 years with HB Reavis

- Pavel is currently responsible for Product Design, Construction, Procurement and WaaS products HubHub and Qubes
- Prior to his role in HB Reavis, he was part of McKinsey & Co. primarily on international project with B2B and B2C focus, responsible for operational improvements, company restructuring, and managerial roles at one of the biggest steel manufacturer ArcelorMittal

Integrated business model creates a synergistic platform

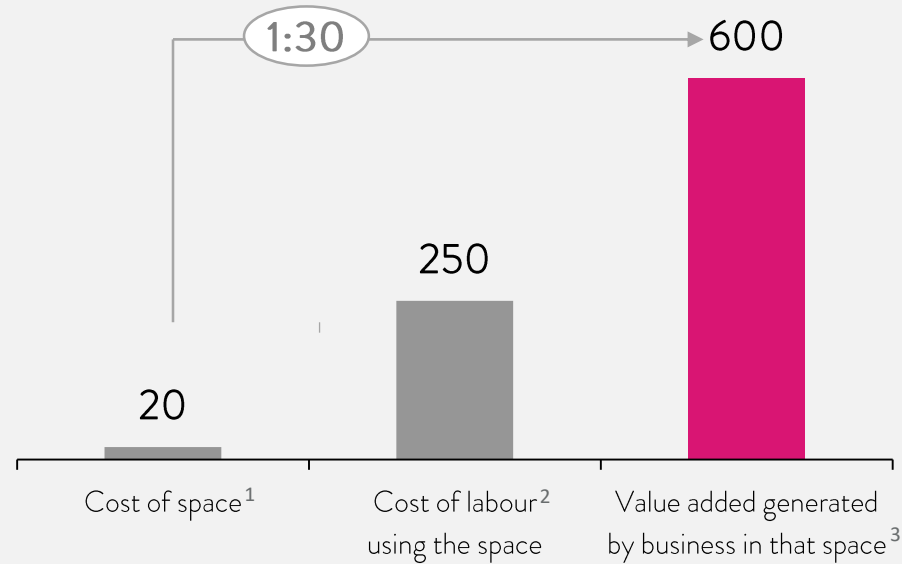


Integrated development and asset management platform allows HB Reavis to consistently deliver successful projects and to replicate its model in new geographies

Shifting paradigm from real estate as a cost item to real estate as productivity enhancer

**1 sq m of workspace means
(monthly, simplified)**

1% increase in employee productivity creates
potential for rent uplift by 38%



¹ Rent plus operating costs (80:20 split). Uplift calculated on rent only

² Assuming 10 sq. m per knowledge worker

³ Ranges between 2-8x of labour costs



User centric design



Productivity



**Large-scale hubs
(>100k sq m)**

Clients' needs

Healthy employees

- The set of strong indicators of employee health includes:
- **Absenteeism** – level of absence from work
- Average European absence is **3 - 6%** of working time – 53 - 106 hours for employee/year
- **Presenteeism** – presence at work despite sickness
- **39%** of employees and **57%** managers in Europe go to work even though they don't feel healthy

Engaged employees

- Why is it important that your employees are emotionally involved in the organization and its goals?
- It leads towards higher productivity, especially in service and product-oriented companies.
- There is **43% correlation** between engagement levels and turnover

Productivity (efficiency)

- Organizations lose revenue due to inefficiencies – time usage and capabilities
- **Interruptions** because of lack of resources can consume up to **28%** of the work of knowledge workers. Research shows space can boost our productivity

Innovation

- Innovation means to implement a significantly improved product, process or method in business practices
- More than a fifth of the companies consider innovation as a top priority which is in agreement with **96% of executives** putting innovation in top five strategic priorities

Talent attraction & retention

- Hiring talent is expensive
- It costs up to **213%** of employees' annual salary to replace them
- Companies need to actively manage their ability to attract and keep talented individuals

Flexibility

- Many, especially young companies struggle to predict their business growth beyond **18 months**
- Our solution can offer contractual, spatial and interior design flexibility. On the top of that it frees up resources of senior managers

Workspace-as-a-Service “software” is at the heart of what we do on top of our real estate “hardware”



Qubes: New genres of workspace

Flexible workplace, all inclusive services, for a wide range of companies

- ✓ Provides flexible and scalable workspaces with possibility of immediate expansion
- ✓ Mix & Match system of services
- ✓ Provides tenants the fourth dimension – the time to focus on people and business growth



HubHub: Events & services for innovation community

Coworking space built on community

- ✓ Supports collaboration, creativity and innovation
- ✓ Links up start-ups with corporations and creates a programming platform for meeting and learning
- ✓ Provides flexible working conditions with growth potential



More: Social events & services

Active asset management with above standard services

- ✓ Active approach to asset management
- ✓ Offer wide range of events & services (e.g. concierge, bikes, car pooling, food delivery, sport clubs, etc.)
- ✓ Delivering more value to companies and their employees, to enhance talent attraction & retention



Origameo: Workspace advisory

Team of analysts and designers of workspace

- ✓ Data-driven workspace advisory
- ✓ Covers design, strategy and implementation of efficiency-enhancing solutions
- ✓ Allows an in-depth understanding of the whole organization



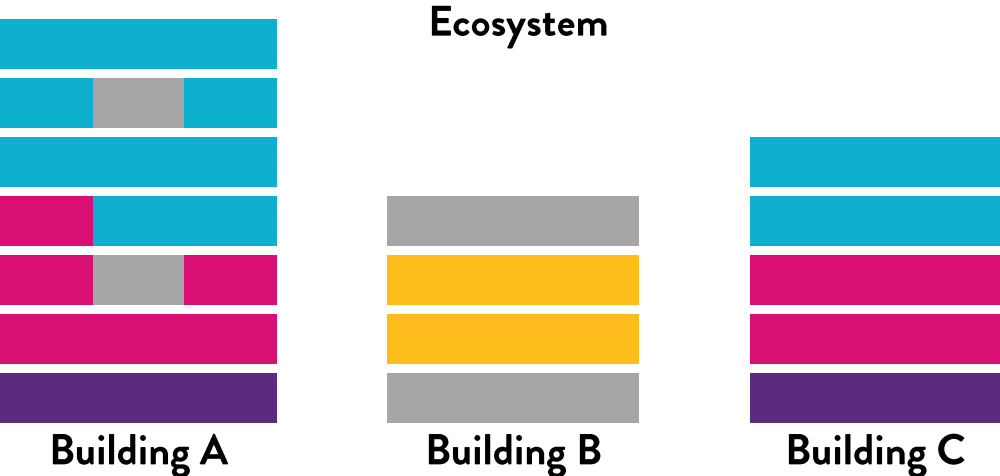
Symbiosis: Digitised experience

Targeted creation of symbiosis between users and the building

- ✓ Digital innovations in the building
- ✓ Uses attractive and smart technologies
- ✓ Provides useful behavioural data in scalable solutions for exceptional user experience with space

Our strategy is to develop large-scale hubs with various types of space

User focused large-scale hubs



Space Types

- Anchor traditional corporates
- Qubes
- CIC & HubHub start-ups & innovation community
- Shared spaces / programming
- Shared spaces / services

Size matters:
60+ k sq m in WE
100+ k sq m in CEE

Selected large-scale hubs

- Anchor tenants occupy 84% of total GLA
- Qubes are devoted 5% of total GLA
- HubHub in 5% of total GLA
- Retail, storage, and tenant services in 6% of total GLA



Nivy Zone, Bratislava



GLA constructed: 130k sq m
GLA incl. project in pipeline: 366k sq m

Agora, Budapest



GLA constructed: 71.3k sq m
GLA incl. project in pipeline: 133k sq m

- Anchor tenants occupy 74% of total GLA
- Qubes are devoted 12% of GLA
- Retail, storage, and tenant services in 14% of total GLA



03

Year-to-Date Business Achievements for 2020

Key business achievements in 2020 YTD



- In February 2020 the company completed the divestment of **Twin City B**, in Bratislava to HB Reavis CE REIF. The building was completed in 2016 and has an area of 23.5k sq m of GLA
- In May 2020 HB Reavis completed divestment of **20 Farringdon Street**, to a private investor. The project was completed in 2018 and sold with 7.9k sq m GLA fully-leased space offered from co-work, plug and play to traditional leases.
- The company has acquired a plot located on **Worship Street, London**, where it plans to construct office building with 12.5k sq m of GLA¹

Total transaction value of non-current assets divested: €222m



- The construction on **Varso 1** in Warsaw has reached practical completion in February 2020 and has 29.8k sq m of GLA
- HB Reavis has completed construction on **Varso 2** in Warsaw in May 2020 and has 44.2k sq m of GLA
- The construction on **Nivy Tower** in Bratislava has reached practical completion at the end of March 2020, offering 31.5k sq m of GLA
- We have reached practical completion on **Agora Tower** in June 2020 – building located in Budapest with GLA of 36.5k sq m
- HB Reavis has completed construction on **Agora Hub** in August 2020 – this achievement marks the completion of the first phase of Agora development

Total completed GDV: €897m



- In March 2020 we have repaid €40m unsecured bond and in September 2020 issued a €15m unsecured tranche maturing in 2024
- HB Reavis signed development loan for project **Forest** in Warsaw in the amount of €162m
- HB Reavis signed development loan for **DSTRCT.Berlin** in the amount of €230m
- As of end of June 2020, HB Reavis has utilized €302.8m of committed financing and repaid €153.9m of loans

Cash position in June 2020: €190m



- Symbiosy has signed deal in January with **BP** and delivered its tech solutions for 22k sq m space in Agora Hub
- The deal covers full scope of services, including Virtual Workplace with Indoor Positioning infrastructure, Room Booking, and Room Control, along with Face recognition technologies

Key figures for 2020

Divestments



Twin City B, Bratislava

GLA: 23,500 sq m of GLA

Delivery: 4Q 2016

Sold to: HB Reavis CE REIF

We have finalized the divestment of Twin City B to HB Reavis CE REIF. The sale has concluded the divestment of the entire Twin City portfolio.



20 Farringdon Street, London

GLA: 7,900 sq m of GLA

Delivery: 2Q 2018

Sold to: Private Investor

20 Farringdon Street completed in 2018 and is fully-leased and home to a thriving business community including our own co-work concept HubHub, as well as companies like The Berkeley Partnership and TMF Group.

Non-current assets divested¹

€222.1 million

Borrowings repaid

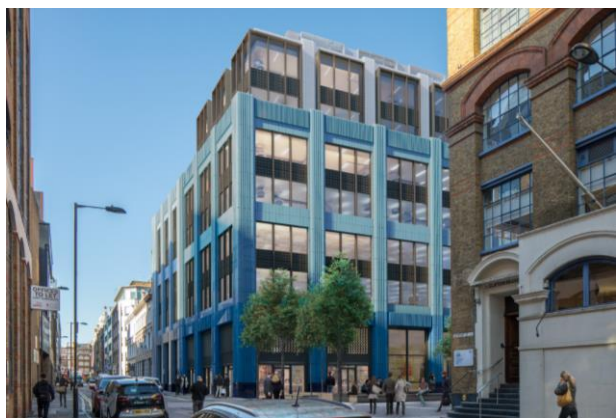
€99.4 million

Cash sale proceeds¹

€106.2 million

HB Reavis 1 Including divestment of other non-core assets – SPV Vistuk, s.r.o and Buxton Invest a.s.

Acquisitions



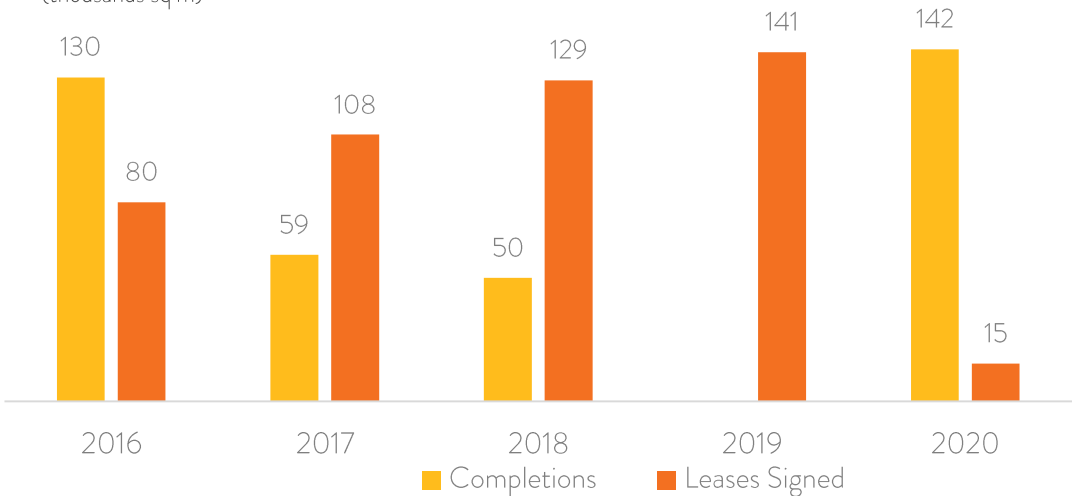
Worship Street, London

GLA: 12,500 sq m of GLA

Located on the prominent corner location of Worship Street and Clifton Street, the development will be accessed via a new public square within walking distance of Shoreditch High Street, Old Street and Liverpool Street stations. We are setting out to create a vibrant workspace appealing to companies wanting to immerse themselves in Shoreditch’s creative neighborhood. We’re approaching the project with a clear focus on sustainability, wellbeing and adoption of innovative workspace technology.

Leasing

(thousands sq m)



Top leasing deals

(since 2016)

amazon

SAP

bp

WELLS FARGO

Raiffeisen BANK

AstraZeneca

Completions

Combined GDV: €897m



Nivy Tower, Bratislava

GLA: 31,500 sq m of GLA

Sustainability: Designed for BREEAM Outstanding

Completion: March 2020

Currently the highest Bratislava's office building is the latest completed project in the New Nivy zone.



Varso 1 & 2, Warsaw

GLA: 29,800/44,200 sq m of GLA

Sustainability: Designed for BREEAM Outstanding

Completion: February/May 2020

Varso 1 and Varso 2 benefits from its close location to the core city center, shopping center, and a railway station. The complex already accommodates anchor corporate tenants such as BGK, Nvidia, Orsted, and others.



Agora Tower & Hub, Budapest

GLA: 36,500/34,800 sq m of GLA

Sustainability: Designed for BREEAM Outstanding & Excellent

Delivery: June 2020/August 2020

Agora Tower and Agora Hub are jointly part of the completed first phase, located in the middle of the largest Budapest office district. Buildings already accommodate anchor tenants Raiffeisen and bp on floor area of almost 40k sq m.

COVID-19 Update

1 Leasing status

- Discussions with tenants letting office premises in the income producing portfolio have had a minor impact only
- Discussions with potential tenants in the projects under construction are progressing at a slower pace as opposed to the pre-COVID19 times
- Discussions with signed tenants in our only retail project (Nivy Station project) are focused on timing of project delivery, tenants preferring later project opening (autumn 2021)
- Income from retail segment in the income-producing portfolio represents less than 5% of the income

2 Development and construction

- Permitting and design works continue on all projects pipeline. Timing of construction and delivery of such pipeline projects is under review
- The restrictions on construction sites have postponed the delivery of some of the projects
 - **Varso Tower** has been postponed to 1Q 2022 from pre-COVID19 estimate of 4Q 2021
 - **Nivy Station** has been postponed to 3Q 2021 from pre-COVID19 plan of 4Q 2020
 - Practical completion on **Bloom** has been postponed by 2 months to 2Q 2021

3 Liquidity and Financing

- The company's cash level stood at €190 mil. EUR at the end of June 2020 with no significant debt maturities for the remainder of 2020 except one that was repaid in the amount of €35 million in August
- All projects under construction except one have secured bank financing
- Existing development loan drawdown continues without major issues. Increased scale of reporting
- €40m of bond repaid in March 2020 using own funds (bonds predominantly held by HNW private investors) and in September 2020 issued €15m unsecured tranche in Slovakia

4 Transactions

- Completed divestment of 20 Farringdon Street to a private investor. The transaction is one of the first in London during the COVID lockdown.

5 Operations

- Preventive measures have been implemented to protect the workforce in the office as well as on the construction sites
- Symbiosy and Origameo launched new product lines to help clients with “back-to-office” transitions, including indoor positioning, occupancy monitoring, real-time headcount to ensure limited density in offices, and more.

Source: Company management as of 30th September 2020

04

Financial review and 2020 half-year results

A robust financial policy

Target level of leverage	<ul style="list-style-type: none">▪ Optimal net debt to total assets 35%, max 40%▪ Optimal gross debt to total assets 40%, max 45%
Target debt maturity	<ul style="list-style-type: none">▪ Initial maturity of project loan financing and issued bonds to commensurate with our product development cycle
Dividend policy	<ul style="list-style-type: none">▪ Dividend pay-out up to 4% of NAV
Optimal cash reserve	<ul style="list-style-type: none">▪ Cash reserve target at minimum 5% of the balance sheet, with additional reserve to cover future debt-bullet repayments
Active hedging policy	<ul style="list-style-type: none">▪ FX hedging for all known and estimated exposure 12M forward▪ Interest rate hedging via fixed, embedded or active hedging covering 50 – 100% of total debt exposure

Financial results overview

Key financial indicator (audited annual and non-audited semi-annual consolidated figures)	2015	2016	2017	2018	2019	HY 2020
Balance sheet (€m)	2,089.3	2,112.3	2,294.8	2,349.9	3,040.3	2,926.1³
Development/investment portfolio split	47%	50%	45%	51%	68%	57%
Cash (€m)	115.4	316.4	279.1	173.8	122.6	189.8
Net debt leverage ¹	29.7%	17.4%	26.8%	30.5%	32.4%	36.3%³
Operating profit ² (€m)	302.5	235.3	98.1	197.9	486.8	(125.7)
Net profit (€m)	239.4	107.5	83.2	120.1	366.5	(143.6)
Net asset value (€m)	1,187.2	1,220.6	1,274.4	1,344.1	1,738.6	1,467.7
Shareholders' return	29.3%	6.9%	7.6%	8.5%	33.3%	(15.0%)
Total Debt / Total Assets	35.2%	32.3%	38.9%	38.0%	36.4%	42.9%³

Source: Audited IFRS financials as of 31. December end of each year, unaudited IFRS financials as of 30. June 2020 and Company Management

¹ Interest bearing liabilities from third parties including leases treated as finance lease (excl. other debts and borrowing from joint venture projects) less cash to Group Total Assets

² Operating profit excluding costs on borrowing from related parties

³ The impact of IAS 16 had positive contribution to Total Assets of €46.3 million

Income statement

Key financial indicators (non-audited consolidated figures)	HY 2019 (in €m)		HY 2020 (in €m)
Net Operating Income (NOI) from investment property	16.2	1	10.0
Revaluation Gain/(Loss) on investment property	183.6	2	(103.8)
Other	(8.3)		(31.9)
EBIT/Operating profit	191.5		(125.7)
Interest expense	(15.8)		(18.6)
Foreign exchange gains/(losses)	3.2	3	(22.5)
Financial derivatives	2.5	3	(12.6)
Other finance income/(expense)	(0.8)		(3.3)
Profit before tax	180.6		(182.7)
Income Tax credit/(expense)	(39.3)		39.1
Net income after tax	141.3		(143.6)
Translation of foreign operations to the presentation currency for the period	2.4	3	(69.3)
Other comprehensive income/loss	(11.1)		4.3
Total Comprehensive Income	132.6		(208.6)

Source: IFRS Financials as of 30th June 2020

HB Reavis

Key highlights

1 Net operating income

Decrease in NOI was caused by shift in income producing portfolio, where stable income producing assets were replaced by recently developed projects with ongoing rent fall-out periods:

- Divested projects - 20 Farringdon Street, Twin City B, Twin City C and Twin City Tower
- Projects completed - Nivy Tower, Varso 1 & 2, Agora Tower
- Elizabeth House has become vacant in the past 6 months as the site is being prepared for demolition as oppose to 2019

The projects which are currently classified within the income producing portfolio have an expected annual ERV of €61 million.

2 Revaluation gain/loss

The (€103.8m) in revaluation loss was driven predominantly by losses on three assets, combined total of (€96.4m), mainly as a result of changes in key assumptions such as delay in PC and construction start as a result of Covid-19 pandemic. For further details see the next slide.

- One Waterloo in London, UK
- Bloom Clerkenwell in London, UK
- Nivy Station in Bratislava, Slovakia

3 Foreign exchange impact

In aggregate, the total FX loss amounted to (€98.1m), driven by depreciation of all currencies against Euro in all of our foreign operations. For further detail see following slides.

- (€22.5m) – Foreign exchange gains/(losses)
- (€12.6m) – Financial derivatives
 - Currency related loss on hedging derivatives (€6.3m)
 - IRS and CCIRS loss on hedging derivatives (€6.3m)
- (€ 69.3m) – Translation of foreign operations to the presentation currency - **Below line**

Drivers of revaluation loss

Combined revaluation loss: (€96.4m)



One Waterloo, London

Expected start of construction: **2021**

Due to ongoing third party legal and development agreements required to commence redevelopment works, along with current uncertain market conditions, the start of the project has been delayed.



Bloom Clerkenwell, London

Practical completion: **2Q 2021**

The overall market uncertainty, caused by the Covid-19 pandemic and its implications on the commercial real estate, has caused tenants to reconsider their leasing options and many of them decided to temporarily prolong their existing lease contracts rather than enter into new ones.



Nivy Station, Bratislava

Practical completion: **3Q 2021**

The construction on the Nivy Station has been slowed down during the Covid-19 pandemic restriction. The practical completion has been postponed based on the request from retail tenants who preferred later mall opening.

Key highlights

1 Three projects combine for 93% of revaluation loss

The majority of the revaluation loss was caused by changes in key assumptions used for the Gross Development Value (yield, timing shift, tenant incentives) for these three projects and had no negative cash implications.

2 Change in key valuation assumptions due to Covid-19

- **Nivy Station** – 44 bps increase in assumed exit yield as a result of more conservative view on shopping centers and delay in PC by 10 months.
- **One Waterloo** – delay in expected start of construction and expected PC had a negative contribution on present value of current project valued based on residual method. Other assumptions remained unchanged.
- **Bloom Clerkenwell** – more conservative view on occupier incentives as a result of the overall market uncertainty that caused occupiers to re-consider their leasing options and delay in PC due to government implemented measures in March – May 2020 had a negative impact on revaluation loss.

Source: IFRS Financials as of 30th June 2020

Drivers of foreign exchange loss

Profit & Loss impact (in €m)	PLN	HUF	CZK	GBP	USD	Total
Total FX gain/(loss)	(15.6)	(15.2)	-	8.2	0.1	(22.5)
Negative FX impact from translations on total assets	(41.6)	(22.3)	(4.6)	(39.8)	0.1	(108.3)
Positive FX impact from translations on total liabilities	22.7	9.0	3.2	4.0	-	38.9
Total equity FX impact from translation	(18.9)	(13.3)	(1.4)	(35.8)	0.1	(69.4)
Currency hedging	-	-	-	-	-	(6.3)
Total FX impact						(98.1)
Other derivatives						
Interest rate hedging	-	-	-	-	-	(0.5)
Cross-currency hedging	-	-	-	-	-	(5.6)
Currency quotes¹	PLN	HUF	CZK	GBP	USD	
12/31/2019	4.2568	330.53	25.408	0.8508	1.1234	
6/30/2020	4.4560	356.58	26.740	0.9124	1.1198	
% Change	-4.68%	-7.88%	-5.24%	-7.24%	0.32%	

¹ Based on rates provided by European Central Bank
Source: IFRS financials as of 30th June 2020

1 Local currency depreciation against EUR

- All currencies have depreciated against EUR which had negative implications on the overall FX impact primarily driven by depreciations of GBP and PLN against euro
- (€33.6m) loss from translation of operations from countries which uses local currencies CZK, PLN and HUF will be reversed in the future as all transactions (rent/debt payments, divestment settlement) materialises in EUR
- (€35.8m) loss from translations of operations from UK has been negatively impacted by having low leverage in GBP that would naturally offset impact on assets.
- Weaker GBP presents an opportunity to purchase a weaker currency for the construction of One Waterloo, and Worship Street given the requirement for a significant construction CAPEX in GBP in coming years.

2 Nature of currency hedging

- HB Reavis generally hedges its construction CAPEX and significant OPEX FX exposure in foreign markets in which it operates in order to preserve budget/profit certainty
- Hedging is carried out on a project basis where all future capital expenditures specified in the project budget are hedged

3 Equity hedging

- HB Reavis does not hedge equity exposure in relation to its foreign operations given its intention to continue operating in the particular foreign market for the long-term

Cash flow

Key financial indicators (non-audited consolidated figures)	HY 2019 (in €m)	HY 2020 (in €m)
Profit/(loss) before income tax	180.6	(182.7)
Revaluation loss/(gain) on investment property	(183.6)	103.8
Working capital changes	6.3	51.4
Other operating cash inflow/(outflow)	(9.9)	43.6
Net cash generated from operations	(6.6)	1 16.1
Purchase of investment property	-	2 (70.3)
Construction costs related to investment properties	(184.9)	3 (233.0)
Proceeds from sale of subsidiaries, net of cash disposed of	40.0	4 106.2
Other investing cash inflow/(outflow)	40.0	(3.6)
Net cash (used in)/from investing operations	(104.9)	(200.7)
Proceeds from borrowings	148.9	5 312.5
Repayment of borrowings	(16.0)	6 (54.5)
Other financing cash inflow/outflow	(29.1)	(8.8)
Net cash from/(used in) financing activities	103.8	249.2
Cash and cash equivalents at the end of the period	155.9 ¹	7 189.8 ¹

Source: IFRS financials as of 30th June 2020

¹ Including restricted cash and cash within non-current assets classified as held for sale

Key highlights

- 1 Net cash generated from operations was positive €16.1 million despite the revaluation loss of the (€103.8) million which is a non-cash P&L item
- 2 Cash outflow of €70.3m represents the acquisition price of project located on Worship Street in London, UK.
- 3 The Group has made significant progress on projects which were under construction and has managed to complete 4 of them until the end of June 2020.
- 4 The proceed from sale of subsidiaries represent the divestment of two projects developed by HB Reavis – 20 Farringdon Street in London, UK and Twin City B in Bratislava, Slovakia, and non-core assets.
- 5 Proceeds from borrowings represent HBR's drawdown of committed credit facilities including drawdown of facilities signed during the first half of 2020, which continued uninterrupted during the first half of the year 2020 despite the Covid pandemic.
- 6 The Group has repaid €40m of bonds maturing in March 2020 as well as €113.5m of loans of which €99m were tied to the divested assets. The loans associated with divested assets are considered in calculation of "Proceeds from sale of subsidiaries, net of cash disposed of", which shows only the net proceeds.
- 7 The overall cash position increased from €122.6m (FY 2019) to €189.8m during the past 6 months despite turbulent times as well as repayment of bond issue using own funds.

Balance sheet strength

1 Strong liquidity position

- €189.8 million of cash at the end of June 2020
- No significant debt maturities for the remainder of 2020 except one that was repaid in the amount of €35 million in August
- All projects under construction except one have a committed bank financing

2 Low debt leverage in line with our financial policy

- Gross debt leverage at 42.9% - significantly below 55% covenant level
- Net debt leverage at 36.3% - below our optimal gross debt leverage target of 40%

3 €1.47 billion of NAV primarily in invested assets with low project's leverage

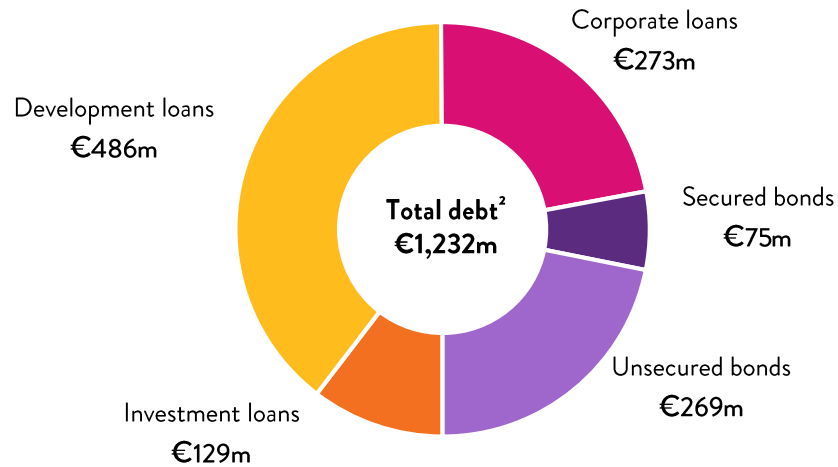
- Income-producing assets have a low average LTV of 38%
 - All projects completed in 2020 have LTC development financing as oppose to LTV investment financing
- Investment properties under development have a low average LTV of 28%
 - Bloom Clerkenwell, London, UK – the only project currently funded from equity with no material CAPEX to be spend to reach PC in 2Q/2021
 - All remaining projects under construction have a significant equity interest with low average combined LTV of 28%

Source: IFRS financials as of 30th June 2020

Key financial indicators (non-audited consolidated figures)	FY 2019 (in €m)	HY 2020 (in €m)
Cash	115.1	189.8
Non-current assets classified as held for sale	334.3	-
Investment property in use or vacant	522.6	1,113.4
Investment property under development	1,880.3	1,455.2
Other assets	188.0	167.7
Total assets	3,040.3	2,926.1
Borrowings	921.3	1,221.1
Borrowings associated with assets classified as held for sale	177.7	-
Other liabilities	347.9	330.3
Total liabilities	1,446.9	1,551.4
Total equity	1,593.4	1,374.7
Net Asset Value	1,738.6	1,467.7
Net Debt Leverage	32.4%	36.3%

Funding overview

Debt overview (as of 30 June 2020)



Addressing €232mm of debts maturing in up to 12 months

- €70mm bonds maturing in March 2021 – establishing a bond programme in the Czech Republic and Poland with aim to approach investors in October/November
- Maturity of an aggregate €105mm short-term debt was addressed by prolongation for the next 12 months or automatically, if no notice was served from banks
- €33mm debt related to UK project has been repaid from own funds
- €23mm debt will be repaid out of regular cash-flow

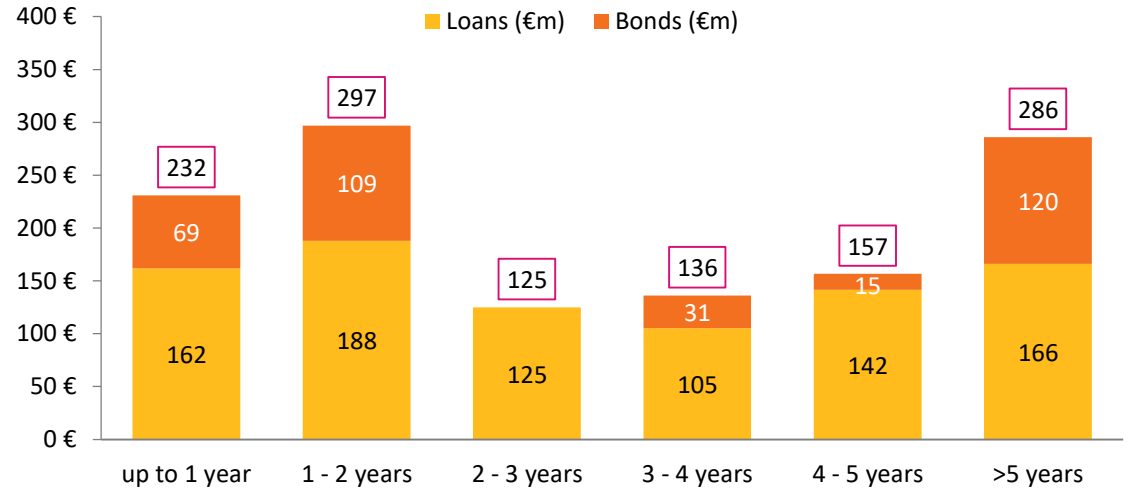
Weighted average debt maturity: 3.8 years

¹ IFRS financials as of 30th June 2020

² Including debt in the amount of €2.9m assigned to joint venture projects, in line with IFRS Equity Method

Source: Company management as of 30th June 2020

Debt maturity profile (as of 30 June 2020)



	2015	2016	2017	2018	2019	2020 ¹	Covenant ²
Total secured debt / Total assets	30.4%	23.6%	24.6%	21.6%	20.0%	27.6%	47.5%
Total debt / Total assets	35.2%	32.3%	38.9%	38.0%	36.4%	42.9%	55.0%
Cash / Total assets	5.5%	15.0%	12.2%	7.4%	4.0%	6.5%	2.5%

Top banking relationships

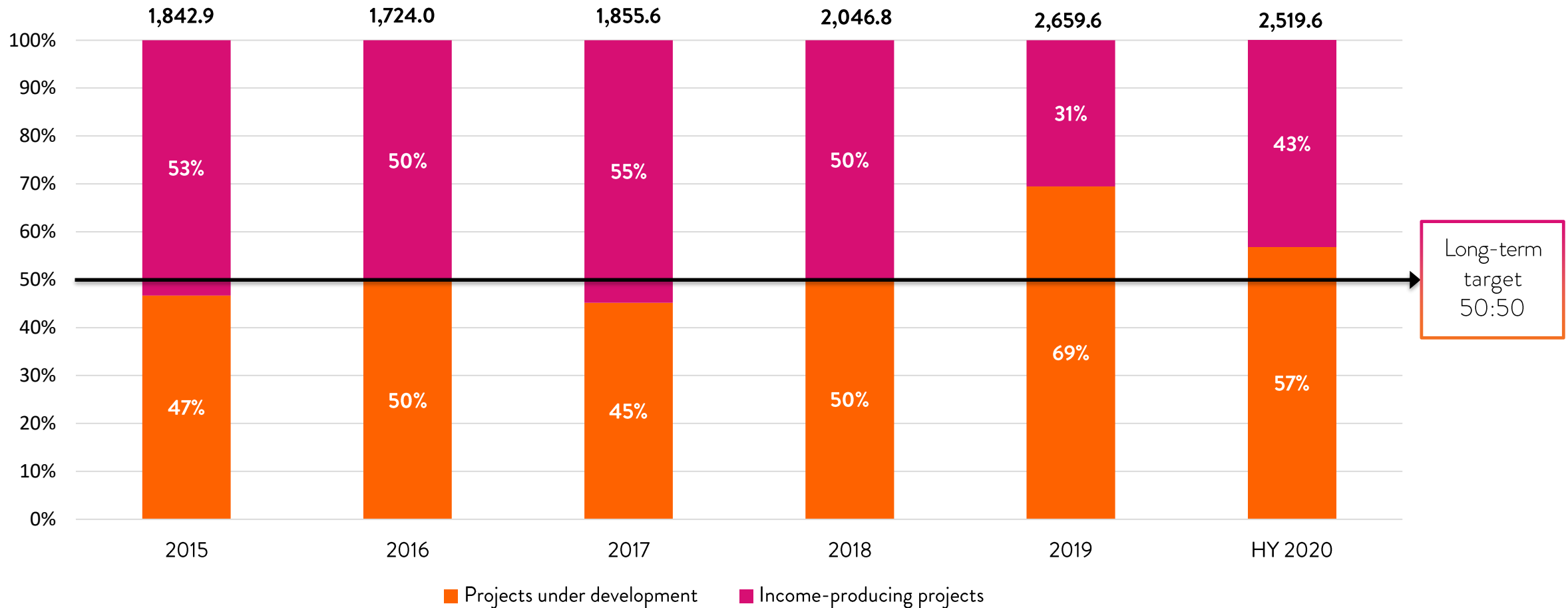


05

Portfolio overview

Development/income portfolio split was temporarily disbalanced

Our repositioning towards a balanced portfolio of development and income producing properties is unlocking higher value creation



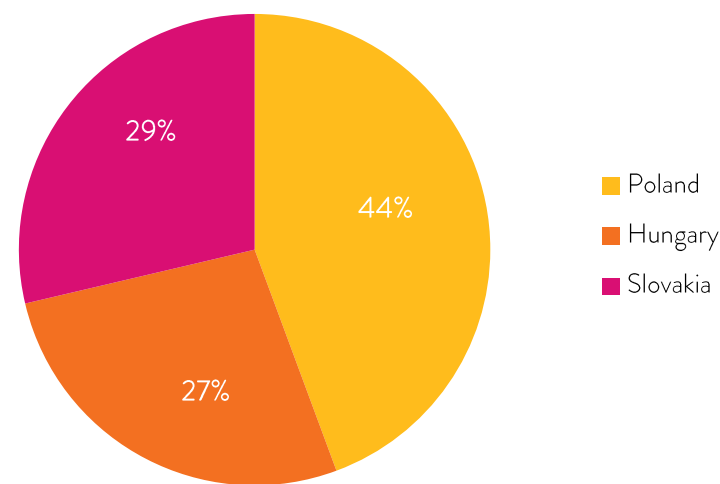
Source: IFRS financials as of 30 June 2020

Note: Fair market value of properties excluding non-core

Income producing asset portfolio

Summary statistics

Income producing assets by country¹
(based on ERV)



GLA	GDV	ERV
289k sq m	€1.1 billion	€61 million
FMV	Occupancy	LTV
€978 million	84%	39%

Portfolio overview – core projects



Varso 1 & 2, Warsaw
 Combined GLA: 74.0k sq m
 Varso 1 and Varso 2 benefits from its close location to the core city center, shopping center, and a railway station. Buildings offer 74k sq m of GLA and are currently leased on 89% of their full capacity.



Agora Tower & Hub, Budapest
 Combined GLA: 71.3k sq m
 Practical completion of projects Agora Tower and Agora Hub concludes the development of the first phase. The Budapest landmark already accommodates anchor tenants BP and Raiffeisen in area with BREEAM & WELL certificates.



Apollo BC III-V, Bratislava
 Combined GLA: 48.7k sq m
 Completed in 2009, the project is one of the first in Slovakia to obtain BREEAM certificates. The buildings offer variety of services and are occupied at more than 90% of its available area.



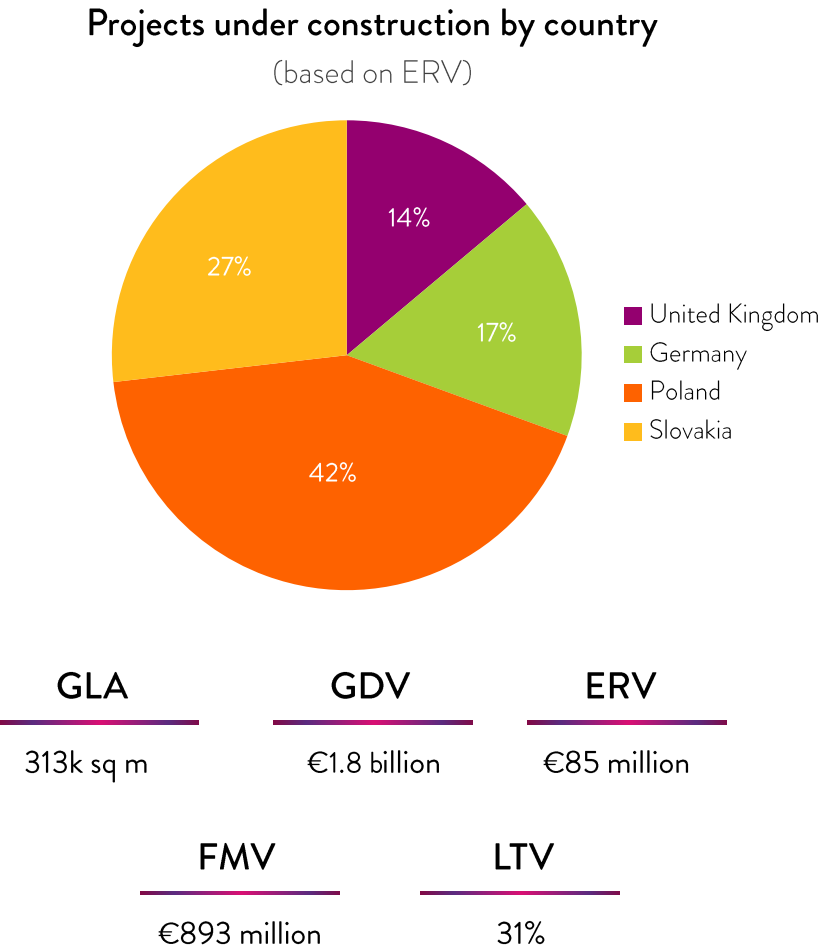
Postepu 14, Warsaw
 GLA: 34.5k sq m
 This sustainable A-class office building with efficient floor plate was completed in 2015 and benefits from great visibility and transport connectivity. The building is currently at 95% of its full capacity.



Nivy Tower, Bratislava
 GLA: 31.5k sq m
 Currently the highest Bratislava’s office building is the latest completed project in the Nove Nivy zone. The project is adjacent to the Nivy Station which, alongside its location, enhances its transport connectivity. The building is aspiring for BREEAM and WELL certificates.

Projects under construction

Summary statistics



Source: Company information as of 30th September 2020
Note: Estimated GLA, GDV and rental value are subject to permits, completion and commercialization

Portfolio overview



Nivy Station, Bratislava
GLA: 101.7k sq m
Nivy Station, currently the biggest development in Central Europe, with an integrated central bus station combines retail, office, and transportation into one project.



DSTRCT.Berlin, Berlin
GLA: 48.5k sq m
DSTRCT is set to soon become a human-centric scheme designed with wellbeing of its users in mind with 48.5k sq m of prime offices, event and retail facilities and culinary options.



Bloom Clerkenwell, London
GLA: 13.2k sq m
Located next to Farringdon station, Bloom will feature more than 13k sq m of office space of the highest quality standards of sustainability, wellbeing and digital connectivity.



Forest
GLA: 79.4k sq m
Located in post-industrial part of Warsaw, Forest offers almost 80k sq m of relaxing zones, vibrant ground floor, and high-tech features, all designed with millennials in mind.

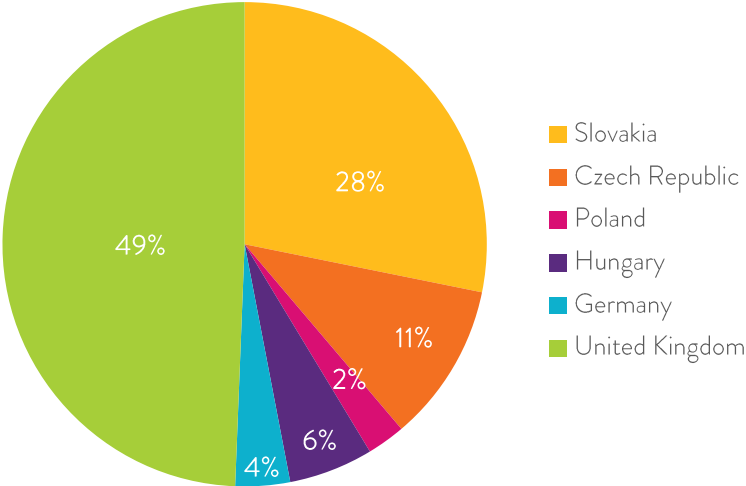


Varso Tower
GLA: 69.8k sq m
The last building of the Varso Place scheme, Varso Tower will become a new city landmark and the EU's highest building. Tower integrates smart building solutions with the highest standards for sustainability and well-being.

Projects in pipeline

Summary statistics

Projects in pipeline by country
(based on ERV)



GLA

779k sq m

GDV

€5.0 billion

ERV

€255 million

FMV

€618 million

Selected highlights



Mlynské Nivy Košická, Bratislava

GLA: ~ 99.8k sq m

Planned multifunctional scheme in the New Nivy Zone, in the center of business and urban life.



Nova Zvonarka, Brno

GLA: ~ 101.9k sq m

Multifunctional scheme located in a close vicinity of bus station and well-known Brno shopping centre. Realization plan is divided into two phases comprising also residential functions.



One Waterloo, London

GLA: 120.9k sq m

Value creation through a re-designed commercial scheme incorporating WaaS and securing resolution to grant planning permission from Lambeth Council in October 2019. One of London's most strategic redevelopment opportunities located directly next to Britain's busiest rail hub with 100million annual passengers, rising to 130million in the next five years. A development project in an iconic location, focused on wellbeing and sustainability providing flexibility and connectivity.

Source: Company information as of 30th September 2020
Note: Estimated GLA, GDV and rental value are subject to permits, completion and commercialisation

06

Significant recent investments



UK's busiest
rail hub

One Waterloo, London



Estimated **120,900** sq m of GLA



Architect: **Allford Hall Monaghan Morris (AHMM)**



Achieved resolution to grant planning permission by Lambeth Council



Value creation by re-submitting permits, **re-designing and adding WaaS**

Located next to **UK's busiest rail hub** with 100m annual passengers

A development project in an iconic location, focused on wellbeing and sustainability providing flexibility and connectivity.



Tallest
building in
the EU

Varso Place, Warsaw



Estimated **143,800** sq m GLA



Designed by **Fosters + Partners** and **HRA Architekci**



New city landmark and the **EU's highest building**

All-in-one business complex in Warsaw's core city centre, next to the main shopping centre and railway station

1st European WELL Core & Shell Pre-certification



Expected completion

Varso 1	Completed
Varso 2	Completed
Varso Tower	1Q 2022



WELL being
of users

Forest, Warsaw



Estimated **79,400** sq m GLA



Focus on users' **well-being**



In a popular CBD location next to Warsaw's **largest shopping centre**

Energy saving and innovative technologies

Event and entertainment spaces focused on **enhancing the community**



Expected completion

Forest I	4Q 2021
Forest II	1Q 2021



Largest
development
zone

Agora, Budapest



Estimated **133,300** sq m GLA

- 71,300 sq m of GLA completed
- 61,200 sq m of GLA in pipeline



Designed by Make architects to **BREEAM Outstanding** and **WELL Platinum** standards



The largest development in Budapest's CBD for 40 years, with excellent connectivity (on top of Metro station)

Personalised micro location-based information system

One of the largest floorplates in Budapest

- Life beyond working hours and into weekends
- **Networking hub**
- Welcoming public squares/gardens



Expected completion

Agora Tower	Completed
Agora Hub	Completed



Excellent
transport
connections

Nivy Zone, Bratislava



Estimated **367,400** sq m GLA, consisting of 12 buildings*



- 129,100 sq m of GLA completed
- 104,300 sq m of GLA under construction
- 133,200 sq m of GLA in pipeline



Multi-functional buildings **with variety of floor plan** depths and heights



Bratislava's **largest new CBD**, next to the historical city centre

Excellent transport connections with Bratislava's main bus station integrated into the development

A social community, and focus on users' WELL being and sharing knowledge

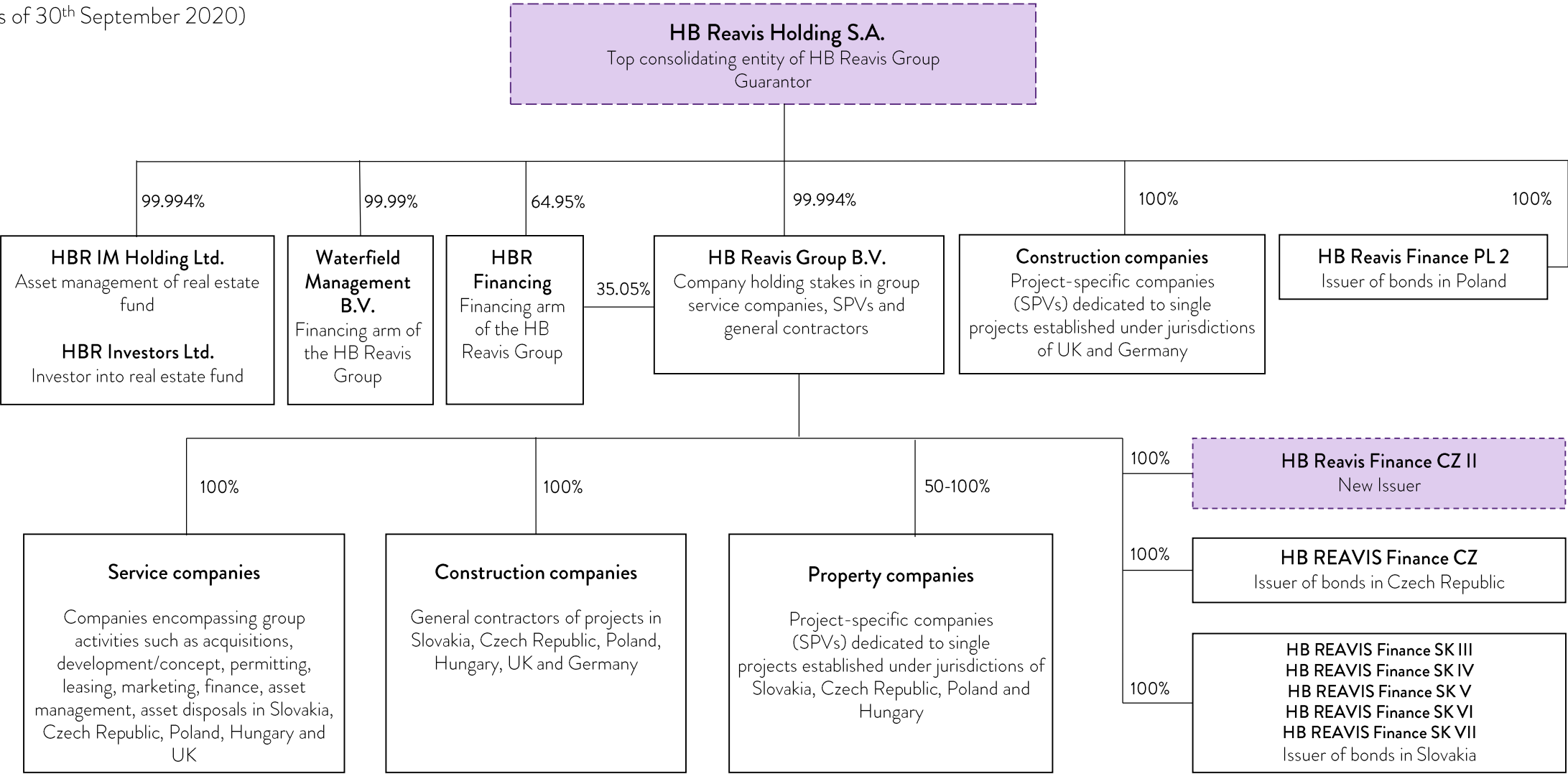
1st urban area in the world registered for BREEAM Communities International

Note: Estimated GLA is subject to permits

*Including divested project (Twin City A, Twin City B, Twin City C & Twin City Tower)

Company structure

(as of 30th September 2020)



Summary of the transaction – indicative terms & conditions

Issuer:	HB Reavis Finance CZ II, s.r.o (newly established Czech SPV)
Guarantor:	HB Reavis Holding S.A.
Status:	Unsecured (Secured by the Guarantee Declaration)
Issue Size:	CZK 750,000,000 with a possibility to increase up to CZK 1,500,000,000 during the Subscription Period
Denomination	CZK 10
Expected Subscription (Period 1st phase):	3 weeks in Dec 2020
Issue Date	January 8, 2021
Tenor of the Bond:	4Y
Use of Proceeds:	Refinancing of existing indebtedness – see Exchange offer below and financing of general corporate purposes
Listing:	Prague Stock Exchange, Regulated Market
Coupon:	Fix 4,85% p.a.
Day-count:	BCK 30E/360
Method of Subscription:	Public (retail) offering
Governing Law:	Czech, Czech language
Financial Covenants on consolidated Guarantor level:	a) Gross indebtedness – Total debt/Total assets less than 55% b) Secured indebtedness – Total secured debt/Total assets less than 47.5% c) Liquidity – Cash/Total assets larger than 2.5%
Early repayment (at the option of investor):	Event of Default , Change of Control , Significant transaction (>40% of Group assets)
Exchange offer:	Existing bond HB Reavis Finance CZ (ISIN: CZ0003513608) with outstanding volume of CZK 1.25 bn maturing on 23.3.2021 and current coupon 4.36% will be exchanged for a newly issued bond at the exchange price of 101% plus accrued interest up to the date of the exchange will be paid out to holders

Q&A

07

Appendix

Glossary of terms

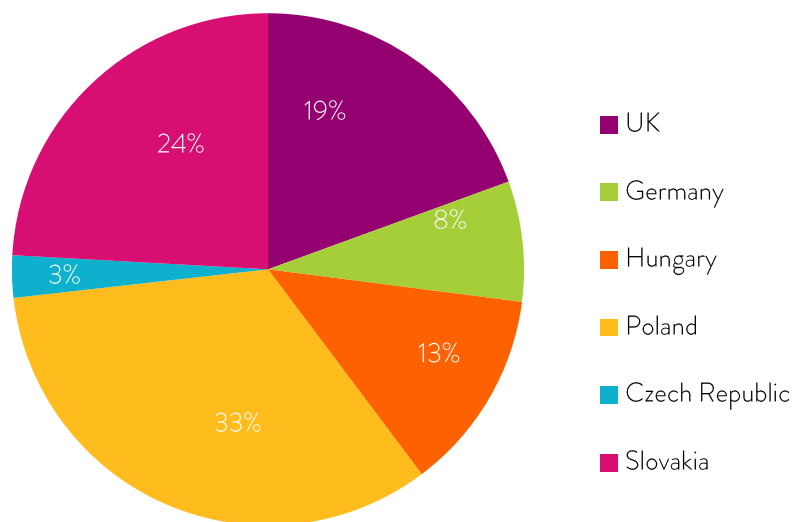
Bps	Basis points
CAPEX	Capital expenditure
CBD	Central business district
CCIRS	Cross - currency interest rate swap
CIC	Cambridge Innovation Center
ERV	Estimated rental value
FMV	Fair market value
FX	Foreign exchange
GAV	Gross asset value
GDV	Gross development value
GLA	Gross leasable area
HNW	High net worth
IRS	Interest rate swap
k	thousand
LTC	Loan to cost
LTV	Loan to value
NAV	Net asset value
OPEX	Operating expenditure
SPV	Special purpose vehicle
Sq. m	Square metres

Group numbers at a glance

Portfolio overview by country

Total GAV: €2.6bn

(by country)



Segment analysis

	Profit before income tax for HY 2020 (€m)	In investment property (€m)	Developed property (sq. m)	Property under development and in pipeline (sq. m)
UK	(€ 58.7)	€ 499.7	36,000	147,000
Germany	(€ 0.9)	€ 195.3	-	89,000
Poland	(€ 21.1)	€ 860.5	327,000	190,000
Czech Republic	(€ 1.0)	€ 68.4	160,000	125,000
Slovakia	(€ 67.0)	€ 620.1	671,000	486,000
Hungary	(€ 0.4)	€ 327.0	83,000	62,000
Other	(€ 33.6)	-	-	-
Total	(€ 182.7)	€ 2,571.0	1,277,000	1,099,000

Note: Estimated GLA is subject to permits

Source: IFRS financials as of 30 June 2020 and Company management as of 30 September 2020

Maintaining strong presence on capital markets

Issuer	Collateral	Currency	Coupon	Implied € rate	Issue size (in €)	Original tenor	Time until maturity
HB Reavis Finance CZ	Unsecured	CZK ²	6M Pribor ² + 4%	4.86%	46,239,966	5 years	0.7 years
HB Reavis Finance PL2	Unsecured	PLN ²	6M Wibor ² + 4.4%	3.94%	23,255,814	4.5 years	0.8 years
HB Reavis Finance SK III – Tranche I	Unsecured	EUR	3.50%	3.50%	25,000,000	5 years	1.4 years
HB Reavis Finance SK III – Tranche II	Unsecured	EUR	3.50%	3.50%	12,000,000	5 years	1.7 years
HB Reavis Finance SK III – Tranche III	Unsecured	EUR	3.35%	3.35%	20,000,000	5 years	2.0 years
HB Reavis Finance SK III – Tranche IV	Unsecured	EUR	3.25%	3.25%	31,000,000	6 years	3.4 years
HB Reavis Finance PL2 – Tranche II	Unsecured	PLN ²	6M Wibor ² + 4.2%	4.05%	51,948,052	4.5 years	1.5 years
HB Reavis Finance SK IV	Secured	EUR	4.45%	4.45%	45,000,000	10 years	7.2 years
HB Reavis Finance SK V – Tranche I	Unsecured	EUR	3.25%	3.25%	15,000,000	6 years	4.6 years
HB Reavis Finance SK V – Tranche II	Unsecured	EUR	3.25%	3.25%	20,000,000	6 years	5.3 years
HB Reavis Finance SK V – Tranche III	Unsecured	EUR	3.25%	3.25%	25,000,000	6 years	5.4 years
HB Reavis Finance SK VI	Secured	EUR	2.75%	2.75%	30,000,000	7 years	6.1 years
HB Reavis Finance SK VII	Unsecured	EUR	3.35%	3.35%	15,000,000	4 years	4.0 years
Total bonds outstanding in €				3.71%¹	359,443,832		3.9 years¹



In March 2020 we have repaid €40m unsecured bond (HB Reavis SK Finance II) and we have established bond programme for potential new issues

In September 2020 we have issued a €15m unsecured bond and simultaneously prepared programme for issues in Czech Republic and Poland

Source: Company Management as of 30 September 2020

¹ Weighted average

² Cross-currency interest rate swap hedge in place at issue date until maturity

Cheers!

Thanks for your attention