

Quarterly business update for three months to 30th June 2022

August 2022

Acquisitions

We continued our efforts towards the completion of our two Berlin acquisitions in Berlin, Germany which are expected to be finalised in the third quarter of 2022. In Warsaw, Poland, we were in advanced stage of negotiations on substantial development opportunity which has been successfully signed in July 2022.

Leasing update

We have managed to lease almost 16,000 sq m of GLA during the second quarter of 2022. Four largest deals totalled almost 7,000 sq m of GLA. Overall, we have signed almost 59,000 sq m of GLA in the first half of 2022 with annual passing rent over €15 million.

Completions and developments progress

We have announced the name of our second German project, PLTFRM.Berlin, with a commitment to be carbon neutral in operation. The construction start is expected this fall and the project should be completed in early 2025 with around 27,000 sq m of GLA.



For press release on our new Berlin development click [here](#).

Following the handover of Forest Tower in the first quarter, we focused on progressing the construction of other projects, with Varso Tower reaching final stages of completion in the second quarter and obtaining the occupancy permit in July 2022. Varso Tower, the tallest building in the EU, is now ready to welcome its new tenants.

Financing

During the second quarter of 2022, we have managed to draw down €581.0 million of external debt financing of which €363.6 million of existing debt was refinanced, €112.4 million was primarily linked to properties currently under construction and €105.0 million was linked to general corporate purposes and to secure sufficient liquidity that is needed for bond buyback programme in Slovakia and Czechia.

We are especially proud that we have secured a green investment loan from HSBC UK for our Bloom project and thanks to its sustainability credentials including net zero carbon target.

For press release about the green loan click [here](#).

We have continued being present at capital markets and issued €50 million of Slovak bonds with 4-year maturity as well as repaid €20 million of maturing Slovak bonds.

The bond buyback programme in Slovakia and Czechia has been launched in the second quarter and will continue during summer and fall. We are aiming to buy back and exchange bonds in the total aggregate amount up to €169.1 million.

At the end of the quarter, the Group had €1.72 billion of bank financing along with €334.3 million of bond financing outstanding and €101.0 million of committed bank financing to be drawn down, mainly against future capital expenditures on projects Nove Apollo and Worship.

Divestments

As previously announced, we have decided to divest Lodz plot in Poland. The transaction is still pending and is expected to be finalised later this year.

HB Reavis portfolio

Income producing portfolio

As of the end of the second quarter, the Group held an income producing portfolio of 10 office and 1 retail properties with a total GLA of 461.0k sq m across five countries with annual operating income at full occupancy of €118 million. The portfolio includes the following projects:

- [Bloom Clerkenwell](#) in London, United Kingdom
- [DSTRCT Neubau in Berlin](#), Germany
- [Agora Tower and Agora Hub](#) in Budapest, Hungary
- [Nivy Mall, Nivy Tower, Apollo BC II](#) in Bratislava, Slovakia
- [Varso 1, Varso 2, Forest Campus](#) and [Forest Tower](#) in Warsaw, Poland

The market value of the portfolio reached €2.05 billion as of 31 December 2021 based on independent valuations.

Projects under construction

Projects currently in the phase of construction (or demolition) account for 147.5k sq m of future GLA in four buildings and estimated future gross development value of around €1.11 billion as of 31 December 2021 based on expert valuations, all spread over four capital cities:

- [Worship Square](#) in London, United Kingdom
- [Varso Tower](#) in Warsaw, Poland
- [Nove Apollo](#) in Bratislava, Slovakia
- [DSTRCT halls](#) in Berlin, Germany

Awards

We are pleased to share amazing news that HB Reavis is the second most valuable office developer brand in Europe and the most valuable office developer brand in Central and Eastern Europe. The award has been announced at the Real Estate Brand Award 2022 Gala, organised by the European Real Estate Brand Institute in Berlin. This is the second year in a row that we've been recognised as one of the most valuable European real estate brands.

For press release about the awards click [here](#).

At the same time our project DSTRCT.Berlin has been named the "Best New Building" at the ImAwards run by Immobilien Manager magazine in Berlin, Germany.

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