

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

QUARTERLY BUSINESS UPDATE FOR THREE MONTHS TO 30 JUNE 2017

1st August 2017

HB Reavis, 3rd largest European office developer, as ranked by leading pan-European real estate magazine Property EU, today announces quarterly business update for three months to 30 June 2017.

Marian Herman, Chief Financial Officer, said: “Second quarter of 2017 was exceptional for HB Reavis. We have committed future pipeline in London by purchasing Elizabeth House, also known as One Waterloo, in prominent South Bank location next to Waterloo station. It is the largest acquisition in HB Reavis history and underscores our commitment and confidence in London market. In the area of commercialization, we have signed 15.2 thousand sq m of leases bringing the total year to date volume to 50.0 thousand sq m. Continuing with the development, we have currently 12 schemes under construction and are on a schedule to complete two of these projects this year, namely West Station II in Warsaw and 33 Central in London. After completion of 33 Central, the project will be handed over to Wells Fargo for an exchange of payments. On financing front, we have been very successful with securing funds for our development and growth whereby we have raised €211.6m in the quarter bringing the year-to-date amount to €381.3m. Proving our ability to recycle the capital, we have signed letter of intent for the prospective sale of Gdanski Building C and D in Warsaw. To align with the company’s current strategy and philosophy of developing unique people-centric spaces that enhance productivity, well-being and overall experience of those that use them as well as the surrounding communities, we have revealed new refreshed corporate identity.”

Quarterly business update for the three months until 30 June 2017

1) Acquisitions

- We have made our largest acquisition in HB Reavis history with acquisition of One Waterloo in London, in prominent South Bank location next to Waterloo station. The project has a permit in place enabling development of almost 88sq m of mix office-resi scheme for the projected Gross Development Value of 1.6bn EUR. Our aim is to optimize current permit and apply for re-permitting with anticipated start of construction of the new scheme in 2020 and delivery of the project in 2024.

2) Leasing activity

- Total 15.2 thousand sq m of leases including renewals were signed during the second quarter 2017. Annual passing rent stemming out of these leases, excluding voids and rent free periods, represents €1.6m. The biggest tenants include names such as: Merck (2,576 thsd m2, West Station II, Warsaw), Union Insurance (2,479 thsd m2, CBC I-II, Bratislava), Energotechnika Trading (2,217 thsd m2, Twin City Tower, Bratislava)

3) Financing

- During second quarter of 2017, HB Reavis has drawdown the total amount of €211.6m in new external debt financing bringing the total year to date amount to €381.3m. Out of €211.6m drawn down in the reporting period, the bank financing represented €191.6m and additional €20m were raised from debt capital markets.
- HB Reavis successfully issued the third tranche out of Slovak bond programme with a 5-year tenor and 3.35% coupon rate in the amount of €20m bringing the total amount of debt raised from capital markets to €32m.

4) Completions and developments progress

- 12 development schemes with about 460 thousand sq m of GLA under construction (or demolition) across four countries, namely: Varso Place (consisting of Varso I, Varso II and Varso Tower) and West Station II in Warsaw, Poland, Twin City Tower, Nivy Tower & Stanica Nivy in Bratislava, Slovakia, 33 Central, 20 Farringdon and Cooper & Southwark in London, United Kingdom, Agora Hub & Agora Tower in Budapest, Hungary. Estimated future gross development value of these projects amounts to around €2.2bn.
- two of these projects shall be completed in third quarter of 2017:
 - West Station II, Warsaw
 - 33 Central, London

5) Divestments

- We have entered into exclusive negotiation for prospective sale of Gdanski Business Center buildings C and D, Warsaw consisting of 52,500 sq m of GLA by signing of the letter of intent with a reputable investor.

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 is an international real estate developer founded in 1993 in Bratislava, Slovakia. It operates in the United Kingdom, Poland, the Czech Republic, Slovakia, Hungary and in Turkey and is currently the third largest developer in Europe, according to PropertyEU's annual 'Top Developers Survey'. To date the company has built a total of 993,000 sq m of modern offices, shopping and entertainment spaces in addition to logistics facilities. Another more than 1 million sq m is in the planning phase, permit proceedings or under construction. HB Reavis relies on a fully integrated business model covering development, construction, property and investment management of finished buildings. The group's assets total EUR 2.1 billion, with a net asset value reaching nearly EUR 1.2 billion. With over 600 professionals, HB Reavis is a worldwide leader on the international commercial real estate market. HB Reavis' strong market position has been recognized through numerous awards, such as the UK Property Award "Best Office Architecture London 2015" for 33 Central and the CEE Quality Award for "Developer of the Year in CEE, 2015". For more information, please visit <https://hbreavis.com/en/>.