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FROM

THE

CEOs

Dear partners, clients and friends,

This is the last time that I will reflect officially on our past year. Honestly, I was hoping for a better financial result than an 8% return to shareholders. But when I look at our potential, I am optimistic that our platform's capabilities and fundamentals are very strong, and will cement our status as one of Europe's leading workspace players.

Trying circumstances

So why we have not achieved our 2017 targets? Only one reason comes to mind: delays in execution.

First, we were delayed in receiving building permits for our large-scale projects in Bratislava, Budapest and Prague. Much was down to external factors, but I believe we also have room for improvement in terms of our development teams' operational excellence and coordination – a priority going forward.

Then, there were the complicated underground works that delayed the progress of Varso Place by a few months, our largest scheme in construction.

And lastly, our leasing aspirations proved to be slightly more ambitious. The good news is that it was only due to contract delays. Our largest transactions merely slipped into 2018: in the first 100 days, our teams signed more than 76,000 m sq of new leases, about 75% of 2017's total.

A much stronger proposition

In the mid-term, I am grateful to the whole team and our partners for the way we've together strengthened our capabilities and prospects.

We progressed in codifying and deploying Bubbles – the user-centric design principles linked to our focus on users' productivity and wellbeing.

We became pioneer in Well certification, registering more buildings than anyone else in Europe and becoming a founding member of Well Living Lab – a research organisation analysing the impact of workplaces on users' health and effectiveness.

Our product portfolio was enhanced with the launch of the HubHub co-working platform, and its rich mix of events and talent development activities.

Our service portfolio also grew. First, our workspace advisory team, Origameo, has already supported 11 projects – with exceptional client feedback. Second, Active Asset Management launched its portfolio of user-oriented social, educational and cultural events, and value-adding services like the concierge, bike sharing service and one-stop user interface – with hugely pleasing NPS ratings in the 80s and 90s.

And finally, Smart Building is a new technological platform that will redefine insights into the use of space and the intelligent interaction between users and their working environment. While not operational yet, the beta version is being finalised and we plan to pilot the 1.0 solution in our new offices in Bratislava. Our investment into this set of innovations and capabilities has already started to pay off. Some of our clients have immediately bought into their potential and are willing to pay a 20% premium vs market rents. We cannot sleep on these first successes, however, and will continue to support the innovations that will be critical to our strategy of setting workspace trends. And we now have our first acquisitions in Germany, with the potential for 85,000 sq m of GLA; a welcome piece of news just as our annual report goes to print.

Investing in success

Looking more long-term, we made significant capital allocation decisions. Our investment in One Waterloo, one of London's top five developments, cemented our position as one of the market's key developers and provides a fantastic opportunity to deploy our capabilities and create something truly remarkable. Our acquisition of a stake in Cambridge Innovation Center, one of the leading operators of innovative ecosystems, should accelerate our ability to anchor all our major schemes with a vibrant community that attracts an excellent mix of clients.

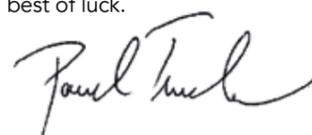
In the past year, we also continued to invest heavily into our people. On the back of our transformational program, Building the Future, we held workshops across the business to discover how each individual and team could improve HB Reavis.

The long list of ideas has already gained traction, and it is a joy to see us harness the entrepreneurial spirit within our ever-growing organisation. Just as importantly, the People Leadership Program went through design before piloting in the UK and Poland, and is now being rolled out to the whole organisation.

Heartfelt thanks

So, supporters of the HB Reavis show: I would like to thank you very much for your ongoing support and feedback. While 2017 was not the best financial year in our history, it was a solid one in perilous geopolitical and bureaucratic waters.

Let me also thank all my colleagues for letting me lead the firm over the last few years. It has been a great ride. I hope that Marian, my long-term partner on the Executive Board, will find the same pleasure in leading HB Reavis going forward. From my new Non-Executive Director role, I wish him best of luck.



Pavel Trenka
Non-executive Director and CEO until March 2018



Dear friends, colleagues and business partners,

The start of 2018 has seen a long-planned leadership change within our organisation. From March 2018, Radim and I took over the stewardship of the Group as Deputy CEO and CEO, respectively.

While we are both excited about the future; our greatest admiration and thanks go to Pavel, who has been the architect of our international growth from purely Slovak developer to CE leader and pan-European player. We are now transformed into a fully-fledged Workspace-as-a-Service provider.

Admittedly, his achievements will be tough to follow. But both Radim and I are committed to doing our best as we run this great show together.

A steady, inventive path

It goes without saying that the strategy of the company will not change – both Radim and I have been instrumental in crafting it over the past years. If anything, we want to elevate the speed and cadence of our new products' and services' delivery, shortening the time to market and launching the 'big data' element of our services.

This ongoing product innovation, coupled with value-adding services, will be critical for us to target premium commercial parameters.

Open to ideas and ambitions

We look forward to embedding the strategies that have served us so well into our new German projects. But equally, our investment into Cambridge Innovation Center last year indicates that, going forward, we will venture outside the usual organic growth paths. Moreover, the planned geographical expansion may see us use external capital to more quickly roll-out our business model to a wider geographical footprint.

I remain humbly respectful of, and the same time look forward to, all the challenges and aspirations that running this great company brings. The future is already now.



Marian Herman
CEO from March 2018