

We can
appreciate
your capital

Summary of 2023

ANNUAL RETURN

+8.71%

QIF (Class A Growth CZK)

+6.70%

Public

+7.61%

Industrial (Class I1 Growth CZK)

The year 2023 was marked by continued uncertainty and persistent risks in the market. Despite the gradual easing of inflationary pressures, central banks were reluctant to lower interest rates until it became clear that the achievement of inflation targets was sustainable in the long term. Western economies have been resilient in the face of monetary restrictions, the often expected deep recession did not occur and the labour market remained in strong shape. Macroeconomic fundamentals supported the scenario of higher rates for a longer period.

The European retail sector has withstood the challenges posed by this difficult economic environment, unlike the office sector, where properties were sold at significantly lower prices than their acquisition value. The decline in valuations led to a more cautious approach by banks in financing new projects. Conversely, the Czech real estate market proved more resilient compared to major economic centers, which can be attributed to the presence of domestic capital and investor diversification in real estate funds.

One of the most resilient sectors was undoubtedly the daily needs-based retail parks, which are the main focus of our investment group. The ZDR Investments portfolio did not escape the real estate revaluation, but it was compensated by the indexation of rents. The conservative orientation of assets, creditworthy tenants, long-term lease agreements, and the fact that 76% of existing loan agreements had fixed rates led to stable results in 2023.

REAL ESTATE PORTFOLIO

534 m

Real estate value in EUR

63

Properties in the portfolio

6.2 years

WALE

The ZDR Investments SICAV a.s. Qualified Investor Fund achieved a performance of 8.71% (Class A Growth CZK) over the past year. Since its inception, the cumulative appreciation has been almost 63%, which represents an average annual return exceeding 10%.

The ZDR Investments Public SICAV a.s. retail fund, intended for the general public, ended 2023 with an appreciation of 6.70%. Over the four years of its existence, the fund has delivered an average annual return of 8.61% to its shareholders.

ZDR Investments Industrial SICAV a.s., a retail fund focusing on suburban logistics and light manufacturing, celebrated its first anniversary in December 2023. The fund presented its shareholders with appreciation of 7.61% (Class I1 Growth CZK) in 2023.

Despite all the challenges and lower transaction activity, we consider last year to be a successful one. We managed to complete our second most significant acquisition to date – a retail park in Rijeka, Croatia. At the end of the year, we successfully sold two properties from the the qualified investor fund portfolio, and we also launched a Singaporean platform for financing our European real estate activities.

2023 Overview



6 Years since the Establishment of ZDR Investments Group

During this time, we have become one of the leading Czech investment groups on the real estate market. In three funds we currently manage 63 properties in 5 European countries with a total value of almost EUR 534 million.

1st Anniversary of the Industrial Fund

The youngest fund of the ZDR group celebrated its first year of operation with a return of 7.61% in the CZK class. As the first retail fund in the Czech Republic exclusively focused on real estate for logistics and manufacturing, it appreciated the assets of more than 600 investors. This year, we expect the assets under management to increase to EUR 28 million. One of the planned acquisitions, for example, is Logistic Park Prešov.



Acquisition for more than EUR 40 m

Galerija Bakar is the second-largest acquisition in the history of our group. With a leasable area of 30,579 sqm and 550 parking spaces, it is also the largest retail park in the vicinity of Rijeka, Croatia.



Sale of the Nordica Office Building

From the portfolio of the ZDR QIF fund, we have successfully sold the Nordica office building. We want to concentrate exclusively on the retail parks segment and suburban logistics or manufacturing. The sale of the Nordica office building has confirmed the conservative valuation of our real estate funds' portfolio.



Acquisition of a Retail Park in Topolčany

At the beginning of 2023, we expanded the portfolio of the ZDR Public retail fund with the addition of the Topolčany retail park, which has a leasable area of 8,931 sqm.

Active Asset and Property Management

In the past year, we extended lease agreements on 10.2% of the portfolio, with no tenant leaving their current premises. As a result, the average remaining lease term (WALE) consistently remains above 6 years. The annual rental income is currently more than EUR 38 million, representing a year-on-year increase of 17.5%.



12,000

Number of investors

315 m

Net asset value in EUR

534 m

Real estate value in EUR



Portfolio Sample



QIF



QIF



Galerija Bakar

CROATIA, RIJEKA

With a leasable area of 30,530 sqm and 550 parking spaces, Galerija Bakar in Rijeka, Croatia is not only one of our largest retail parks, but also the largest retail park in the Rijeka area. This is the first phase of a brand-new retail zone, completed and opened in April 2023. It is located in the rapidly developing Kukuljanovo-Bakar commercial zone, which was created on an original regional brownfield site. Currently, we are preparing the construction of the second phase of the project, which will expand the total area by an additional 5,000 sqm. It will be incorporated into the QIF portfolio upon its completion in 2025.

WALE

9.3 years

LEASABLE AREA

30,530 sqm

SIGNIFICANT TENANTS

INTERSPAR, Harvey Norman, Müller, JYSK, TEDI, KIK, Hervis, TAKKO, BIPA, DEICHMANN

VORUM Voitsberg Retail Park

AUSTRIA, VOITSBERG

The VORUM Voitsberg project was built on the site of a former lignite-fired power plant, which in the past separated the towns of Voitsberg and Bärnbach. The acquisition took place in three phases starting in 2021. Three buildings with a total leasable area of 13,076 sqm have now become the central shopping area of the city. The rooftop areas of the VORUM Voitsberg retail park are equipped with photovoltaic panels, significantly reducing its carbon footprint.

WALE

5.7 years

LEASABLE AREA

13,076 sqm

SIGNIFICANT TENANTS

BILLA, TEDI, KIK, JYSK, C&A, DEICHMANN, FUSSL, BIPA, NKD, FRESSNAPF, dm drogerie



PUBLIC



Topolčany Retail Park

SLOVAKIA, TOPOĽČANY

There is a wide range of tenants operating retail units on a leasable area of almost 9,000 sqm. The largest of these are the BILLA grocery chain and the Danish JYSK chain. They are complemented by INTERSPORT, PLANE0 Elektro, GATE, Pepco discount stores, KiK, dm drogerie and others. The Topolčany retail park is located on the outskirts of the city, which allows easy access for customers from the entire surrounding area.

WALE
6.8 years

LEASABLE AREA
8,931 sqm

SIGNIFICANT TENANTS
BILLA, JYSK, INTERSPORT, PLANE0 Elektro, GATE, Pepco, KiK, dm drogerie



PUBLIC

Chodov Retail Arena

CZECH REPUBLIC, PRAGUE

The property, with a leasable area of 6,409 sqm, is located at a strategic location close to the D1 highway at the entrance to Prague. Deca Sport leases the property for commercial purposes, serving as the headquarters and store of DECATHLON, the largest sports equipment retailer in Europe

WALE
10.0 years

LEASABLE AREA
6,409 sqm

SIGNIFICANT TENANTS
DECATHLON



QIF

Komárno Retail Park

SLOVAKIA, KOMÁRNO

Komárno Retail Park is located at the confluence of the Váh and Danube rivers in Komárno, Slovakia. It has been part of the fund's portfolio since 2020. There is a LIDL grocery store in the neighbourhood of the retail park.

WALE
5.1 years

LEASABLE AREA
4,525 sqm

SIGNIFICANT TENANTS
TEDi, JYSK, CCC, GATE, dm drogerie



INDUSTRIAL

Komárno Industrial Park

SLOVAKIA, KOMÁRNO

The industrial area in Komárno underwent significant modernisation in 2017. The tenant is ZF Slovakia a.s. from the German technological concern ZF, which operates 188 production plants in 31 countries. The company's core business is providing innovative systems for the automotive industry.

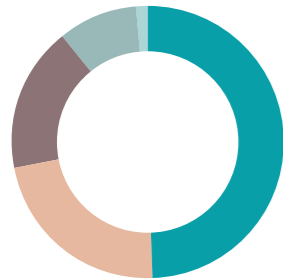
WALE
3.6 years

LEASABLE AREA
7,710 sqm

SIGNIFICANT TENANTS
ZF Slovakia

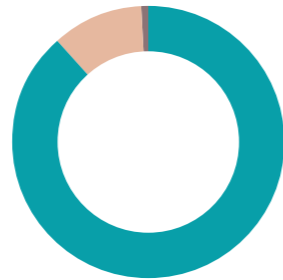
ZDR Group Portfolio

Portfolio by country



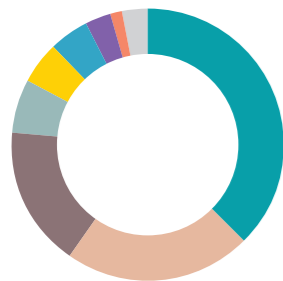
- Czech Republic 49.5%
- Slovakia 17.2%
- Croatia 22.6%
- Austria 9.5%
- Germany 1.2%

Leasable areas by use



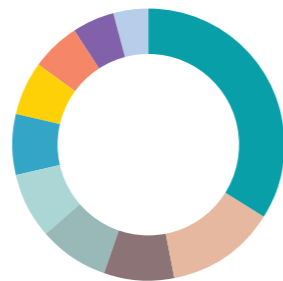
- Retail 88.6%
- Logistics and manufacturing 10.8%
- Office 0.6%

Retail space by segment

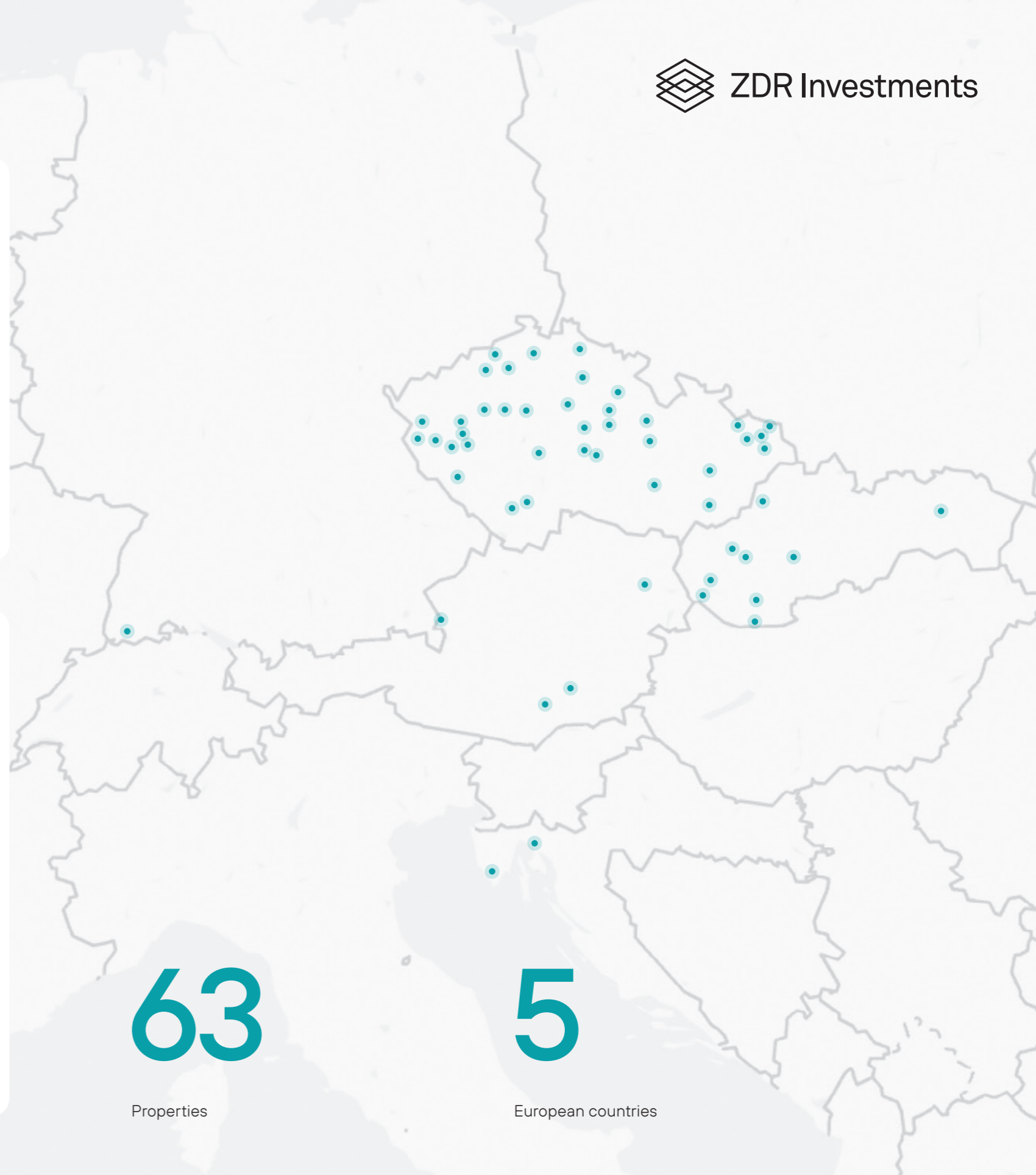


- Groceries 37.6%
- Household 22.3%
- Textiles 16.8%
- DIY 4.6%
- Sport 5.2%
- Drugstores 6.3%
- Services 3.0%
- Electro 1.6%
- Other 2.6%

Top 10 retail tenants



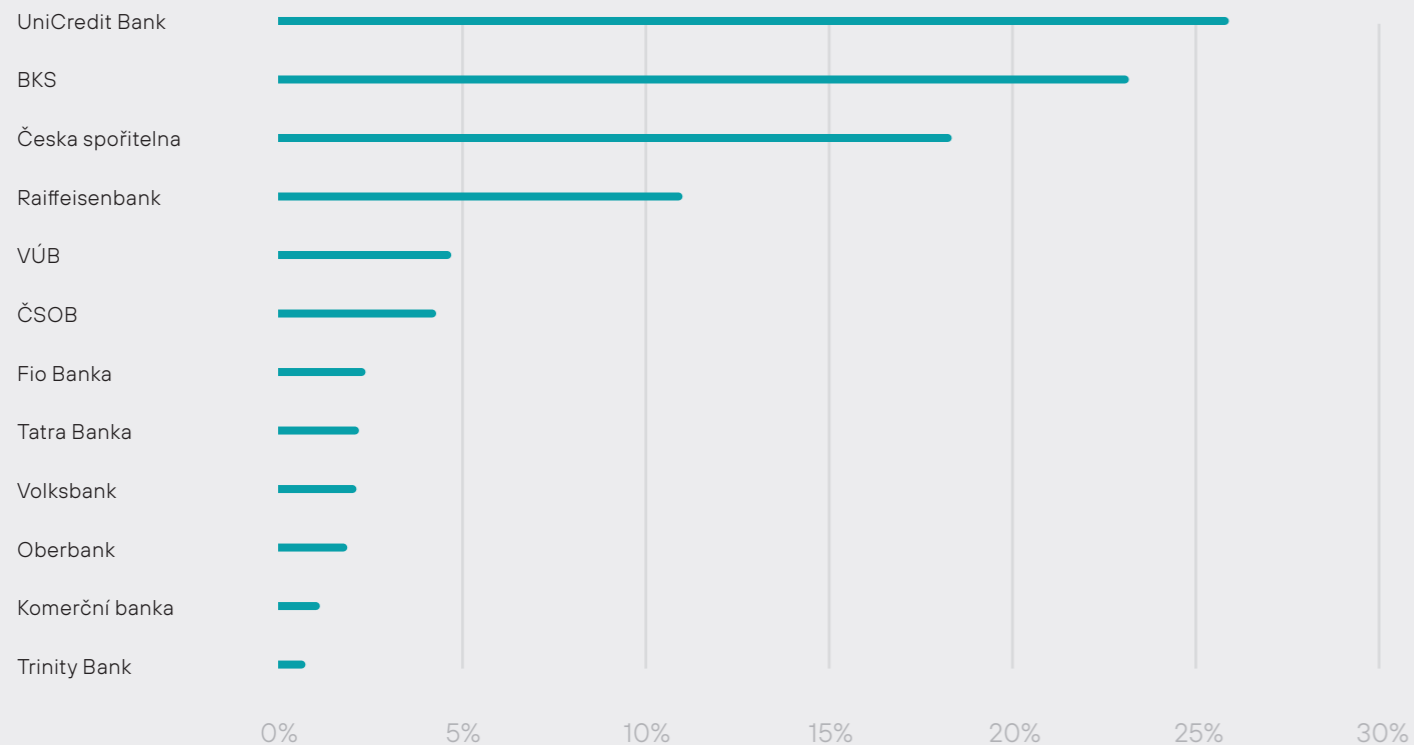
- Albert 33.8%
- Harvey Norman 13.0%
- Billa 8.4%
- JYSK 8.2%
- Tesco 7.7%
- TEDi 7.3%
- Spar 6.2%
- KiK 5.7%
- Pepco 5.0%
- Decathlon 4.7%



Bank Financing

We take a conservative approach to external financing. The aggregate debt ratio for the entire group had fallen to 49.7% at the end of 2023. Loans with a fixed rate or interest rate security currently account for three quarters of the total volume. With inflationary

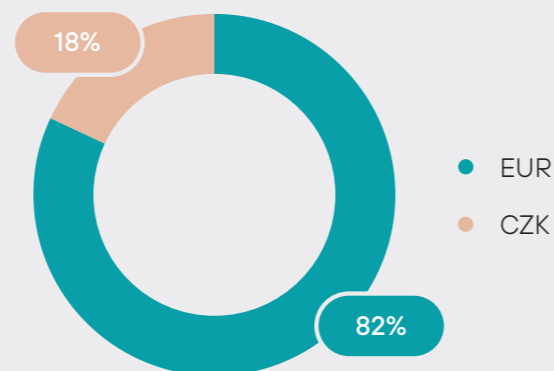
pressures receding and monetary policy reaching its peak, we expect a gradual decline in rates and more favourable refinancing conditions, which will start to occur in the second half of 2026.



Share of individual banks in the total balance of bank loans

Currency funding ratio

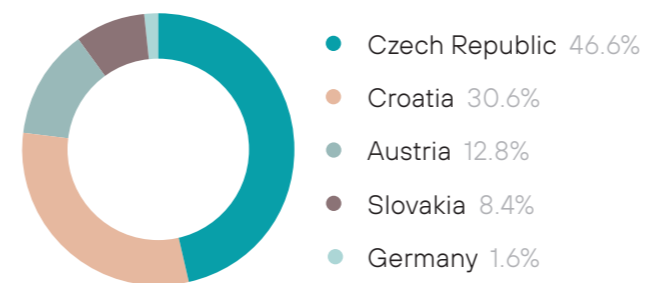
More than 80% of bank financing is provided in EUR, an increase of almost 15 percentage points year-on-year. The funding currency of the property corresponds to the currency in which the rent is collected. From the perspective of a Czech crown investor, ZDR Investments funds are hedged against currency risk.



QIF

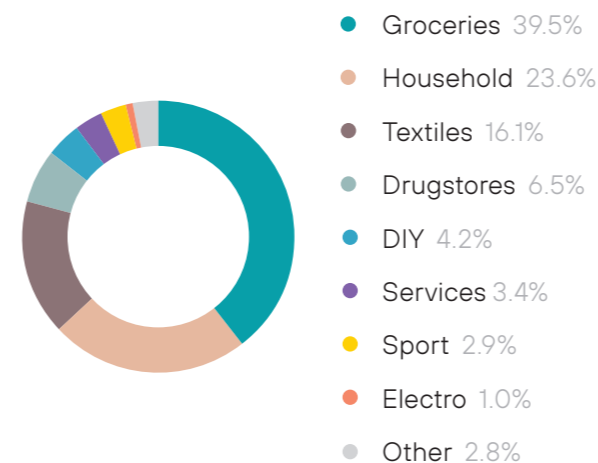
Portfolio by country

We started our expansion into Western Europe in 2020. Today, QIF properties are located in 5 European countries - the Czech Republic, Slovakia, Austria, Germany and Croatia. We invest exclusively in markets with stable political situations and where we understand the local specifics.



Retail space by segment

Among real estate funds on the Czech market, we stand out thanks to our high share of tenants in the grocery segment, which amounts to 40%. Grocery and discount chains, offering daily needs-based goods, together form the most stable component of retail.



Public

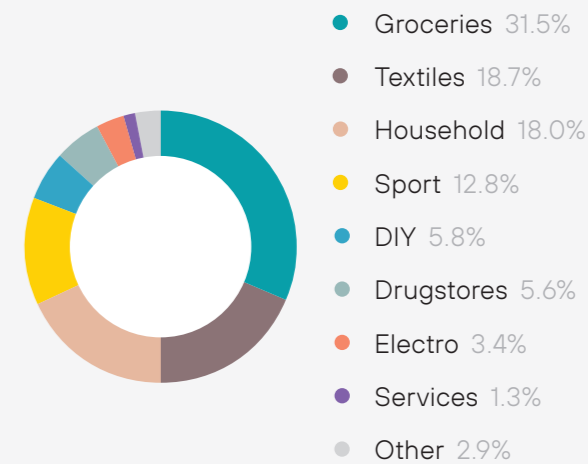
Portfolio by country

Through the Public fund, it is possible to invest mainly in necessity-based real estate in the Czech Republic and Slovakia. Moreover, the fund's focus on regional retail parks with a high proportion of groceries and other essential goods stores has proven to be a model that is resilient to economic downturns.



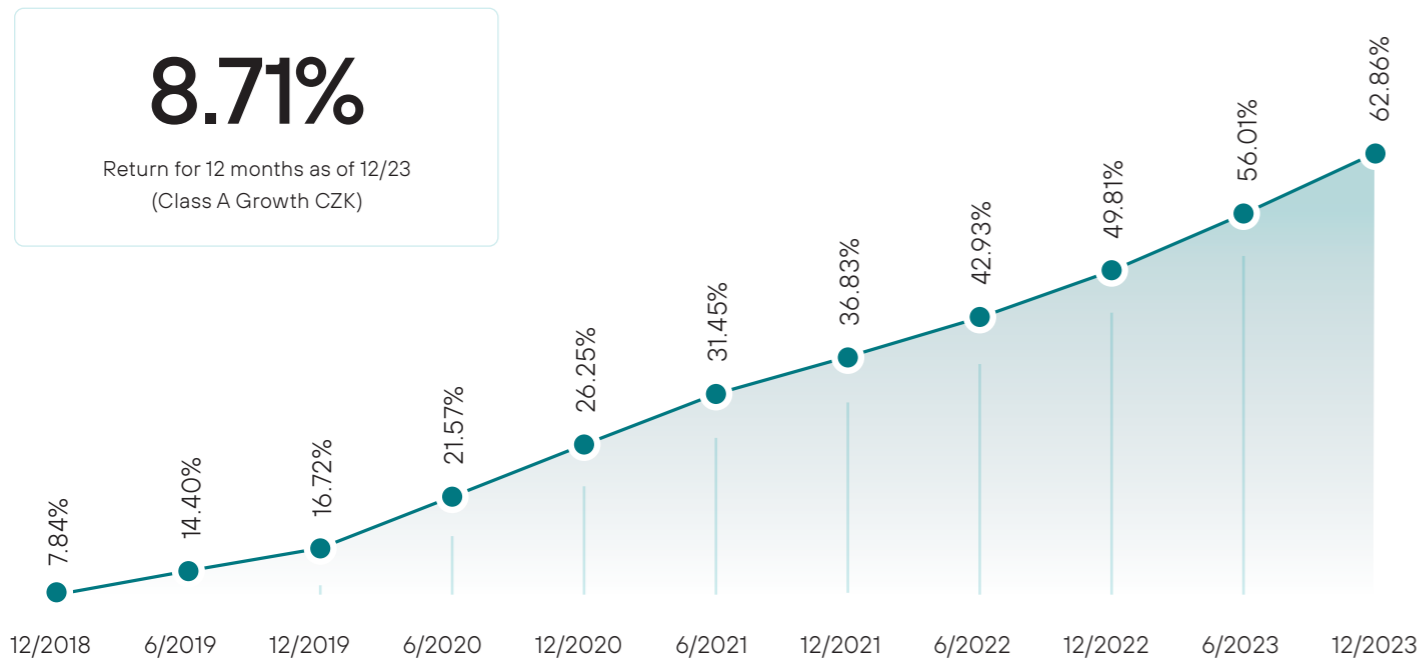
Retail space by segment

The Public fund's portfolio is highly diversified by sector. Grocery stores have the largest share (one third). The main tenants in this segment include brands such as Albert, Tesco, BILLA and PENNY Market.



NUMBER OF PROPERTIES	VALUE OF PROPERTIES	LEASABLE AREA	WALE
38	EUR 408.5 m	222,462 sqm	6.4 years
NUMBER OF TENANTS	LOAN-TO-VALUE	NUMBER OF INVESTORS	ANNUAL RENT
178	51.63%	2,378	EUR 26.7 m

Trends in yield



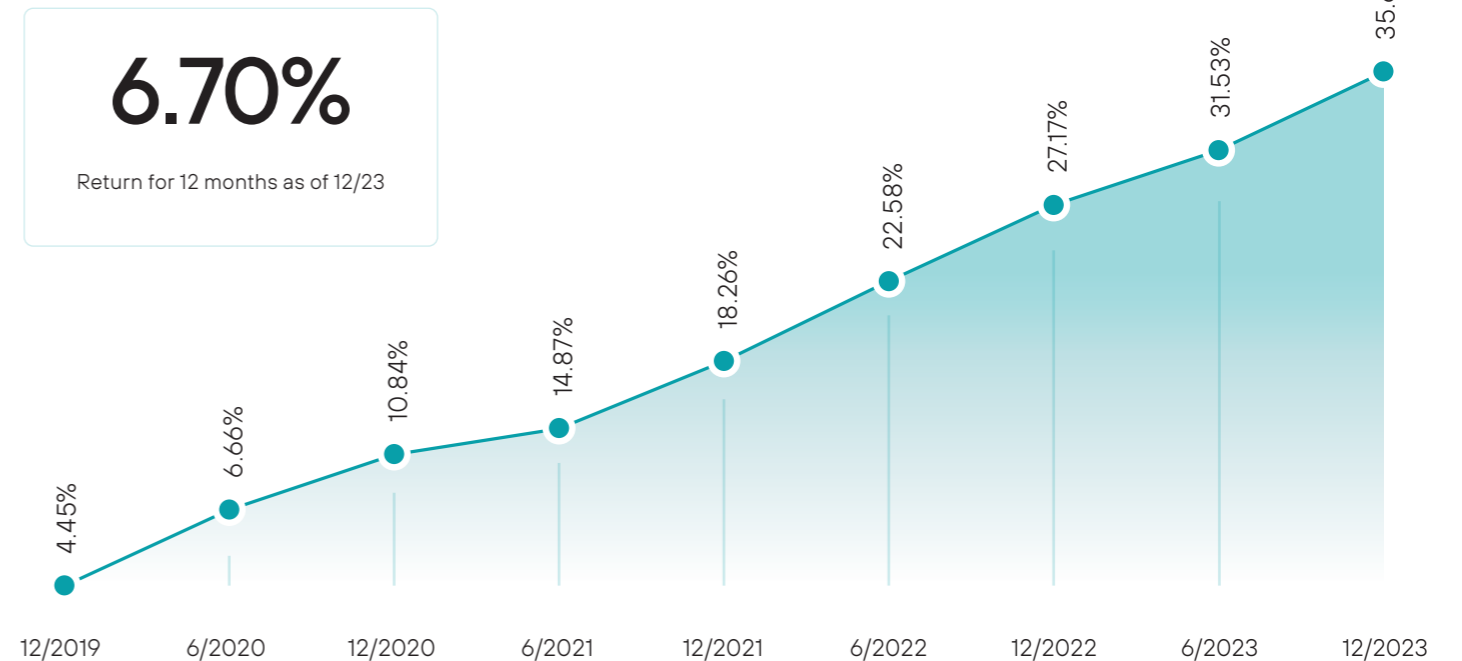
RETURN OF CLASS A SHARES (CZK GROWTH)

↗ 7.84%	↗ 8.23%	↗ 8.16%	↗ 8.38%	↗ 9.49%	↗ 8.71%	↗ 9.44%	↗ 8.32%	↗ 9.77%	↗ 8.75%
2018	2019	2020	2021	2022	2023	2020	2021	2022	2023

RETURN OF CLASS C SHARES (EUR GROWTH)

NUMBER OF PROPERTIES	VALUE OF PROPERTIES	LEASABLE AREA	WALE
24	EUR 121.3 m	70,807 sqm	5.7 years
NUMBER OF TENANTS	LOAN-TO-VALUE	NUMBER OF INVESTORS	ANNUAL RENT
85	43.66%	9,173	EUR 8.6 m

Trends in yield



SHARE RETURNS

↗ 4.45%	↗ 6.12%	↗ 6.69%	↗ 7.53%	↗ 6.70%
2019, 11-12	2020	2021	2022	2023

 Prospective sector

The changing paradigm of global and complex supply chains to local and simpler routes to the end customer will increase demand for manufacturing and storage spaces. The Czech industrial real estate market has the lowest vacancy rate across Europe, ranging from 1–2%.

Combined with a strong excess of demand over supply and further potential for rental growth, this sector is among the most promising.

Annual return

7.61%

CZK class

5.50%

EUR class

Development of the value of investment shares of the CZK class



Plzeň Logistics Park
CZECH REPUBLIC



About Us

Real estate funds with stable yields

We are a Czech investment group with a 6-year history, 3 real estate funds in 5 European countries and a portfolio value of almost EUR 534 million. During this time, we have become one of the leading real estate funds in the Czech Republic. We focus our attention primarily on regional daily needs-based retail parks with a high proportion of grocery stores, which have repeatedly proven their resilience to market fluctuations. Our goal is to build a stable convenience real estate portfolio of high yield, long-term leased commercial properties that are diversified geographically and in terms of size and tenant mix. Our strategy is conservative - we only seek investment opportunities that meet strict requirements for tenant reliability and the longevity of lease agreements.

ZDR Investments SICAV a.s.

This fund, with an international portfolio, is intended for qualified investors with advanced knowledge and experience, who are seeking long-term stable appreciation of invested funds. Over its 6-year existence, it has become one of the most dynamically growing real estate funds on the market, crediting its shareholders with an appreciation of nearly 63% since its inception.

ZDR Investments Public SICAV a.s.

The Public fund is a mutual fund open to all types of investors established in October 2019. It allows the general public to appreciate their savings from low amounts and is an attractive option for investing in real estate without the need for direct ownership and management.

ZDR Investments Industrial SICAV a.s.

The first retail fund in the Czech Republic focused exclusively on industrial real estate. Through it, small investors can also participate in a portfolio of long-term leased commercial properties of smaller size, intended for logistics and production in the Czech Republic and Slovakia.



Zdeněk Prázdny

FOUNDER

Zdeněk is responsible for the development of new projects and searches for further acquisition opportunities on the market. He is the founder of the Traxial group, where he has completed dozens of commercial development projects.

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Radek Hladký

FOUNDER

Radek manages the ZDR Investments group, sourcing and structuring new acquisitions. He co-founded the law firm Z/C/H Legal, which since 2005 has advised mostly multinational clients on real estate transactions worth more than EUR 4 bn.

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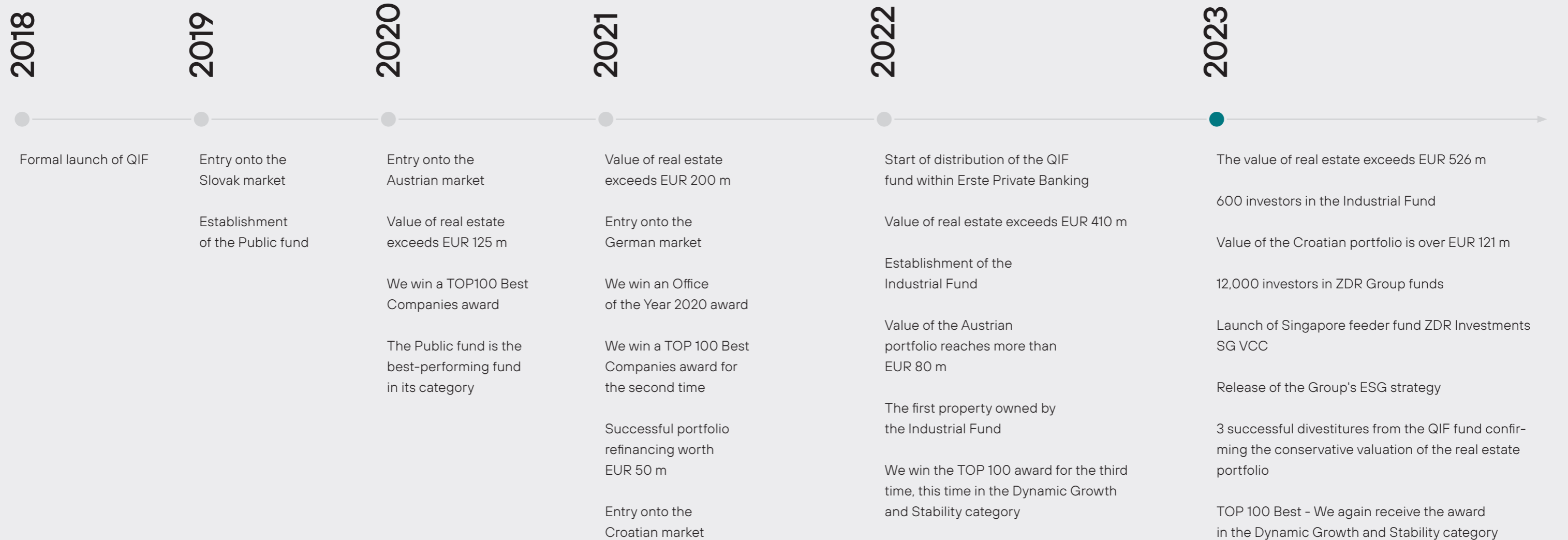
Roman Latuske

FOUNDER

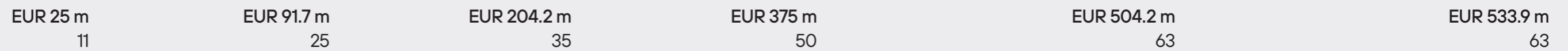
Roman manages the expansion into Western markets and develops relationships with key business partners. He studied banking in Wiesbaden and worked in commercial real estate finance at DePfa-Bank and HYPO-BANK. He worked in top management positions in the Mafra and Economia media houses for 20 years.

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History of ZDR



Real estate value and number of properties



ESG

> Strategy

Investing

We believe in sustainable business.

We want our activities to be beneficial both for us and future generations.





PILLAR 1

Operating sustainable buildings

A green or sustainable building is a building that, because of its construction and features, can maintain or improve quality of life the environment in which it is located. To do this, it is essential to achieve a high level of efficiency: reducing the consumption of energy, water and other resources minimises pollution.

We want to operate sustainable buildings with only minimal energy and water consumption—properties that are key parts of sustainable urban development and help to counter climate change.

- | Energy performance of buildings
- | Carbon footprint
- | Generating renewable energy
- | Resource savings circular economy
- | E-mobility



PILLAR 2

We care about people

Being responsible investors, we look for solutions that enhance the lasting value of assets. To achieve the desired results we are committed to the proactive and effective involvement of those on whom our investments have an impact. We appreciate feedback from all our stakeholders: investors, tenants, employees, and the local community. This helps us to pursue our sustainability strategy and our everyday decision-making on an array of issues, such as capital expenditure, building operation, workplace culture, or community involvement. We can meet ambitious objectives only by forging firm relationships with our partners. Through shared projects, we are creating a more sustainable and healthier environment in which we ourselves want to live.

- | Cooperation with tenants
- | Facility management
- | Affected communities
- | Employees
- | Philanthropy and sponsorship



PILLAR 3

Portfolio with lasting value

We want to manage a portfolio featuring sustainable value, thereby meeting climate and social objectives. It is important for us to reflect ESG risks and opportunities in all our investment decisions: property acquisition, management, and divestiture. We have undertaken to maintain open communication with and maximum transparency to our investors, trading partners, and other stakeholders.

- | Data management
- | Transparent reporting
- | Responsibility and accuracy
- | Clear organisational structure
- | Anti-corruption policy and AML

200,000 sqm

Roof area for PV coverage

13.9 MWp

Planned performance

13 GWh/year

Planned electricity production

1,440 tonnes

Expected CO₂ savings

Net

Zero

Strategy

Reducing the carbon footprint is a key element in the effort towards sustainable development. We regard the transition to a low-emission economy primarily as an opportunity to strengthen our long-term investments and to open new market opportunities.

An important step in fighting climate change and global warming is reducing net GHG emissions to zero. Real estate plays a key role in this global effort to counter climate change. With a view to improving our portfolio's financial performance we are making preparations for future changes, such as more stringent regulation, carbon taxation, and new requirements from tenants, who are also setting their own ambitious climate protection targets.

Climate change and the property market

At the COP21 conference held in Paris in 2015, 196 countries' leaders adopted the obligation to hold global warming well below 2°C, with an ambition aimed at less than 1.5°C.

The global economy must be decarbonised by 2050 and significant progress must be made in the current decade. This requires transformational changes across our economy.

Risks

Climate change poses a significant problem for the value of real estate assets on global markets. It impairs the condition of properties, causes the emergence of political regulation, and changes market requirements. The new legislation that is entering into force can cause quite some issues for properties having no clear decarbonisation plan. This can also be reflected in their market value.

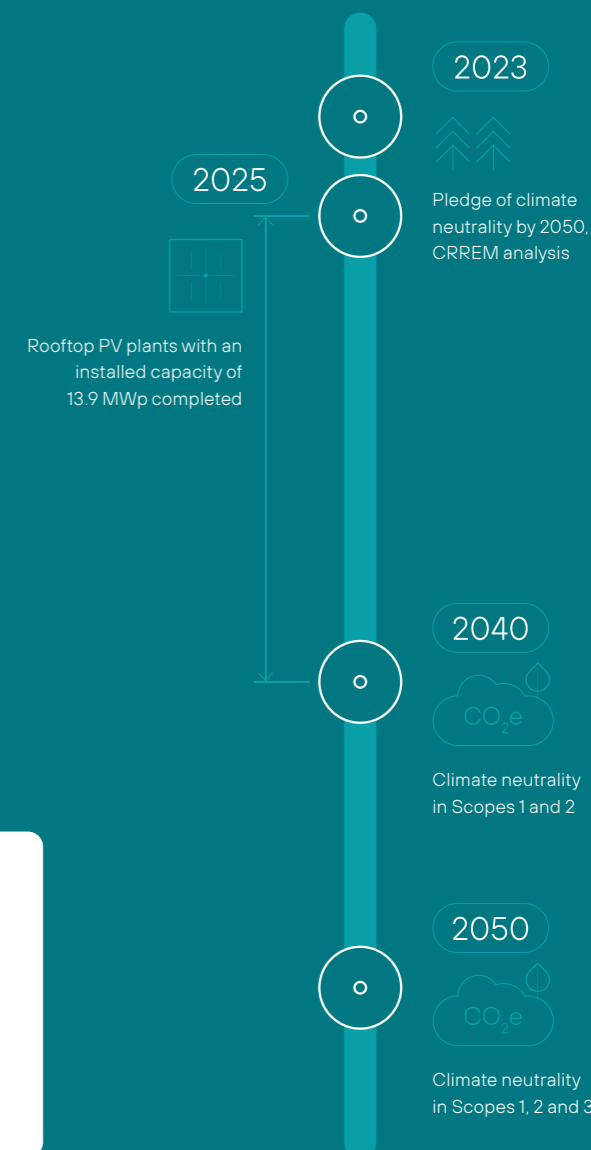
Opportunities

Although the transition to a low-carbon economy will be challenging, we are convinced that we will protect and strengthen long-term investments thanks to our proactive approach. Climate change is bringing risks, but it is also opening new opportunities for investment and the formation of new markets.

The net-zero strategy permeates the entire investment process

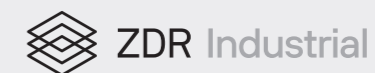
- 1 Acquisition
- 2 Development and renovation
- 3 Operation
- 4 Decarbonisation strategy at the portfolio level
- 5 Deconstruction and divestiture

All our activities will be geared towards net-zero by 2050



Read our complete ESG strategy on our website

Investment opportunities



Investment horizon	5 years or more		5 years or more	5 years or more
Minimum investment	CZK 1,000,000 (or equivalent in EUR)		CZK 10,000 as a one-off or CZK 200 regularly (or equivalent in EUR)	CZK 10,000 as a one-off or CZK 200 regularly (or equivalent in EUR)
Class currency	CZK and EUR		CZK	CZK and EUR
Entry fee	max. 3.1%		max. 4%	max. 4%
Exit fee	0% three years after subscription of investment shares		0%	0%
Fund manager and administrator	CODYA investiční společnost, a.s.		Conseq Funds investiční společnost, a.s.	Conseq Funds investiční společnost, a.s.
Depository	Česká spořitelna, a.s.		Česká spořitelna, a.s.	Česká spořitelna, a.s.
Valuation of assets	Grant Thornton Appraisal services a.s.		committee of experts	committee of experts
Management fee	1.5% per annum		1.5% per annum	1.5% per annum
Performance fee	30% of fund's capital appreciation exceeding 5% per annum		30% of fund's capital appreciation exceeding 4% per annum	30% of fund's capital appreciation exceeding 4% per annum
Projected net yield	7–9% per annum		5–7% per annum	5–7% per annum
ISIN	Growth shares CZK CZ0008042892 EUR CZ0008043833	Dividend shares CZK CZ0008042967 EUR CZ0008043841	Growth shares CZK CZ0008044658	Growth shares CZK CZ0008049111 EUR CZ0008049129

Our tenants



