



ZDR Investments

REPORT 2022

We can
appreciate
your capital

5 years of ZDR Investments Group

+9.96%

QIF fund average annual return*

+8.68%

Public fund average annual return**

504.2 m

Real estate value in EUR

63

Properties in the portfolio

The year 2022, like the previous year, was full of challenges. The lingering effects of the coronavirus pandemic, the aggression of Russian military forces in Ukraine and dramatically rising inflation and its moderation by raising interest rates by leaps and bounds to levels to which the global economy has not been accustomed for many years. This is only a fraction of the problems that real estate funds and others had to face last year.

Despite the adverse macroeconomic conditions, ZDR Investments funds demonstrated strong resilience and recorded their highest ever returns.

The ZDR Investments SICAV a.s. Qualified Investor Fund achieved a performance of 9.49% over the past year. Since inception, the average annual return has been almost 10%*.

The ZDR Investments Public SICAV a.s. retail fund, which is intended for the general public, ended 2022 with appreciation of +7.53% and has brought shareholders an average return of +8.68%** over its three-year existence.

The impact of high inflation was attenuated by inflation clauses that regularly increase rents. The impact of the rise in the base rate on the funds' performance was minimised by long-dated fixed-rate loan agreements. And the slowing economy, coupled with a reduction in household consumer spending, has become an opportunity for discount chains, which continue to expand massively.

A conservative strategy focused mainly on retail parks with a significant presence of grocery stores and discount tenants has proven time and time again to bring stability in different phases of the economic cycle.

Despite all the adverse macroeconomic factors, last year was extremely successful for our investment group. We celebrated our five-year anniversary, crossed the milestone of a portfolio value of EUR 420 m, launched a third fund, ZDR Investments Industrial SICAV a.s., focused on suburban industrial properties, and strengthened our position among the leading real estate funds on the Czech market. Our vision for the next few years is to be a stable anchor for every real estate portfolio.

* Average annual return on investment in the CZK growth class for the period from 01/2018 to 12/2022

** Average annual return on investment for the period from 11/2019 to 12/2022

Acquisitions of the year

NO

NO

NO

NO



QIF



VORUM Voitsberg II and III

AUSTRIA, VOITSBERG

The VORUM Voitsberg project was built on the site of a former lignite-fired power plant that used to separate the towns of Voitsberg and Bärnbach. Thanks to its accessibility and attractive tenants, VORUM, in the district town of Voitsberg in the Austrian state of Styria, has quickly become a central shopping area.

WAULT

8.2 years

RENTABLE AREA

5,895 sqm

SIGNIFICANT TENANTS

Billa Plus, dm drogerie, Pepco,
PAGRO DISCONT, Fressnapf

QIF



Hradec Králové Retail Park

CZECH REPUBLIC, HRADEC KRÁLOVÉ

The Kukleny Shopping Centre is located on the western outskirts of Hradec Králové. It was completely modernised in 2022 and the construction of the next stage of the existing building is planned for the future. One of the most important tenants is the grocery chain Albert, which implemented a modern market concept in its newly opened store. The property was acquired from the affiliated development group Traxial.

WAULT

4.9 years

RENTABLE AREA

13,192 sqm

SIGNIFICANT TENANTS

Albert, BENU lékárna, Teta drogerie, TEDi, Pepco, KiK, JYSK, IKEA issue point



PUBLIC

Retail Park Bohumín

CZECH REPUBLIC, BOHUMÍN

It is a newly-built retail park located in the central part of Bohumín, which is situated at the confluence of the rivers Odra and Olše, close to the Polish border. The property is adjacent to a Kaufland grocery store.

WALVT

5.0 years

RENTABLE AREA

4,908 sqm

SIGNIFICANT TENANTS

dm drogerie, Action, Pepco, KiK, NKD, Sportisimo, Datart



PUBLIC

Retail Park Hluboká

CZECH REPUBLIC, HLUBOKÁ NAD VLTAVOU

Hluboká Retail Park, consisting of three separate buildings, was completed in December 2021. Hluboká nad Vltavou is the second largest municipality in the South Bohemian Region, located only 9 km from České Budějovice. The retail park's strategic location attracts visitors from the adjacent catchment areas.

WALVT

6.2 years

RENTABLE AREA

2,396 sqm

SIGNIFICANT TENANTS

Billa, Teta drogerie, Super zoo, Pepco



QIF

Retail Park Ostava Poruba

CZECH REPUBLIC, OSTRAVA

The property was purchased by the fund from its affiliated development group Traxial. The grocery chain Albert, discount chain Pepco and Teta drogerie have opened stores here. In the spring of 2023, after the final stage of the modernisation is completed, textile chains Sinsay and KiK will also open stores here.

WALVT

7.0 years

RENTABLE AREA

8,109 sqm

SIGNIFICANT TENANTS

Albert, Teta drogerie, Pepco, KiK, Sinsay

QIF



Retail Park Bílovec

CZECH REPUBLIC, BÍLOVEC

The newly-completed retail park was built by the affiliated development group Traxial. The town of Bílovec is located in the district of Nový Jičín near Ostrava. More than 7,000 residents live here and the new shopping centre is often their first choice for regular shopping.

WAULT

7.0 years

RENTABLE AREA

1,962 sqm

SIGNIFICANT TENANTS

Albert, Super zoo, Pepco

INDUSTRIAL



Industrial Park Komárno

SLOVAKIA, KOMÁRNO

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

WAULT

4.6 years

RENTABLE AREA

7,101 sqm

SIGNIFICANT TENANTS

ZF Slovakia

Additional Acquisitions in 2022

ACQUISITIONS

FUND

RENTABLE AREA

SIGNIFICANT TENANTS

Retail Park Teplice

QIF

9,981 sqm

Albert, Pepco, Action

Retail Park Most

QIF

8,006 sqm

Albert, TEDI, Action

Billa Velká Dobrá

Public

1,343 sqm

Billa

Tesco Banská Štiavnica

Public

1,120 sqm

Tesco

Retail Park Šamorín

Public

3,304 sqm

TEDI, JYSK, GATE

Retail Park Stříbro

QIF

3,121 sqm

Billa, Pepco, KiK

Běchovice Production Hall

QIF

1,659 sqm

Jakub Kubín

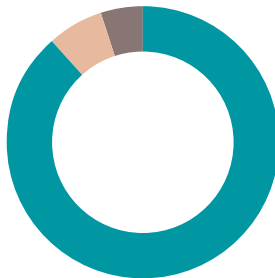
ZDR Group Portfolio

Portfolio by country



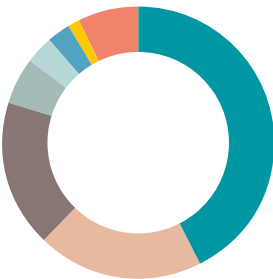
- Czech Republic 59.6%
- Slovakia 15.3%
- Croatia 13.6%
- Austria 10.2%
- Germany 1.3%

Rentable areas by use



- Retail 83.0%
- Logistics 12.1%
- Office 4.9%

Retail space by segment



- Groceries 42.6%
- Household 19.7%
- Textiles 17.6%
- Drugstores 5.6%
- Sport 3.3%
- DIY 2.8%
- Electro 1.2%
- Other 7.2%

Top 10 retail tenants



- Albert 41.7%
- Billa 9.8%
- JYSK 8.7%
- TEDi 8.1%
- KiK 6.0%
- Pepco 6.0%
- Decathlon 5.9%
- Harvey Norman 5.4%
- Tesco 4.3%
- PENNY Market 4.1%



ZDR Investments

63

Properties

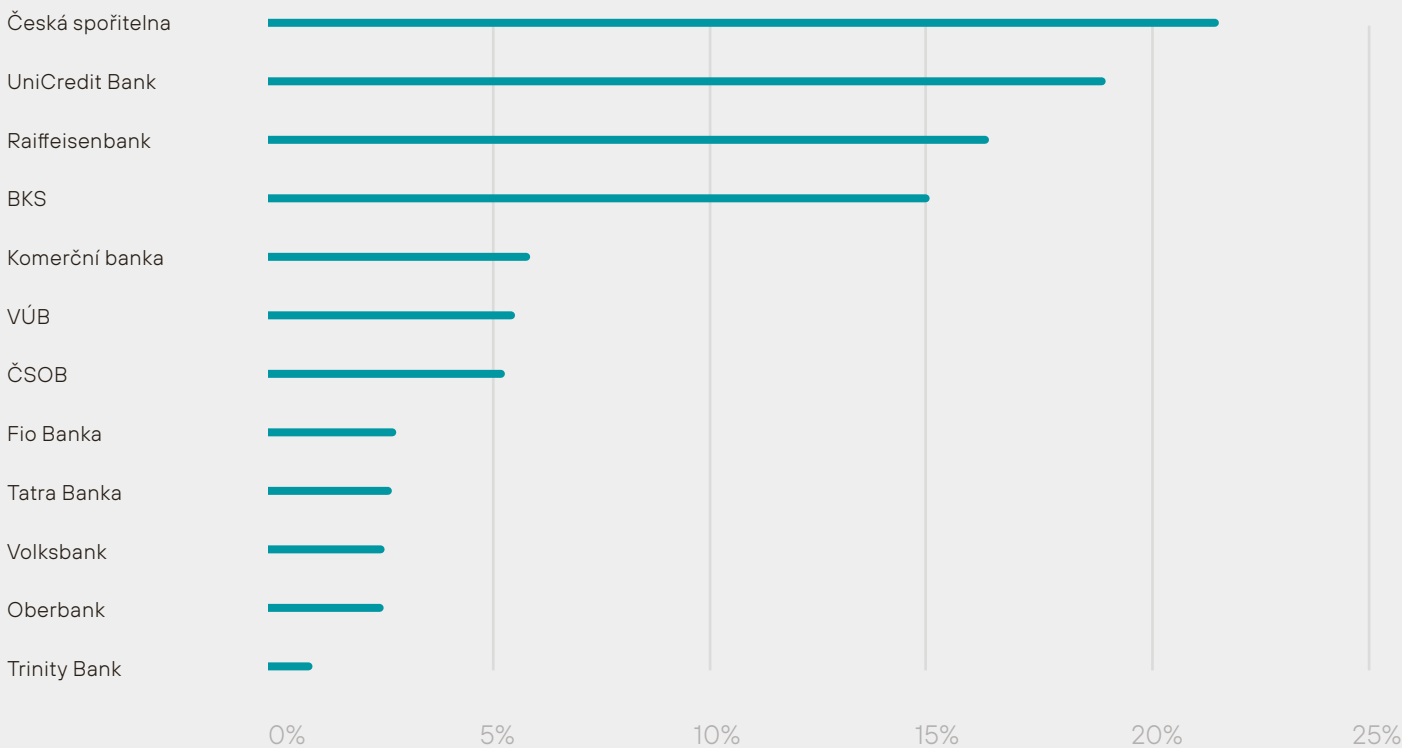
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European countries

Bank financing

We take a conservative approach to bank financing. The group's aggregate debt ratio currently stands at 50.5%. From the beginning, we have opted for a strategy of long-term fixations or interest rate hedging, which pays off especially now in times of rising interest rates.

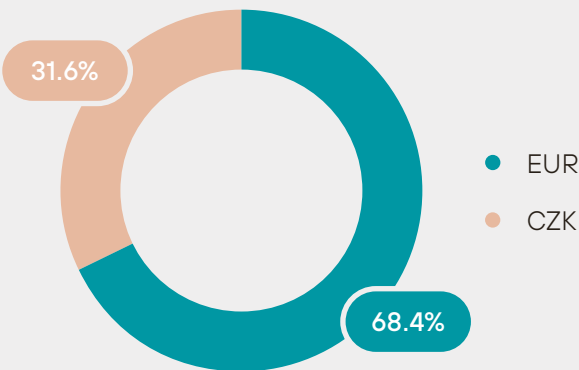
Only 14% of the loan portfolio will see a change in the current fixed rate over the next three years. The largest share of the financing is held by Česká spořitelna from the Austrian banking group Erste, whose exposure has almost doubled compared to last year.



Share of individual banks in total balance of bank loans

Currency funding ratio

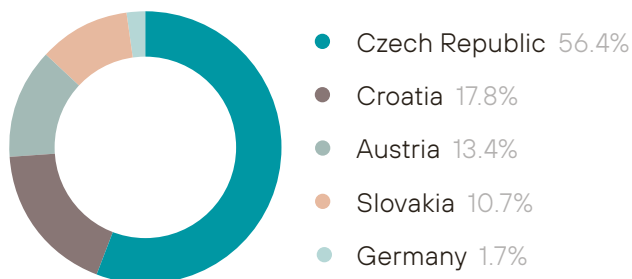
Almost 70% of bank financing is provided in EUR, an increase of 10 percentage points year-on-year. Given the still high interest rate differential between the Czech Republic and the eurozone, we expect the share of euro-denominated financing to continue to increase. ZDR Investments funds are hedged against currency risk.



QIF

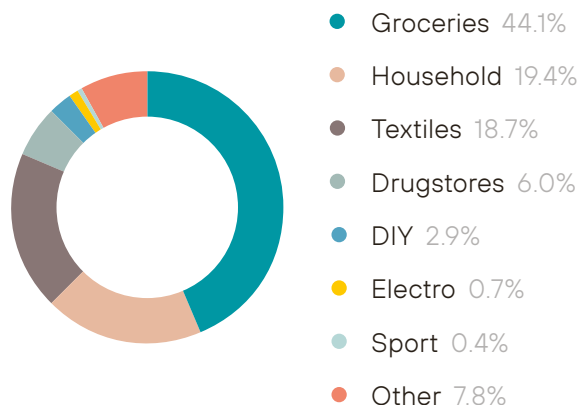
Portfolio by country

We started our expansion into Western markets in 2020. Today, QIF properties are located in five 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

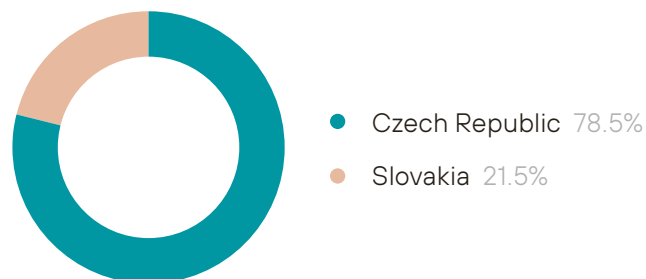
Among real estate funds on the Czech market, we stand out thanks to our high share of tenants in the grocery segment, which amounts to 44%. Grocery and discount chains, offering everyday goods, together form the most stable component of retail.



Public

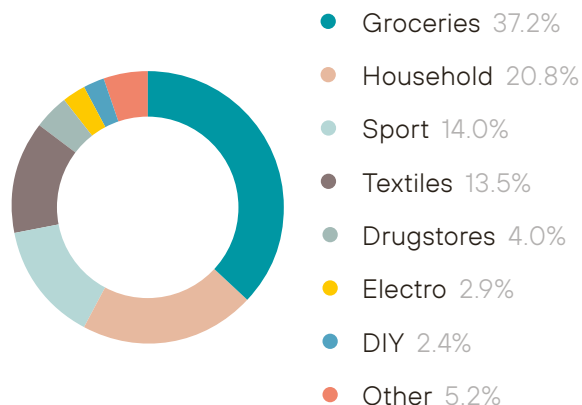
Portfolio by country

Through the Public fund, it is possible to invest mainly in discount retail properties in the Czech Republic and Slovakia. Moreover, the Fund's focus on regional retail parks with a high proportion of groceries and other everyday goods stores has proven to be a model that is resilient to negative economic cycles.



Retail space by segment

The Public fund's portfolio is highly diversified by sector. Grocery stores have the largest share with 37%. The main tenants in this segment include brands such as Albert, Tesco, Billa and PENNY Market.

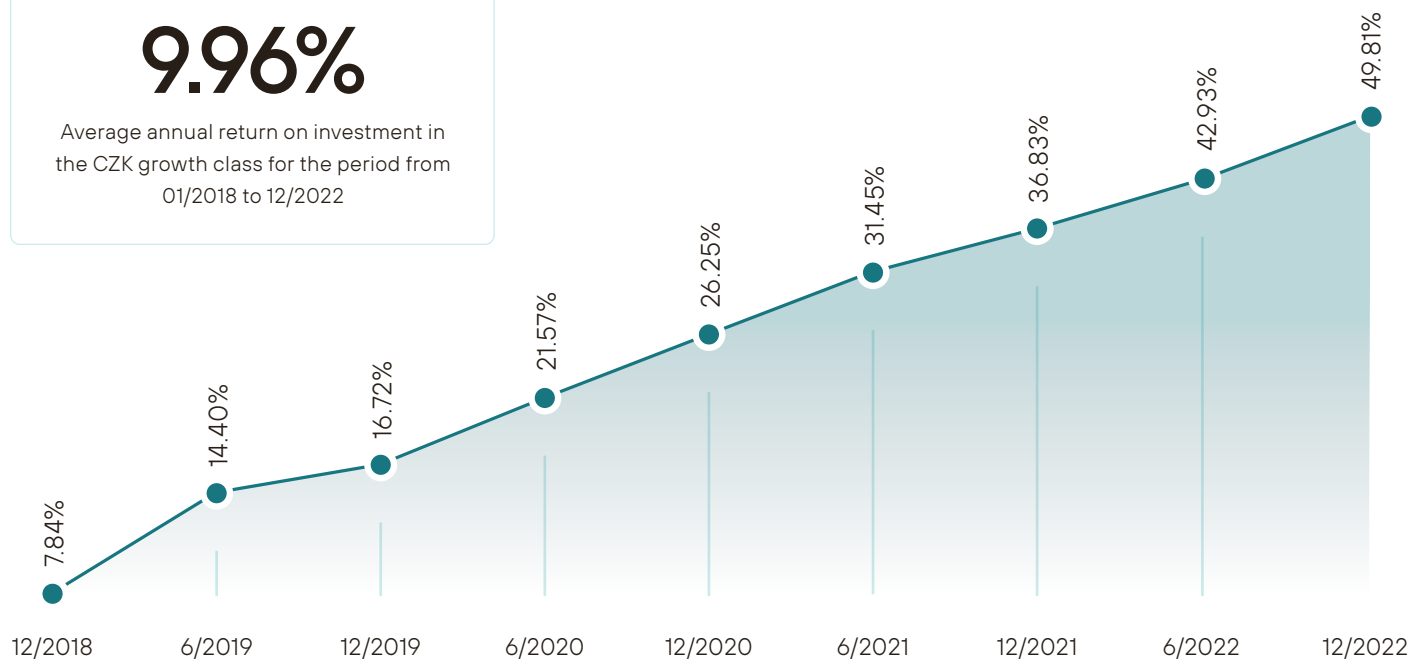


NUMBER OF PROPERTIES
40
VALUE OF PROPERTIES
EUR 395.8 m
RENTABLE AREA
209,910 sqm
WAVLT
6.3 years
NUMBER OF TENANTS
205
LOAN-TO-VALUE
51.87%
NUMBER OF INVESTORS
2,016
ANNUAL RENT
EUR 24.3 m

Trends in yield

9.96%

Average annual return on investment in the CZK growth class for the period from 01/2018 to 12/2022


RETURN OF CLASS A SHARES (CZK GROWTH)

↗ 7.84% 2018
 ↗ 8.23% 2019
 ↗ 8.16% 2020
 ↗ 8.38% 2021
 ↗ 9.49% 2022

RETURN OF CLASS C SHARES (EUR GROWTH)

↗ 9.44% 2020
 ↗ 8.32% 2021
 ↗ 9.77% 2022

NUMBER OF PROPERTIES

22

VALUE OF PROPERTIES

EUR 104.2 m

RENTABLE AREA

58,250 sqm

WALU

6.2 years

NUMBER OF TENANTS

78

LOAN-TO-VALUE

45.34%

NUMBER OF INVESTORS

7,005

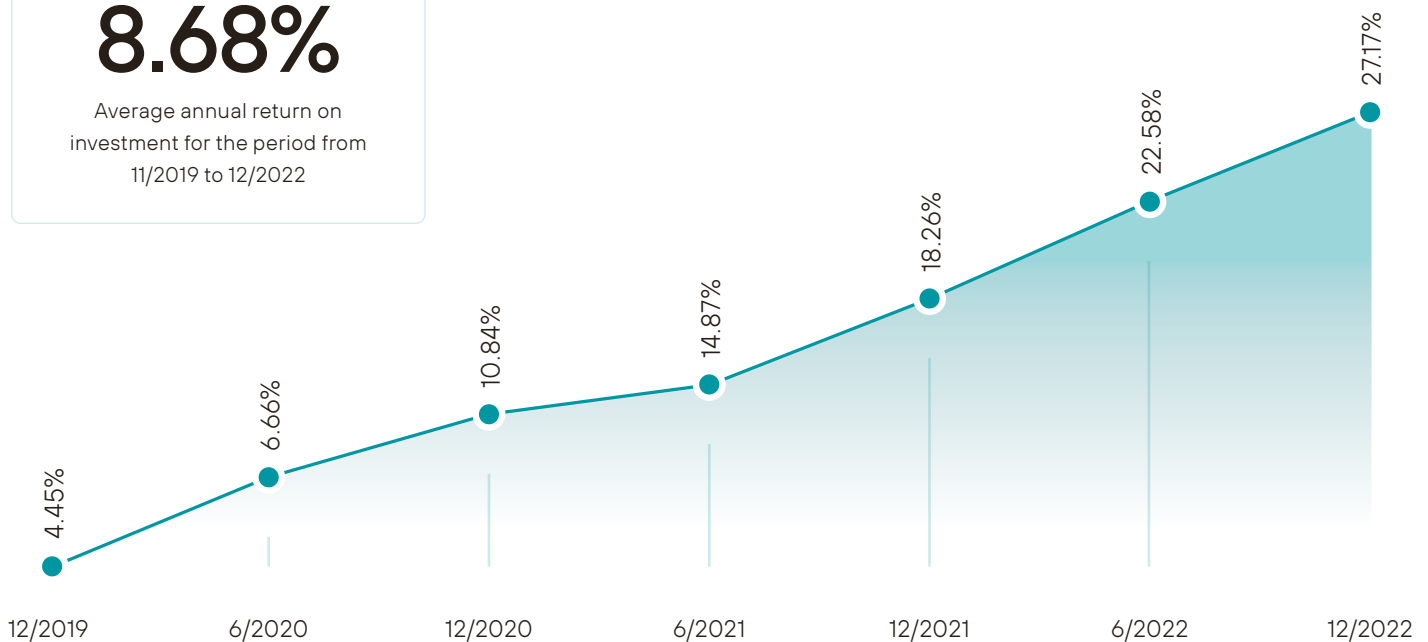
ANNUAL RENT

EUR 7.02 m

Trends in yield

8.68%

Average annual return on investment for the period from 11/2019 to 12/2022



SHARE RETURNS

↗ 4.45%
2019, 11–12

↗ 6.12%
2020

↗ 6.69%
2021

↗ 7.53%
2022



ZDR Investments

About us



Real estate funds focusing on investments in long-term leased commercial real estate

During the five years of our existence, we have established three funds, entered four foreign markets, exceeded a portfolio value of more than EUR 500 m and strengthened our position among Czech real estate funds. Our main focus is on regional discount retail parks with a high proportion of grocery stores. We look for attractive investment opportunities that meet strict requirements for the creditworthiness of tenants and the longevity of lease agreements. Our goal is to build a stable portfolio of high-quality commercial properties that are diversified geographically, as well as in terms of size and tenant mix.

ZDR Investments SICAV a.s.

The fund is designed for qualified investors with advanced knowledge and experience who are looking for long-term stable appreciation of their funds invested. In the 5 years of its existence, it has become one of the most dynamically growing real estate funds on the market and has generated appreciation of almost 50% since its inception for its shareholders.

ZDR Investments Public SICAV a.s.

The Public fund is a mutual fund open to all types of investors that was 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 fund is open to the general public. As part of collective investing, shareholders have the opportunity to participate in a portfolio of long-term leased properties of smaller size for production and storage. The fund was launched in September 2022 and three months later, in December 2022, the first property was acquired.



Zdeněk Prázdny

PARTNER

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

PARTNER

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 almost EUR 4 bn.

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Roman Latuske

PARTNER

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

2018

Formal launch of QIF

2019

Entry to Slovak market

Establishment
of Public fund

2020

Entry to Austrian market

Value of real estate
exceeded EUR 125 m

We won a TOP 100
Best Companies award

The Public fund is
the best-performing fund
in its category

2021

Value of real estate
exceeded EUR 200 m

Entry to German market

We won an Office
of the Year 2020 award

We won a TOP 100 Best
Companies award for the
second time

Successful refinancing
of a portfolio worth
EUR 50 m

Entry to Croatian market

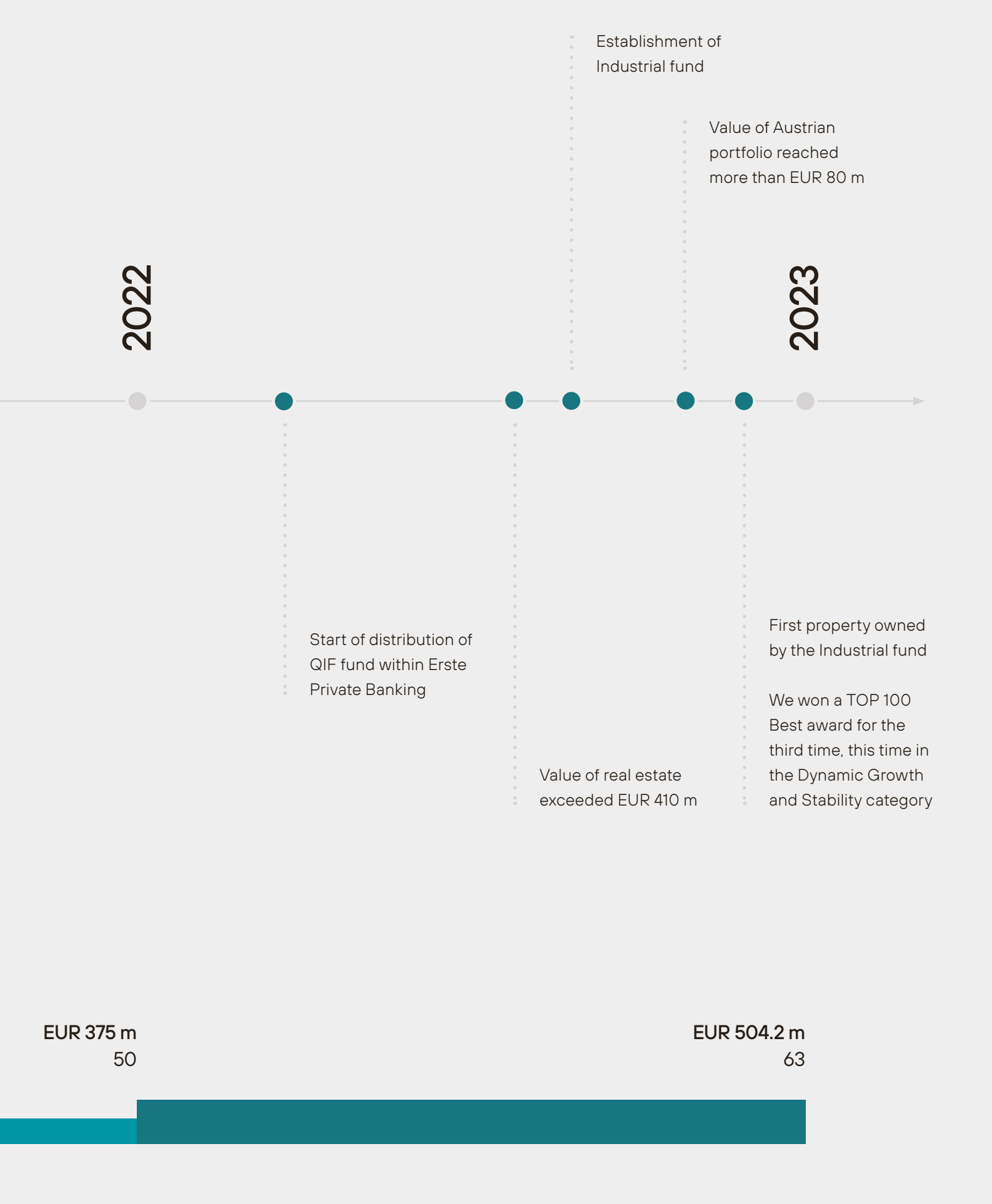
Real estate value
and number of properties

EUR 25 m
11

EUR 91.7 m
25

EUR 204.2 m
35







Vienna Retail Park
AUSTRIA

ESG



When selecting investments, we ensure that their implementation meets sustainability criteria and respects the environment. We look for solutions that are environmentally-friendly and energy-efficient. We believe that a sustainable mindset brings long-term social and business value and contributes to a better life.



We strive to ensure that as many stakeholders as possible benefit from our activities. We support the needy, culture, sport and the development of the localities in which we invest. We aim to be a responsible and beneficial partner that creates real social value. At the ZDR Investments group, we emphasise appropriate working conditions, gender balance, equal opportunities and support the creativity and development of our colleagues.



Transparency, fairness and open communication. We apply these values to our business partners, investors and employees. We respect all written and unwritten principles of fair dealing. Our employees are a key source of growth and their physical and mental satisfaction is important to us.

Investment opportunities



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



5 years or more	5 years or more
CZK 10,000 as a one-off or CZK 500 regularly (or equivalent in EUR)	CZK 10,000 as o one-off or CZK 500 regularly (or equivalent in EUR)
CZK	CZK a EUR
max. 4%	max. 4%
0%	0%
Conseq Funds investiční společnost, a.s.	Conseq Funds investiční společnost, a.s.
Česká spořitelna, a.s.	Česká spořitelna, a.s.
committee of experts	committee of experts
1.5% per annum	1.5% per annum
30% of fund's capital appreciation exceeding 4% per annum	30% of fund's capital appreciation exceeding 4% per annum
5-7% per annum	5-7% per annum
Growth shares CZK CZ0008044658	Growth shares CZK CZ0008049111 EUR CZ0008049129

Our tenants



