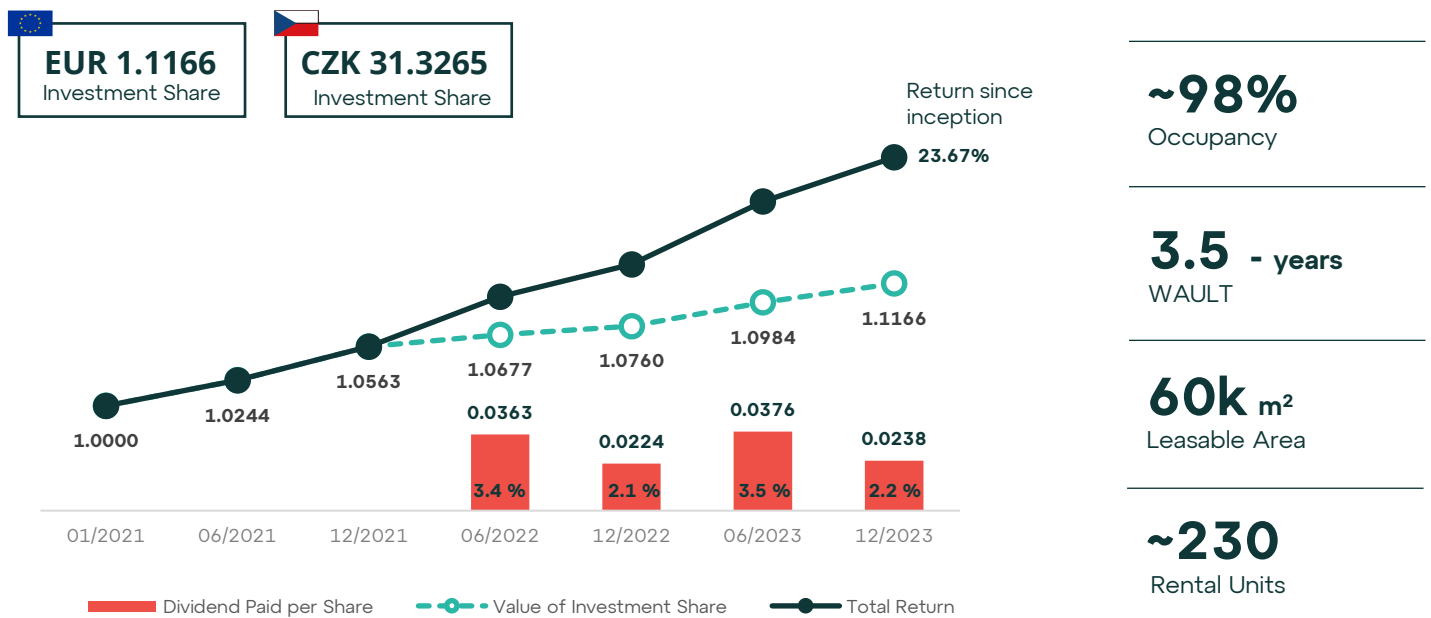


PREMIUM INVESTMENT OPPORTUNITY



Aupark Bratislava (Aupark) is a unique investment opportunity on the Slovak market which is now entering its final phase. The AUP Bratislava sub-fund, together with its equity partners, currently own 87% in the shopping centre and plan to complete the transaction in the near future. The well-known shopping centre located in an attractive area has loyal and affluent customers, a premium tenant mix and offers an extraordinary investment opportunity with stable return.



Investment Strategy

Investment into Aupark is made available through a single asset sub-fund, which provides its investors with the opportunity to invest in the highest quality retail centre in Bratislava. The sub-fund's strategy is to distribute all free available cash flow through **dividends, with a targeted dividend yield of around 5-6% and a targeted equity return of 8% + p.a., net of fees.** The fourth dividend payment took place in February 2024, and the fund aims to continue distributing dividends on a semi-annual basis. Asset leverage is set at a conservative level of approximately 50%.

8%+
Targeted equity return

5-6%
Targeted dividend yield

9.48%
Last 12 months total return (EUR Class)

23.67%
Total return since inception (EUR Class)

Transaction Details

AUP sub-fund together with its equity partners purchased a majority share in one of the most prominent commercial real estate assets in Slovakia, Aupark, from Unibail-Rodamco-Westfield (URW). In the summer of 2022, the equity stake of the AUP Subfund and its equity partners was increased to 87% and the remaining share will be purchased in the current year 2024. To ensure the knowledge transfer and smooth transition, local team of URW will remain as property manager at least until the acquisition of the last tranche.



1. Uniqueness

Aupark's unique **location** with an excellent **tenant mix** and a vast number of **loyal and affluent customers**, together generating **outstanding financial results**, makes it one of the best shopping centres in Slovakia.

2. Stability

The property generated stable **cash flows** despite various adverse market events such as the COVID-19 pandemic or the war in Ukraine.

These events **have not affected** the Sub-Fund's ability to achieve its targeted investment returns or its ability to pay dividends.

3. Resilience

Near full occupancy, combined with a **substantial WAULT** and a **high portion of fixed rents (>95%)**, makes Aupark very well-positioned to tackle the competitive landscape, and cope with market turmoil and the growth of e-commerce with ease.

4. Potential

Organic growth along with the ongoing **expansion of the shopping centre**, create the potential for significant future growth in the value of the asset.

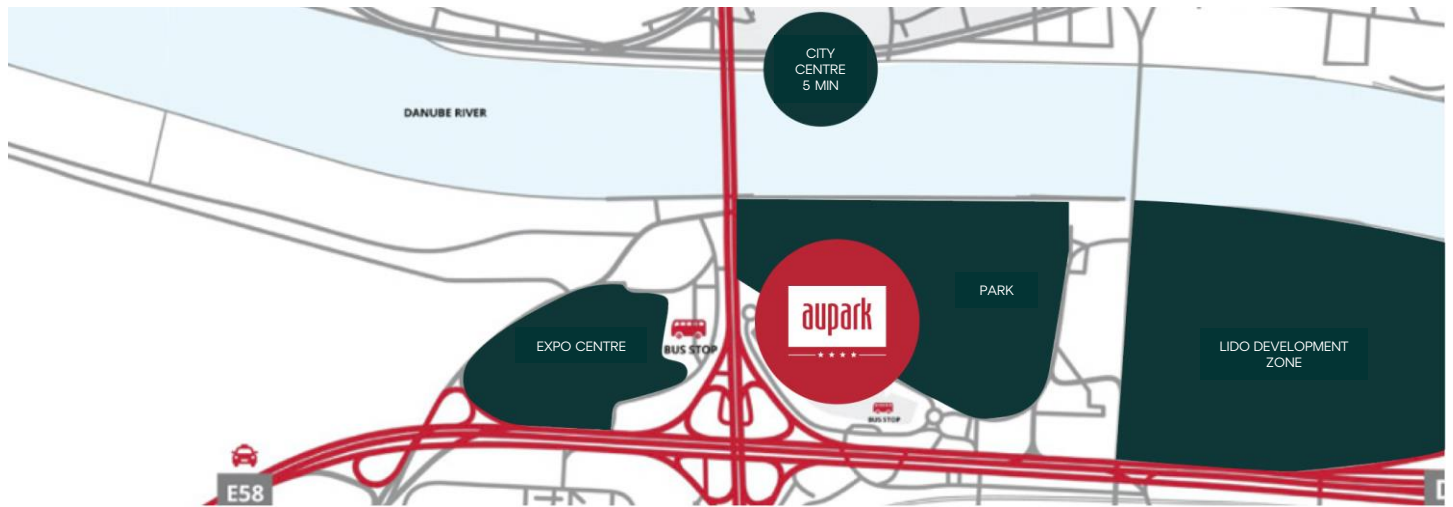
Aupark's catchment area **continues to develop** due to the planned development projects in the vicinity, which will **undoubtedly benefit** the shopping centre.



Trends and Other Investment Aspects

Excellent Location

Aupark benefits from its unique location, with great accessibility and surrounding business centres (Aupark Tower, Digital Park 1 & 2, Einpark, and others). It is located on the key transport node, right by the international highway, which makes this shopping destination popular also among foreigners. Aupark's catchment area has an annual spend potential of over €550 million and has population of approximately 1.2 million. The mall is located right next to the largest city park, and the historical city centre is just a few-minute walk away. The catchment area will continue to develop in the coming years due to various residential and office development projects in the surrounding area.



Premium and Diversified Tenant Mix

Aupark attracts numerous big-name tenants. Anchor tenants cover over 40% of the leasable area. The mall stands out especially due to its strong fashion and beauty clusters, which especially attract affluent customers. In addition, there are currently 19 premium brands at Aupark that are unique for the whole of Slovakia. Moreover, in 2021, the construction of a new wellness centre, an additional footfall generator and a strong differentiating element, was completed.

42%

Higher purchasing power

1.2m

Population in the catchment area

59%

Of customers loyal for more than 10 years

>55 👤
35-54 👤 👤 👤 👤
<34 👤 👤 👤 👤 👤
 Visitors' age structure

Loyal Customer Base

Aupark has a loyal customer base, with great growth potential, which is already strongly reflected in tenants' revenues. Compared to the Slovak average, an Aupark customer has 42% higher purchasing power. Aupark is a lifestyle choice for young people, especially women. Aupark also tends to be the no. 1 choice in Bratislava for Austrians due to its very good accessibility. As a result, the centre enjoys plenty of visitors from Austria, particularly during the weekends.



Stable Cash-flow

The WAULT of 3.5 years in combination with the fixed rent reflects Aupark's strong market position. As rental income and stable cash flows are assured well into the future, the centre is more resilient to short-term market fluctuations. In addition, Aupark benefits from a rental guarantee from URW, which has been extended following the increase in the stake in the shopping centre and will protect Aupark's cash flow until the end of 2024.

First Choice for E-Commerce Retailers

Aupark has a premium position even in the age of e-commerce, as the market is consistently showing demand for physical stores. From the traditional "brick and mortar" model, retailers are gradually switching to the "click and mortar" model, for which it is crucial to have a brick-and-mortar store that is used at least as a showroom and a place to pick up goods purchased online. Flagship stores need to be situated within schemes with substantial footfall, making Aupark an obvious choice for opening a brick-and-mortar branch for an e-commerce retailer in Slovakia.

Strong Demand from Tenants

During 2023, 54 lease agreements were signed, representing over 18,100 m² of signed GLA. Aupark also welcomed several new brands including Eta, Tom Tailor, Zen Diamond, JOTT and Woolrich – both of which are the first stores in Slovakia, and Medicine - the first store in Bratislava. Additionally, several changes have been made to the layouts and concepts of key retailers. One of the most significant changes is the relocation of Panta Rhei to a new and larger unit that offers customers an exceptional new concept. In the previous Panta Rhei unit, Aupark welcomed a Dutch entertainment operator, Gamestate, in the brand's first location in Slovakia and the Czech Republic. This strong interest from tenants continues to confirm Aupark's strong market positioning.



MEDICINE

women'ssecret



TOM TAILOR



EST. 1830
WOOLRICH



Ahead of its competitors

Aupark's main competitors are Eurovea and Nivy, which are both located within walking distance from one another, and therefore compete for similar customers.

Eurovea mall is Aupark's main rival. Its revenues are constantly lower than Aupark's. Eurovea targets primarily local and middle-class customers. The expansion of Eurovea mall opened in May 2023 with a new anchor tenant focused solely on lower-income customers.

Nivy Mall was completed in 2021 on the site of a former bus station. The mall currently has numerous vacant units and targets customers from either the local area, or those travelling to Bratislava by bus.

Unlike its local competitors, Aupark has a unique combination of features that distinguish the centre from its competitors and precisely define its segmentation and orientation towards a specific type of customer. While shopping centres on the other side of the Danube compete among each other and try to attract a similarly diverse group of customers, Aupark continues to stand out as a premium centre for the upper middle class.



Sustainability

Sustainable operation is a key part of Aupark's long-term strategy. Since 2014, the centre has been BREEAM In-Use certified at 2x Excellent level, which is considered as one of the most prestigious building sustainability rating systems. During 2022, the installation of over 1,200 photovoltaic panels on the roof of the car park was finalised which are expected to provide 550 MWh p.a., equivalent to the consumption of approximately 100,000 m³ of natural gas, resulting in release of 250 tonnes of CO₂ and hundreds of kilograms of other emissions.

Aupark also contributes to sustainability through systematic implementation of environmental measures throughout the centre. These include using low or no water consumption sanitary facilities, low-energy LED lighting or collaboration with sustainable fashion brands. The importance of sustainability is also promoted among visitors through the Aupark Eco Sense program and through events such as "Everyday for future", where customers can take part in several workshops and clothing swaps. In addition, visitors have access to more than 30 charging stations for electric vehicles, the largest number of any centre in Bratislava, including a Tesla Supercharger station. Since 2019 Aupark also prides itself with having beehives on the roof of the building, which produce more than 200 kg of honey annually.

URW as a Partner

Unibail-Rodamco-Westfield is the original vendor and the property and leasing manager of Aupark. URW manages 72 shopping centres in 12 countries, making it one of the world's leading developers and managers of premium retail assets. URW's assets are valued at more than EUR 49.6 billion. To ensure a smooth transition and to transfer the know-how of a global retail player, URW's experienced local team remains as the mall manager.



12 countries
In EU & USA



72 shopping centres



2.2 bn. EUR
Annual revenue



49.6 bn. EUR
Asset value



History and Building Parameters

The Aupark shopping centre was built in 2001 by the leading Slovak developer, HB REAVIS. The shopping centre underwent a major expansion during 2007 and was acquired by URW in two tranches in 2005 and 2011. The mall consists of four floors, with total retail space of 60,000 sqm and can accommodate a combination of variably-sized tenants due to its flexible floorplan. It has 2,200 parking spaces in underground garage and parking house.

Extension of the Centre






Construction of the extension is taking form of the project visualisation, which will enlarge the shopping centre by more than 6,000m² of GLA featuring the Zara and Reserved brands in their latest concepts. The relocation of these brands will allow for the expansion of the Bershka, Pull & Bear, and Stradivarius brands, the arrival of new brands Cropp and House, and the expansion and reconstruction of the H&M store. Construction is being carried out during the full operation of the centre with minimal impact on visitors. Construction is on schedule and in line with the budget. The expansion is scheduled to open in autumn of 2024.



Terms for Investors

Currency	EUR, CZK
Targeted Equity Return	8% p.a.
Targeted Dividend Yield	5–6% p.a.
Asset Leverage	approx. 50%
Minimum Investment	125 000 EUR / or the EUR equivalent of CZK 1m, if individually approved by the Fund's administrator
Investment Horizon	10+ Years
Management Fee	1.5% p.a. of the net asset value of the Fund
Subscription Fee	A maximum of 3% of the invested amount
Performance Fee	10% out of performance up to a 10% return, and 15% out of a performance that is above 10%, high-water mark applies
Redemption Fee	3% of the invested amount until 31/12/2025 (including) 2% of the invested amount between 01/01/2026 and 31/12/2026 (including) 1% of the invested amount after 01/01/2027 (including)
Fund Type	Open (closed for redemptions during the initial period of 5 years)

Other Information about the Fund

Auditor	Regulator	Depository	Valuator (Equity)	Valuator (RICS)
				

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