

Why residential development and why with **Silverline**

Prague, 2022



This is a promotional communication and not an offer or call for investment.

Only a qualified investor within the meaning of Section 272 of Act No. 240/2013 of the Civil Code, may become an investor. Before making any final investment decision, please read the fund's Articles of Association (fund's statute) and Key Information Document (KID), which are available in Czech at www.amista.cz (in some cases available only after logging into client access).

Investments in investment instruments are risky and may result in losses under unfavorable circumstances. Value of investment instruments changes over time and historical results are not an indication or guarantee of future results. Returns and yields on investments are not guaranteed. Return for an investor in foreign currency may increase or decrease due to fluctuations in currency exchange rates. Specific risks and details thereof, as well as details of investor rights, can be found in the fund's Articles of Association (fund's statute), KID, or fund's articles of incorporation (fund's regulations).

Toto je propagační sdělení, nejedná se o nabídku ani výzvu k upisování.

Investorem se může stát pouze kvalifikovaný investor ve smyslu § 272 zákona č. 240/2013 Sb. Než provedete jakékoli konečné investiční rozhodnutí, přečtěte si, prosím, statut a sdělení klíčových informací fondu (KID), které jsou (v některých případech pouze po přihlášení do klientského vstupu) v českém jazyce k dispozici na www.amista.cz.

Investice do investičních nástrojů jsou rizikové, při nepříznivých okolnostech mohou být i ztrátové. Hodnota investičních nástrojů se v čase mění a historické výsledky nejsou indikací ani zárukou výsledků budoucích. Návratnost ani výnos investované částky nejsou zaručeny. Výnos pro investora v cizí měně se může zvýšit nebo snížit v důsledku kolísání měnových kurzů. Konkrétní rizika a podrobnosti o nich, jakož i podrobnosti o právech investora lze v českém jazyce nalézt ve statutu a KID fondu, případně ve stanovách fondu.



Silverline
Real Estate



Silverline
Real Estate

Silverline Real Estate is an international investment fund that runs residential real estate development projects in-house

Our fund strives to identify opportunities that deliver maximum returns to investors while creating positive value for the broader society

The **Story & Philosophy** of Silverline Real Estate

Story

We are **three friends** who met while working for a global consulting firm on transactions for leading international Private Equity houses.

Over last seven years, we have **grown our real estate portfolio value ~30x**. We have already completed real estate renovations worth CZK ~100 mn and currently run **development projects worth CZK >400 mn** (gross development value). We have just launched Fund of Qualified Investors, **Silverline Real Estate** and are **fully committed** with founders' deposits of CZK ~75 mn.

Strategy

Silverline addresses one of the largest markets in value terms and one of the most pronounced problems in the Czech Republic: **shortage of residential real estate supply**.

We conduct **rapid developments** (2-3-year cycles) in **liquid market segments** (large cities or other prominent locations).

Our team **creates value by running the development process in-house**. Thus, we are capturing **margins of both financial institution and of a developer**. Silverline benefits from a broad ecosystem of partners, including architect & design studios, banks and non-banking financing partners, real estate brokers, or a law firm.

Approach

With distinct methodologies & tools, we **review mid tens of development opportunities** on monthly basis, design **tailor-made target state solutions** with support of our partners' architect teams and back-calculate expected RoEs. **We do not speculate on capital gains¹**.

We are truly **international & agile**: in case Czech market would not offer development opportunities with our targeted **RoE of 25%+ p.a.²** in the future, we are already analyzing **international markets within Europe and North America and preparing grounds within**.

We offer unmatched returns to investors.



INVESTMENT STOCK CLASS A

10 % p.a.

PREFERRED RETURN

Founders are remunerated only after investors receive the specified return; if fund achieves a return of 0-10% p.a., profits are redistributed from founders' shares to external investors' shares.



INVESTMENT STOCK CLASS B

8,5-12+ % p.a.

EXPECTED RETURN

Return is made up of a combination of two components:

- 7% p.a. preferred return
- 25% performance bonus from return >7% p.a.



VIP INVESTMENT STOCK

10-13+ % p.a.

EXPECTED RETURN

For investments of EUR >200k, we are ready to create an individual offer with an expected return of up to 15%.

If you are interested in this product, please contact us directly.

Agenda:

1. Why to invest in **Residential Development**?
2. Why to invest with **Silverline Real Estate**?
3. What are the **next steps in the journey** of Silverline Real Estate?
4. For further reading





Why to invest in Residential Development?

Villas Vysoký Újezd



In cautiously selected markets, real estate development has a phenomenal return-risk profile and high social impact too.

Return-Risk-Social aspects profiles of key investment assets: example of CZ market

	Real estate development	Real estate leases	Stocks	Bonds	Alternative investments ¹
01 Return	High (RoEs in the range of 25-35+% p.a. due to attractive margin of developers [10-15% p.a.]	Low (very low yields, 3-6% p.a.)	Moderate-High (S&P 500 example: return of 8.9% p.a.)	Low-moderate (lower yield compared to equity investments)	Low-Very high (as per asset class and its intrinsic value)
02 Risk	Low-moderate (collateralized, some risk in dev. process)	Low (collateralized, limited activity)	Moderate-High (high volatility)	Low-high (depends in collateral, company profile etc.)	(Very) high (as per asset class and its intrinsic value)
03 Social aspect	Moderate-high (often addressing a [local], society-wide problem)	Low-moderate (does not necessarily solve a problem)	Low-high (subject to underlying stocks)	Low-high (subject to underlying bonds)	Low-high (depends on underlying investment)

 Best return-risk-social aspect profile  High attractiveness  Low attractiveness

Cautious selection of demand driven growth markets further enhances attractiveness of real estate development

Development is more profitable than Lease business. If run in an attractive market and managed well, development can generate RoE of 35+% p.a.

01

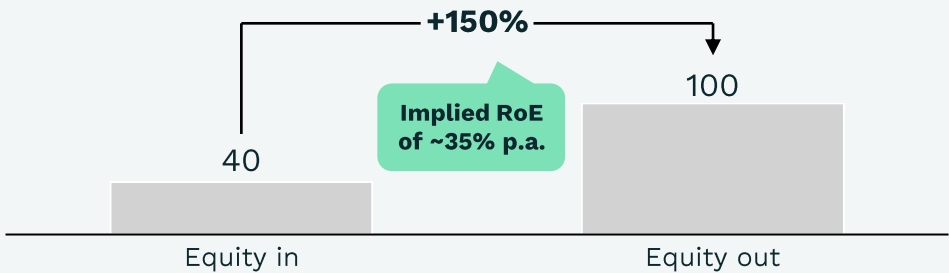
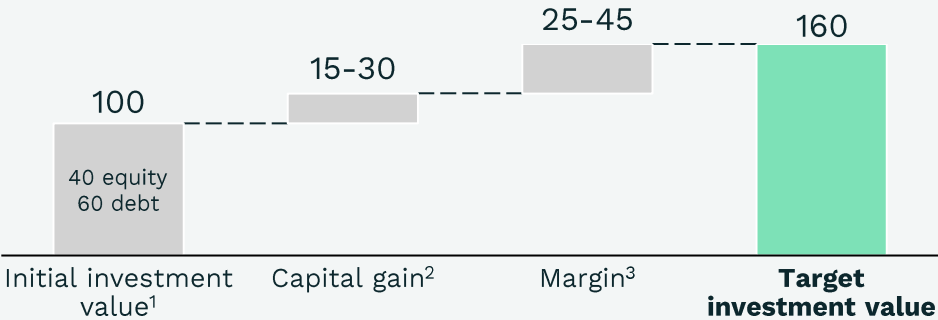
High return: Development vs. Lease business in a demand-driven growth market

Example

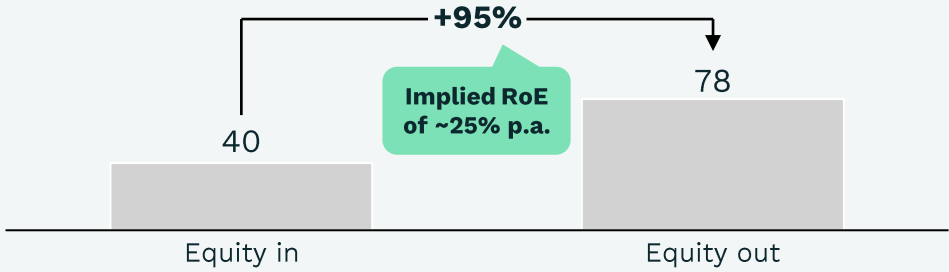
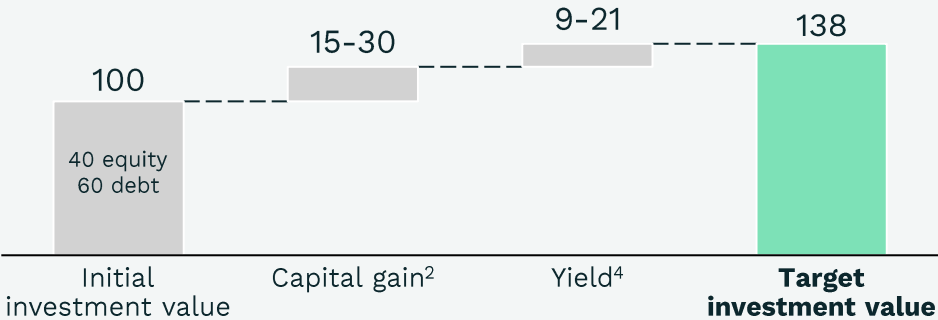
Real estate investment value build-up

Return on equity

Development
(3-year horizon,
CZK mn)



Leases
(3-year horizon,
CZK mn)



Development generates return of equity by ~10pp higher than Lease business

1. Comprises development costs (land, construction costs), overheads and financing costs
2. Capital gain of 5-10% p.a. assumed
3. Typical net margin from development of 15-30% over a 3-year horizon, i.e. ~5-10% net margin p.a.
4. Annual yield of 3-7% p.a. assumed, corresponding to yields across real estate segments in the Czech Republic (residential, office, retail, industrial)
Source: Savills, Developer's Ars, Silverline Real Estate

Even during economic downturns, due to its value-add nature, Development is able to generate reasonable returns of 15-20% p.a.

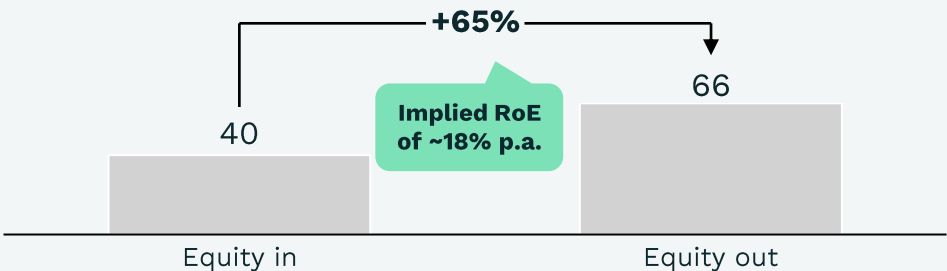
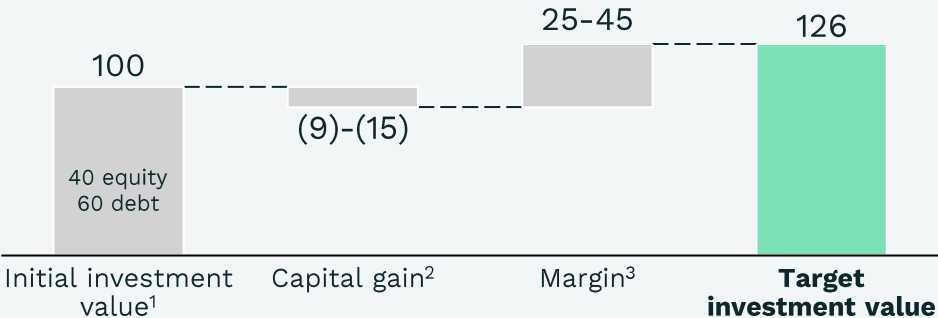
01 High return: Development vs. Lease business during economic downturns

Example

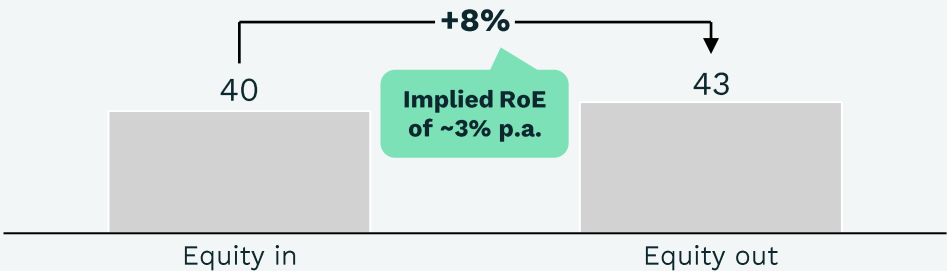
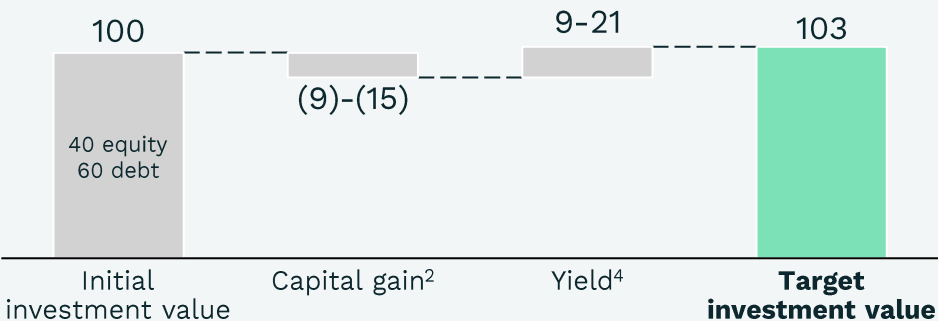
Real estate investment value build-up

Return on equity

Development
(3-year horizon,
CZK mn)



Leases
(3-year horizon,
CZK mn)



Real estate on balance sheet of developers (land/ building plots) is more robust to economic downturns when compared to ready-made, leased real estate (residential/ offices/ retail/ industrial)

1. Comprises development costs (land, construction costs), overheads and financing costs
2. Capital gain of (3%)-(5%) assumed; Worst real estate price dip historically in the Czech Republic in two consecutive years was in 2009-11: price declined by ~9% in CZ and ~11% in Prague; Price of building plots/land (represented in portfolios of developers) does not even decline during crisis as it is seen as a safe haven (good asset to own during economic uncertainty)
3. Typical net margin from development of 15-30% over a 3-year horizon, i.e. ~5-10% net margin p.a.
4. Annual yield of 3-7% p.a. assumed, corresponding to yields across real estate segments in the Czech Republic (residential, office, retail, industrial)
Source: Savills, Developer's Ars, Silverline Real Estate

Major local investment companies, with high requirements on returns, have already discovered the phenomenon of Development.

01 High return: Strong presence of investment companies in Development

PENTA
REAL ESTATE

*Positioning of RE
within group:*
Key business line

Leading real estate developer in the Czech Republic, Slovakia and Poland since 2005

26 projects, primarily in **residential development**

In Jan 2022, **Penta committed capital of CZK ~25 bn** towards real estate development

 **KKCG**
REAL ESTATE
GROUP

*Positioning of RE
within group:*
Key business line

Residential and commercial development and lease business since **2012**

Focus on the **Czech** market, esp. **Prague**

Focus on development of **premium residential real estate and office spaces**

BHMgroup

*Positioning of RE
within group:*
Key business line

In strategic co-operations with developers, investments into **residential development projects**
Focus on **projects in proximity to Prague**

PPF Real Estate

*Positioning of RE
within group:*
**Diversification/
stabilization element for
other core businesses**

Investor and Developer in RE since 2010 (development rather a side business line)

Presence in **Europe, Russia, USA**
AuM of **CZK ~50 bn in 25 projects**

Focus on **office spaces**, presence also in industrial and residential

During last 3-5 years, investment companies have significantly increased their exposures towards real estate development

Development in residential RE has a rather low risk profile: market sees a continuously growing demand and low correlation with economic cycle.

02 Risk profile of Residential real estate development

01 – BUILDING PLOTS/ LAND AS COLLATERAL

Key balance item of residential real estate developers are building plots/ land, often in central locations. Price of building plots/ land has lowest volatility among real estate assets. Price is either stable or even growing during economic downturns.



03 – VERY LOW VOLATILITY & LOW CYCLICALITY

Housing is a basic and permanent need; Unlike demand for other real estate segments, demand for housing does not significantly correlate with economic cycle, which is a **major advantage for late-cycle investments (current situation)**



02 - CONTINUOUSLY GROWING DEMAND

In developed markets such as Europe or North America, demand is and will be driven, over long-run, by immigration (population inflow) as well as decreasing size of households. Selected markets (e.g. CZ market) also significantly lack supply.



04 - SCARCITY OF SPACE IN FAVORITE LOCATIONS

Affluent and young population is attracted by central locations in favorite cities or other prominent locations, which typically have limited space for new developments. Residential RE in such locations will most likely only gain on value over time.

Residential Development is one of the solutions for the ongoing housing crisis in the Czech Republic and thus has a true, society-wide impact.

03 Social aspect of residential real estate development

In the Czech Republic, **c. 30–35 ths. apartments are completed per year**, compared to up to 100 ths. p.a. in 1970ies

Population of selected larger cities grows sharply, e.g. **population of Prague increases by c. 10 ths. p.a.**,

In the Czech Republic, it takes **12 average salaries** to purchase a 70sqm apartment. Within Europe, this is the **second highest number** (Serbia being #1).

Construction pace is not sufficient and thus **average age of dwelling increases gradually**, from 46.9 years (2001) to 49.8 (2020)

The Housing crisis in the Czech Republic

Current cumulative deficit of dwellings in Prague has been estimated for **20 ths. units**

Czech Republic is missing c. 50 thousand dwellings (as per OECD's number of dwellings per 1,000 citizens)

Gradually **declining size of households** (singles), translates into additional **demand for dwellings**

Annual **demand** for new apartments in Prague is **~8–10 ths.**, annual **supply** stands only at **~5 ths.**; both demand and supply are expected to remain c. stable over next 3–5 years

Housing crisis can be relieved by:

More development activity
(higher number of projects running in parallel, leverage of rapid development opportunities)

Simpler processes
(land zoning, land decisions, building permits)

Decreased tax burden
(e.g. lowered VAT from 15% to 10%)



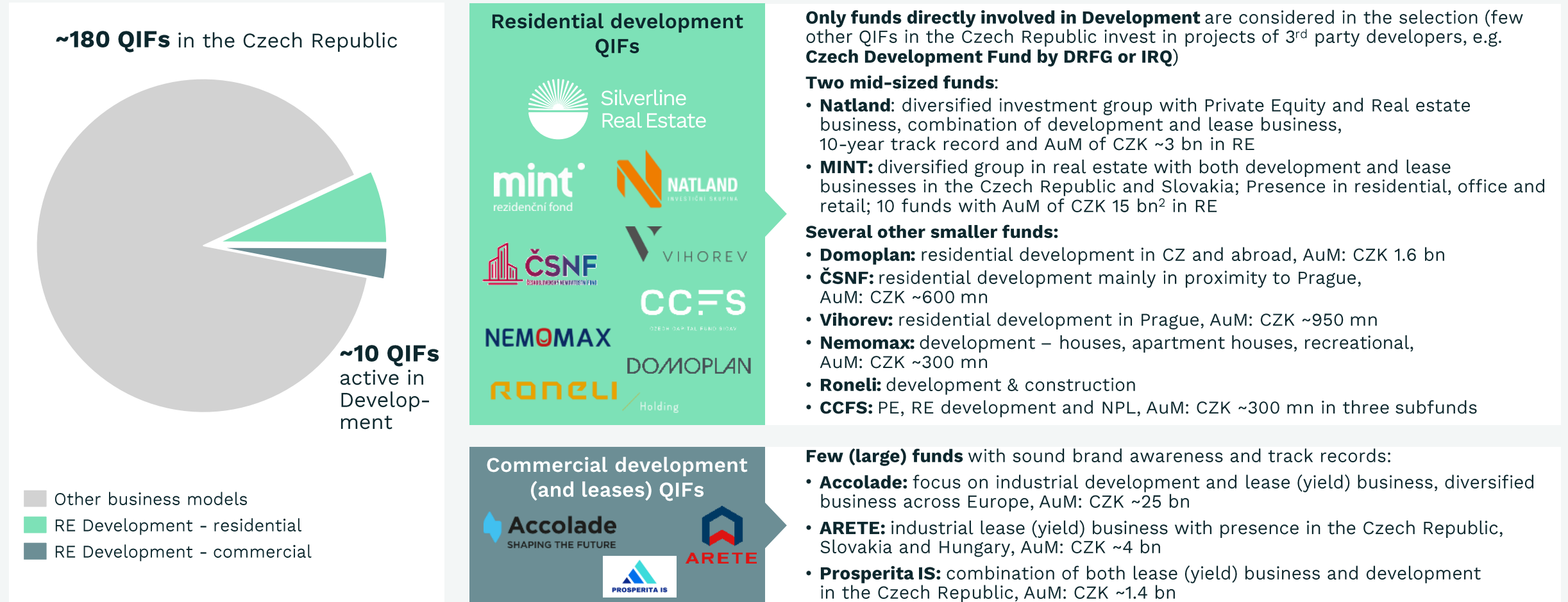
Why to invest with Silverline Real Estate?

Residences Ostrava Tower



Of the ~180 QIFs¹ in CZ, only ~10 focus on high-margin Development.
Cumulative AuM of QIFs in Residential Development is CZK <10 bn.

Landscape of Qualified Investor Funds in the Czech Republic



Silverline Real Estate is offering unmatched return to investors, has a strong track record, extraordinary commitment and state-of-art analytics.

Key differentiators of Silverline Real Estate

01

Top returns to investors

Preferred return stock class: **10% p.a.**¹

Expected return of stock class with performance bonus: **8.5-12% p.a.**²

Possibility to introduce VIP stock class for investments EUR >200 ths.³



02

Secure investments

Presence only in **large cities or prominent places**; building plots/ land, with very high price robustness, is our key B/S item

International diversification to developed, yet high-growth markets in the future



03

Strong track record

>30 local and international transactions, always with sound references

>7-year long and successful track record in real estate



04

Experienced & committed team

>20 years combined experience

Fully committed with CZK ~75 mn equity deposit

Broad ecosystem of sound partners



05

State-of-art analytics

State-of-art **analytical and project management capabilities**

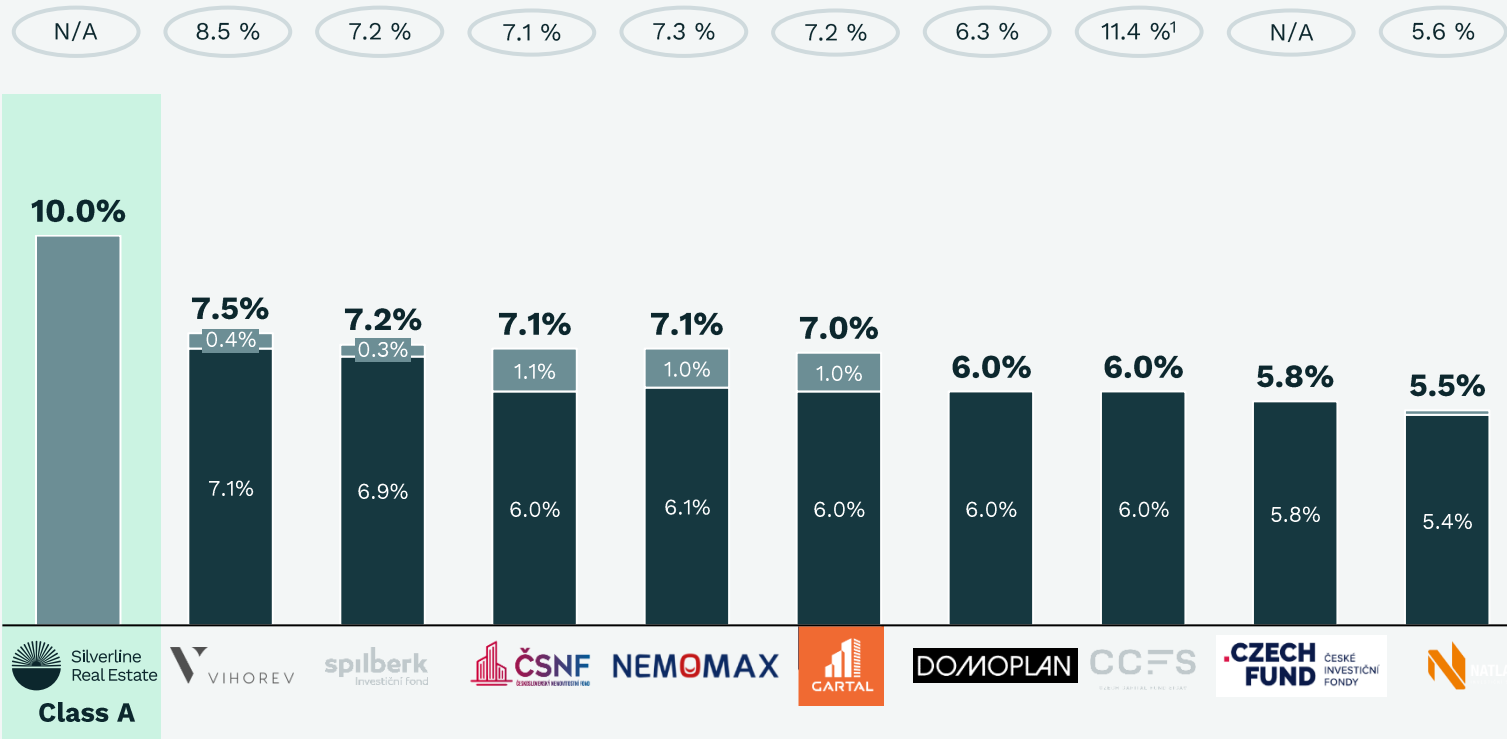
Market intelligence: regularly updated analysis of Czech and international real estate markets and their segments



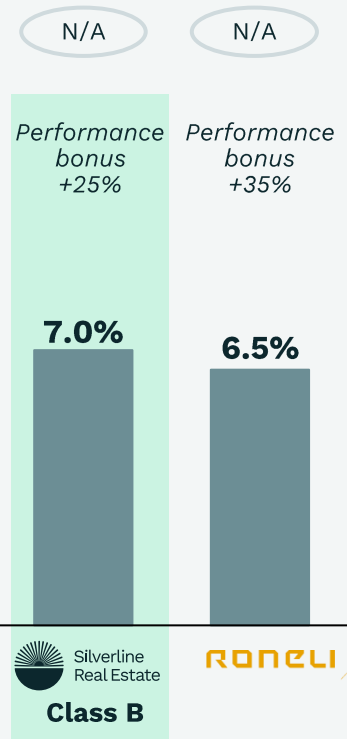
Silverline RE has strong offering throughout all investment stock classes.

01 Top returns to investors

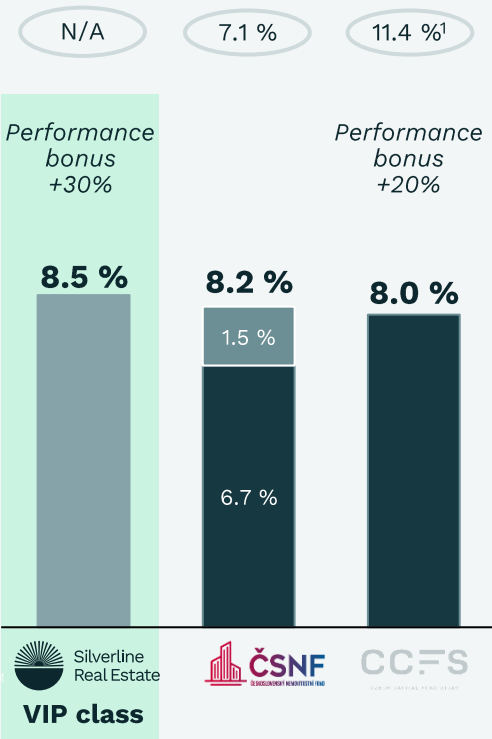
Stock classes without performance bonus



Stock classes with performance bonus



VIP stock classes – min. investment CZK 10 mn

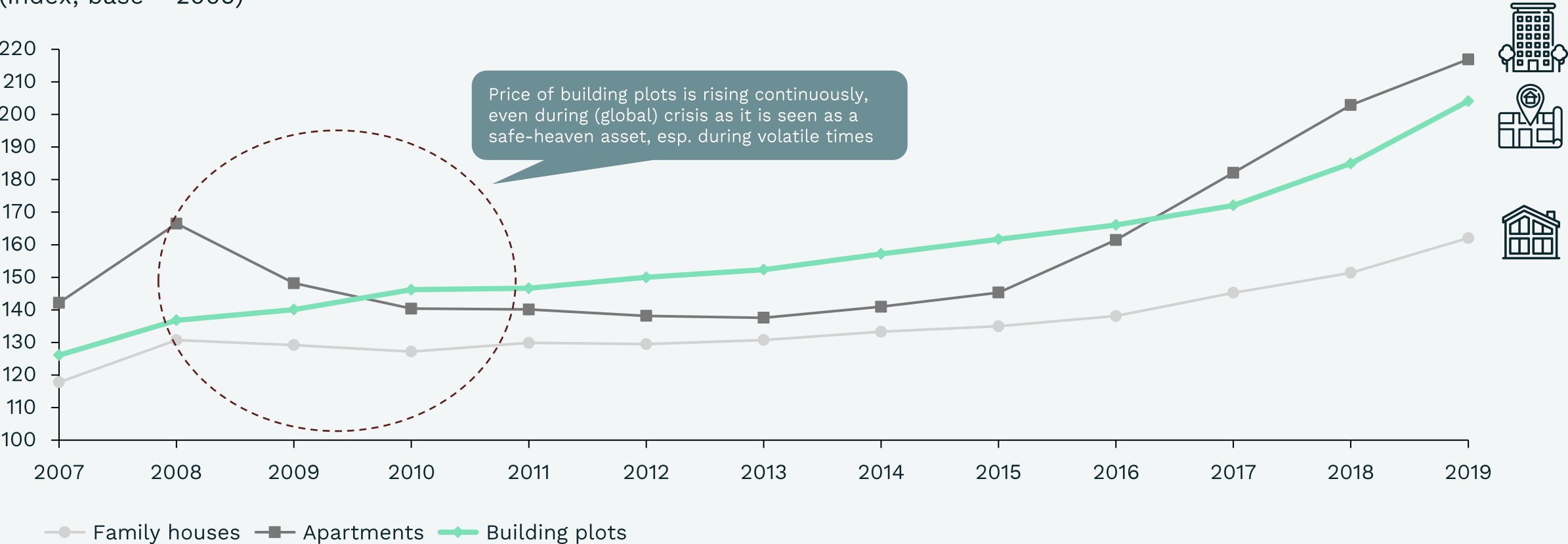


Guaranteed return Preferred return xx % Realized return, 2021

Building plots, as a key item on balance sheet of Silverline Real Estate, are one of the most robust assets during (global) recessions.

02 Secure investments

Price development in Czech real estate market
(index; base = 2005)



To secure high liquidity of our products, we only develop in regional capital cities with 80+ ths. citizens or other prominent locations.

02 Secure investments: targeted locations and development types in the Czech Republic

(RAPID) GREENFIELD DEVELOPMENTS IN PROXIMITY TO PRAGUE/ BRNO¹



Small to mid-sized greenfield residential developments **in proximity to ultra-large cities with high impact of urbanism:**

- **Phase 1:** Land zoning¹, construction of utility networks and driveways with potential exit of building plots ready for construction
- **Phase 2:** Construction of family houses/ small apartment houses

3 projects currently running

APARTMENT HOUSES RENOVATIONS, AND ADD-ONS IN LARGE CITIES¹



- **Renovations and add-ons** (new floor, extension of floor area) of apartment houses in **centers of regional capital cities with 80+ths. citizens**
- **Conversions** of sub-prime office houses into apartment houses, typically with small-scale units

1 project currently running

DEVELOPMENT OF MOUNTAIN APARTMENTS IN PRIME RESORTS



- Greenfield developments of **(upscale) mountain apartments in prime resorts** or conversions from lodging houses
- Key target locations: Krkonose, Sumava, Jizerské hory, Krusné hory

Opportunistic

Governance mechanisms of Silverline Real Estate efficiently prevent both strategic & business as well as all kinds of operational risks.

02 Secure investments: Risk management

STRATEGIC & BUSINESS RISK MANAGEMENT

Investment Committee



Silverline
Real Estate



Investment Committee members include **Dan Vasko**, **Martin Benroth** (both Silverline Real Estate) and a **senior representative of AMISTA IS** (fund manager of Silverline Real Estate)

Selected rules set internally:

- Loan-to-Value: **max. of 75%** for each transaction
- Investment into one asset **must not exceed 35%** of total fund's exposure
- Liquidity buffer **of 3% of AuM at minimum**

OPERATIONAL RISK MANAGEMENT

Independent reviews by external partners



AUDITONE
S.R.O.

A | B | PARTNERS
ADVOKÁTI

Each **financial transaction** needs to be **approved** and validated by our **depository, ČSOB**

Silverline is **audited** by **Audit One**, member of Chamber of Auditors CZ and international audit firms network, **NEXIA International**

All legal documents must be approved our legal advisor, **AB Partners**

Silverline Real Estate assets' value is reviewed by **independent expert offices on quarterly basis**



Silverline
Real Estate

AuM = assets under management
Source: Silverline Real Estate

We are in the real estate market since 2015 and have grown net asset value of our portfolio by ~30x since then.

03 Strong track record

Greenfield developments, renovations with add-ons, short-term rentals

>30 properties owned since 2015

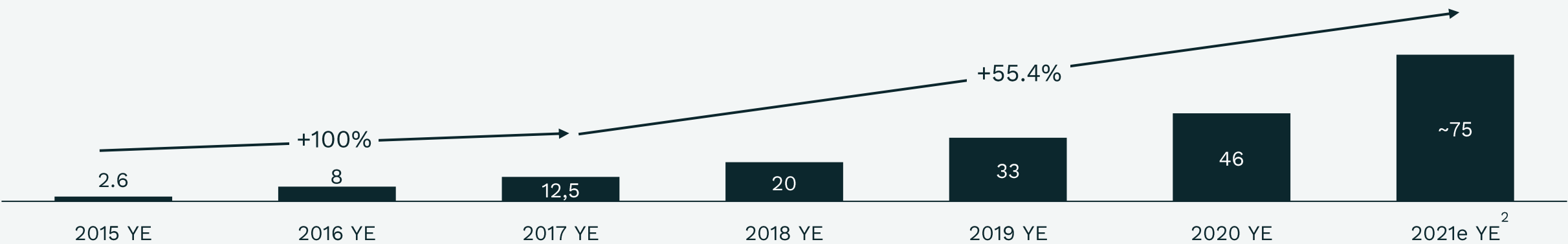
AuM CZK ~300 mn¹

Presence in the EU (Prague) and in the US (San Francisco)

Team of ~10 professionals (of which 3 investment team members²)

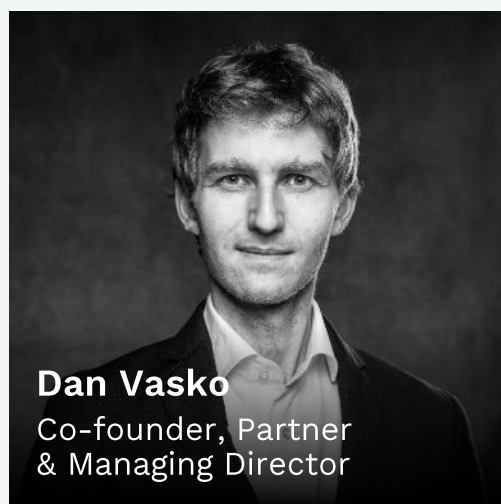
3 shareholders

Net asset value (NAV) development of real estate activities¹
(CZK mn)



Silverline Real Estate will be led by a driven & agile, yet already well-experienced team and supported by an ecosystem of partners.

04 Experienced and committed team: investment team & fund's partners



KEARNEY



Fund regulator



Fund manager & administrator



Fund depositor



Fund auditor



Legal advisor



Financing partners



Key brokers



Our investment team worked with a number of Private Equity funds or investment management firms, always with great results.

04 Experienced and committed team: credentials of the investment team

Examples of investment teams' clients when management consultants (not exhaustive)



Examples of references on investment team (not exhaustive)

"Dan Vasko has always had a distinct drive on business development. He builds on strong expertise in Financial Services (good grasp of lending products and connections in the industry) and long-standing experience in designing strategies, enabling him to quickly identify game-changing trends."

Daniela Chikova, Partner in the Financial Services practice at Kearney, Vienna office

"Based on a multi-year cooperation, I always appreciated Dan's drive on new business opportunities, rigor in delivery as well as strong personal integrity."

Jiri Steif, Partner at Arthur D. Little, Prague office

"With Dan Vasko and Vojtech Brix, I have already co-operated on multiple project and was always satisfied, also due to their ability to quickly grasp new things and push all the way to great outcomes."

Tomas Vanicek, Member of Board in Ceska Sporitelna – penzijní společnost, a.s.

"In our co-operation, I always appreciated not only in-depth understanding of Financial Services, but also ability to design viable solutions with align these with multiple stakeholders, should it be long-term vision or particular, incremental next steps."

Jerry Anthonyrajah, Executive: Strategy and M&A at Old Mutual Insure

"I was impressed by the consistent demonstration of deep knowledge of real estate, strong analytical capabilities and a result-oriented yet collaborative attitude, necessary for consensus in negotiations with stakeholders"

Peter Sivacek, Head of Controlling, Finance and Accounting at E.ON CZ
Hana Paskova, Head of Business Administration (incl. Real Estate) at E.ON CZ

Investment team is further complemented a stable team of experienced architects co-operating with Silverline throughout the investment process:

04 Experienced and committed team: partner architecture & design studios



Ondřej Chybík
Michal Křištof

CHYBIK+KRISTOF



Tomáš Spurný

CASUA



Jiří Bosák
Patrik Janoušek
Michal Siažik

al



Petr Svoboda
Jiří Míka

mika
svoboda
architekti



Previous realizations of our partner architects (selected examples):

04 Experienced and committed team: partner architecture & design studios

CHYBIK+KRISTOF



**OSTRAVA
TOWER**

**VINAŘSTVÍ
LAHOFER**



**MODŘANSKÝ
CUKROVAR**

CASUA



**BYTOVÝ
KOMPLEX
ZELENÉ MĚSTO**

**KAROLINA
PLAZZA
PRAHA 8**



**REZIDENCE
WALTROVKA**

al
anitecture



**SOUBOR
BYTOVÝCH
DOMŮ
SLOVENSKO**

**REKONSTRUKC
E VILADOMU
OŘECHOVKA**



**VILA
VIŠŇOVÉ**

**mika
svoboda
architekti**



**BYTOVÝ DŮM 4
DVORY V
ČESKÝCH
BUDĚJOVICÍCH**

**OBYTNÝ
OKRSEK V
JIHLAVĚ-
HORNÍM
KOSOVĚ**

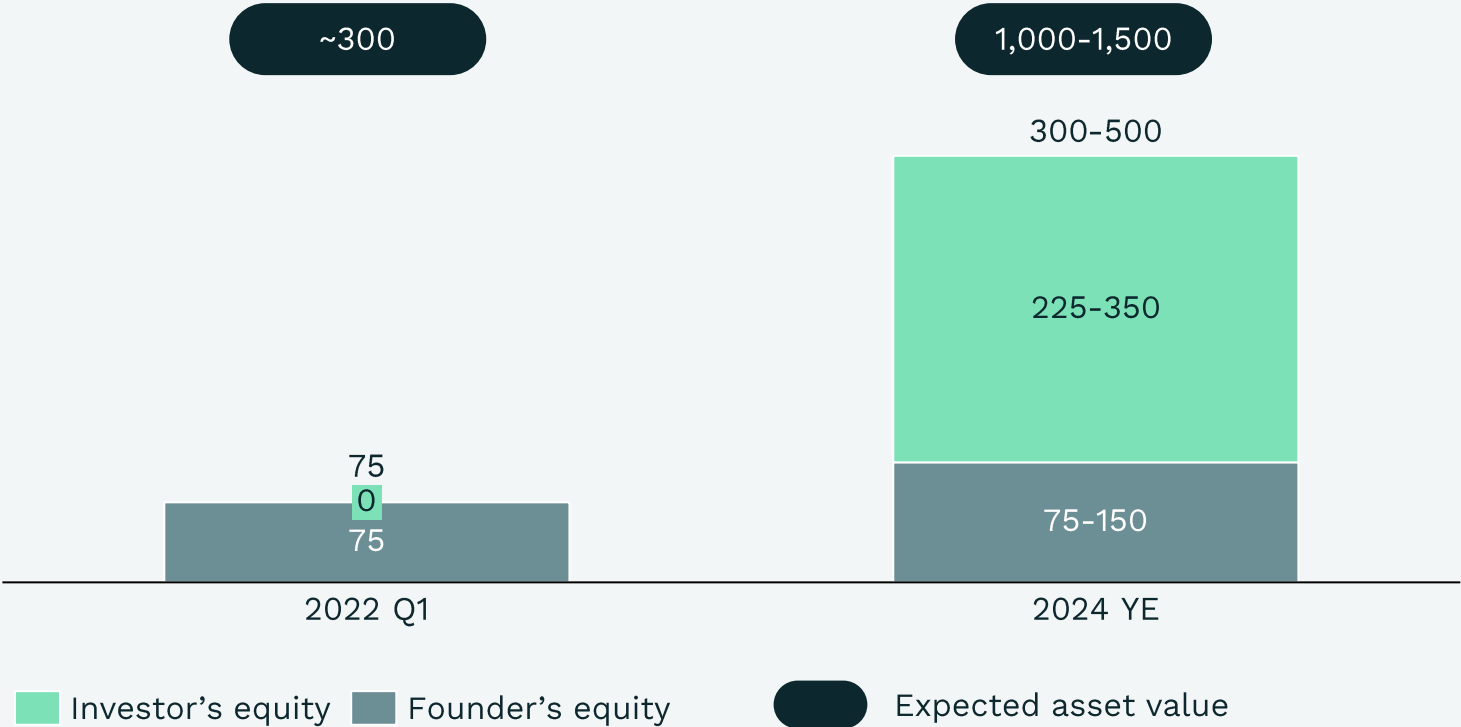


**BYTOVÝ DŮM
BISKUPSKÁ,
OSTRAVA**

Our commitment is extraordinary – we are depositing CZK ~75+ mn equity over 2022 and aim to grow the Fund’s NAV to CZK 300-500 mn by 2023-24.

04 Experienced and committed team: Extraordinary commitment

Current and targeted NAV of the Fund (CZK mn)



- Founders are fully committed with **CZK ~75+ mn equity deposits**, due during 2022
- We aim for a fund size CZK 300-500 mn in NAV by 2023-24 YE
- We plan to maintain the founders' investment at 15-50% of the fund's NAV throughout the life of the fund

On regular basis, we analyze selected real estate markets & segments and also publish studies on selected topics in real estate.

05 Distinct analytics & proprietary methodologies: selected publications

Illustrative



Data sources

- Data aggregation from multitude of publicly available and subscription-based sources
- Data review & experience-based interpretation



Methodologies & tools

- In house developed set of methodologies, e.g. for market attractiveness comparison
- Set of tools for opportunity assessment



Databases

- Web price-scraping based data sets of real estate prices
- Internal benchmark databases, e.g. for construction costs on item level

Selected studies



Perspective on the Czech residential real estate market in 2022 and beyond

- Macroeconomic analysis
- Market outlook
- Key trends driving the market



Which city in CEE offers best returns for a residential real estate investment

- Coverage of 20 cities
- Price and yield analysis
- Cost of financing, expected returns



Why you might consider making your next real estate investment in the USA

- Comparison of yields, capital gain, interests, and other parameters between selected USA and EU cities



Seeking Alpha in the (Czech) real estate market

- Analysis of business models and specific segments in the real estate market in Czech market context with the goal to find optimal investment strategy



What are the **next steps in the journey** of Silverline Real Estate?



First fund aims for CZK 1-1.5 bn AuM, of which c. one third - one half will be secured by commitments from founders and their network.

Targeted AuM of Silverline Real Estate, horizon: 2023-2024 YE, CZK mn

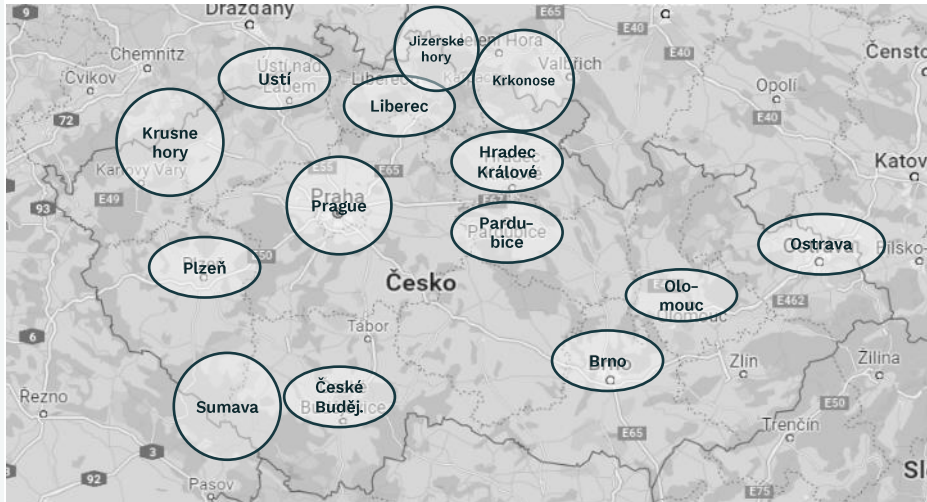


Silverline Real Estate will become an international fund, benefiting from diversification between domestic and selected international markets.

Key foreseen investment pillars of Silverline Real Estate

01

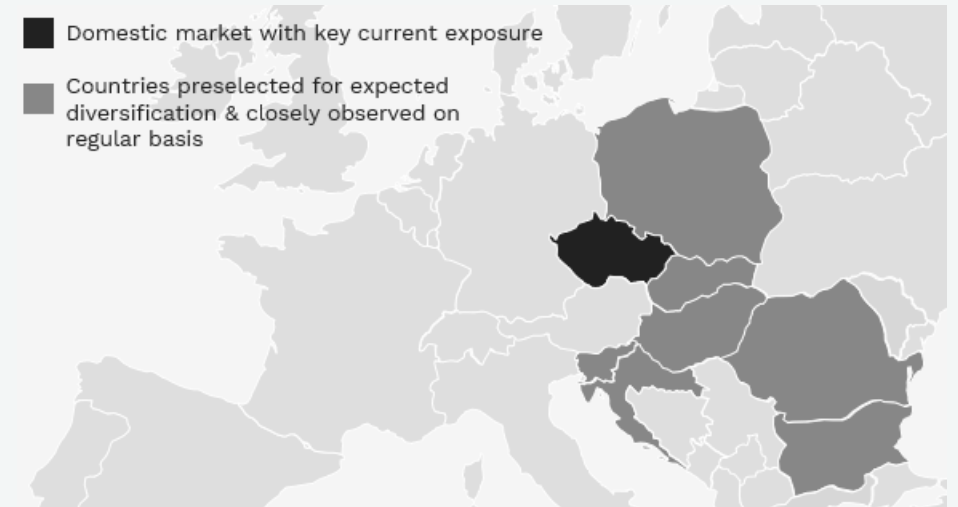
DEVELOPER OF HIGHLY-PROFITABLE, NICHE OPPORTUNITIES IN CZECH RESIDENTIAL MARKET



- Capturing the developer's margin (10-15% p.a.)
- Zero dependency of the fund on potential capital gains (only an upside for the fund and its investors)
- Selection of sweet-spot segments/ assets for development
- Focus on rapid development opportunities to complete 2-3 cycles within the 5-year investment horizon

02

INVESTOR IN RAPIDLY GROWING INTERNATIONAL MARKETS



- Diversification to other markets with forecasted high-growth paces (at least 5% p.a.) over next 3-5 years, all within developed countries (Europe and USA)
- Selection of sweet-spots aligned with local trends
- Limited risk exposure: focus on buy-to-let model or rather simpler development projects (e.g. renovations of apartment houses that do not require exposure towards local political representation)

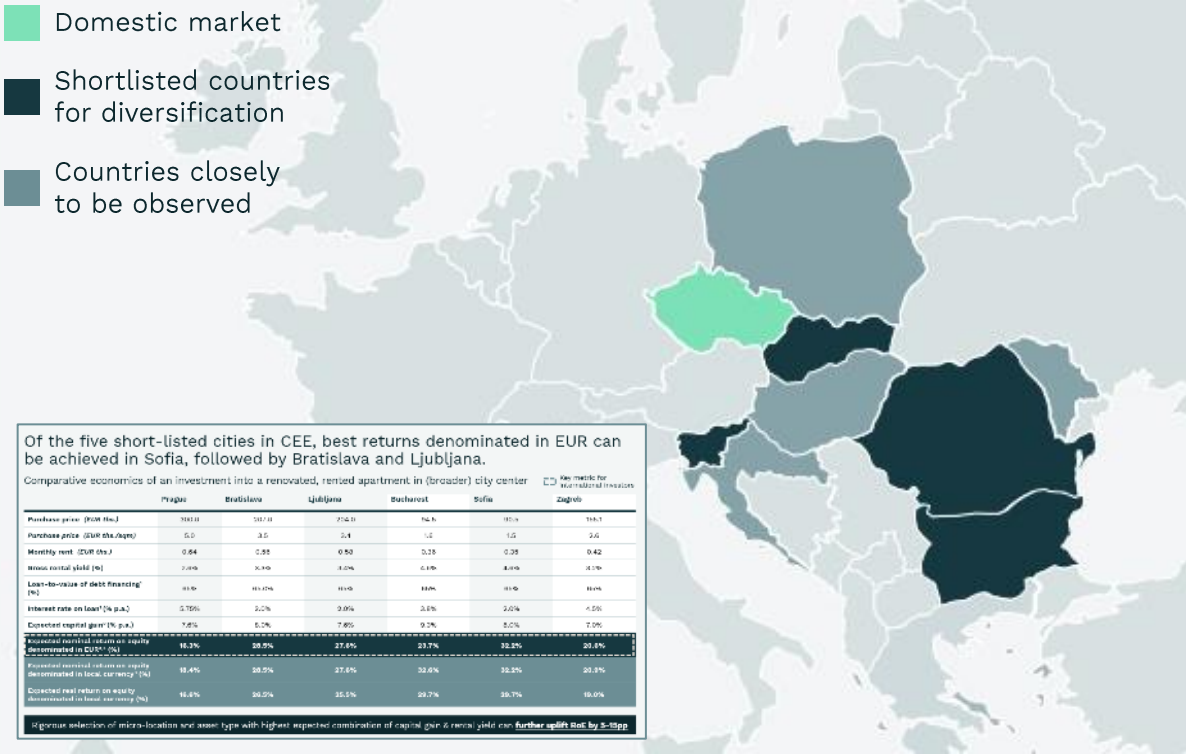
In selected international markets, if attractive enough in terms of RoE, we will also consider yield-based business model.

02 International diversification: preliminary perspectives

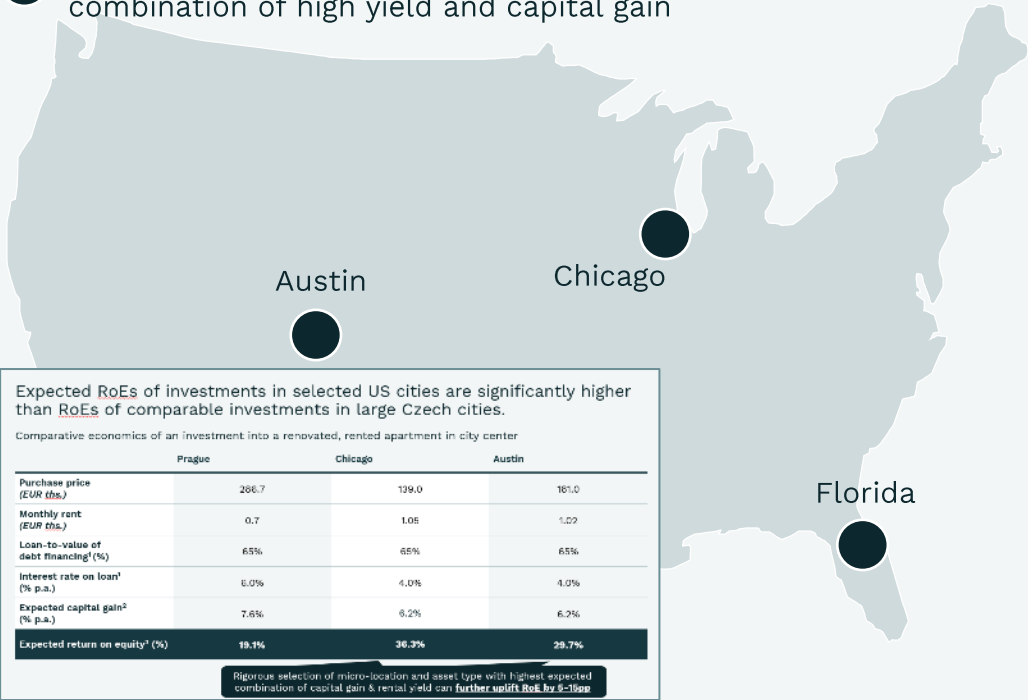


On unleveraged basis, sum of rental yield and capital gain of the market & asset to qualify for our due diligence needs to be >12% p.a.

- Domestic market
- Shortlisted countries for diversification
- Countries closely to be observed



Shortlisted cities/states with favorable expected combination of high yield and capital gain



Whereas first fund is devoted to residential RE development and primarily CZ market, following funds will diversify in geographies and asset classes.

02 Indicative launch of additional funds by Silverline Real Estate

	Silverline RE Fund 1 (February 2022)	Silverline RE Fund 2 (2024-25)	Silverline RE Fund 3 (2027-28)
Fund's capital, indicative (CZK mn)	<div><div><div>1,000</div><div>300</div><div>700</div></div><div>Dept</div><div>Equity</div></div>	<div><div><div>4,500</div><div>1,250</div><div>3,250</div></div></div>	<div><div><div>17,000</div><div>5,000</div><div>12,000</div></div></div>
Geography	<ul style="list-style-type: none">• Czech Republic: majority share of capital• CEE & North America: minority share of capital	<ul style="list-style-type: none">• Czech Republic: ~50%• CEE: ~30-40%• WE & NA: ~10-20%	<ul style="list-style-type: none">• Czech Republic: ~33%• CEE: ~33%• WE & NA: ~33%
Segments	<ul style="list-style-type: none">• Residential development, especially development of building plots, apartment houses in regional capital cities and mountain apartments in prime resorts	<ul style="list-style-type: none">• Residential development• Industrial or Alternative development¹	<ul style="list-style-type: none">• Residential development• Industrial development• Alternative development¹

For further reading



Our projects at a glance

CVs of Investment team members

Miscellaneous

Four projects are ongoing. Few other opportunities are in diverse phases of our due diligence process.

Overview of ongoing projects



- Rapid residential development of eight family houses in a municipality with full civic amenities, ~30 southeast of Prague
- Very favored location with good accessibility to Prague via D1, developments in proximity typically sold out (e.g. East Gardens)
- Expected completion: 2024

Gross development value:
CZK ~180 mn¹



- Development of building plots for luxury villas in immediate proximity to most prominent golf course in the Czech Republic and with a 20-30min drive distance from downtown Prague
- Expected completion: 2023

Gross development value:
CZK ~20 mn



- Fully-fledged renovation of an apartment house with 18 residential units and 2 commercial units in a striving city
- Unique location: directly facing the to-be Ostrava Tower and Nova Karolina shopping mall
- Expected completion: 2023

Gross development value:
CZK -85 mn



- Complete renovation and add-on of apartment house with 3 floors in center of Czech 4th largest city
- Creation of c. 18+ residential units with a total floor area of approx. 1,500 m², plus a restaurant with 350 m²
- Expected completion: 2023

Gross development value:
CZK ~125 mn

We are preparing a development of eight family houses in a popular location ~30 min southeast of the center of Prague.

01 – GREENFIELD DEVELOPMENT IN STRUHAROV



- Acquisition of land of c. 10 ths. sqm in a calm municipality with all civic amenities, ~30min Southeast from downtown Prague;
- Project realized in two phases:
- Phase 1: Land zoning, construction of technical infrastructure (incl. contribution of Silverline to local infrastructure) and driveway
- Phase 2: Construction of nine stand-alone family houses
- Gross development value: **CZK ~180 mn¹**

Alignment with strategy pillars:

MARKET GROWTH

Double-digit growth of building plot and family house prices within 20-30 min drive from Prague over last 2 years (due to significant lack of supply; also resulting from changed preferences of population based on COVID-19)



SWEET-SPOT ASSET

Surrounded by beautiful nature, yet in great proximity to Prague due to D1. All developments in neighborhood (e.g. East Garden Stranice) sold out quickly. Struharov has all civic amenities and two other, significantly larger developments in progress.



VALUE CREATION

Development run in house
Land zoning, technical infrastructure and driveway construction followed by construction of family houses






LEVERAGE

Bridge financing with loan-to-cost of ~70%, to be refinanced by development (project) financing once building permit is granted



We are preparing sale of fully developed land, including the building permit in Vysoký Újezd, south of Prague.

02 – GREENFIELD DEVELOPMENT IN VYSOKY UJEZD



- Purchase of land in bulk from an entity that needed to repay expensive, non-banking loan
- Preparation of the landing plot, including design of a study and project for the villas to secure building permit
- Gross development value: **CZK ~20 mn**

Alignment with strategy pillars:

<p>MARKET GROWTH</p> <p>Double-digit growth of building plot and family house prices within 20-30 min drive from Prague over last 2 years (due to significant lack of supply; also resulting from changed preferences of population based on COVID-19)</p> <p>✓</p>	<p>SWEET-SPOT ASSET</p> <p>Growth of building plot prices in the micro location by ~2-2.5x since purchase of the land also due to large-scale developments (incl. infrastructure) in the location</p> <p>✓</p>	<p>VALUE CREATION</p> <p>Development run in-house</p> <p>Purchase of (likely mis-priced) land: i) fire-sale ii) in- bulk purchase (economies of scale)</p> <p>✓</p>	<p>LEVERAGE</p> <p>Leverage of up to 70% secured with a (low-cost) banking loan</p> <p>✓</p>
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Jsme v procesu konverze a nadstavby domu v centru Ostravy, v projektu vzniká 18 bytů a 2 obchodní prostory.

03 – APARTMENT BUILDING RECONSTRUCTION IN OSTRAVA



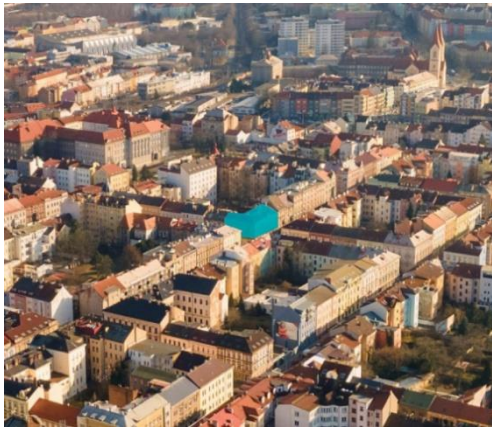
- Purchase of a yield-generating multi-functional house before renovation
- Complete renovation and re-focus from office usage to an apartment house
- Building permit granted in Q2 2022, expected completion in 2023
- Gross development value: **CZK ~85 mn**

Alignment with strategy pillars:

MARKET GROWTH	SWEET-SPOT ASSET	VALUE CREATION	LEVERAGE
Growth of the Ostrava residential real estate prices by ~36% during the ownership of the asset ¹ (vis-à-vis residential real estate prices growth of only ~18% in Prague)	Major development in immediate proximity: apartment house is directly facing future tallest sky-rise in the Czech Republic (announced only after our asset was acquired)	Development run in-house Elimination of legal defect for repositioning & renovation ²	Banking financing with LTV of 75%
✓	✓	✓	✓

We are starting development of an apartment building in the center of Pilsen, with up to 1,500 m² of floor space of new flats.

04 – APARTMENT BUILDING RECONSTRUCTION IN PLZEN



- Purchase of a residential building in a state for complete reconstruction; historical use for housing, 350 m² restaurant in the basement
- Preparation of complete reconstruction of the house, addition of up to 2 floors in the currently unused attic - planned sales area of up to 1,500 m²
- Start of reconstruction planned for Q1 2023, expected completion 2024
- Gross development value: **CZK ~125 mn**

Alignment with strategy pillars:

MARKET GROWTH

Plzeň is an attractive place for the development of residential buildings mainly due to its relatively low price level, below-average construction and high population growth.



SWEET-SPOT ASSET

Residential location in the center of Pilsen, within 1 km all civic amenities, bus and train station. Popular micro-location for restaurants and bars.



VALUE CREATION

Development managed in-house; maximizing built mass by adding floors in the attic, rapid resale of units not requiring building permits.



LEVERAGE

Banking financing with LTV of 75%



For further reading



Our projects at
a glance

**CVs of Investment
team members**

Miscellaneous

Dan Vasko



Co-founder, Partner
& Managing Director

>10 years of experience in management consulting with focus on Private Equity:

- Senior Manager, Kearney (2016-21):
 - Led >25 projects across multiple countries including UK, France, Germany, Italy, Czech Republic, Slovakia, Poland, Romania, Saudi Arabia or South Africa
 - Industry focus: Private Equity and Financial Services (Retail Banking and Insurance)
 - Functional coverage: commercial due diligences, strategy design, digital strategy design, cost optimization, process automation, partnership structure design
- Previous roles: Mennheim Associates (2014-15), KBC/ CSOB (2012-13), Roland Berger Strategy Consultants (2011-12)

>6 years of experience in real estate management:

- Following initial successes in real estate in 2015, launched Silverline Ventures in 2016 and scaled up the business gradually from EUR ~0.5 mn AuM (2016) to EUR ~8 mn AuM (2021) with no external financing
- Successfully diversified the business from short-term rentals to residential real estate development
- Designed & founded Silverline Real Estate fund

Martin Benroth



Co-founder,
Investment director

>5 years of experience in management consulting with a focus on transactions and corporate strategy development:

Manager, Kearney (2017-22):

- Over 15 international projects in Europe, USA and the Middle East with a focus on the CEE region
- Sector focus on Mergers & Acquisitions, and strategic advisory for Private Equity Funds
- Functional focus on commercial due diligence, design of strategies, transformation programs or optimizations

>3 years of experience in real estate investments:

- Director in 3 companies focused on residential real estate development with total AuM CZK ~150mn
- Co-founder of Silverline Fund SICAV and Silverline Real Estate sub-fund

Vojtech Brix



Co-founder &
Investment Manager

>5 years of experience in management consulting:

- Senior Consultant, Kearney (2018-2021):
 - Delivered >20 projects across multiple countries including Germany, Czech Republic, Slovakia, Poland, Saudi Arabia or South Africa
 - Industry focus: Private Equity and Network industries
 - Functional coverage: commercial due diligences, buy and sell side advisory, corporate and business strategy, feasibility and location studies
- Previous roles: Deloitte Strategy (2017-18), PricewaterhouseCoopers Advisor – M&A and Strategy (2015-17)

>1 year of experience in investment management:

- Ventures manager, Hub Ventures (2021)
 - Responsible for management of startup portfolio and end-to-end investment process
 - Advisory and mentoring for startups incl. direct involvement as CFO of a startup
 - Participation, mentoring and committee member in multiple acceleration programs in 6 countries

For further reading



Our projects at a glance

CVs of Investment team members

Investment terms and selected analyses

Min. investment is CZK 1 mn if investor proves her qualification¹.
Entry fee is waived if investment is made via founders.

Silverline Real Estate investment terms

Legal form	Qualified Investor Fund as per Czech law, audited on annual basis and overseen by Czech National Bank ("SICAV" legal form)
Minimum investment	EUR 125 ths.; Min. investment can be further reduced to CZK 1 mn if investor proves her qualification ¹
Investment stock classes	<ul style="list-style-type: none">• Stock class A: 10% p.a. preferred return to investors (founders are remunerated only after investors receive the return)• Stock class B: 7% p.a. preferred return + 25% performance bonus from return achieved beyond 7% p.a.
Fees	<ul style="list-style-type: none">• Entry fee: 0-5% of the investment amount²• Management fee: 0%³• Fee for early termination: year 1 – 30%, year 2 – 15%, year 3 – 10%, 0% after year 3
Investment horizon	5 years
Appraisal frequency	Every 3 months
Frequency of investment subscriptions	Every 3 months
Public trading	No
Target assets	Development in the Czech Republic, selected EU countries in the CEE region and North America. Majority of the capital is currently placed in the Czech Republic.

If you would like to learn more, please reach out:

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