

Trei Real Estate

# ANNUAL REPORT

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”

Be steadfast in your goals - but be flexible in how you achieve them.

*Tony Robbins*

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Trei Real Estate

ANNUAL REPORT

2021

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## LETTER FROM MANAGEMENT



To our fellow stakeholders,

**we are once again looking back to an exciting and successful year as we reflect on 2021: among other milestones, we started construction on 8 projects, acquired 11 new sites, opened 8 new Vendo Parks and together with our partner, achieved our first successful exit of a project in the United States.**

The fact that we managed to achieve (and even regularly exceeded) our financial and strategic goals in 2021, as well as continued to advance the growing number of international projects, is the result of the great work and incredible commitment of over 150 Trei employees in Germany, Poland, the Czech Republic, Portugal and the United States.

Regardless of travel restrictions, mandatory work-from-home requirements and the number of Covid-19 cases, which have regrettably followed a pattern of increasing again after each abatement, the great flexibility of our employees made 2021 one of the most successful years in the history of Trei.

We would like to take this opportunity to thank you all again for an extraordinary performance in 2021. Our thanks also go to our business partners and tenants - for their loyalty, cooperation and interest in our company.

To achieve our goals, we relied primarily on tactical and operational flexibility – and successfully so, as you will read in this report. Regardless of whether it is a condominium or rental apartment, retail park or supermarket: please see for yourself how our portfolio and strategy allow us to be flexible, crisis-resistant and at the same time successful.

We hope you will find this an interesting and stimulating report!

Kind regards,

Pepijn Morshuis  
CEO

Matthias Schultz  
CFO

## KEY FACTS

€ **200**  
million investment volume

€ **1.7**  
billion development pipeline

**32.6%**  
Leverage (LTV)

€ **281** million in  
new credit facilities

€ **81**  
million rental revenue

€ **1.3**  
billion real estate portfolio

More than **150** employees

Approximately **6,000** residential units planned

## HIGHLIGHTS



Construction start for projects in Mainz Zollhafen ('Fischerhof' and 'Lotsenhof'), Charlotte ('LoSo Village') and Nashville ('Queens at Wedgewood-Houston')



Closing on two long-term permanent loans in Germany and Poland with a volume of € 80 million



Long-term lease extension of 72 grocery discounter locations and securing 13 new development sites in Germany and the Czech Republic



Sale of 273 condominiums in KRAFT (Łódź) and Bacciarleggio (Wrocław)



Closing on two construction to permanent loans in Mainz and Berlin with a volume of € 82 million



Awarded 'Retail Developer of the year' (Eurobuild Awards) and 'Best Retail Developer' (Europa Property)



'Briley Apts': first completion and first disposition of one of our US projects



Land acquisition for three sites in the US, two in Nashville and one in Charleston



Completed eight Vendo Parks and placed eight additional sites under control



Formed our first joint venture with institutional real estate investor, Patron Capital, in Poland





## COMPANY

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## WE ARE PART OF THE TENGELMANN GROUP



The Tengelmann Group is one of the world's most important retail companies and has been 100% family-owned for more than 150 years. In addition to its strategic holdings in retail and real estate, the Tengelmann portfolio includes investments in more than 80 start-up companies.

In 2020, more than 75,000 employees generated consolidated net sales of € 8.3 billion.

In addition to Trei Real Estate, the Group includes KiK - a discount clothing retailer, OBI - a home improvement retailer, and babymarkt.de - an online retailer of baby products. The Group also includes two venture capital companies - Emil Capital Partners in the United States and Tengelmann Ventures in Germany, both of which have been investing in start-up companies for a number of years.

In Fall 2021, the Group moved its headquarters from Mülheim to Munich, Germany and maintains two additional offices - one in Düsseldorf and one in the USA in Greenwich, CT.

More information about Tengelmann:  
[www.tengelmann21.com](http://www.tengelmann21.com)

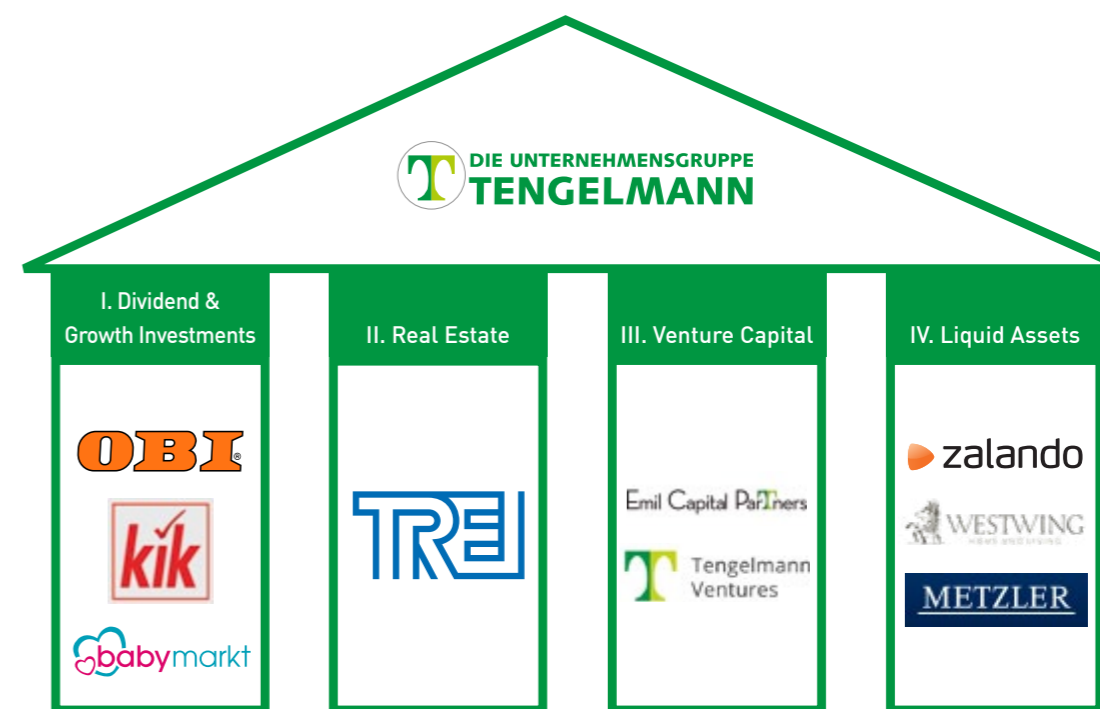


Our real estate venture Trei has proven itself to be as a successful and reliable component of the Group in turbulent times. We want our growth in this area to continue through further investments.'

*Christian Haub,*  
 CEO Tengelmann Group

## REAL ESTATE AS AN ANCHOR OF STABILITY IN THE TENGELMANN GROUP

The Tengelmann Group is divided into four business areas: Dividend and Growth Investments, Real Estate, Venture Capital and Liquid Assets.



### Further diversification of the portfolio and expansion in the USA

In order to expand the existing company portfolio, Tengelmann is aiming for increased diversification with a focus on the US market, where the company already has numerous start-up acquisitions.

Trei is increasing its focus on the US residential market: in 2021, we expanded our portfolio by three new projects in the Southeast and plan for additional projects this year.



# FLEXIBILITY IS KEY IN ACHIEVING OUR GOALS

Flexibility is extremely important - but even if the conditions and circumstances change again and again, it is just as important to never lose sight of your goal. Especially today, companies need a high degree of flexibility and willingness to regularly adapt to new situations and changes.

As a company, we at Trei have always been steadfast in our goals, but at the same time rely on flexibility and agility to achieve them. After all, there is not just one way to reach the goal - we can always find a different way and adapt to new circumstances if necessary. As a company, the ability to react flexibly has never been more important to us than it is today.

Among others, our flexibility has proven itself in these projects and developments:

## Formation of a joint venture for the development of additional Vendo Parks

With almost 50 Vendo Parks in our portfolio, we are very close to our goal of becoming the market leader for retail parks in the Central Eastern European region. However, the potential and the demand in Poland are greater than initially assumed.

But rather than developing additional Vendo Parks on our own, we established a joint venture with the investor Patron Capital Partners: together we are planning to invest around €140 million in the development of additional retail parks - and are thus able to develop 15 to 20 more Vendo Parks.



## PRS Development in Poland

Although our initial plans only called for the development of condominiums in Poland, we pivoted some time ago to begin developing for-lease units as well - in a market that is just emerging and where demand is enormous.

We are developing our first PRS (for-lease multifamily) project in Poznań - and we already have other projects in the pipeline.

## New perspectives: Development of projects with institutional investors

In addition to retail centers, we are also working ever more closely with institutional investors to develop residential projects - in order to be able to scale our business more successfully and quickly.

Moreover, not only do we develop projects to hold long-term in our own portfolio, but also now to sell to investors.



## Our project in Mainz Zollhafen: sale of multifamily project instead individually as condominiums

In 2019, we acquired two building sites in Mainz Zollhafen, 'Fischerhof' and 'Lotsenhof', where we envisioned two multifamily projects - the first as for-lease apartments and the second as for-sale condominiums.

Over time, however, we decided to develop 'Lotsenhof' as a for-sale multifamily project rather than selling the units individually as condominiums, in order to expand the number of available for-lease residential units which are in demand in this attractive location.

## Residential project in Wiesbaden: pre-cast modular construction instead of conventional construction

In Wiesbaden, the state capital of Hesse, we are currently developing a new five-floor mixed-use student housing project which will include approximately 180 units and a ground floor convenience store.

What makes it distinctive: rather than employing conventional construction methods, we are using pre-cast modular construction for the apartments - after all, the project meets all the requirements for this type of construction and it allows us to contribute to the further adoption of this efficient and more sustainable construction method.



## Our real estate projects in the USA: wood, not concrete for residential construction

Unlike in Europe, wood frame construction is widely used in many residential buildings in the US.

Different countries - different methods: Rather than blindly insisting on our own conventions as a matter of principle, we are flexible in planning and construction and adapt to local customs and circumstances.



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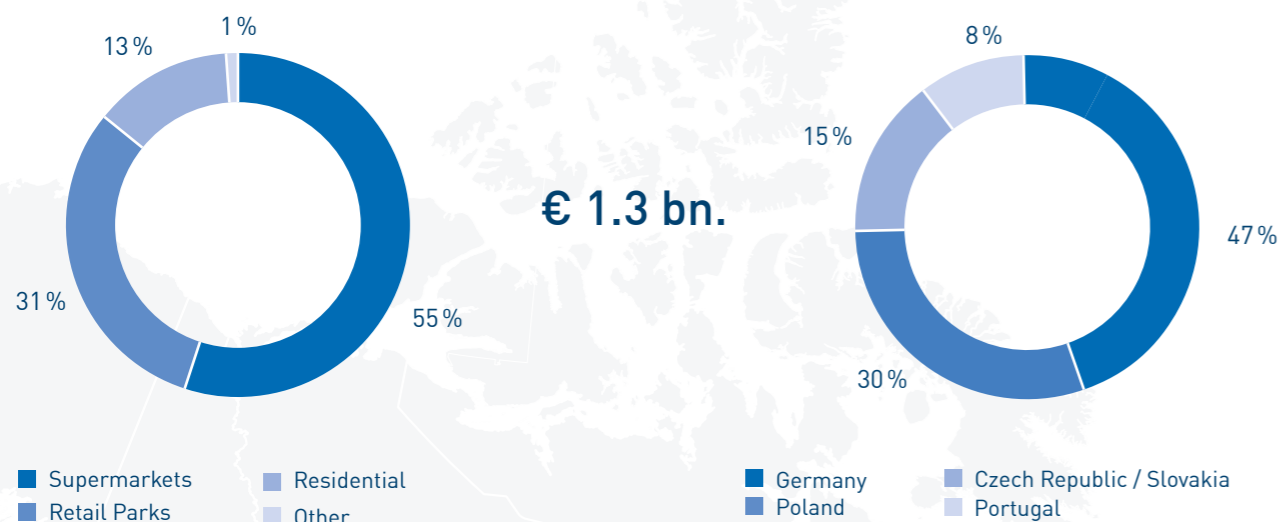




# STRATEGY & PORTFOLIO DEVELOPMENT

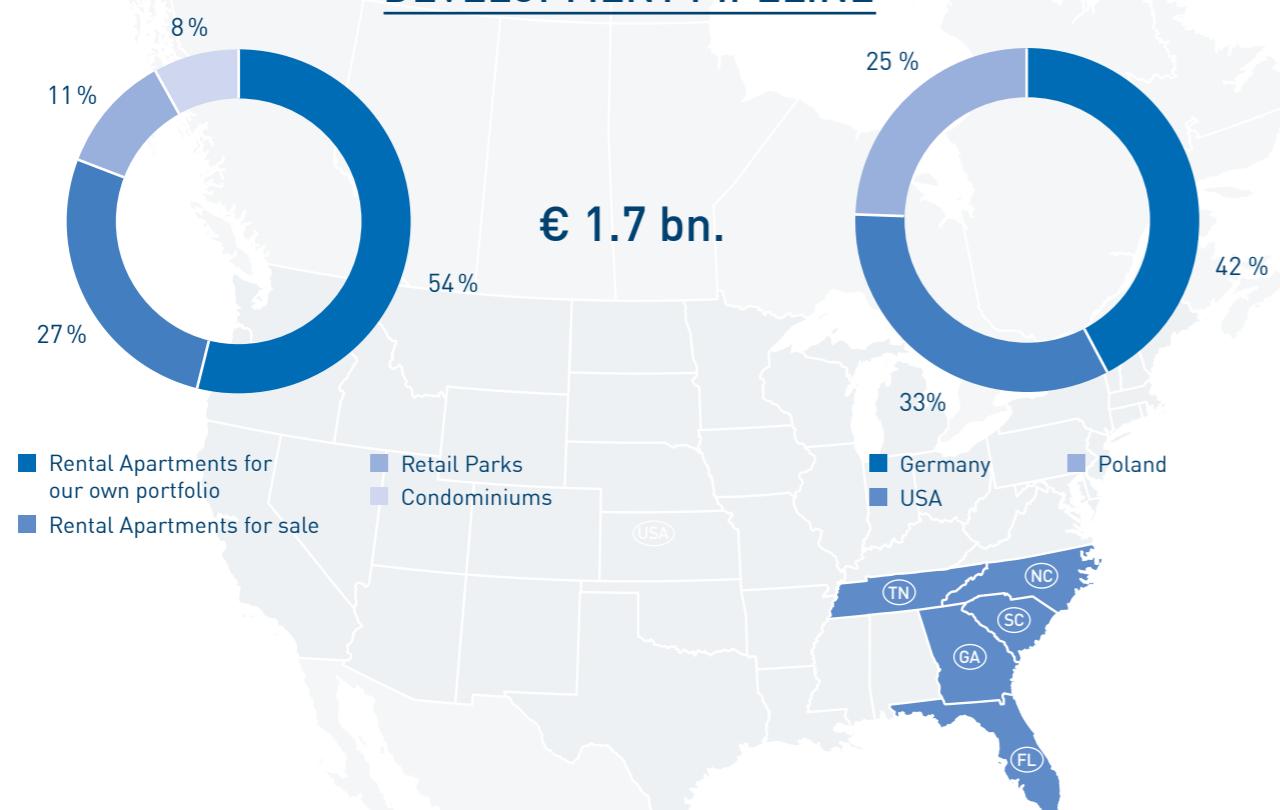
## CURRENT PORTFOLIO

€ 1.3 bn.



## DEVELOPMENT PIPELINE

€ 1.7 bn.



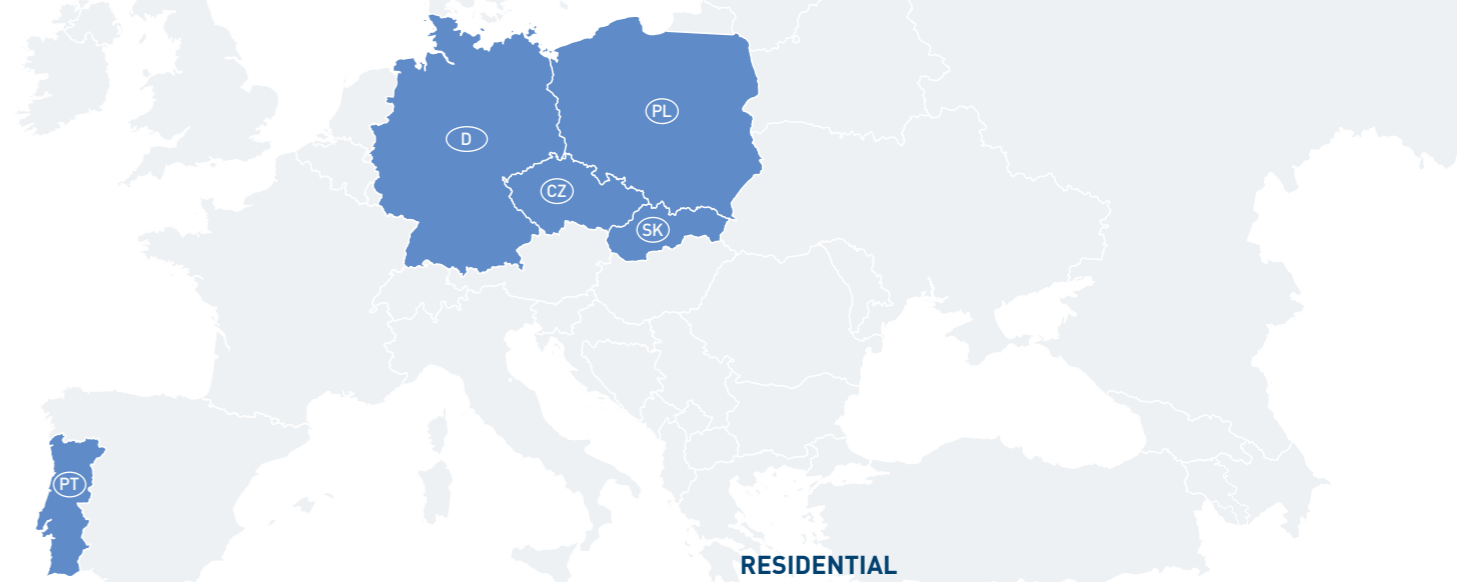
At Trei, we develop and manage tailor-made properties in the residential and commercial sectors - with the aim of creating sustainable living spaces.

Commercial real estate is our roots, but a differentiated and dynamic portfolio of residential and commercial real estate is our future.

With a strong entrepreneurial approach, in-house project development and active asset management, we create added value and act independently using our know-how and strong capital base - over the development life cycle, from building permits to occupancy permits.

As a wholly owned subsidiary of the Tengelmann Group, our goal is to create a long-term, attractive, sustainable real estate portfolio that forms a stable pillar within the group and provides dependable and sustained cash flow. In addition, we put our know-how and experience to work with selected institutional partners where we form joint ventures to develop projects together.

As a result, we generally focus on long-term, attractive locations as well as on top international tenants for our retail projects.



### RETAIL

Our retail portfolio, which we have been comprehensively fine-tuning since our formation, still includes 302 retail properties. Our largest tenants include renowned international retail brands such as Aldi, Lidl, Kaufland, Edeka, Rewe and Jerónimo Martins.

At the end of 2021, we held a portfolio of a total of 39 retail centers under the 'Vendo Park' brand in Poland, the Czech Republic and Slovakia which were developed entirely in-house, of which 29 are located in Poland.

We will soon reach our goal of 50 Vendo Parks for our own portfolio - but we see the potential for further development in Poland. Therefore, we formed a joint venture with UK investor Patron Capital Partners, which allows us to continue to expand this business - and over the next three to five years we will jointly invest around €140 million to develop 15 - 20 additional Vendo Parks.

### RESIDENTIAL

We are currently developing around 6,000 residential units. The most important markets with regard to residential development remain Germany, Poland and the USA.

Our residential properties in Germany, which we plan to hold on a long-term basis, are in absolutely prime locations, in attractive growth regions. In addition, we review our portfolio of retail properties for the potential of adding density to these sites by converting them to mixed-use residential developments. In Poland, we are supplementing our strategy of developing condominiums in attractive locations with the sale of entire multifamily projects to institutional investors. In the USA, we started partnering with local, experienced developers in 2018 to build multifamily projects in the growing metro regions in the Southeast in North Carolina, South Carolina, Georgia, Tennessee and now also Florida. These multifamily communities have a wide range of amenities for tenants such as swimming pools, fitness centers and indoor and outdoor community areas which is typical for the US market.

# ACQUISITIONS & DISPOSITIONS 2021



**MIELEC (PL)**  
RE-DEVELOPMENT  
OF A FORMER TESCO

**8 SITES**  
FOR VENDO PARKS IN POLAND



**SIEDLCE (PL)**  
VENDO PARK IN MAZOVIA

**11 Sites**  
**Aquired**

**253,000 sqm** land area  
**164,000 sqm** planned gross floor area

**3 SITES**  
FOR MULTIFAMILY PROJECTS IN THE USA



**NASHVILLE (USA)**  
GERMANTOWN JEFFERSON



**NASHVILLE (USA)**  
GERMANTOWN STOCKYARD



**CHARLESTON (USA)**  
ATLANTIC DANIEL ISLAND



**CHARLOTTE (USA)**  
RENTAL APARTMENTS BRILEY APTS.



**TUTZING (DE)**  
RETAIL PARK IN UPPER BAVARIA

**9 Properties**  
**Sold**

**45,300 sqm** rental area

**273 Condominiums**  
**Sold**

**16,200 sqm** residential area



**WROCŁAW (PL)**  
BACCIARELLEGO 54



**ŁÓDŹ (PL)**  
OSIEDLE KRAFT



OUR RESIDENTIAL PROJECTS IN

# GERMANY



## URBAN LIVING IN THE BEST LOCATIONS

We have a total of 16 multifamily projects in Germany which are characterized by their desirable locations in the country's top regions. In these locations, we are developing a total of 1,600 residential units in order to create attractive living spaces and build a sustainable portfolio. One focus of our development efforts is increased density in urban locations: where single-story supermarkets previously stood, we are creating new living space in inner-city locations through mixed-use redevelopment.

These projects are being developed by us in-house and primarily with the intention to hold them in our long-term portfolio. Our development pipeline has a volume of approximately € 700 million.

In Berlin, our 'Port-o-Prenz' residential project on Pappelallee was fully leased in the summer following completion in the prior year. Additional Berlin projects - Fürstenberger Strasse and Winsstrasse – saw successful progression of construction activities, such that both projects can be completed and fully leased before the end of 2022.

Construction on our project in Mainz Zollhafen started in September. Directly on the Rhine River, we are developing a total of 183 residential units on two sites, each of which will be surrounded by canals

**i** All information about our residential properties in Germany can be found at [www.trei-living.com/projects/germany](http://www.trei-living.com/projects/germany)

**\_PROJECTS**

- completed
- under construction/development

**14**  
PROJECTS

**700**  
€ MILLION PIPELINE VOLUME

**1,600**  
APARTMENTS (APPROX.)





RESIDENTIAL PROJECT BERLIN

# Winsstraße 18

RESIDENTIAL AREA  
about 11,330 sqm

COMMERCIAL AREA  
about 2,500 sqm

SUPERMARKET (TENANT)  
EDEKA

NUMBER OF APARTMENTS  
187 (1–4 bedrooms)

TOTAL PROJECT COST  
€ 68 million

START OF CONSTRUCTION  
March 2019

START OF LEASE UP  
Q3 2022

COMPLETION  
Q4 2022

ARCHITECT  
STEPHAN HÖHNE  
Gesellschaft von Archi-  
tekten mbH, Berlin

GENERAL CONTRACTOR  
Ed. Züblin AG, Berlin

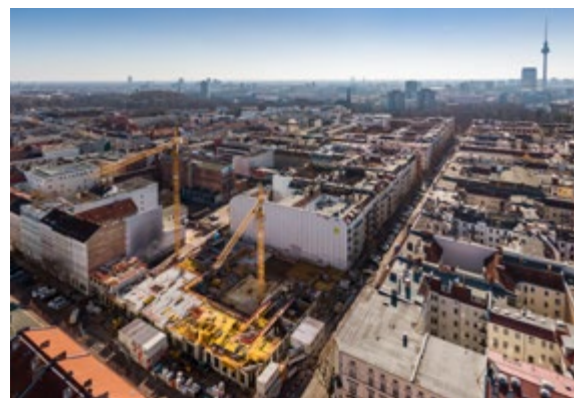
PROJECT COORDINATOR  
WITTE Projekt-  
management GmbH



In one of the most beautiful streets in Prenzlauer Berg, on the site of a former supermarket, we are building a new, mixed-use building consisting of 187 rental apartments, a ground-floor supermarket (EDEKA) and additional commercial space.

The underground parking garage includes 72 parking spaces, 58 of which are for the use of residents.

All apartments are equipped with a built-in kitchen, hardwood parquet floors and underfloor heating. Most units have a balcony or terrace. The inner courtyard is the center of the project and is a green space with areas for children to play.



[www.trei-living.com/projects/berlin-winsstrasse](http://www.trei-living.com/projects/berlin-winsstrasse)

## WINST°N



Berlin | PANKOW, PRENZLAUER BERG



RESIDENTIAL PROJECT MAINZ

# Zollhafen

RESIDENTIAL AREA

about 13,200 sqm

NUMBER OF APARTMENTS

183

TOTAL PROJECT COST

€ 84 million

START OF CONSTRUCTION

October 2021

COMPLETION

Q1 2024

ARCHITECT

HPP Architekten,  
Düsseldorf

GENERAL CONTRACTOR

MBN GmbH

PROJECT COORDINATOR

HW-Ingenieure GmbH



In the 'Neustadt' district in the north of Mainz, the former customs port is transforming into an attractive residential area in the immediate vicinity of the Rhine River.

We are developing a total of 183 for-lease apartments on the two harbor islands 'Fischerhof' and 'Lotsenhof'. Each will have an inner courtyard with green space with the buildings constructed in a block perimeter format. The project will include an underground parking garage with 147 spaces.

What makes the two properties special is the waterfront location directly on the Rhine. In addition, each building is surrounded by a man-made canal, which reinforces the atmosphere of living directly at the waterfront.

[www.trei-living.com/projects/mainz-zollhafen](http://www.trei-living.com/projects/mainz-zollhafen)







RESIDENTIAL PROJECT WIESBADEN

# Dotzheimer Straße 24

RESIDENTIAL AREA  
about 3,800 sqm

START OF CONSTRUCTION  
Q2 2023

COMMERCIAL AREA  
1,400 sqm

COMPLETION  
2024

SUPERMARKET (TENANT)  
Netto

ARCHITECT  
IHT Planungs-  
gesellschaft mbH

NUMBER OF APARTMENTS  
182

TOTAL PROJECT COST  
about € 31 million

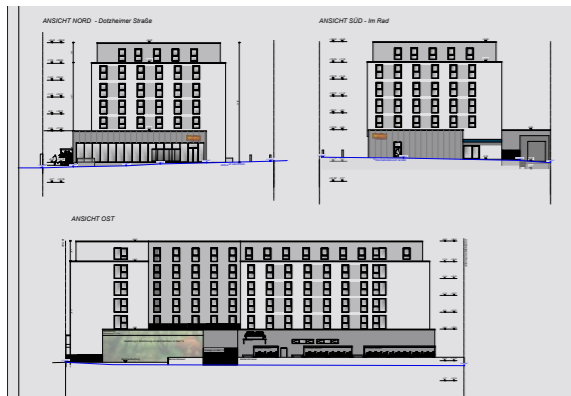


In Wiesbaden, the Hessian state capital, we are developing our second student housing project under the 'Quartillion' brand. The five-floor complex includes 180 contemporary, furnished studio apartments, offered with many included services at a fair, all-inclusive rent. A convenience store will be located on the ground floor that will be rented to Netto after completion.

There are more than 11,500 students in Wiesbaden. The RheinMain University of Applied Sciences can be reached by car or bicycle in about seven minutes, and the Fresenius University of Applied Sciences in about three minutes.

This is our first project utilizing pre-cast modular construction.

[www.trei-living.com/projects/wiesbaden-dotzheimer-strasse](http://www.trei-living.com/projects/wiesbaden-dotzheimer-strasse)



OUR RESIDENTIAL PROJECTS IN

# POLAND



## BOOMING HOUSING MARKET

The Polish housing market broke all records last year – the demand for modern, contemporary residential units – both condominiums and rental apartments is huge, the supply however is still quite constrained.

To expand the supply of residential units to meet the demand, we are developing a total of around 2,000 residential units in Poland – around 55% of which are condominium and 45% are rental apartments. In particular, the rental apartment market, which is still quite small, is growing rapidly and holds a lot of potential.

Two of our now five residential projects are still under construction – in Wrocław (fourth and last construction phase) and Łódź (second of four construction phases). We were able to sell an additional 273 units there in 2021 – which once again demonstrates the high demand.

In Poznań, we have already begun demolition of a single-story supermarket, which we will redevelop as a mixed-use project with total of 450 rental apartments.

Shortly before the end of the year, we were able to secure a new site in Warsaw, where we also plan to build rental apartments.

**i** All information about our residential properties in Poland can be found at [www.trei-living.com/projects/poland](http://www.trei-living.com/projects/poland)

**\_PROJECTS**

- completed
- under construction/development

**5**  
PROJECTS

**250**  
€ MILLION PIPELINE VOLUME

**2,200**  
APARTMENTS (APPROX.)





RESIDENTIAL PROJECT POZNAŃ

# Piątkowska

RESIDENTIAL AREA

about 19,000 sqm

NUMBER OF APARTMENTS

450 (1–4 bedrooms)

COMMERCIAL AREA

about 875 sqm

TOTAL PROJECT COST

€ 41 million

START OF CONSTRUCTION

2022/23

COMPLETION

2025

ARCHITECT

Litoborski + Marciniak  
Biuro architektoniczne  
Sp. z o.o.

In the immediate vicinity of the Poznań city center, we are developing our first multifamily project in Poland. The project includes 450 studio- to two-bedroom apartments and a two-level underground parking garage. An adjacent retail space, rented to Biedronka, will remain in Trei's portfolio after completion.

Located in western Poland, Poznań is one of the largest and most dynamic cities in the country. This historic city of around 550,000 residents is known for its universities and for the old town with its Renaissance-style buildings.

The Winiary district, where our project is located, has good transit connections via both car and public transit. Among other features, the project will feature green terraces.

[www.trei-living.com/projects/poznan-piatkowska](http://www.trei-living.com/projects/poznan-piatkowska)





# Condominiums Bacciarlego 54

Wrocław | Bacciarlego 54 | [www.b54.pl](http://www.b54.pl)

The demand for condominiums in Poland is enormous - this is demonstrated by, among other things, a recent study by JLL: a total of 69,000 residential units were sold in Warsaw, Kraków, Wrocław, Gdańsk, Poznań and Łódź in 2021 alone - the second most successful year for the sale of new construction condominiums. In our two residential projects Osiedle KRAFT in Łódź and Bacciarlego 54 in Wrocław, we sold an additional 273 condominiums in 2021 from the first two phases of construction, and demand remains high.

'Bacciarlego 54' is a top address in Wrocław and is in the middle of parks and other green spaces on 'The Big Island'. We are developing and building a total of 281 condominium units and an underground parking structure in a phased project.

The property is located in the immediate vicinity of the Oder River and Szczytnicki Park. The site retains a large green space for playgrounds and recreation since only about 30 percent of the four-hectare (approx. ten acres) property will be used for construction. There is a bus stop as well as tram stops in the immediate vicinity. The city center can be reached by car in just 15 minutes.



# Condominiums Osiedle KRAFT



Łódź | Osiedle KRAFT | [www.osiedlekraft.pl](http://www.osiedlekraft.pl)

In Łódź we are developing an approximately 550-unit family-friendly condominium project called 'Osiedle KRAFT'; the project will be completed in several phases.

The spacious green areas around the development offer a place to play and relax. Parking is available in the underground parking structure. The project is located in a quiet but central part of the Polesie district. Shops, schools, parks, sports facilities and much more are nearby. In addition, the city center can be reached quickly and easily by bus and there is a stop nearby.





OUR RESIDENTIAL PROJECTS IN

# USA



## CONSTRUCTION BOOM IN THE DYNAMIC AND FAST-GROWING SOUTHEAST

We are currently planning, developing and building seven multifamily projects in the United States. We concentrate primarily on the growth states in the Southeast and form joint venture relationships with experienced local partners. Our residential projects in the US focus on the multifamily apartment concept, which is characterized by the large selection of amenities which the residents enjoy, such as resort-style pools, spa areas, fitness rooms, community spaces, including outdoor spaces with grills.

In October, we sold our first US development 'Briley' in Charlotte, North Carolina following completion over the summer. We have started construction of another project called 'LoSo Village' which is also located in Charlotte.

In Nashville, we started construction on 'Queens at Wedgewood-Houston' project. Shortly before the end of the year, we were successful in acquiring two adjacent sites in Nashville for the 'Germantown Stockyard' and 'Germantown Jefferson' projects.

And in Charleston, we acquired another site for development of the project called 'Atlantic Daniel Island'.

**i** All information about our residential projects in the US can be found at [www.trei-living.com/projects/usa](http://www.trei-living.com/projects/usa)

**\_PROJECTS**

- under construction/development
- sold

**7**  
PROJECTS

**550**  
€ MILLION PIPELINE VOLUME

**2,200**  
APARTMENTS (APPROX.)



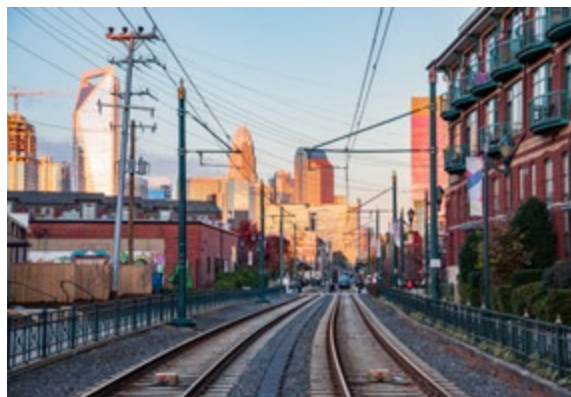
RESIDENTIAL PROJECT CHARLOTTE

# LoSo Village

## \_HIGHLIGHTS

club room/lounge, saltwater swimming pool, fitness center and dog spa

## CHARLOTTE, 3615 TRYCLAN DRIVE



In Charlotte, the largest city in the state of North Carolina, we are developing a multifamily project named 'LoSo Village.' The project will have a total of 343 residential units on five floors. In addition, the project includes an above-ground parking garage for the use of residents.

The property is located in the vibrant Lower South End ('LoSo') district, a little more than three miles south of downtown Charlotte which is easily reached via light rail. South End, which is immediately adjacent to the north, offers numerous retail and entertainment options as well as a variety of good jobs.

Onsite amenities include a club room/lounge, saltwater swimming pool, fitness center and dog spa.

[www.trei-living.com/projects/charlotte-losa-village](http://www.trei-living.com/projects/charlotte-losa-village)



RESIDENTIAL AREA

about 24,500 sqm

NUMBER OF APARTMENTS

343 (2-4 bedrooms)

TOTAL PROJECT COST

€ 85 million

START OF CONSTRUCTION

October 2021

COMPLETION

2023

ARCHITECT

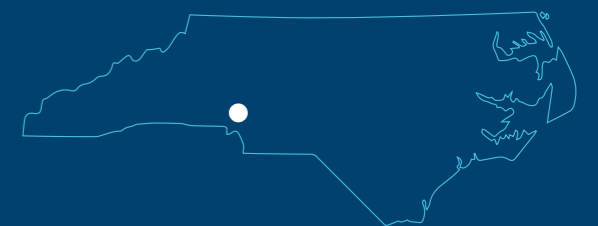
Axom Architecture

GENERAL CONTRACTOR

Samet Corporation

JOINT VENTURE PARTNER

Proffitt Dixon Partners





RESIDENTIAL PROJECT CHARLESTON

# Atlantic Daniel Island

## \_HIGHLIGHTS

swimming pool, fitness center, club room and dog spa

RESIDENTIAL AREA  
about 30,000 sqm

NUMBER OF APARTMENTS  
320

TOTAL PROJECT COST  
€ 76 million

START OF CONSTRUCTION  
Q4 2022

COMPLETION  
Q4 2024

ARCHITECT  
Dynamik Design

JOINT VENTURE PARTNER  
Middle Street Partners



South Carolina | CHARLESTON



## CHARLESTON, 1990 DANIEL ISLAND DRIVE



In Charleston, South Carolina, we are developing another multifamily project: 'Atlantic Daniel Island' which is made up of 320 rental apartments divided into eight buildings with net rentable area of around 30,000 sqm.

The project is part of the Nowell Creek Village development. In addition to the multifamily part of the development, numerous restaurant and retail areas are also planned. The neighborhood offers direct access to boat docks, several hiking trails, parks and rivers around Daniel Island.



Future residents of Atlantic Daniel Island will also enjoy a swimming pool, fitness center and club room. In addition, a dog spa is available for the four-legged residents.

Charleston Downtown and Sullivan's Island Beach can each be reached by car in about 15 minutes.

[www.trei-living.com/projects/atlantic-daniel-island](http://www.trei-living.com/projects/atlantic-daniel-island)





RESIDENTIAL PROJECT NASHVILLE

# Germantown Stockyard

**\_HIGHLIGHTS**

restaurant, shops, within walking distance to the city center

## NASHVILLE, 900 2ND AVENUE NORTH



In Nashville - the capital of Tennessee - we are planning two more multifamily projects – the first of which is 'Germantown Stockyard.' Located in the heart of the Germantown neighborhood and just one block from the Cumberland River, the multifamily building is planned to include 340 residential units.

With chic restaurants, boutique shops and cafés scattered among a predominately residential neighborhood, Germantown offers a uniquely urban lifestyle just outside of downtown Nashville. Other neighborhood amenities include the Nashville Farmers' Market, the Capitol Mall State Park, the Cumberland River Greenway, and First Horizon Park, home to Nashville's AAA baseball team the Sounds.

Germantown also enjoys convenient access to Downtown Nashville, which is the region's largest employment center, and also home to the famous Broadway entertainment district, which is just a 20 minute walk along the riverside greenway.

[www.trei-living.com/projects/nashville-germantown](http://www.trei-living.com/projects/nashville-germantown)



RESIDENTIAL AREA

about 23,000 sqm

NUMBER OF APARTMENTS

about 340

TOTAL PROJECT COST

about € 110 million

START OF CONSTRUCTION

Q4 2022

COMPLETION

Q4 2024

ARCHITECT

Axiom Architecture, EOA Architects, Manuel Zeitlin Architects

GENERAL CONTRACTOR

Hardaway Construction

JOINT VENTURE PARTNER

Proffitt Dixon Partners





OUR VENDO PARKS IN

# POLAND, THE CZECH REPUBLIC AND SLOVAKIA



## CONVENIENT SHOPPING FOR EVERYONE

We have been developing, building and leasing neighborhood retail centers in the Czech Republic, Slovakia and Poland under the Vendo Park brand since 2012. In total, we currently have a portfolio of 39 fully leased Vendo Parks, 29 of which are located in Poland.

Our Vendo Parks, which are developed and leased up in-house, meet today's consumer need for convenient and quick shopping – supplying essential goods to local residents, particularly in smaller cities – this is how they keep up with the competition from online shopping. Our retail tenants benefit in turn from an efficient cost structure.

Although we will soon reach our goal of 50 Vendo Parks to hold in our own portfolio, we see potential for further development in Poland, and as a result, we formed a joint venture with UK investor Patron Capital Partners in November 2021: the venture with Patron allows us to expand and scale our business. In addition, in recent years, we have observed that the need for retail centers in the smaller Polish cities is greater than we initially anticipated. Together with Patron, we plan to invest around €140 million to develop 15 - 20 additional Vendo Parks over the next three to five years.

**i** All information about our Vendo Parks can be found at [www.vendo-park.com](http://www.vendo-park.com)

**\_PROJECTS**

- completed
- under construction/development

**56**  
PROJECTS

**450**  
€ MILLION TOTAL VOLUME

APPROXIMATELY  
**290,000**  
SQM GROSS LEASING AREA

# VENDO PARKS OPENED IN 2021



## Piekary Śląskie, PL

OPENING DATE: 15-Apr-2021  
 LEASABLE AREA: 5,398 sqm  
 NO. OF PARKING SPACES: 145  
 TOTAL PROJECT COST: € 6.9 million  
 TENANTS: Biedronka, Neonet, Hebe, Dealz, TEDi, KiK, Smyk



## Zielonka, PL

OPENING DATE: 22-Apr-2021  
 LEASABLE AREA: 2,999 sqm  
 NO. OF PARKING SPACES: 157  
 TOTAL PROJECT COST: € 5.2 million  
 TENANTS: Rossmann, Pepco, Media Expert



## Myślibórz, PL

OPENING DATE: 06-May-2021  
 LEASABLE AREA: 3,937 sqm  
 NO. OF PARKING SPACES: 160  
 TOTAL PROJECT COST: € 4.9 million  
 TENANTS: Biedronka, Action, TEDi, Hebe, Martes Sport, Smyk



## Koszalin, PL

OPENING DATE: 07-May-2021  
 LEASABLE AREA: 8,017 sqm  
 NO. OF PARKING SPACES: 311  
 TOTAL PROJECT COST: € 9.9 million  
 TENANTS: Biedronka, Maxi Zoo, Rossmann, TEDi, KiK, Max Your Style, Media Expert



## Oświęcim, PL

OPENING DATE: 05-Aug-2021  
 LEASABLE AREA: 5,295 sqm  
 NO. OF PARKING SPACES: 116  
 TOTAL PROJECT COST: € 7.2 million  
 TENANTS: TEDi, Sinsay, Pepco, Netto, Neonet, KiK, Hebe



## Radzymin, PL

OPENING DATE: 16-Dec-2021  
 LEASABLE AREA: 2,010 sqm  
 NO. OF PARKING SPACES: 74  
 TOTAL PROJECT COST: € 3.1 million  
 TENANTS: KiK, Media Expert, Rossmann, Zakłady Mięsne Stanisławów



## Inowrocław, PL

OPENING DATE: 30-Oct-2021  
 LEASABLE AREA: 4,790 sqm  
 NO. OF PARKING SPACES: 242  
 TOTAL PROJECT COST: € 6.4 million  
 TENANTS: My Center, Sinsay, KiK, JBB, Hebe, Grochola, Action



## Chorzów, PL

OPENING DATE: 24-Nov-2021  
 LEASABLE AREA: 5,156 sqm  
 NO. OF PARKING SPACES: 201  
 TOTAL PROJECT COST: € 6.5 million  
 TENANTS: Action, Biedronka, Dealz, Kakadu Zoo, KiK, Neonet, Pepco, Rossmann





# INTERVIEW WITH OUR JOINT VENTURE-PARTNER PATRON CAPITAL

Keith Breslauer is Managing Partner at Patron Capital, a pan-European institutional real estate investor with whom we established a joint venture in November 2021. In the interview, he describes, among other things, which criteria he believes are important for a successful joint venture, how the joint partnership with Trei came about – and why the Polish real estate market is so attractive for investors.



**Keith Breslauer**  
Managing Director & Senior Partner,  
Patron Capital Partners

*Mr. Breslauer, tell us a little about Patron's history and business model.*

Patron was established in 1999 and represents approximately €4.3 billion of capital across several funds and related co-investments, investing in property or corporate operating entities whose value is primarily supported by property assets. As an owner/operator, we employ a hybrid model whereby our primary strategy is to back groups such as Trei in a joint venture format, but we also do some direct investing as well.

Over the course of our 23-year history, we have undertaken more than 170 transactions across 90 investments or programs in 17 countries, involving over 65 million square feet (6 million square meters) of assets, with many of these investments realised.

Our investors represent a variety of sovereign wealth funds, prominent universities, major institutions, private foundations, and high net worth individuals located throughout North America, Europe, Asia and the Middle East.

Patron's team is 69 people strong, including a 41-person investment team, with main office in London, and additional offices across Europe including Barcelona and Luxembourg.

*Which criteria are particularly important to you when it comes to joint venture partners?*

We look for partners, who have knowledge and local market experience, established presence and hands on approach, as well as an understanding of global real estate trends, such as the current methods and approaches to construction, design and tenanting.

We perceive Trei as a very strong partner, with significant track record in the Polish market and a proven team on the ground. This has compelled us to formulate a joint venture partnership with Trei.

*How did the joint venture with Trei come about?*

We have been investing in Poland for 20 years. It is a very interesting market that continues to evolve and grow. At the same time the Polish market has its challenges, such as significant supply of land and fast paced evolution of consumer preferences on the back of continued strong economic development.

We have developed retail park assets in Poland in the past, which have performed very well and have now been successfully exited. Therefore, while the retail parks strategy was not new to us when we have met Trei initially, we found the quality of Vendo Park product and the like-minded strategy pursued by Trei to be very much compelling.

*Why are you investing in Poland? And why specifically in the development of Vendo Parks?*

Poland is a really interesting place. It is growing dramatically and has a massive undersupply of probably every sector.

Why Vendo Parks? Because of the continued strong fundamentals that underpin the Polish market and the evolving consumer preference towards convenience-driven shopping.

In our view Trei is delivering an optimal type of product that is currently highly desirable by the consumers and sought after by long term investors.

*What do you hope for in the future for the joint venture?*

We look forward to building a long-term successful partnership with Trei. At the outset we have teamed up to invest approx. € 140 million over the period of three to five years, delivering at least 15-20 Vendo Park assets in the regional Polish cities.

While the Vendo Parks strategy may be further expanded beyond the initial target, we also hope to work with Trei across other geographies and asset classes.

*In your opinion, what major opportunities and challenges will the real estate industry face in the next three years?*

Uncertain levels of demand and the exact timing of recovery across different asset classes is probably the biggest challenge. We will also be on the watch for any potential policy mistakes from any of the leading central banks. We made great progress with our economic recovery last year, but the next three years will be about how we keep that recovery on track and a successful vaccination programme that is effective against omicron and future variants will be key.

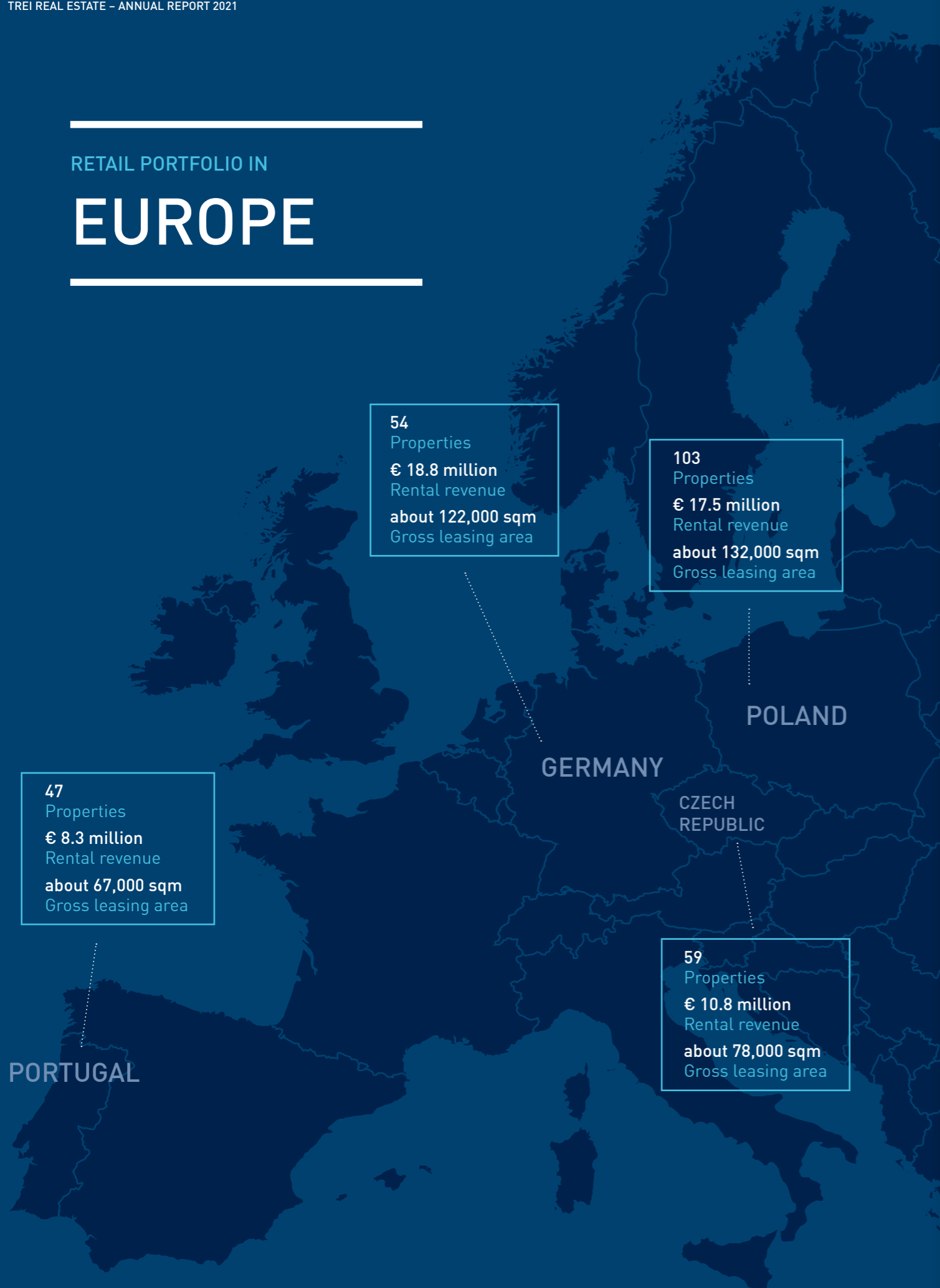
Looking to opportunities, most asset classes are undersupplied including residential and light industrial, with the exception of UK retail and lower quality office. That being said, I think there will be a continued evolution towards 'Grade A' properties and tenant demand for best-in-class offices is returning.

Further Information about Patron Capital:  
[www.patroncapital.com](http://www.patroncapital.com)



RETAIL PORTFOLIO IN

# EUROPE



## GROCERY RETAIL: STABLE GROWTH EVEN IN TIMES OF CRISIS

Our extensive retail portfolio is largely made up of sites and properties that Tengelmann had either developed or purchased for its brick-and-mortar grocery retail business.

When Tengelmann decided to sell its grocery retail operations, which took place in two phases – 'Plus' in 2008 and 'Kaisers-Tengelmann' in 2017 – the shareholders decided to retain ownership of the most appealing and future-proof properties and to transfer them along with other retail properties to a newly established subsidiary – Trei Real Estate. Since then, these retail properties and their corresponding asset and property management have been an important and established part of our core business – they are part of our 'DNA'. Over the years, we have adjusted the original holdings and believe the current properties represent a valuable and sustainable portfolio for the long-term. The crisis resulting from COVID-19 has uniquely demonstrated the value of our core investments in grocery retail properties.

We currently lease 263 properties in Portugal, Germany, the Czech Republic and Poland to well-known retail brands such as Aldi, Lidl, Edeka, Rewe, Kaufland, Penny, Netto, Billa and Biedronka.

**263**

PROPERTIES

**55.4**

€ MILLION RENTAL REVENUE

APPROXIMATELY

**400,000**

SQM GROSS LEASING AREA



# 25 RENTAL AGREEMENTS IN GERMANY AND 47 RENTAL AGREEMENTS IN THE CZECH REPUBLIC EXTENDED

In May 2021, Trei successfully concluded a comprehensive framework agreement with a discount grocer for 25 supermarket properties in Germany. The properties, which are part of the Trei portfolio, had already been under long-term lease agreements to the discount grocer and were scheduled to expire in 2023. The new lease agreements provide a 15-year extension for all properties. A great success!



## The lease extension agreement represents a win-win for both parties:

### Advantages for Trei

- + securing a long-term lease of our properties until 2038
- + the opportunity to execute three additional development projects in urban locations that offer great potential for mixed-use projects consisting of new, modern ground floor retail space with multifamily on upper floors

### Advantages for the Discount Grocer

- + securing attractive locations on a long-term basis
- + modernization and renovation of some properties: Trei is supporting the discount grocery by making a construction cost and tenant improvement contribution, which will be repaid over the term of the lease
- + the extension offers more space for an ever-expanding product range as well as space for a bottle-deposit return station, a bakery or a floral department

We have a total of 54 retail properties in Germany which generate important cash flows - therefore the agreement and the associated lease extensions are an important strategic step. Furthermore, the addition of three new potential projects to our development pipeline creates the possibility to extend our development activities and growth in Germany.

In addition, the redevelopment of supermarkets into mixed-use projects allows us and our tenant to create new, urgently needed residential space and thereby, to make a noteworthy positive contribution to increased urban density.



René Westerheider, Head of Asset Management, Trei Real Estate Germany

*'We went through a lengthy negotiation period and alignment of interests before we were able to reach an agreement. Now we have an agreement from which both parties benefit!'*



*'This agreement with our discount grocery tenant secures long-term leases for our retail properties and provides us the option to develop ten mixed-use projects in good locations with a total gross size of more than 100,000 sqm. A great success for us following a long negotiating period!'*

Michael Tauwinkl, Managing Director, Trei Real Estate Czech Republic

In December, after a long negotiation period, an agreement was finally reached: Trei successfully concluded a comprehensive framework agreement with a discount grocer in the Czech Republic for 47 supermarket properties.

The existing leases for these properties, which are part of the Trei portfolio have been under long-term lease to the same discount grocer that bought the Plus operations from Tengelmann in 2008.

Per the original term of the leases, they were set to expire in 2023 – after which the tenant would have still had lease extension options. A new framework agreement was executed for the properties, extending the existing leases until 2038.

We were very pleased that we could negotiate an option to redevelop 10 of the locations around Prague and its vicinity - which allows us and our tenant to create valuable residential space and to make a positive contribution urban density.







## TEAM

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## WHO WE ARE

**18** different departments

...at Trei we have departments: from 'A' for Asset Management to 'T' for Treasury: we cover (almost) everything!

**44%** are night owls

**56%** are early birds

...whether you're an early bird or a night owl: at Trei we enable our employees to work flexibly

**68%** started out building houses in the sandbox

... early practice pays off - but you never stop learning: that's why we encourage our employees right from the start to take advantage of training and continuing education



**18** and **58** years old

...were the ages of the youngest and oldest employees hired in 2021

**93%** of our employees speak at least two languages

**18** different languages

... our employees speak: German, Polish, Czech, English, Portuguese, French, Spanish, Russian, Italian, Dutch, Swedish, Turkish, Arabic, Japanese, Aramaic, Slovenian, Ukrainian

**55%** prefer to work from home  
**45%** prefer to work at the office

...in order to respond to the needs of our employees as individually as possible, we offer the flexibility to work at home, in the office or, in principle, from anywhere

Our employees have on average **5.2** years of professional experience  
... high staff turnover? Not us!

## TREI REAL ESTATE: WHAT DEFINES US

### What We Stand For

Our corporate values shape our culture and how we work together - and define who we are. They guide us in our daily actions, in decision-making and in our behavior.

As a company we are very diverse: we come from different countries and cultures, have had different experiences and are active in different markets. That is why clear values that are shared, understood and lived by everyone at Trei are essential for our company's success.

#### FAIR

We work on a level playing field with our partners. Open and fair cooperation is essential.

#### RELIABLE

We are true to our word. This creates trust and long-term relationships.

#### MODERN

Agile thinking and short decision-making paths enable us to act dynamically in the market.

#### ENTREPRENEURIAL

We think and act entrepreneurially. We prefer long-term value-creation to short-term returns. We always act in the best interest of the company and its stakeholders.

### What We do

At Trei, we always center our actions around the human element so that we can optimize the implementation of the business elements.

As real estate developers and property managers, we always strive to understand people - our customers, their customers, our partners and our employees - and to recognize their needs.

Based on this understanding, we create living spaces that fit seamlessly and precisely into different environments in order to enrich and enliven each with its unique quality of life. By doing this we can create 'win-win situations' for everyone involved and operate successfully together in the long term.

In this way, each thought, action and plan results from our capacity for self-confident, success-oriented empathy. We attach great importance to conscious listening and open and fair communication with everyone involved. This allows us to anticipate both needs and wants and sense previously undiscovered potential - in continual realignment to our own interests and constructive goals.

Our values and our self-perception form the basis of the commitments we make to our customers, partners and employees - and set the direction for what we do:

**WE CREATE LIVING SPACES.**



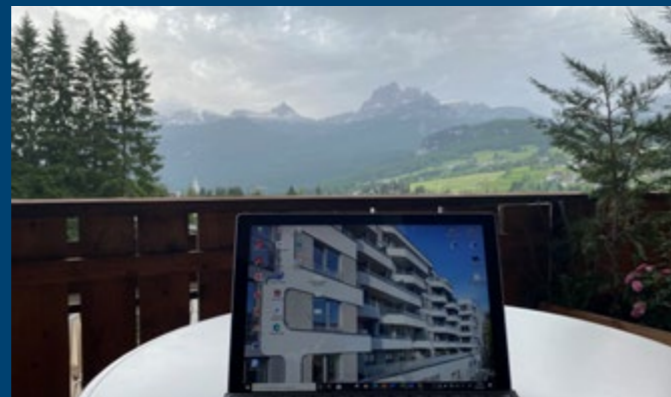


FLEXIBLE NEW WORLD:

# TREI ADOPTS HYBRID OFFICE

From the start, the COVID-19 pandemic required us to be flexible and – wherever and however possible – to work remotely. Even if we are (hopefully) nearing the end of the pandemic, we want to maintain the greatest possible flexibility for our teams.

We are convinced that parents who have the ability to better organize their family life by flexibly setting their working hours should be allowed to continue to do so. The same applies to employees who impulsively decide they want to take their laptops and sit on a beach in Greece or in a café in Lisbon. After all, the past year and a half has proven time and again that this can work.



But the exchange and personal contact between colleagues or between management and employees are both also extremely valuable – after all, the best ideas often come about during a chat in the office kitchen. And many people find that spontaneous discussions and 'real' team meetings often occur more efficiently in the office.

At Trei, we therefore rely on a combination of in-person as well as remote working. We are certain of this: a company that acts flexibly and is prepared to adapt quickly to new challenges employs happier and more productive employees!





# INTERVIEW WITH BOGNA SZYMANOWSKA

Bogna Szymanowska has been working for Trei in Poland for almost 10 years – at the start, her path into the real estate industry was neither foreseeable nor planned. In the interview, she talks about her professional career, what was and remains important to her about her job and why she is very happy how everything finally came together.



**Bogna Szymanowska**  
Head of Asset Management,  
Trei Real Estate Poland

*Bogna, please tell us something about your career. What did you learn and how did you find your way to Trei?*

I studied linguistics - German and Russian. The fact that I ended up working for a German real estate developer in the retail sector was really just coincidence – what was important to me was the opportunity to be able use the German language skills I had learned.

After working for three years in the real estate industry, I decided to get a post-graduate degree in real estate – which brought me to Trei. And that quickly turned out to be a very good decision! ;)

*Would you say that you have completed your training – or do you plan to continue your education?*

During my first year at Trei, I completed that post-graduate course in real estate management at the Warsaw University of Technology. I felt it was important for me to supplement my practical experience with conceptual knowledge.

Trei also provides employees the opportunity to take various training courses, seminars and language courses - for example, I have taken an English course as well as some specialized training courses.

One thing is certain: I will definitely look for opportunities to continue learning!

*What did your start at Trei look like in 2013/what did you work on?*

At that time, my most important task was preparing for the opening and management of our first neighborhood retail center under the Vendo Park brand, as well organizing the opening event itself. It really was a special time and there were a lot of opportunities for collaboration - including with the Trei team in the Czech Republic, who, by this time, had already opened and was managing their first Vendo Parks. We also worked with colleagues from Germany and the Czech Republic to set up the Vendo Park websites. That's what I call teamwork!

The experience I gained through my previous job was a great basis for my new position, but at the same time, there were new things to learn and procedures that had to be redesigned. Every day there is something new – I can say that no two days are alike, for which I am very grateful! ;)

*You have been Head of Asset Management at Trei since 2019. How did that come about and how have your duties changed?*

My position as Head of Asset Management presents me with many opportunities, but also with challenges: I used to manage a few selected properties myself, but now I am responsible for leading a whole team that manages Trei's properties in Poland – and that requires that I keep the entire portfolio in focus.

Our company is developing faster and faster and growing accordingly, and as a result, we have expanded our team and added a few new colleagues.

In this role, I am appreciative for the opportunity to work ever more closely with other departments and also to provide strategic insights. And, of course, Trei has also provided me a place for continuous professional development, and ultimately the opportunity to take on the management of my team.

*In your opinion, how has Trei developed in recent years?*

When I started at Trei, there were about 15 people working in the Warsaw office - today we have more than 50 employees and during this time, we have opened 29 Vendo Parks, purchased many additional new sites, entered the residential real estate market...

Meanwhile both Trei and our Vendo Park brand have become a relevant, well-known player in the real estate industry!

*Finally, tell us a few words about your team.*

The 12 employees in my team complement each other perfectly and enjoy their work – what more could a manager wish for? I couldn't imagine a better team!

# KEY FINANCIAL DATA

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TREI REAL ESTATE

# Key Financial Data

For the year ended December 31, 2021

## Number of projects

	2021	2020	Change
Germany	71	75	-4
Poland	153	148	+5
Czech Republic	67	67	0
Slovakia	4	4	0
Portugal	49	50	-1
USA	7	5	+2
	<b>351</b>	<b>349</b>	<b>+2</b>

## Rental revenue

Euros in millions	2021	2020	Change
Germany	26.1	23.6	+2.5
Poland	30.2	24.9	+5.3
Czech Republic	13.5	12.3	+1.2
Slovakia	1.6	1.5	+0.1
Portugal	8.3	8.2	+0.1
USA	1.4	0.1	+1.3
	<b>81.1</b>	<b>70.6</b>	<b>+10.5</b>

## Investments in real estate and development

Euros in millions	2021	2020	Change
Germany	36.5	54.2	-17.6
Poland	69.9	56.4	+13.5
Czech Republic	0.2	3.6	-3.4
Slovakia	1.3	0.0	1.3
USA	91.9	42.9	+48.9
	<b>199.8</b>	<b>157.1</b>	<b>+42.6</b>

## Net debt

Euros in millions	2021	2020	Change
Cash and cash equivalents	147.7	124.3	+23.4
Total debt	-512.6	-446.3	-66.3
Net debt	-364.9	-322.0	-42.9
LTV (%)	32.6%	31.5%	+1.1%

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