

# ANNUAL REPORT 2022









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## CEO STATEMENT

As is the case each year, the annual report is a chance to address you, the shareholders, and review milestones from the past year. This year will not be an exception. In addition, I would also like to add a little reflection on the last five years, looking back to early 2018, when Tander became one of the main retail high street Listed Corporations for Investing in the southern european Real Estate Market in (Sociedades Anónimas Cotizadas Inversión Inmobiliaria or SOCIMI in Spanish).

In a few months, we will be celebrating the fifth anniversary of our SOCIMI with very positive outlook. The Tander share appreciation in this period shows a significant rise from 9.5 euros on the BME Growth debut to 11.4 euros per share at the end of 2021. The value has increased more than 20% in four years and more than six million euros have been distributed in dividends during this period.

Progress has occurred in unusual circumstances. Notably, in the last two years high street retail has been directly impacted by the outbreak of the Covid-19 pandemic and the successive government decreed lock-downs. The ability of the management team to forge alliances with our tenants has been essential to managing the crisis, allowing us now, as we glimpse at the end of the pandemic, to find ourselves with an even bigger and also stronger Tander.

In its almost five years on the stock market, Tander has consolidated its expansion in the Spanish market as well as in Portugal and Italy. To date



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the company holds a leasable area of 12,619 square metres. We have gone from being an operator focused on the major streets of Barcelona to having significant assets in numerous cities in southern Europe. After investing in Bilbao, Santander and San Sebastián in 2018 we moved to Portugal with the purchase of assets in Lisbon and Porto in 2019. The pandemic hasn't stopped us. In 2020 we acquired our first asset in Italy (Rome) as well as 9 further assets in Lisbon. Finally last year we closed the acquisition of two premises located in the emblematic calle Serrano (Madrid) and the prestigious Passeig del Born of Palma de Mallorca.

These last two acquisitions represented an investment of 44 million euros. They enabled Tander to make an essential and impressive quantitative and qualitative leap. They allowed us

to establish ourselves in two of the major retail hubs in southern Europe as well as increase the annualized gross income of our portfolio by 22% over last year. The capital increase of eight million euros approved in the first quarter of 2021 to finance these two investments, reflects the continued confidence of our shareholders in the company's growth strategy.

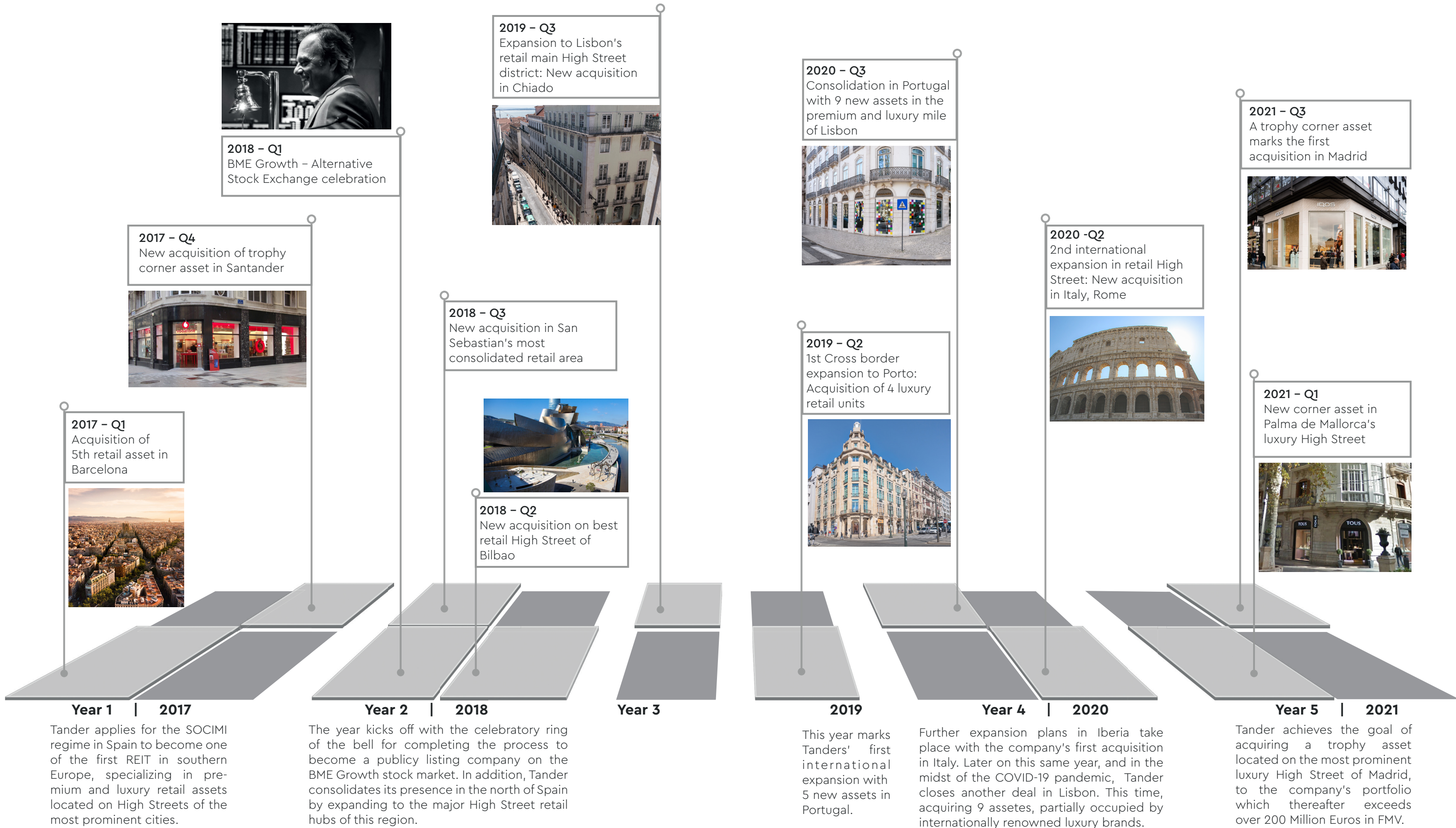
This confidence was rewarded in last year's results with a 35% rise in Ebitda compared to 2020 and an average occupancy level of 95%, just two points below the previous year. This is despite a second consecutive year of restrictions on retail activity. In addition, the FFO (Funds from operations) has increased by 33%.

The management team has set itself some extremely ambitious challenges for 2022. These include the recovery of pre-pandemic occupancy levels to achieve 100% occupancy. And more importantly, to increase income so as to negate the effect of the financial reliefs that were granted to some of our tenants over the past two years to help them face the effect of the pandemic. We have great confidence in the fulfillment of both objectives, which in turn will translate in improved results and better yield and return to our shareholders.

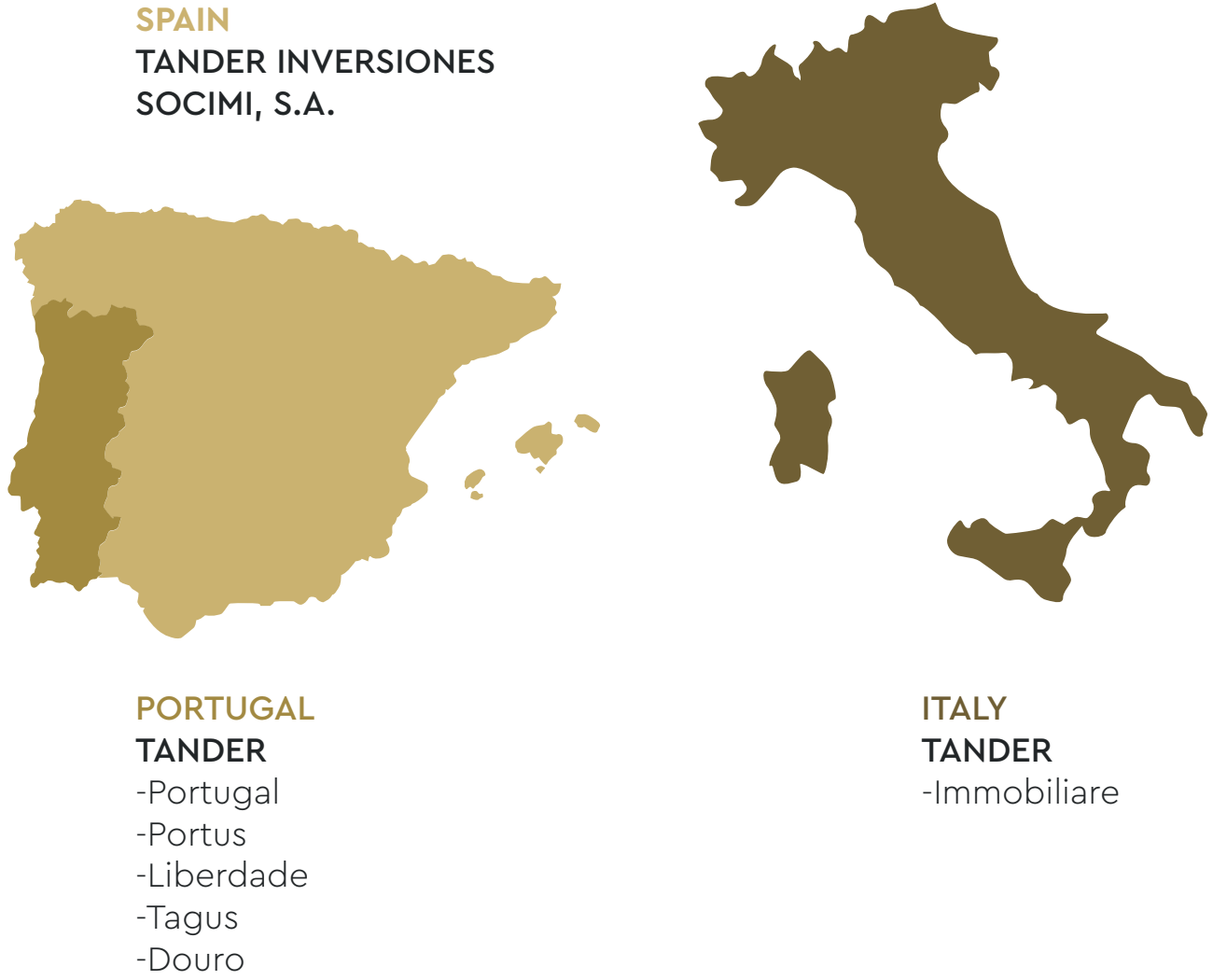
**Antoine Chawky, CEO**



## 5 YEAR MILESTONES



COMPANY  
STRUCTURE

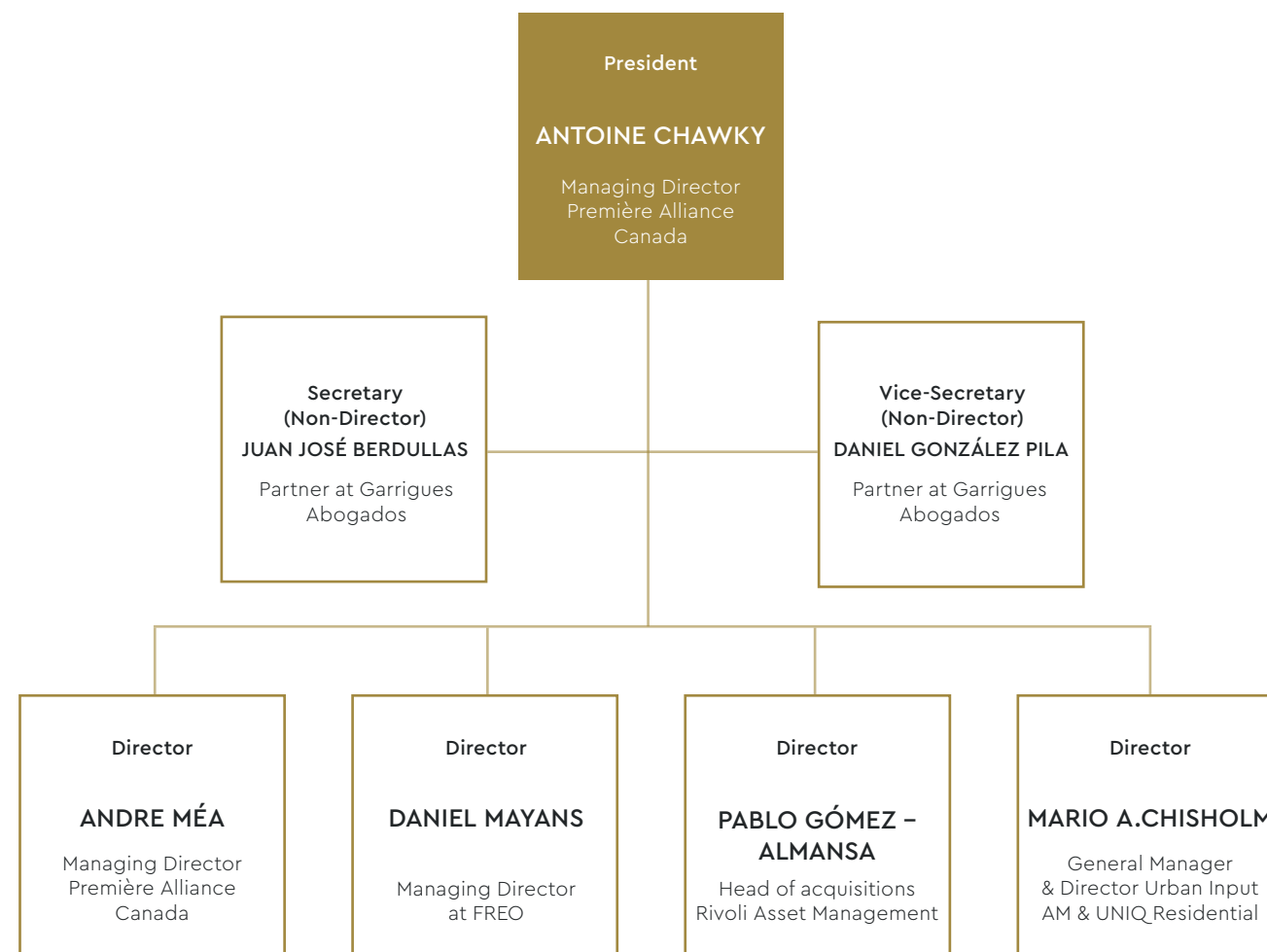


Country	Subsidiaries	Cities	Assets
Spain	-	6	10
Portugal	5	2	14
Italy	1	1	1

MANAGEMENT



## BOARD OF DIRECTORS



## BOARD OF DIRECTORS



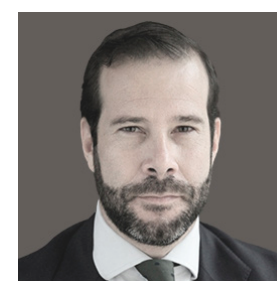
Antoine has over 30 years experience in real estate management. His expertise encompasses all facets of business management and strategic investment in real estate. As General Manager of the Première Alliance group, some of his responsibilities include the asset management of residential and commercial assets worth over \$300 million across Canada and Europe.



Andre has worked closely with Antoine since 1996 as Managing Director of the Première Alliance group based in Montreal. Andre's responsibilities encompass all financial aspects of the business including mortgages, refinancing, tax issues and cash flow requirements.



Daniel joined FREO Group in 2015 and is responsible for FREO's Spain operations. He brings over 24 years of experience in Commercial Real Estate and worked previously for GE Capital Real Estate where he was the Head of Asset Management in Spain of a portfolio worth 1.2 billion €. Before GE he worked for Metrovacesa where he also managed a portfolio of EUR 500 million. Earlier in his career he worked for Aguirre Newman heading the Office and Retail department.

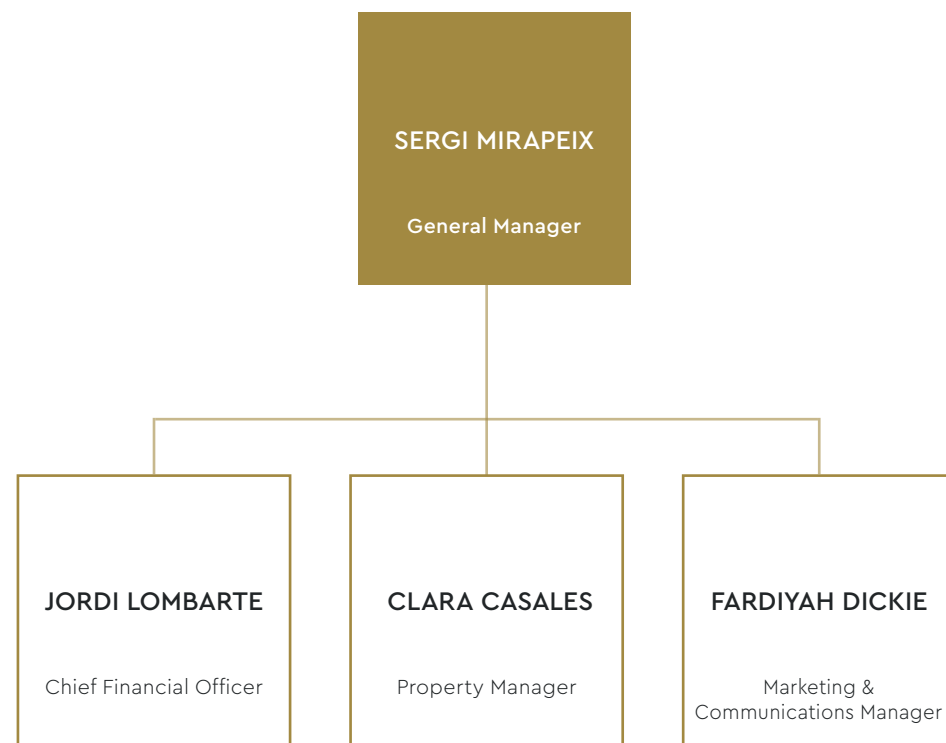


Pablo has more than 18 years experience in real estate investment market as former Managing Director at Arcano Real Estate Funds and Head of investments & participant in various real estate transactions amounting to over 6 billion €. Some of his positions also included those of European cross border (London based) and Capital markets Investment director in Barcelona at CBRE, as well as Financial advisory at Jones Lang Lasalle Madrid and Aegon Investments.



Mario is a Co-Founder and Board member of Urban Input Asset Management and UNIQ Residential. Focuses on investment management and quality control. Experienced real estate and finance professional with development and investment experience across Europe. Worked on real estate investments of over \$3billion across Europe at Citi, Goldman Sachs, Benson Elliot and Och-Ziff.

## MANAGEMENT TEAM



Management team in Barcelona: Clara, Sergi, Fardiyah, Jordi

## GENERAL VISION & STRATEGY 2022

When we started 2021, few of us could have imagined that the impact caused by the first wave of COVID-19 could be repeated or extended until the end of the year. Measures that we already saw implemented in 2020, such as travel limitations, capacity reductions and time restrictions were reapplied to a greater or lesser extent throughout last year, delaying the start of the economic recovery.

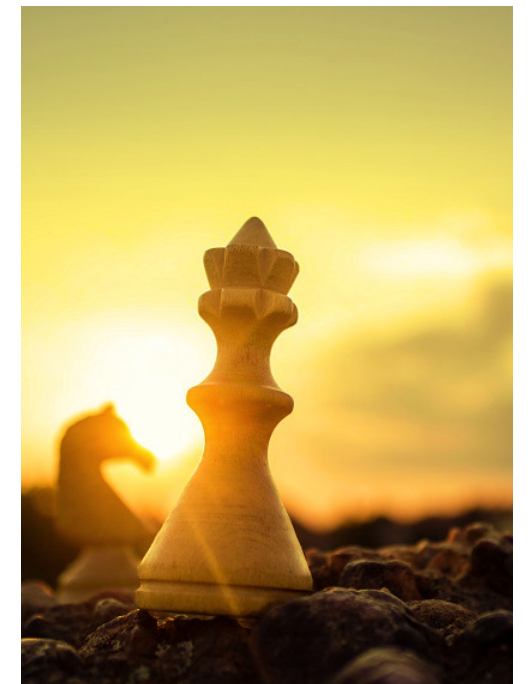
The experience gained during 2020 allowed us, as owners, to act faster and implement some of the measures that were already applied in 2020 to help tenants adapt more easily to an evolving climate.

The temporary extension of the pandemic has obviously produced a generalised correction in rental values, especially in those areas highly exposed to tourism. This extension has also been the main cause of the introduction of new regulations (COVID clauses) in many renegotiation contracts and new lease contracts for premises. However, as we have repeated in previous reports, compared to less prime locations, our commercial premises located in the best retail streets had, and will always have, a competitive advantage when it comes to rent adjustments.

The lagging effect of the pandemic has also permitted us to recognize and find a balance between the interests and objectives of being an owner of premises in the high street retail sector, and our tenants. The latter having to achieve commercial viability of the premises it occupies, while the former has to minimize the negative impact on the profitability of real estate investment.

Tander's management team has understood from the outset that this alignment was essential to preserve both parties' interests and has placed the operator at the centre of all activity, uniting our interests with those of the brand. In this sense, the need for the owner to understand the sector, the expansion strategy, the positioning, and the financial parameters of the operator are now more than ever essential elements to guarantee the success of the short- and long-term tenant/lessor relationship.

We could conclude that the crisis caused by Covid-19 has served to professionalize us even more and bring us much closer to the operator of our premises. We stand as a reliable partner capable of responding to all operator requirements and needs. With this in mind, we will continue to strive and be faithful to our investment strategy to target and acquire prime retail spaces in the predominant arteries of major European cities. This has proven, and continues to be the key to our success and growth.





## COMPANY PERFORMANCE

### CONSOLIDATED PERFORMANCE 2021 vs. 2020

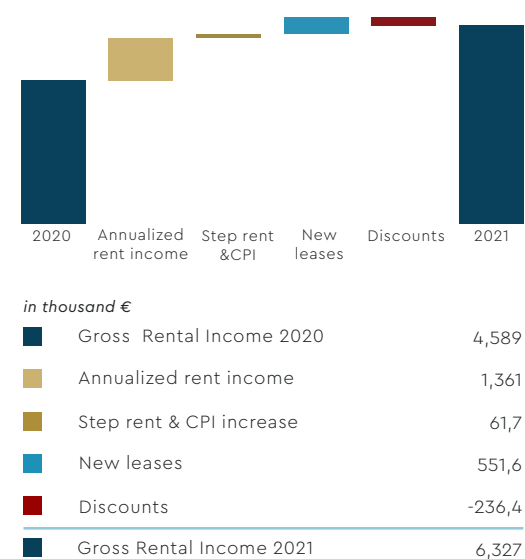
in thousand €

	2020	2021
<b>+38 %</b> Gross rental income	4,589	6,327
<b>+35 %</b> EBITDA	3,956	5,352
<b>+39 %</b> Financial expenses	(1,370)	(1,909)
<b>+33 %</b> FFO <sup>[1]</sup>	2,586	3,443

in € cents p.share

	2020	2021
<b>+1 %</b> NAV per share	11,82	11,92

### GROSS RENTAL INCOME EVOLUTION



## TANDER SOCIMI

	2020	2021
Total number of shares	7,875,437	8,536,399
<i>Total nr. of shares with dividend rights</i>	<i>7,848,923</i>	<i>8,512,712</i>
<i>Treasury stock</i>	<i>26,514</i>	<i>23,687</i>
Share nominal value (€/share)	1	1
Annual Net Profit (€)	1,881,346	2,192,500

### Dividend Distribution

Legal reserve provision (€)	188,135	219,250
Other reserves provision (€)	338,611	-
Dividend Distribution (€)	1,354,600	1,973,250
Dividend distributable/share (cent €)	17.26	23.18
Earning per share <sup>[1]</sup>	23.97	25.76

<sup>[1]</sup> Annual net profit divided by total number of shares

## PORTFOLIO

At Tander, we look for the best premises to suit the most prestigious brands. This has been our philosophy since 2013 when we decided to invest in **retail high street of the main cities of southern Europe**.

Major internationally renowned brands have trusted us because we offer the most attractive retail spaces with excellent visibility on High Streets and provide a highly professional real estate management.

Our strategy and expertise has provided opportunities for brands such as Loewe, Burberry, Tod's, Tous, Cos, Rituals, Dsquared, Tory Burch or FC Barcelona to establish themselves in exclusive hubs such as Paseo de Gracia in Barcelona, Serrano in Madrid, Avenida Liberdade in Lisbon, Avenida dos Aliados in Oporto, Gran Vía in Bilbao, Via del Babuino in Rome or Paseo del Born in Palma, among other.

## THE GROUP HIGHLIGHTS

(in M €)	2020	2021
Net Rental Income	4,5	6,2
FMV	170,3	215,3
WALB (yrs)	5.4	6.6
WALT (yrs)	12.3	11.5
Occupancy	97%	95%
Total Area (m <sup>2</sup> )	12,165	12,619

FMV: Fair Market Value  
WALB: Weighted Average Lease Break  
WALT: Weighted Average Lease Term

# SPAIN



(in M €)	2020	2021
Net Rental Income	3,7	4,0
FMV	100,5	145,4
WALB (yrs)	5.6	7.6
WALT (yrs)	14.4	13.1
Total Area (m²)	6,590	7.043

## NEWEST ACQUISITIONS

2021 started off with a new acquisition of a corner asset in the main luxury retail street of Palma de Mallorca. Furthermore, Tander has finally achieved a long-standing goal of acquiring an asset on the most prestigious retail High Street of the city Madrid.

This strategic new investment has allowed Tander to grow its presence in prime retail arteries, by including yet another spectacular corner asset to the portfolio. "Serrano" is known to host a large number of internationally renowned premium and luxury retail brands.

A special attribute of this street is that it attracts locals as much as visitors from abroad, and therefore does not depend on tourism to provide a stable footfall for the brands present on this retail High Street.



NEW ACQUISITION  
closed in Q1-2021

Palma de Mallorca  
Passeig d'es Born 6  
112 m²



NEW ACQUISITION  
closed in Q3-2021

Madrid  
Calle Serrano 36  
342m²





## PORTFOLIO



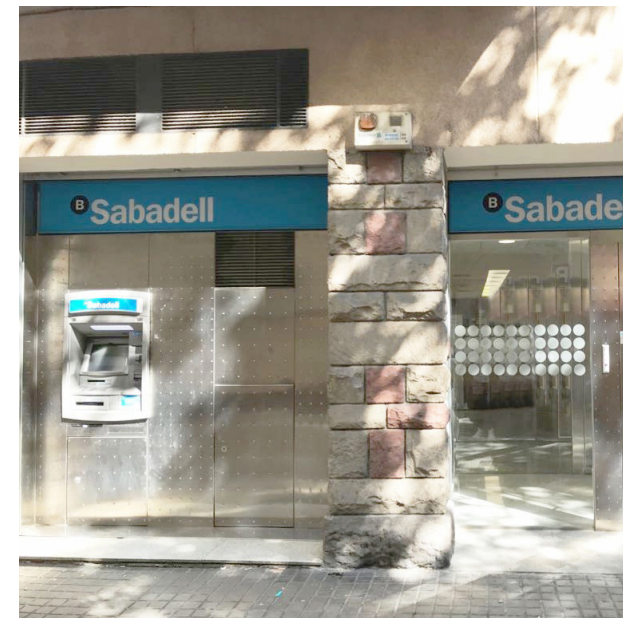
Barcelona  
Passeig de Gràcia 27  
792m<sup>2</sup>



Barcelona  
Via Laietana 47  
1,100m<sup>2</sup>



## PORTFOLIO



Barcelona  
Travessera de Gràcia 171  
156m<sup>2</sup>



San Sebastian  
Arrasate 27  
89m<sup>2</sup>



Barcelona  
Passeig de Gràcia 15  
527m<sup>2</sup>



Barcelona  
Carrer de Casp 6-20  
3,457m<sup>2</sup>



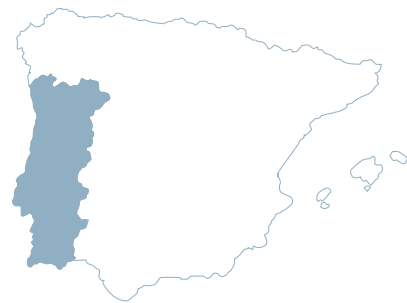
Santander  
Calvo Sotelo 14  
212m<sup>2</sup>



Bilbao  
Gran Vía 6  
257m<sup>2</sup>



# PORTUGAL



(in M €)	2020	2021
Net Rental Income	0,7	1,9
FMV	61,0	61,0
WALB (yrs)	5.2	4.6
WALT (yrs)	10.0	8.9
Total Area (m²)	5,293	5,293



Av. da Liberdade 203  
Lisbon

Unit 1	756 m²
Unit 2	400 m²
Unit 3	158 m²
Unit 4	265 m²
Unit 5	354 m²
Unit 6	341 m²
Unit 7	241 m²
Unit 8	283 m²
Unit 9	290 m²

Total: 3,088 m²





R. Nova d. Almada 85  
Lisboa

486 m<sup>2</sup>



Av. dos Aliados 107  
Porto

Unit 1: 456m<sup>2</sup>  
Unit 2: 409m<sup>2</sup>  
Unit 3: 465m<sup>2</sup>  
Unit 4: 390m<sup>2</sup>

Total: 1,719 m<sup>2</sup>





ITALY



(in M €)	2020	2021
Net Rental Income	0,1	0,3
FMV	8,8	8,8
WALB (yrs)	4.0	3.0
WALT (yrs)	4.0	3.0
Total Area (m²)	282	282



Via del Babuino 36-37  
Rome

282 m²



FINANCIALS

THE GROUP HIGHLIGHTS

(in M €)	2020	2021
Net Rental Income	4,5	6,2
NBV	133,3	176,0
NAV	92,7	101,5
Net profit	1,6	1,8

NBV: Net Book Value  
NAV: Net Asset Value



## CONSOLIDATED GROUP FINANCIALS BALANCE SHEET

### Assets

(in K €)	2020	2021
<b>Non-current assets</b>	134,363	177,184
Equipment & intangible assets	9	6
Property investment	133,345	175,987
Other Non-current assets	630	812
Deferred taxes <sup>[1]</sup>	379	379

<b>Current assets</b>	5,583	3,039
Trade and other receivables	738	651
Cash & bank accounts	4,845	2,388

**TOTAL ASSETS** 139,946 180,223

<sup>[1]</sup> Accumulated deferred taxes generated in the affiliated Portuguese companies.

### Equity & Liabilities

(in K €)	2020	2021
<b>Net equity</b>	58,444	66,812
Share capital	7,875	8,536
Share premium	47,654	54,925
Reserves	1,549	1,727
(Treasury shares)	(252)	(226)

Annual Profit & Loss	1,618	1,850
Dividend paid in advance	0	0

**Non-current liabilities** 79,422 110,405

Financial debt <sup>[2]</sup>	70,979	93,875
Financial debt – leasing	5,144	4,909
Related parties financial debt	3,800	12,140
Other non-current liabilities	(501)	(519)

**Current liabilities** 2,080 3,006

Financial short term debt	1,052	1,731
Current debts with group companies	192	72
Trade & other payables	836	1,203

**TOTAL NET EQUITY & LIABILITIES** 139,946 180,223

<sup>[2]</sup> Increased bank financing due to new acquisitions carried out in 2021.

## CONSOLIDATED GROUP FINANCIALS PROFIT & LOSS

(in K €)	2020	2021
Net rental income	4,543	6,159
Other net income	168	168
Overheads & admin. exp.	(755)	(975)
<b>EBITDA <sup>[1]</sup></b>	3,956	5,352
Amortization	(984)	(1,590)
<b>EBIT <sup>[2]</sup></b>	2,972	3,762
Net financial expense	(1,370)	(1,909)
<b>EBT <sup>[3]</sup></b>	1,602	1,853
Tax <sup>[4]</sup>	16	(3)

**NET PROFIT** 1,618 1,850

<sup>[1]</sup> Earnings Before Interest Tax Depreciation and Amortization

<sup>[2]</sup> Earnings Before Interest and Tax

<sup>[3]</sup> Earnings Before Tax

<sup>[4]</sup> Deferred taxes generated in the affiliated Portuguese companies.

## GROUP FINANCIALS

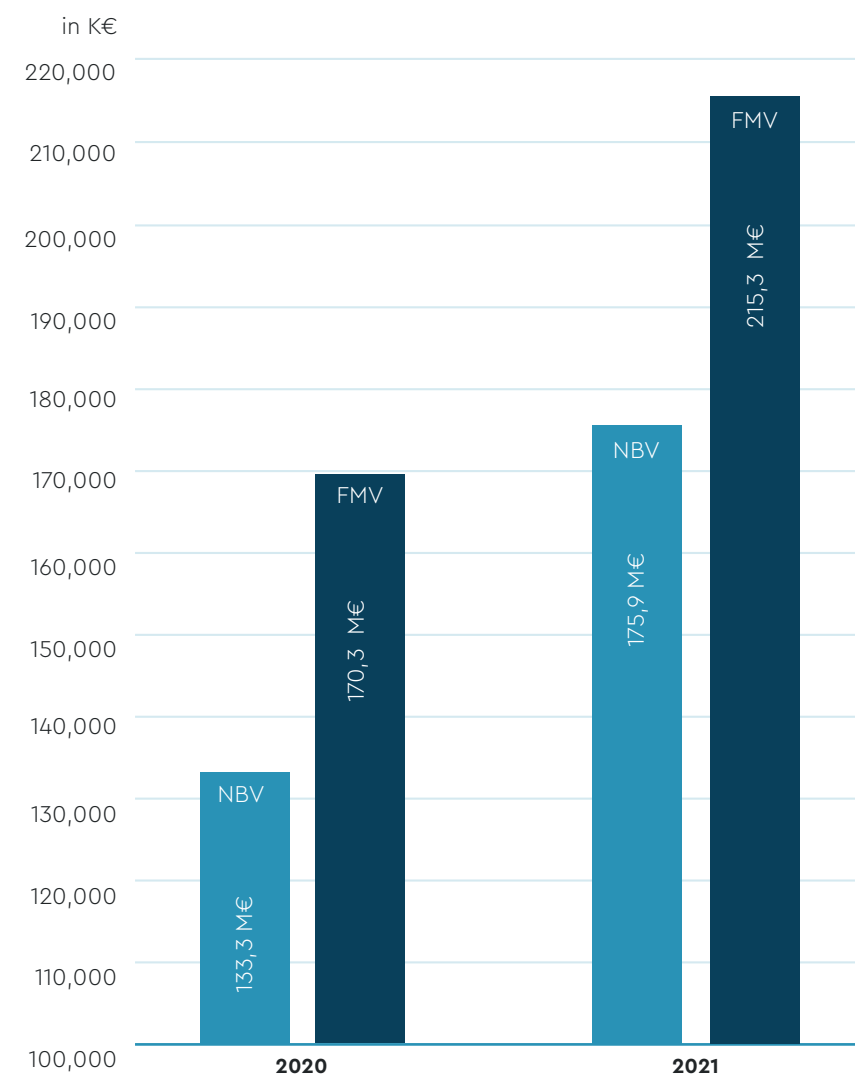
# FINANCING & LIQUIDITY

### CURRENT INVESTMENTS AND VALUE ADDED FOR SHAREHOLDERS:

At closing of 2021, the company's portfolio has a NBV (Net Book Value) of 176 M€, and a FMV (Fair Market Value) of 215 M€ based on independent evaluation reports. Comparing these values to the closing of 2020, the NBV and FMV have increased by 32% and 26% respectively, due to new acquisitions.

### LEVERAGE:

The average leverage over the portfolio has increased from 47% in 2020 to 52% in 2021 of the portfolio's FMV. This 52% ratio is within which is considered a healthy ratio in the real estate sector (up to 60%).



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NOTES

## NOTES

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Avenida Diagonal 467, 4º2b

08036 Barcelona

