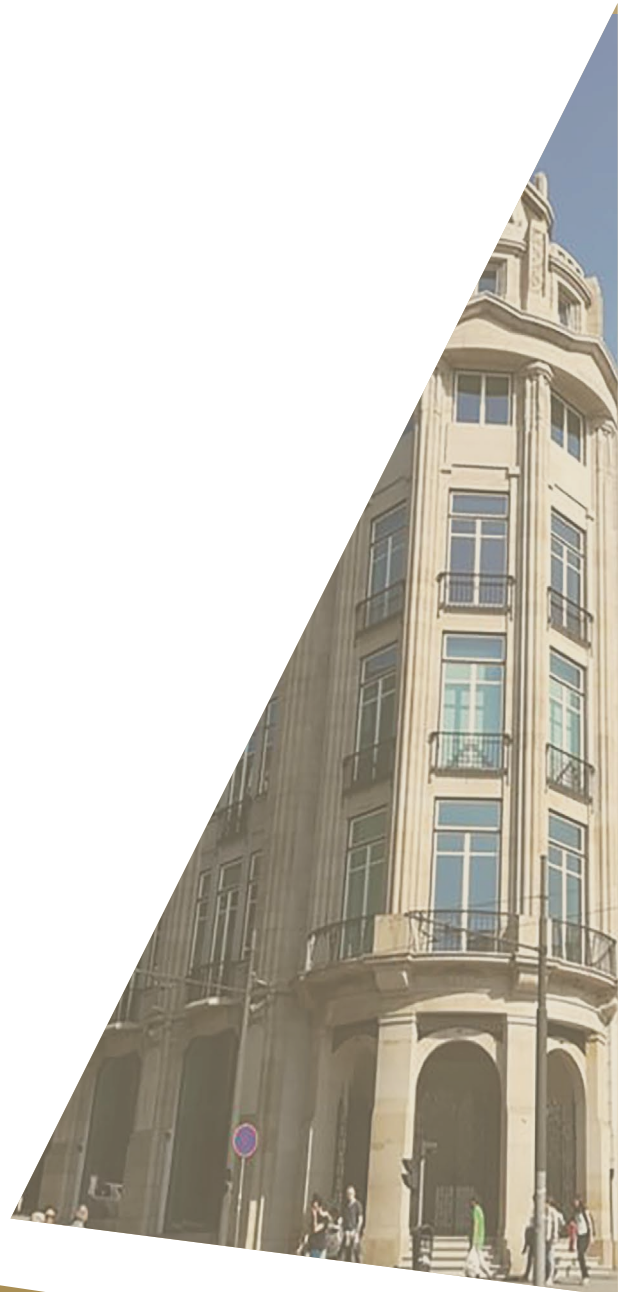
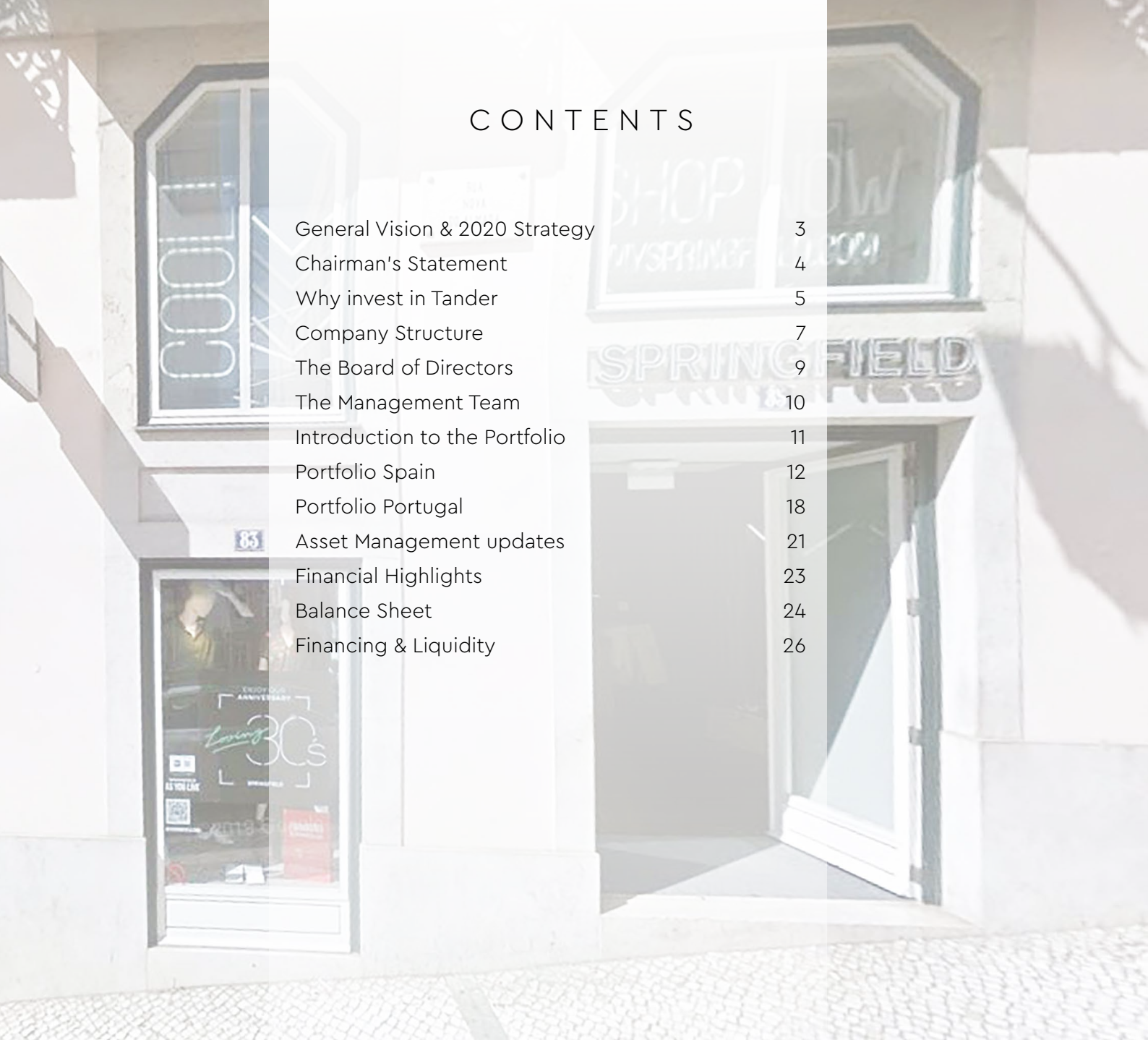


ANNUAL REPORT

2019





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GENERAL VISION & 2020 STRATEGY

Our Retail High Streets and their coexistence with an influential e-commerce

For several years now, debates on the influence of e-commerce in the traditional retail market, remain ongoing. To this date, nobody seems to be able to predict what the real impact of it may translate to, even though there is a clear consensus by experts, that both eco systems certainly nourish and complement one another.

Another reality we are witnessing in recent years, is that less consolidated destinations are more sensitive to the evolution of the online market, while retailers still heavily demand prime and High Street locations. This demand not only remains active in High Streets, but also seeks to grow in total selling areas, in order to expand its product offering as well as provide other services for an enhanced physical shopping experience. Furthermore, the arrival of various companies, which traditionally were located on the cities peripheries, such as car dealers, sports outlets, furniture and hardware stores, is another significant change we are observing on High Streets in recent years. These developments create a very positive impact on the footfall generated by new flagship stores, which existing brands in these sectors are able to benefit from greatly.

Retail High Streets are also witnessing a growing presence of new brands whose original sales channel started exclusively online. After their consolidation as a brand, several companies have made the leap to a physical store. This confirms that eventually, e-commerce stores require a physical space on High Streets to complement their existing online offerings.

All of the aforementioned observations strongly reinforce and confirm our strategy to invest in the most consolidated arteries of a city that we believe has the potential to meet the future retailer's needs and demands.

Our awareness and understanding of all these factors enable the Tander management to continue making sound decisions when assessing the value and versatility of future acquisitions.



CHAIRMAN'S STATEMENT

As anticipated in our last annual report, this year we explored investment opportunities in nearby countries. The year 2019 has been the one in which our geographic expansion has taken a very significant leap by consolidating our presence in Portugal.

The purchase of five retail high street assets located in Porto and Lisbon has enabled Tander to invest over 20M euros in this new country. Remaining faithful to our objectives and investments strategies, the newly acquired properties are located in the best retail streets of both cities.

Not only do they represent a very significant increase of around 14% in the annual turnover for 2020, but this expansion has also allowed us to implement the necessary operational structure to undertake future acquisitions in Portugal. With the addition of these new assets, our portfolio has grown by 2,205m² in leasable area, representing a 33% increase.

The financial results of 2019 at group level, including both our Spanish and Portuguese operations, also show very positive figures. Tander's gross rental income has increased by 13.47% while our EBITDA has grown by 11.28%. The company's portfolio occupancy is at 98%.

Tander Socimi's net profit, before exceptional expenses, has also had a very significant improvement of 12.99%, resulting in an earnings per share of 39.25 cents in 2019 versus 34.75 cents in 2018. The Net Asset Value in 2019 has meanwhile also increased by 6.12%,



The increase in remuneration to our shareholders has also had a very significant increase of 38.03%, compared to the previous year

representing a NAV per share of 11.11€. Finally, the amount of distributed dividends was raised by 38.10%, reaching 31.65 cents in 2019 compared to 22.93 cents in 2018.

Our management teams' knowledge and expertise of the retail market has enabled Tander to grow in Portugal. Our team is very aware and sensitive to all the headwinds that can potentially affect the retail market. In addition, the overwhelming demand for high quality assets translates to a very competitive market, resulting in highly compressed yields.


Consequently, our team is thoroughly analyzing all investment opportunities on a constant basis, while simulta-

neously seeking advice from our professional network to identify unique assets, fitting our investment profile.

We strongly believe that our strategy of positioning our acquisitions in the main arteries of the most sought-after touristic cities in Europe, along with the high quality tenancy, give us that certain edge, which makes Tander stand out as a unique and highly specialized prime retail SOCIMI.

In 2020, we will continue to strive in the same direction, delivering both yields and quality assets to our shareholders. Our main milestones for the coming year is to continue to implement our investment strategy in other countries of Europe.

Our purpose and objective are to internationalize and replicate quality, location as well as the stability of the original Spanish portfolio, in other countries.


Antoine Chawky, CEO



WHY INVEST?

Director Expertise
+25 years
of experience
in the sector

**Guaranteed
profitability**
Cash flow visibility

**Security
against inflation**
Contracts with CPI
review

**Shareholder
protection**
Semi annual audit

Reliability
Very stable
High Street market

Low Risk
Prime assets with
long-term lease

**In-house
management**
Direct
engagement with
market and tenants

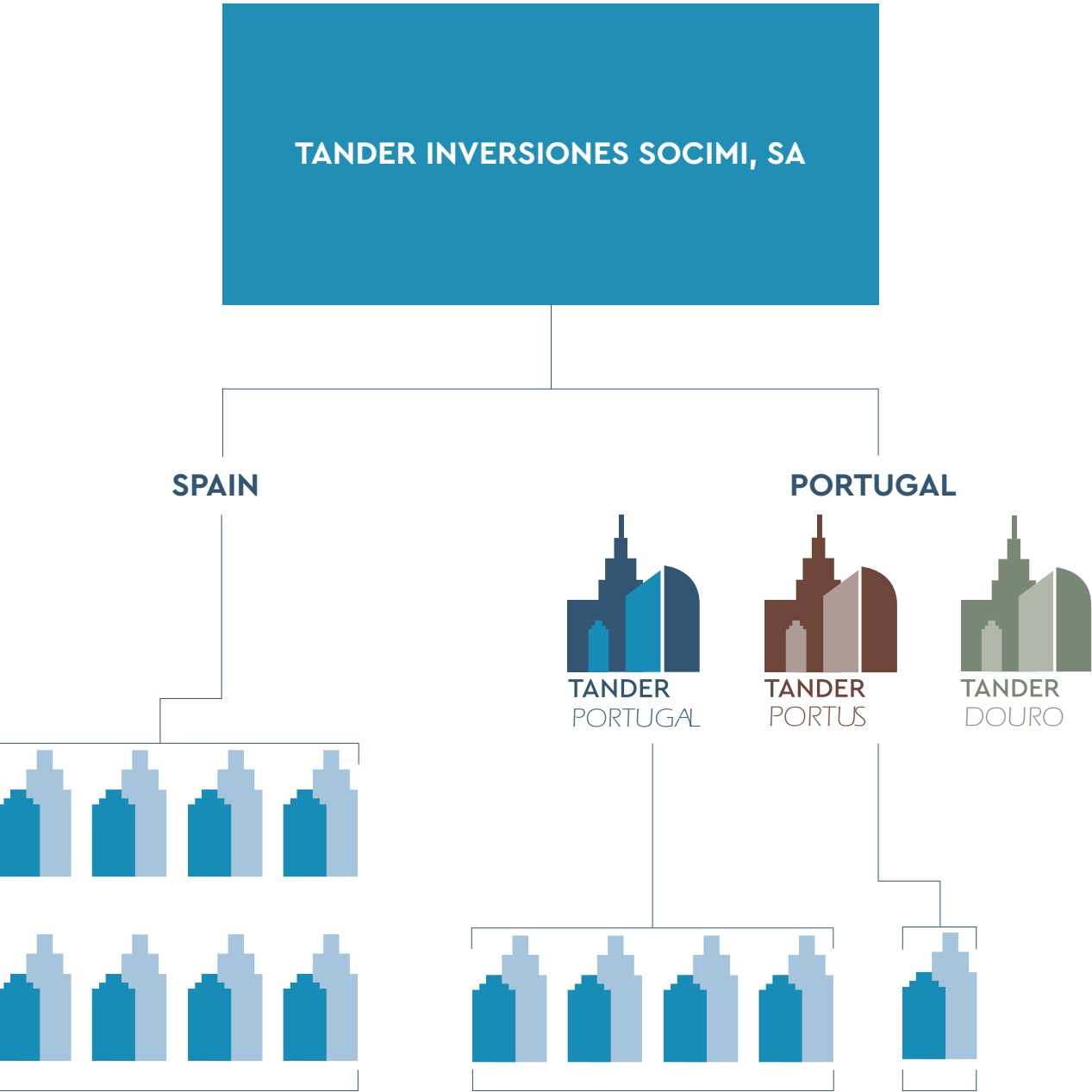
Stability
Prime locations
maintain high demands
throughout negative
cycles

Dividend distribution
Guaranteed
min. 80%
of Net Profits

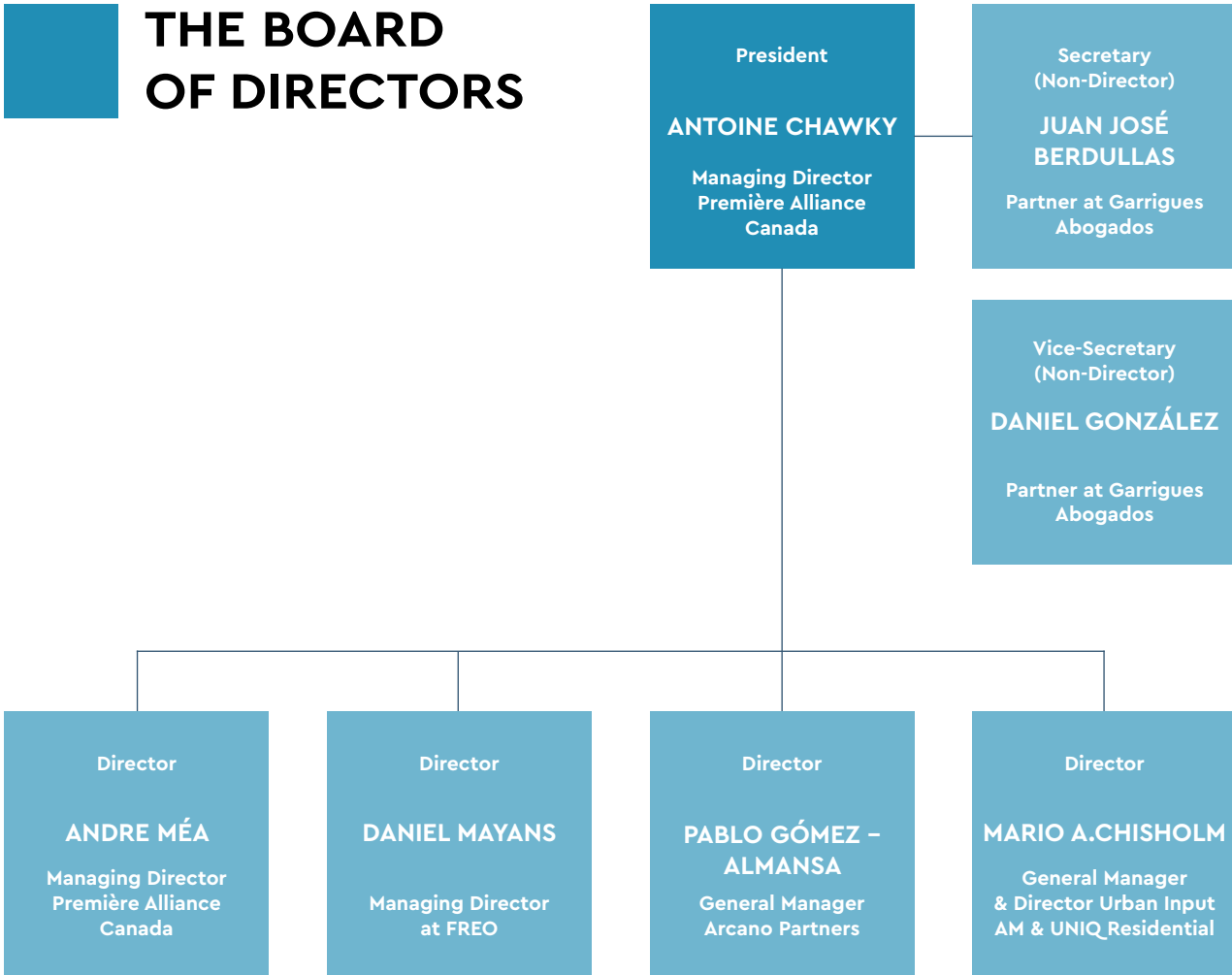
Attractive taxation
Tax regime
for SOCIMIS (REIT)



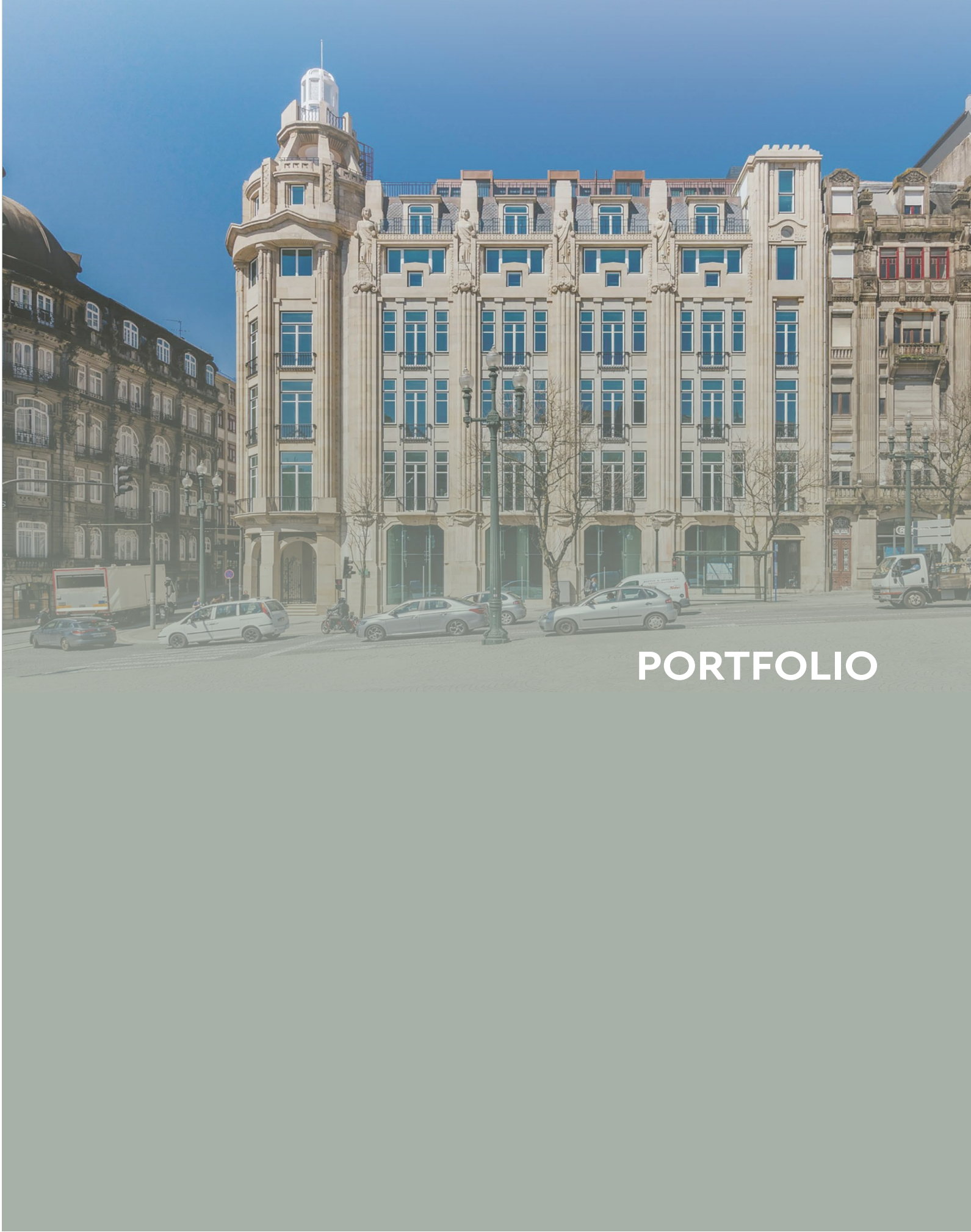
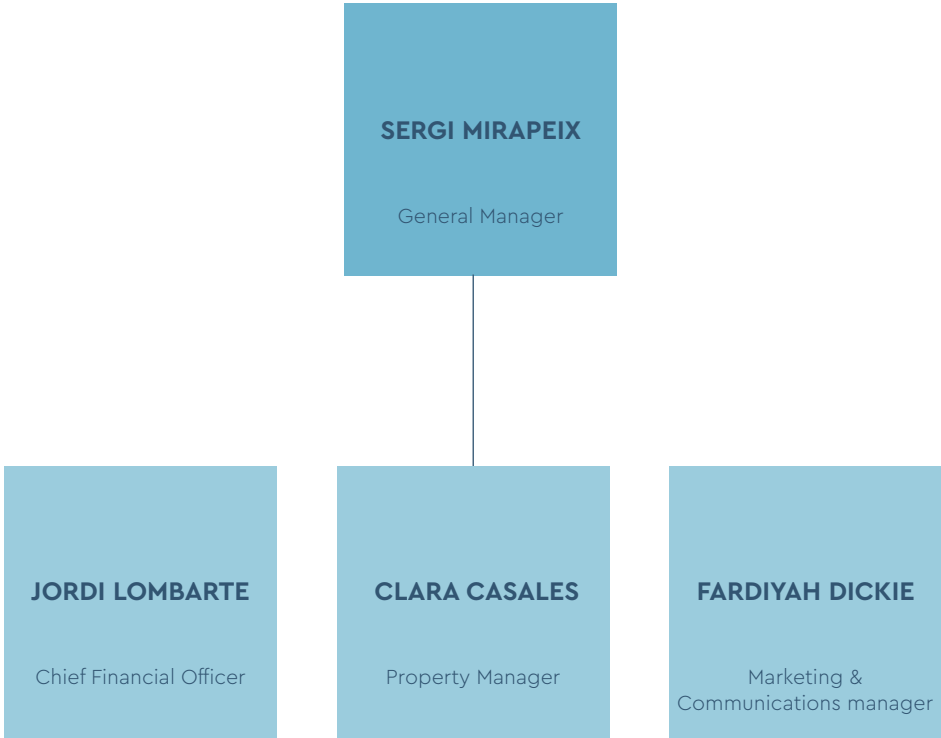
COMPANY STRUCTURE



THE BOARD OF DIRECTORS



THE TEAM



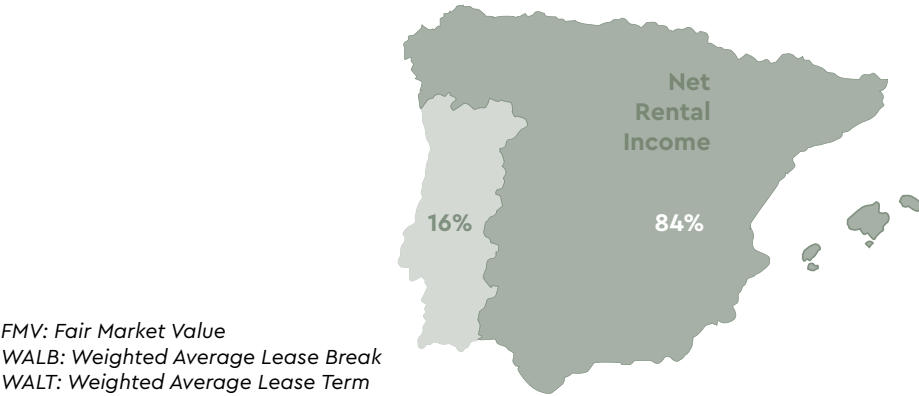
PORTFOLIO

PORTFOLIO



THE GROUP

(in M €)	2018	2019
Net Rental Income	3.7	4.2
FMV	99.4	122.5
WALB (yrs)	8.2	6.9
WALT (yrs)	16.6	14.8
Occupancy (%)	99%	98%
Total Area (m²)	6,590	8,795



(in M €)	2018	2019
Net Rental Income	3.7	4.0
FMV	99.4	100.7
WALB (yrs)	8.2	7.0
WALT (yrs)	16.6	15.4
Total Area (m²)	6,590	6,590



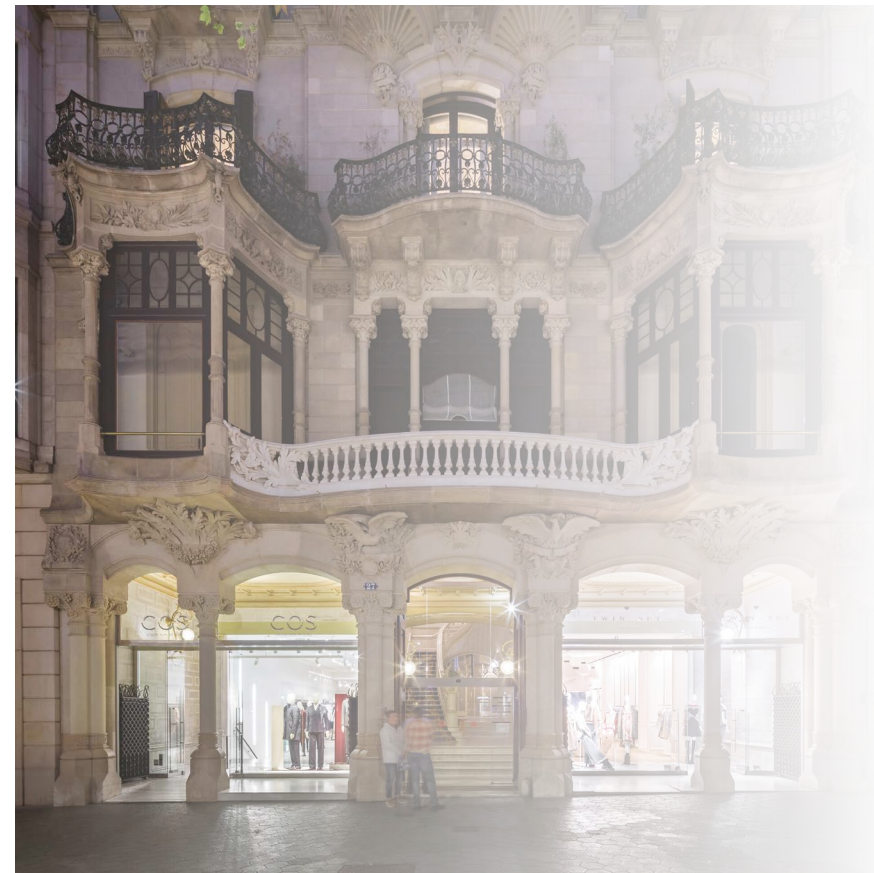
Carrer de Casp 6-20
Barcelona

3,457 m²



Passeig de Gràcia 27
Barcelona

792 m²



Via Laietana 47
Barcelona

1,100 m²



Passeig de Gràcia 15
Barcelona

527 m²



Travessera
de Gràcia 171
Barcelona

156 m²



Gran Vía 6
Bilbao

257 m²

Calvo Sotelo 14
Santander

212 m²



Arrasate 27
San Sebastián

89 m²



(in M €)	2018	2019
Net Rental Income	-	0.2
FMV	-	21.8
WALB (yrs)	-	6.4
WALT (yrs)	-	12.8
Total Area (m ²)	-	2,205



Av. dos Aliados 107
Porto

Unit 1: 456m²
Unit 2: 409m²
Unit 3: 465m²
Unit 4: 390m²

Total: 1,719 m²

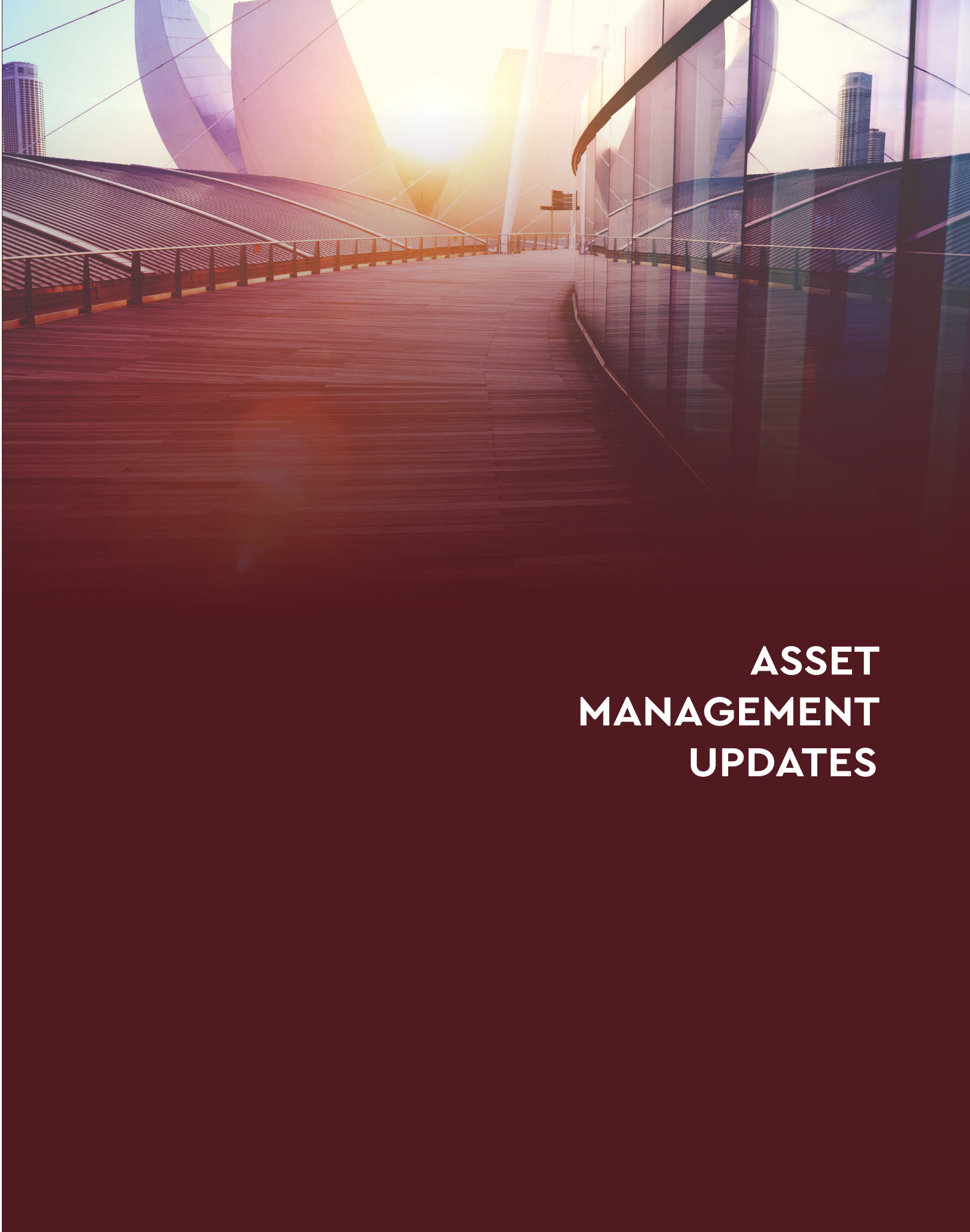


R. Nova do Almada 85
Lisboa

486 m²



ASSET MANAGEMENT UPDATES



ASSET
MANAGEMENT UPDATES

New acquisitions



Av. dos Aliados 107, Porto
Signed: August 8th 2019



R.Nova do Almada 85, Lisbon
Signed: October 30th 2019

Total investment
volume:
19.1 M€

New leases

HAWKERS

Arrasate 27 – San Sebastián
Opening: July 2019

TOD’S

Av. dos Aliados 107 – Porto
Opening: December 2019



Av.dos Aliados 107 – Porto
Opening: December 2019

BURBERRY

Av. dos Aliados 107 – Porto
Opening: March 2020

FINANCIALS

THE GROUP HIGHLIGHTS

(in M €)	2018	2019
Net Rental Income	3.7	4.2
NBV	68.1	88.1
NAV	54.6	57.9
Net profit adjusted*	1.8	2.0
Net profit	1.3	2.4

NBV: Net Book Value
NAV: Net Asset Value
*Excluding exceptional expenses booked in 2018 (484K€)

CONSOLIDATED GROUP FINANCIALS

BALANCE SHEET

Assets

(in K €)	2018*	2019
Non-current assets	68,747	89,068
Equipment & intangible assets	15	12
Real Estate Assets ^[1]	68,121	88,063
Other Non-current assets	611	630
Deferred taxes ^[2]		363
Current assets	5,522	1,047
Trade and other receivables	223	220
Cash & bank accounts	5,299	827
TOTAL ASSETS	74,269	90,115

^[1] 5 new assets, acquired in Portugal, were incorporated in 2019.

^[2] Deferred taxes generated in the affiliated Portuguese companies during 2019.

*In 2018, all operations were based 100% in Spain

Equity & Liabilities

(in K €)	2018*	2019
Net equity	25,120	26,032
Share capital	5,242	5,242
Share premium	18,688	18,688
Reserves	744	876
(Treasury shares)	(296)	(269)
Annual Profit & Loss	1,327	2,350
Dividend paid in advance	(585)	(855)
Non-current liabilities	48,671	63,449
Financial debt ^[3]	49,300	52,513
Other non-current liabilities	(629)	(364)
Related parties financial debt ^[3]	-	11,300
Current liabilities	478	634
Trade & other payables	478	634
TOTAL NET EQUITY & LIABILITIES	74,269	90,115

^[3] Increased financing for the acquisition of Portuguese assets in 2019

CONSOLIDATED GROUP FINANCIALS

PROFIT & LOSS

(in K €)	2018*	2019
Net rental income	3,739	4,243
Other net income	153	131
Overheads & admin. exp.	(575)	(683)
EBITDA ^[1]	3,317	3,691
Amortization	(511)	(638)
EBIT ^[2]	2,806	3,053
Net financial expense	(995)	(1066)
EBT ^[3]	1,811	1,987
Exceptional expenses ^[4]	(484)	0
Tax ^[5]	0	363
NET PROFIT	1,327	2,350

^[1] Earnings Before Interest Tax Depreciation Amortization and Exceptional items

^[2] Earnings Before Interest Tax and Exceptional items

^[3] Earnings Before Tax and Exceptional items

^[4] Exceptional expense due to the one-time cancellation of the initial expense of the old financing which was pending to amortize.

^[5] Deferred taxes generated in the affiliated Portuguese companies during 2019.

*In 2018, all operations were based 100% in Spain

GROUP FINANCIALS

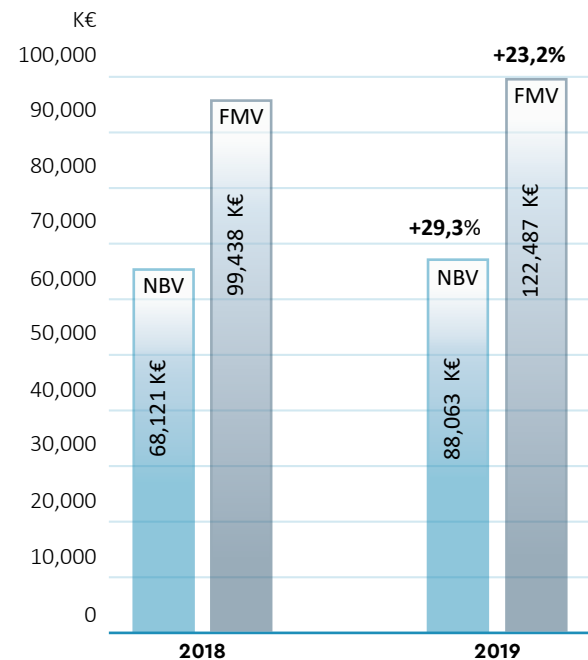
FINANCING & LIQUIDITY

CURRENT INVESTMENTS AND VALUE ADDED FOR SHAREHOLDERS:

At closing of 2019, the company's portfolio has a NBV (Net Book Value) of 88,063 K€, and a FMV (Fair Market Value) of 122,487 K€ based on an independent evaluation report. Comparing these values to the closing of 2018, the NBV and FMV have increased by 29,3% and 23,2% respectively, due to a new acquisition.

LEVERAGE:

The average leverage over the portfolio has increased from 49.6% in 2018 to 52.1% in 2019 of the portfolio's FMV. This 52.1% ratio is within which is considered a healthy ratio in the real estate sector (up to 60%).



TANDER SOCIMI

	2018	2019
Total number of shares	5,242,105	5,242,105
Share nominal value (€/share)	1	1
Annual Net Profit (€)	1,327,518	2,046,246

Dividend Distribution

Legal reserve provision (€)	132,752	204,625
Other reserves provision (€)	-	191,621
Dividend Distribution (€)	1,194,766	1,650,000
<i>Dividend paid in advance within each corresponding year</i>	<i>585,000</i>	<i>855,000</i>
<i>Outstanding dividend</i>	<i>609,766</i> ^[1]	<i>795,000</i> ^[2]
Dividend distributable/share (cent €)	22,93	31,65

^[1] Dividend paid in June 2019

^[2] Dividend pending to be paid in 2020

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