

ANNUAL REPORT







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GENERAL VISION & 2020 STRATEGY

The effect of the pandemic caused by COVID-19 halfway through the first quarter of 2020, has been unexpected to say the least and has had a significant impact in the world's economy. Some of the most affected sectors have been gastronomy, retail and tourism because of restrictions on mobility and the successive mandatory closures that governments have had to put in place through different measures, depending on the intensity of each wave.

During the year, governmental authorities, in an effort to contain the pandemic, were forced to shut down many sectors of the economy. Consequently, landlords to retain their tenants and avoid permanent foreclosures, had no alternative but to put in place certain measures and offer some kind of financial relief to help tenants overcome the burden of these shutdowns and mitigate the effect on their revenues caused by the pandemic.

As a result of these measures, what will the medium and long-term impact on rents of commercial premises located on high streets be, once commercial activity returns to normal? In today's world of the retail industry, we all ask ourselves this big question.

It is still very premature to make forecasts in this regard, but a first observation is that there seems to be a general consensus that changes are occurring and are forcing both tenants and landlord to adapt to a new reality. Online shopping is an option but, in our opinion, it will never replace the shopping experience in a high street retail premise but rather complements the physical premises.

Another element on which there also seems to be a consensus in the world of retail high street, is a concept mostly found in shopping centers and which is starting to merge in the negotiation of new leases. This new variable is the inclusion of a percentage rent as part of the lease agreements in the main commercial hubs of big cities. This represents a paradigm shift in the sector since this rental scheme is in fact creating some kind of partnership and enhancing the relationships between landlords and tenants.

We have also noticed that the pandemic has forced many of the large fashion companies to reduce the number of stores by closing secondary locations in order to consolidate their presence in prime locations. Notwithstanding the foregoing, our vision is that the best-located commercial assets will now more than ever, continue to have a competitive advantage over secondary locations and therefore will be in a better position to negotiate better terms in lease contracts.

Again, even though the pandemic has been very hard to overcome it has been proven that Tander's solid and well-diversified portfolio and the strategy to continue to invest in the most prominent and consolidated arteries of main cities is the key to defend against unprecedented and unexpected events.



CEO STATEMENT

The year 2020 has been one we will never forget. Covid-19 has affected everyone world-wide in different ways, the biggest impact was obviously the loss of loved ones.

The entire economic sector was also greatly affected and impacted in different ways for many years to come. Tander was not spared, we worked hard on mitigating financial losses while helping our tenants to overcome the burden of the lockdowns. Our team was constantly in communication with all our tenants and granted them financial relief when needed. We were faced with governmental decisions that had a direct impact on rents, and more so with laws that gave specific guidelines as to the monetary relief for commercial tenants.

Fortunately, our diverse portfolio as well as long term investment strategy, which has always been to acquire assets in the best arteries of major cities, have undoubtedly proven to be the key in helping Tander perform as well as we did in 2020.

In 2020, Tander has continued its geographical expansion and acquired more prime retail assets in major cities. We entered the Italian market by acquiring a property in Rome and consolidated our presence in Lisbon with 9 more units. The newly acquired properties are in the best retail streets of both cities and reach a total gross investment volume of 46 million euros.

These acquisitions represent a very significant increase of around 70.3% in the gross rental income, on an annualized



The pandemic has taught us to be prepared for the unexpected and with this perspective, we believe that changes will take place in the retail sector.

basis, compared to 2019. With the addition of these new assets, our consolidated portfolio has grown by 38% and Tander now has a total leasable area of 12,165 square meters. Despite the many uncertainties imposed by COVID-19, the shareholders have shown great trust and optimism in the companies strategy by funding a capital increase of 32 million euros, which ultimately enabled the acquisition of these assets and resulted in a net equity increase of 127% compared to 2019.

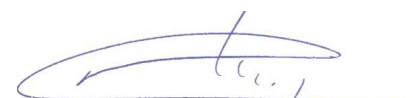
The financial results of 2020 at group level include our Spanish, Portuguese and Italian operations. Overall and despite the challenging times we have been facing, our consolidated EBITDA has increased by 7% compared to 2019. We also maintained an occupancy of 97%. Our funds from operations had a slight decrease of 1.4% but we consider this result exceptional in a year where we had to overcome the

consequence of the pandemic. As a result of all these positive factors our Net Asset Value per share at the end of 2020 was 11.82€, an increase of 6.4% compared to 2019.

The pandemic has taught us to be prepared for the unexpected and with this perspective, we believe that changes will take place in the retail sector. As discussed in the 'General Vision' section, we are actually seeing changes in the ways leases are being negotiated and our management team's knowledge of the retail market will enable Tander to quickly adapt. Our team is very aware of the new parameters that will affect landlords and tenants and is confident that the quality of our assets gives Tander an unequivocal advantage to face any market turmoil.

We strongly believe that the worst of the pandemic is behind us, and as such all sectors of the economy will ultimately reopen and trigger the footfall that will enable our tenants to fully benefit from the prime location they occupy.

In 2021, we will continue to implement our investment strategy and strive towards acquiring the best assets available in the market and we are confident that we will deliver better results and yields to our shareholders while maintaining the portfolio stability and performance. Tander has slowly but surely attained a recognition and reputation to be one of the best Socimis in prime retail and in 2021 we want to continue to solidify such reputation.


Antoine Chawky, CEO

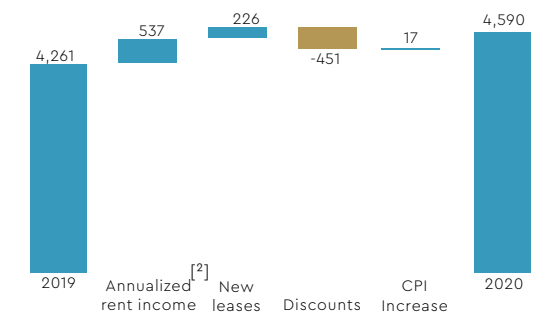
COMPANY PERFORMANCE

CONSOLIDATED PERFORMANCE 2020 vs. 2019

	2019	2020
+7,7 % Gross rental income	4.261	4.589
+7,2 % EBITDA	3.691	3.956
+28,5 % Financial expenses	(1.066)	(1.370)
- 1,5 % FFO ^[1]	2.625	2.586

in € cents p.share	2019	2020
+6,4% NAV per share	11,11	11,82

Gross Rental Income evolution in thousand €



[1] FFO – Funds from operations = EBITDA minus interest paid

[2] The Annualized rent income corresponds to the assets, which were purchased during 2019, and therefore only started generating a full annual rent in 2020.

TANDER SOCIMI

	2019	2020
Total number of shares	5,242,105	7,875,437
Total nr. of shares with dividend rights	5,213,783	7,848,923
Treasury stock	28,322	26,514
Share nominal value (€/share)	1	1
Annual Net Profit (€)	2,046,246	1,881,346

Dividend Distribution

Legal reserve provision (€)	204,625	188,135
Other reserves provision (€)	191,621	338,611
Dividend Distribution (€)	1,650,000	1,354,600
Dividend paid in advance within each corresponding year	855,000	
Outstanding dividend	795,000 ^[1]	1,354,600 ^[2]
Dividend distributable/share (cent €)	31.65	17.26 ^[3]
Earning per share ^[4]	39.25	23.97

[1] Dividend paid in June 2020

[2] Dividend pending to be paid in 2021

[3] In a like for like scenario of the same number of shares, the distributable dividend per share would be 25,98 (cent €)

[4] Annual net profit divided by total number of shares

WHY INVEST?

Director Expertise

+25 years of experience in the sector

Guaranteed profitability

Cash flow visibility

Security against inflation

Contracts with CPI review

Low Risk

Prime assets with long-term lease

In-house management

Direct engagement with market and tenants

Stability

Prime locations maintain high demand throughout negative cycles

Dividend distribution

Guaranteed min. 80% of Net Profits

Reliability

Very stable High Street market

Shareholder protection

Semi annual audit

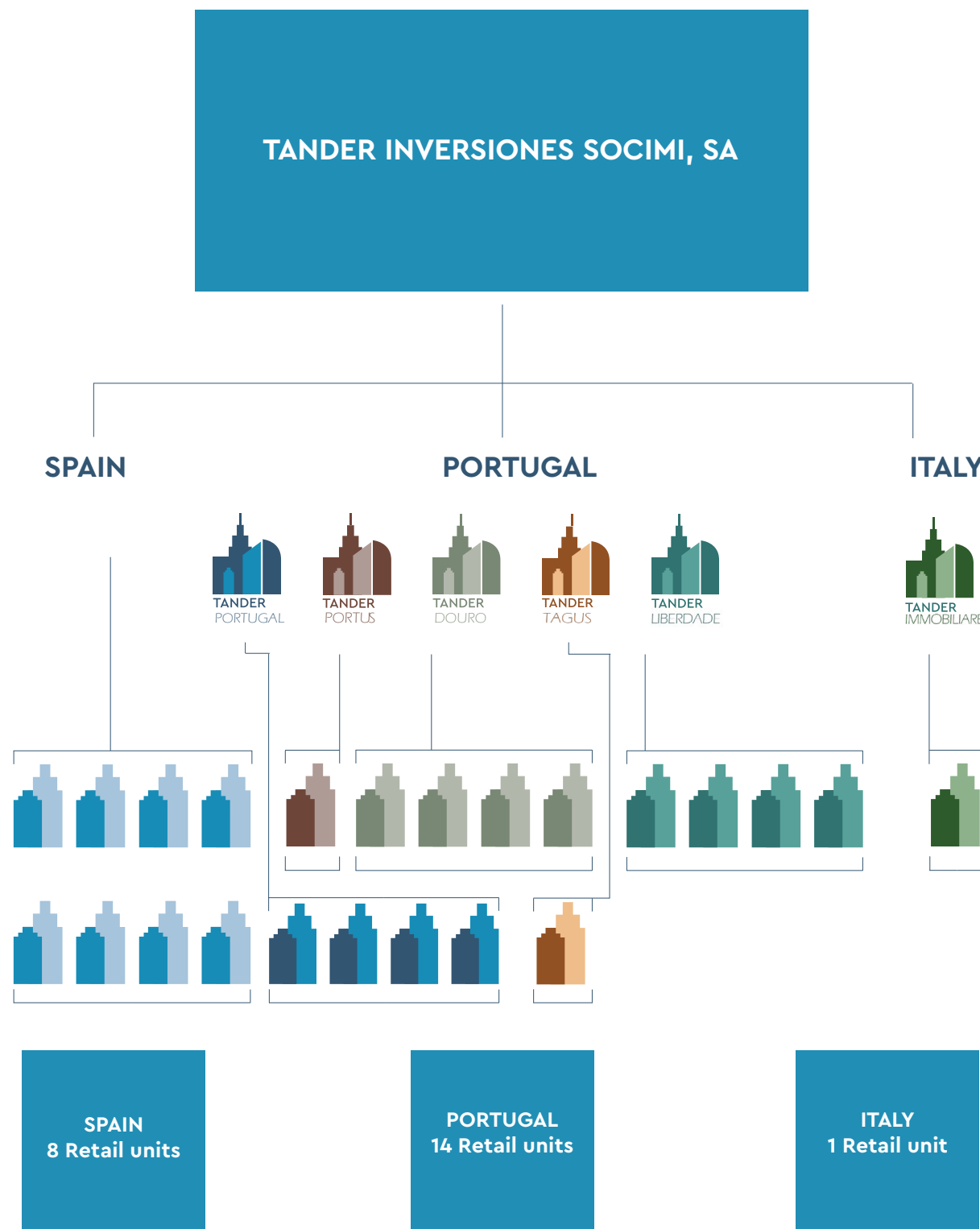
Attractive taxation

Tax regime for SOCIMIS (REIT)

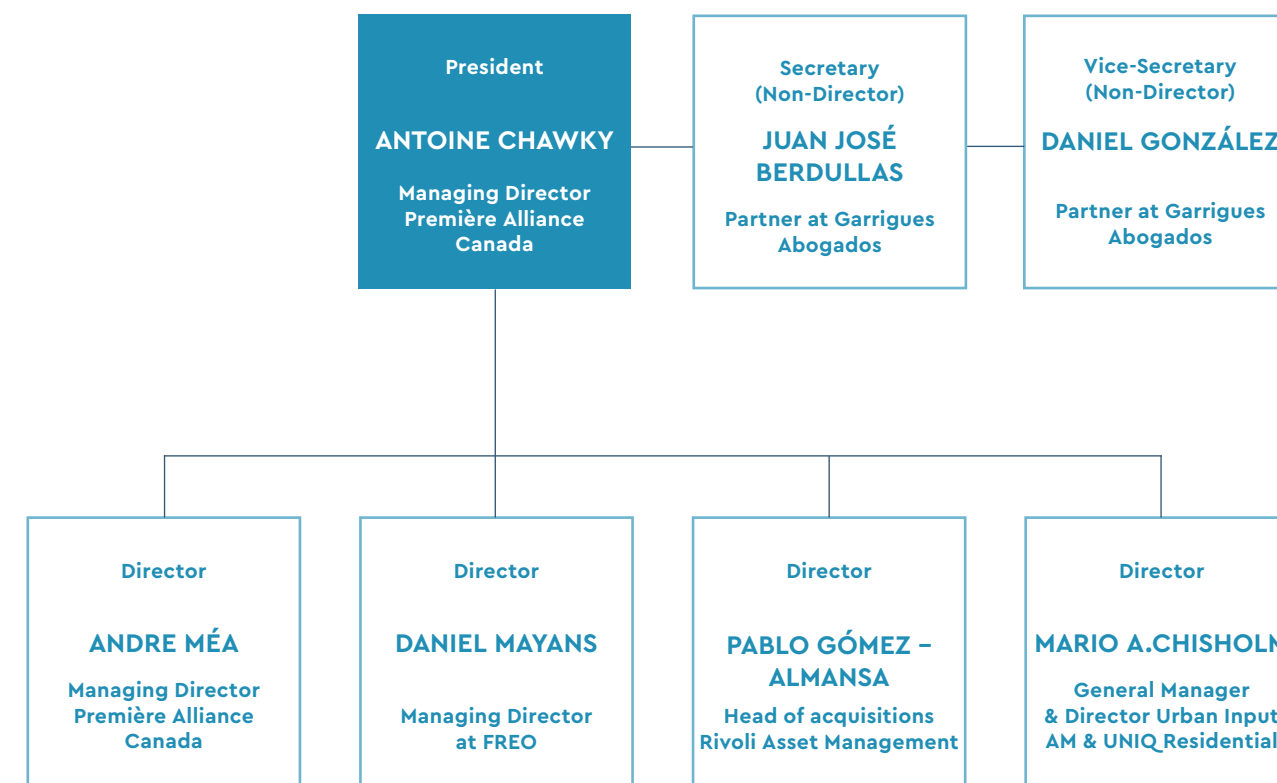


COMPANY STRUCTURE

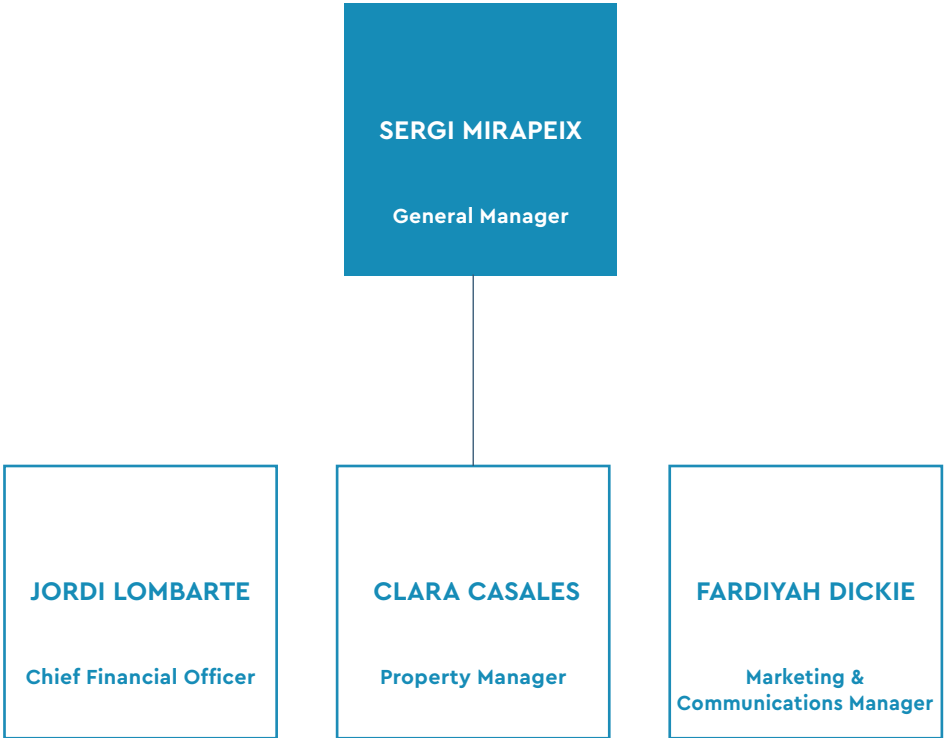




THE BOARD OF DIRECTORS



THE TEAM



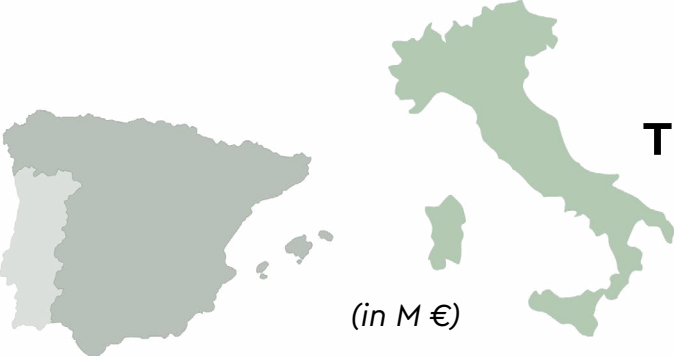
PORTFOLIO



PORTFOLIO



(in M €)	2019	2020
Net Rental Income	4.0	3.7
FMV	100.7	100.5
WALB (yrs)	7.0	5.6
WALT (yrs)	15.4	14.4
Total Area (m²)	6,590	6,590



THE GROUP

(in M €)	2019	2020
Net Rental Income	4.2	4.5
FMV	122.5	170.3
WALB (yrs)	6.9	5.4
WALT (yrs)	14.8	12.3
Occupancy	98%	97%
Total Area (m²)	8,795	12,165

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



Carrer de Casp 6-20
Barcelona

3,457 m²

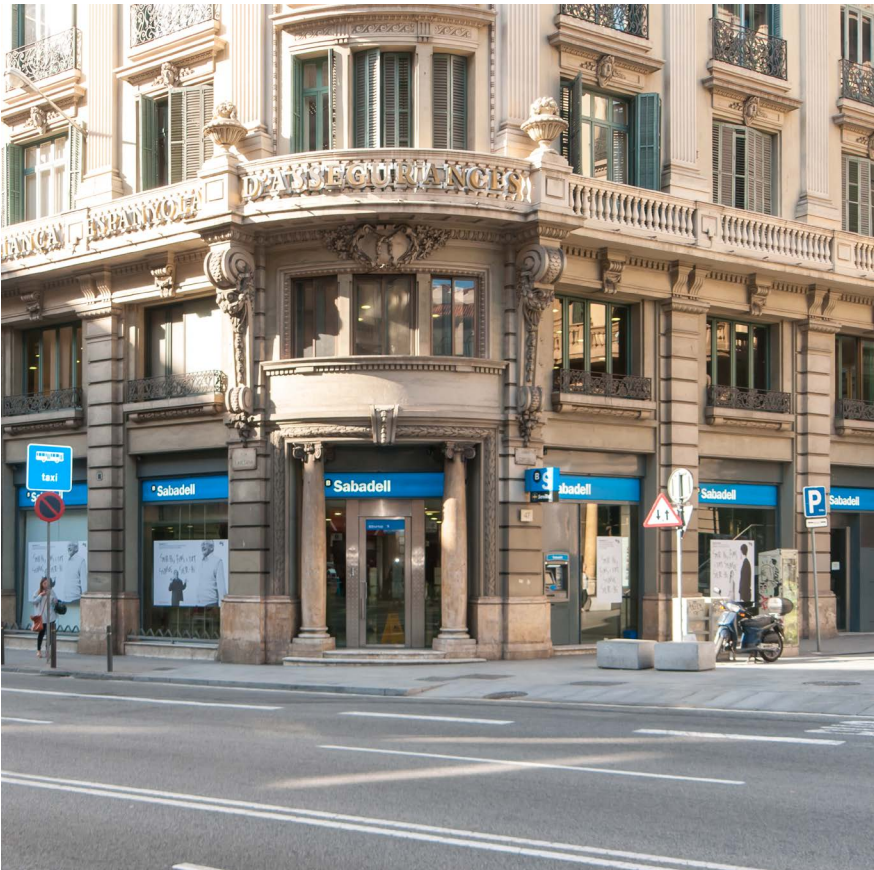


Passeig de Gràcia 27
Barcelona

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 €)	2019	2020
Net Rental Income	0.2	0.7
FMV	21.8	61.0
WALB (yrs)	6.4	5.2
WALT (yrs)	12.8	10.0
Total Area (m²)	2,205	5,293



Av. da Liberdade 203
Lisbon

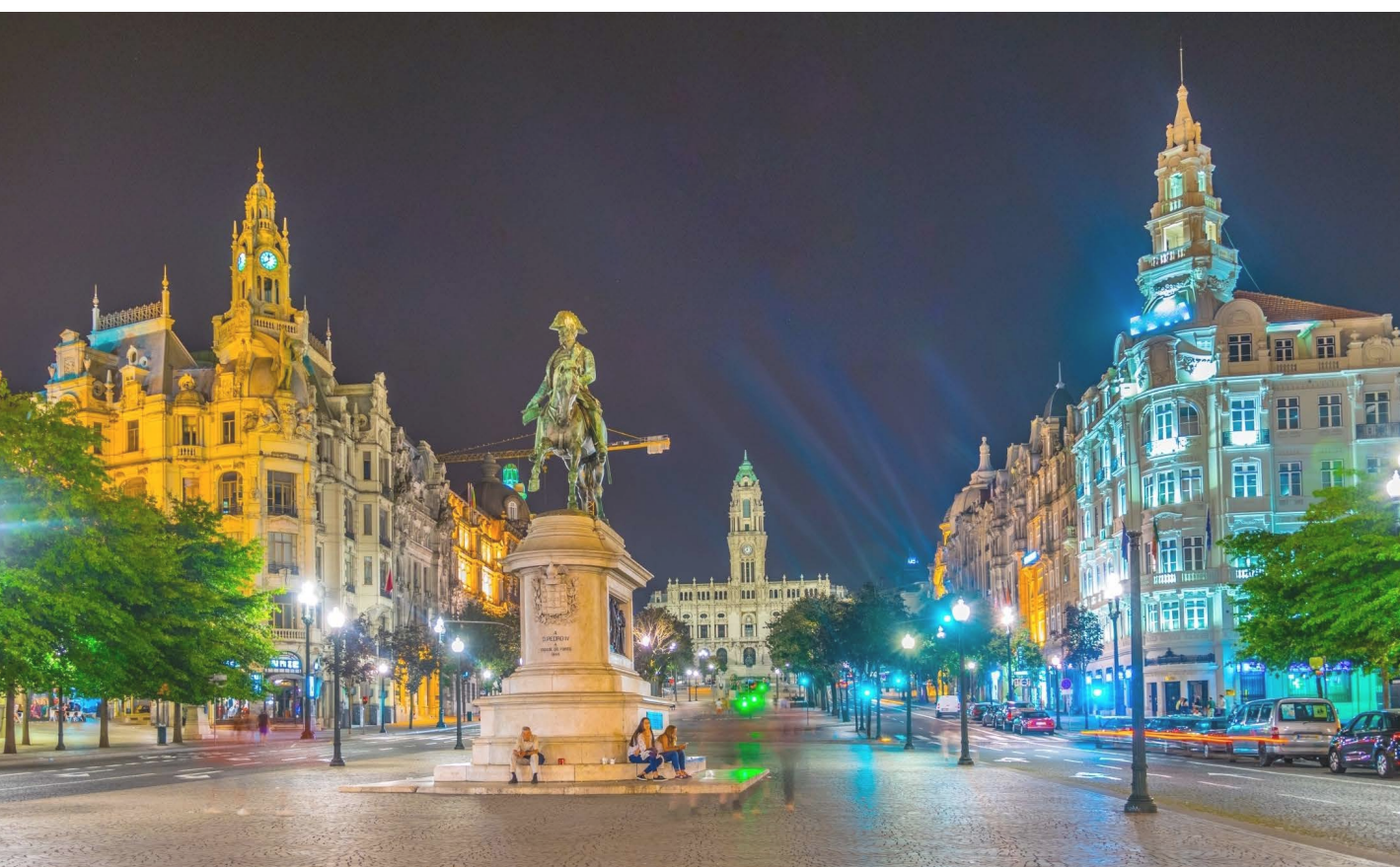
Unit 1	756 m²
Unit 2	400 m²
Unit 3	158 m²
Unit 4	265 m²
Unit 5	354 m²
Unit 6	341 m²
Unit 7	241 m²
Unit 8	283 m²
Unit 9	290 m²

Total: 3,088 m²



R. Nova d. Almada 85
Lisboa

486 m²



(in M €)	2019	2020
Net Rental Income	-	0.1
FMV	-	8.8
WALB (yrs)	-	4.0
WALT (yrs)	-	4.0
Total Area (m ²)	-	282

Av. dos Aliados 107
Porto

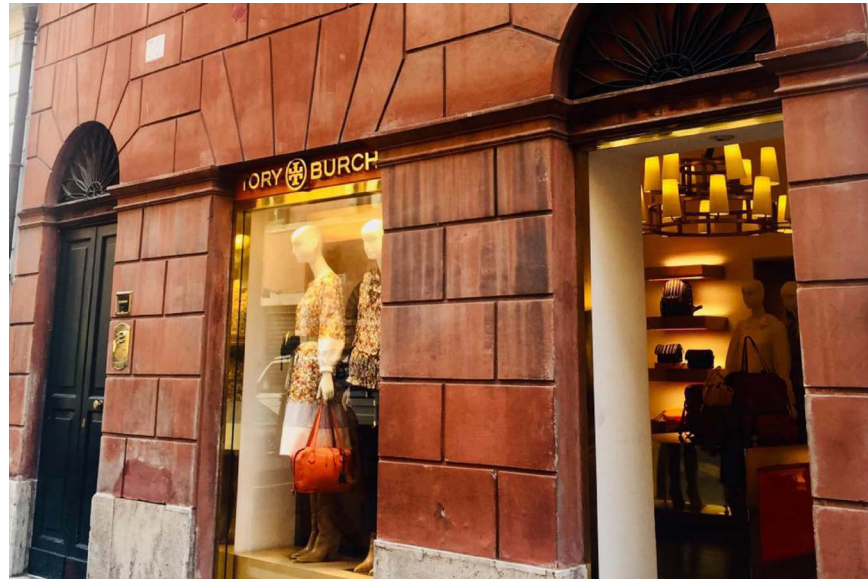
Unit 1: 456m²
Unit 2: 409m²
Unit 3: 465m²
Unit 4: 390m²

Total: 1,719 m²



Via del Babuino 37
Rome

282 m²



ASSET MANAGEMENT UPDATES

ASSET MANAGEMENT UPDATES

New acquisitions



Via del Babuino 36, Rome
Signed: June 26th 2020



Av. Liberdade 203, Lisbon
Signed: December 15th 2020

Total investment
volume:
46 M€

New tenants & leases

TORY BURCH
Tenant from
Via del Babuino 36, Rome

WINES BY HEART
Lisboa

LOEWE
Tenants from
Av. Liberdade 203, Lisbon

LÚCIA PILOTO
CABELEIREIROS

SUMO PUBLICIDADE

DSQUARED2



New lease in Arrasate 27,
San Sebastian

FINANCIALS

THE GROUP HIGHLIGHTS

(in M €)	2019	2020
Net Rental Income	4.2	4.5
NBV	88.1	133.3
NAV	57.9	92.7
Net profit	2.4	1.6

NBV: Net Book Value
NAV: Net Asset Value

CONSOLIDATED GROUP FINANCIALS

BALANCE SHEET

Assets

(in K €)	2019	2020
Non-current assets	89,068	134,363
Net value of other assets	12	9
Net value of Real Estate Assets ^[1]	88,063	133,345
Other Non-current assets	630	630
Deferred taxes ^[2]	363	379
Current assets	1,047	5,583
Trade and other receivables	220	738
Cash & bank accounts	827	4,845
TOTAL ASSETS	90,115	139,946

^[1] NBV of new acquisitions in Portugal (9 asset) and Italy (1 asset) were incorporated in 2020.

^[2] Accumulated deferred taxes generated in the affiliated Portuguese companies.

Equity & Liabilities

(in K €)	2019	2020
Net equity	26,032	58,444
Share capital	5,242	7,875
Share premium	18,688	47,654
Reserves	876	1,549
(Treasury shares)	(269)	(252)
Annual Profit & Loss	2,350	1,618
Dividend paid in advance	(855)	0
Non-current liabilities	63,449	79,422
Financial debt ^[3]	52,513	70,979
Financial debt – leasing	0	5,144
Related parties financial debt	11,300	3,800
Other non-current liabilities	(364)	(501)
Current liabilities	634	2,080
Financial short term debt	3	1,052
Current debts with group companies	76	192
Trade & other payables	555	836
TOTAL NET EQUITY & LIABILITIES	90,115	139,946

^[3] Increased bank financing due to new acquisitions carried out in 2020.

CONSOLIDATED GROUP FINANCIALS

PROFIT & LOSS

(in K €)	2019	2020
Net rental income	4,243	4,543
Other net income	131	168
Overheads & admin. exp.	(683)	(755)
EBITDA ^[1]	3,691	3,956
Amortization	(638)	(984)
EBIT ^[2]	3,053	2,972
Net financial expense	(1,066)	(1,370)
EBT ^[3]	1,987	1,602
Tax ^[4]	363	16
NET PROFIT	2,350	1,618

^[1] Earnings Before Interest Tax Depreciation and Amortization

^[2] Earnings Before Interest and Tax

^[3] Earnings Before Tax

^[4] Deferred taxes generated in the affiliated Portuguese companies.

GROUP FINANCIALS

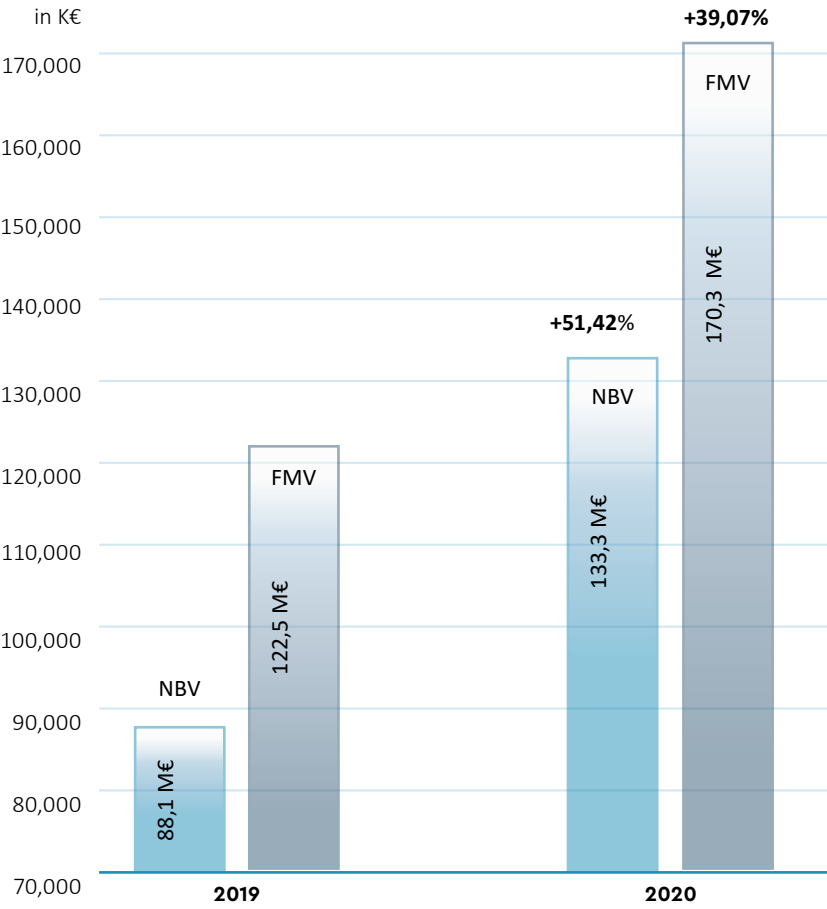
FINANCING & LIQUIDITY

CURRENT INVESTMENTS
AND VALUE ADDED FOR SHAREHOLDERS:

At closing of 2020, the company's portfolio has a NBV (Net Book Value) of 133,3 M€, and a FMV (Fair Market Value) of 70,3 M€ based on independent evaluation reports. Comparing these values to the closing of 2019, the NBV and FMV have increased by 51,42% and 39,07% respectively, due to new acquisitions.

LEVERAGE:

The average leverage over the portfolio has decreased from 52,1% in 2019 to 46,9% in 2020 of the portfolio's FMV. This 46,9% ratio is within which is considered a healthy ratio in the real estate sector (up to 60%).



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