

Barcelona (Spain), April 8, 2020

RELEVANT FACT

ADVERO PROPERTIES SOCIMI, S.A. (“ADVERO” or “the Company”), in compliance with the provisions of article 17 of Market Abuse Regulation (EU) No. 596/2014 and of article 228 of the Consolidated Text of the Spanish Securities Market Law, approved by means of Royal Legislative Decree 4/2015, of 23 of October, and concordant provisions, as well as in Circular 6/2018 of the Alternative Stock Exchange (Mercado Alternativo Bursatil) regarding information to be provided by socimis (Spanish real estate investment trusts) incorporated to negotiation in the MAB, hereby issues a preview of 2019 results and the effects of COVID-19 on the business.

Yours sincerely,

Mr. Pablo Corbera Elizalde
Representing RIUARAN, SL
Chairman of ADVERO PROPERTIES SOCIMI, SA

2019 results

REIT ADVERO PROPERTIES CLOSES A NEW YEAR WITH POSITIVE NET RESULT AND A RETURN ON INVESTMENT FOR ITS SHAREHOLDERS OF 36% SINCE THE COMPANY'S LISTING IN NOVEMBER.

- ADVERO closed 2019 with the addition of a sixth asset to its portfolio of residential rental properties, bringing the total investment to €11.1m since February 2018 for a portfolio valued in €17.9m (+61%).
- At end of 2019, ADVERO's net asset value (NAV) stood at €17.0m, representing €8.83/share¹ and a return of 36% compared to the initial share price at listing in November 2019.
- In order to adapt operating expenses to the Company's growth, as well as protect returns for investors, ADVERO outsources all of its services. Despite the Company's still small size, this allowed it to close 2019 with another year of positive net result and cash flow, thus guarantying the distribution of dividends.
- As of March 31, ADVERO had a cash position of €2.19m, which would allow it to face any significant adverse effect of COVID-19 or, eventually, continue to increase its asset portfolio.

Barcelona, April 8, 2020.- Spanish ADVERO Properties Socimi, S.A., the real estate investment trust established in August 2017 with the aim of facilitating the supply of quality rental housing in middle-income areas in Spain, closed 2019 with the incorporation of a sixth asset to its portfolio of residential rental properties, bringing the total investment size to 11.1 million euros since February 2018.

Value creation

The current asset portfolio consists of five buildings located in municipalities of influence in Barcelona (Rubí, Sabadell and Terrassa) and a building in the Tetuan neighbourhood of Madrid, totalling 93 apartments under management. **Savills Aguirre Newman S.A.U. valued these properties on December 31, 2019 for a total amount of 17.9 million euros (+61% compared to the acquisition cost).**

ADVERO financed these investments through three capital increases conducted in 2018 and 2019, and bank financing, net debt representing 14% of the total asset value, which is well below the 30% established as an upper threshold by the Company's Board of Directors.

The Company went public on the MAB on November 8, 2019 at a reference price of 6.50 euros, based on the last capital increase in June 2019. At date of writing, the Company's shares are trading at 8.20 euros, representing a revaluation of 26.15%, backed by the information that the Company has been disclosing to the market regarding the incorporation of new assets and the value creation following each acquisition.

Nonetheless, after incorporating the sixth asset at end of 2019, ADVERO's net asset value (NAV) stands at 17.0 million euros (8.83 euros per shareⁱ), which corresponds **to a return of 36% compared to the initial reference price** and a year-on-year rate of return (IRR) of 151%.

As of March 31, ADVERO had a treasury position of 2.19 million euros to undertake new acquisitions in the short term. It should be noted that ADVERO's current value does not reflect the potential value generation following the investment of the available financial resources.

In the five months since its listing on the MAB, ADVERO has traded a total of 60,035 shares, for a total amount of 450,000 euros. This represents 3.7% of the outstanding shares and would represent 9.1% of the share capital in the entire year.

The Company's achievements to date have led its Board of Directors to conclude the initial "proof of concept" stage and start working on a new stage of growth, the financing of which will continue to include a combination of capital increases and bank debt, the latter within the parameters of aforementioned limits.

Income statementⁱⁱ

Due to its still small size, ADVERO articulates its management structure by outsourcing all services to external firms based in Spain, with a solid track record and commitment to ADVERO. These firms are led by London-based Adequita Capital Ltd., ADVERO's promoter and management company. This endows ADVERO with a flexible and adaptable management structure to its growth, thereby protecting the return on investment for its shareholders.

The Company closed 2019 with total revenues of 489 thousand euros (+682% compared to 2018), operating result of 88 thousand euros (+96%) and net result of 65 thousand euros (+44%).

The Company's results include the start of operations of various assets throughout 2018 and 2019, depending on whether they were acquired already under operations, empty, or in need of renovations prior to being commercialised. The latter is the case with the asset in the Tetuan neighbourhood (Madrid), which is currently undergoing renovation works and it is expected to be commercialised in the last quarter of 2020. Considering the portfolio assets at end of 2019, the Company's total revenue for a full year would be set at 750 thousand euros.

Since its inception, ADVERO has maintained a sustained occupancy ratio of 99% of its total assets in operation, with all tenants being up to date with payments except one.

Table 1. Profit and Loss Account 2018-2019

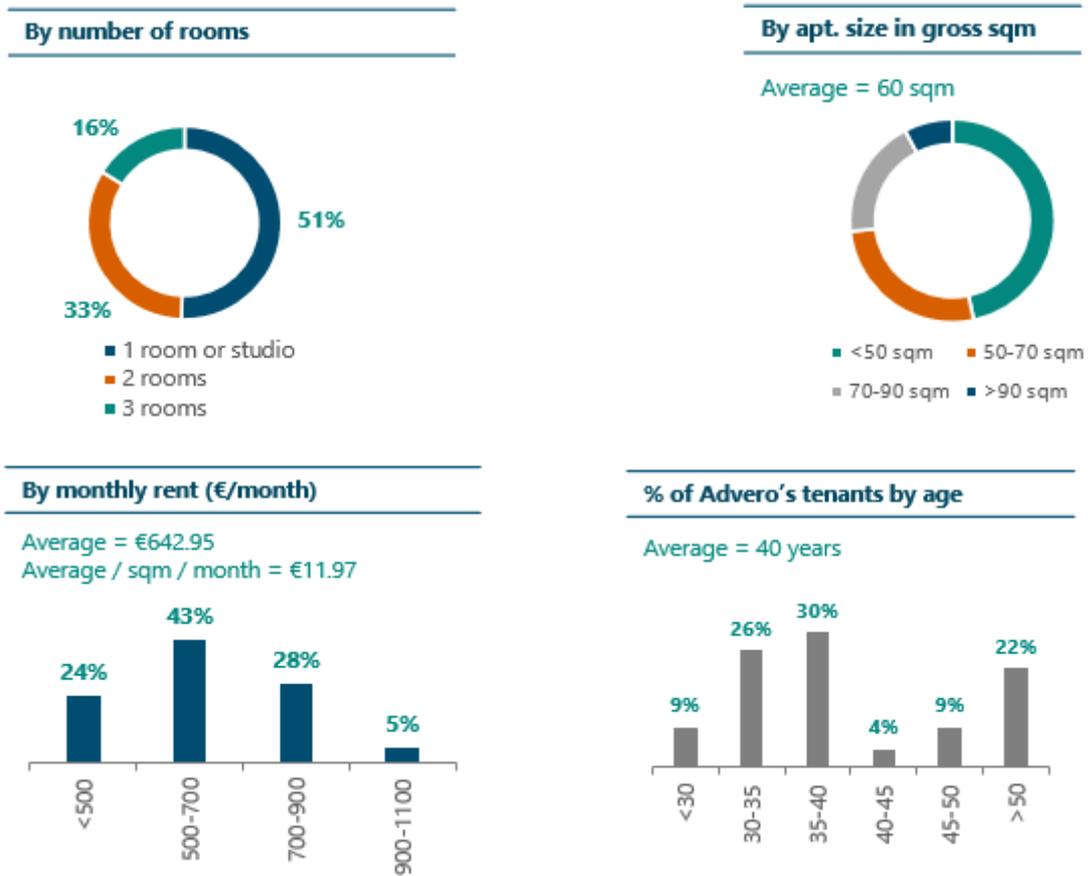
<i>(in euros)</i>	2018	2019	Dif.
Revenues	62,226	489,194	+682%
Rents	44,366	412,173	
M.D. Pilar	35,237	69,820	
Santa Fe	0	64,881	
Wilson	9,129	66,590	
V. Paloma	0	103,908	
C. Rodó	0	106,974	
Non-operating income	17,860	77,021	
Operating expenses	-95,472	-398,439	+317%
Asset-related expenses	-23,672	-206,378	
Corporate expenses	-71,800	-192,061	
Depreciation and amortisation	-11,056	-90,032	+714%
Other non-recurring income	89,179	87,379	
Operating result	44,877	88,102	+96%
Interest expense	-24	-23,379	
Tax	-	-	
Net income	44,853	64,724	+44%
Net cash flow	55,910	154,756	+177%

The Company closed 2019 with net cash flow of 155 thousand euros, compared to 56 thousand euros in the previous year, a positive evolution of 177%.

ADVERO's Board of Directors must submit to the GSM the proposal for dividend distribution, the legal minimum being 80% of the net result for the year, which at end of March 2020, would represent 0.032 euros per shareⁱⁱⁱ.

Asset snapshot

Below is a graphic representation of the characteristics of ADVERO's apartments and residents



2019 results versus projections

In the comparison of the closing results of 2019 with the projections published in the listing prospectus (DIIM), it is observed a slight improvement in total income (489 thousand euros compared to 477 thousand euros) and an increase in operating expenses of 47 thousand euros, which subsequently affects the net result (65 thousand euros compared to 93 thousand euros). This increase in operating expenses comes as a result of the Board of Directors'

decision to invest in apartments with tenant turnover, to improve the asset quality and optimize the Company's income.

Given this, ADVERO's monthly income showed an organic growth of 11% between January and December 2019, due to the management of the five assets in operation at the end of the year.

Regarding the three-year business plan that the Company published in the DIIM, the achievement of these results will be intrinsically linked to the asset type and investment schedule that ADVERO will incorporate within this period.

These projections took into account the incorporation of three fully-rented assets after the Company's IPO: the first one in December 2019, the second one in February 2020, and the third one in April 2020. In compliance with these estimates, ADVERO acquired the first of these buildings in December 2019, which is expected to complete renovation works in the third quarter of 2020, and is working to incorporate other assets in the short term.

ADVERO's promoter and management company's extensive experience in the capital markets indicates that ADVERO's listing on the MAB was led by a strong drive and capability to leverage its growth in the coming years on both national and international investors. The company plans to continue promoting such growth through a combination of capital increases and bank financing. However, to remain conservative, the business plan published in the DIIM did not account for additional non-organic growth due to possible future capital increases. For this reason, the business plan in the DIIM will need to be reviewed in case that these events do occur.

Effect of COVID-19 on the business

In the framework of the state of health alarm declared by the Government of Spain last March, ADVERO has identified the following risks to its business, and evaluated its possibility of occurrence:

- *Risk of non-payment of rents by its tenants.* In the days prior to the date of April's rent collection, **6 of the 84 tenants of ADVERO had requested some type of total or partial moratorium on the payment of the current month's rent.** This means that, out of a total amount of 46,780 euros in rents to be collected by the company in April, income for a total amount of 3,425 euros has been deferred (7.3% of total income). As of the date of this writing, the company does not know if new requests may occur in the following months,

and will issue a Relevant Fact if at any time these circumstances might affect over 30% of the expected monthly income.

- **ADVERO insolvency risk.** On March 31, 2020 ADVERO had a cash position of 2.19 million euros for the acquisition of new assets. **This means that, even in a scenario of 100% decrease in its revenues, the cash position would allow the company to face the commitments with its suppliers (without canceling any asset maintenance contract or corporate services) and its financial costs for a period 3.4 years.**
- **Risk of delay in non-organic growth projects.** ADVERO is currently carrying out the rehabilitation of a residential building in the Tetuan neighborhood in Madrid. As it was an empty building, the works were carried out until the end of March, before Spain's shutdown due to COVID-19. The payments for this refurbishing are made at work completion, which means that ADVERO has no future financial commitments regarding this rehabilitation. The works were being carried out according to the planned schedule, with completion date in July this year, which will have to be adjusted when the shutdown is lifted.

Text notes

ⁱ This value is adjusted to warrants issued by the Company

ⁱⁱ Annual accounts are currently under audit by PriceWaterhouseCoopers. Limited review conducted by PwC on 30/6/2019

ⁱⁱⁱ Treasury stock not considered

About ADVERO Properties Socimi, S.A.

ADVERO Properties Socimi, S.A. is a real estate investment trust established in August 2017 with the aim of facilitating the supply of quality rental housing in middle-income areas in Spain. The company concentrates its investment on exclusively residential assets; located on the outskirts of large cities or middle-income neighbourhoods; with full ownership of the property to facilitate the creation of cohesive tenant communities.

About ADVERO's shares

Share capital: 1,629,321 shares

Stock exchange: Mercado Alternativo Bursátil (MAB) - Spain

Stock ticker: YADV

ISIN: ES0105448007

More information can be found on the "Investors" section on www.adveroproperties.com

Contact

info@adveroproperties.com

Karen Nguyen

karen.nguyen@adequita.co.uk

Tel: +44 (0) 20 3931 9805

www.adequita.co.uk

BALANCE SHEET ON 31ST OF DECEMBER, 2019

 (in euros) 2018 2019
ASSETS

Non-current assets	6,346,238	10,362,433
Intangible assets	1,691	1,112
Fixed assets	30,472	37,132
Property investments	6,292,182	10,322,981
Long-term financial investments	21,893	1,208
Current assets	1,454,656	2,581,007
Accounts receivable.	105,544	22,927
Short-term financial investments	0	59,119
Current provisions	1,561	5,769
Cash and cash equivalents	1,347,551	2,493,192
TOTAL ASSETS	7,800,893	12,943,440

EQUITY AND LIABILITIES

Shareholders' equity	6,616,236	8,596,211
Share capital	6,300,000	8,146,155
Share premium	300,000	853,847
Reserves	-25,616	-284,474
Treasury shares	0	-195,483
Retained earnings	-43,001	-43,001
Contributed capital	15,000	29,443
Annual result	44,853	64,724
Other equity instruments	25,000	25,000
Non-current liabilities	36,798	3,868,848
Long-term debt	36,798	3,868,848
Debt with credit institutions	36,798	3,868,848
Current liabilities	1,147,859	458,381
Short-term debt	1,127,861	352,622
Debt with credit institutions	0	253,188
Other short-term debt	1,127,861	99,434
Accounts payable	19,998	105,979
TOTAL EQUITY AND LIABILITIES	7,800,893	12,943,440