

ADVERO PROPERTIES SOCIMI ACQUIRES A NEW RESIDENTIAL ASSET IN MADRID, IN A YEAR OF IMPORTANT PROGRESS FOR THE COMPANY

- ADVERO has formalised this year a capital increase of € 6.7 million and incorporated into its operating portfolio its first three assets in Madrid, with 50 apartments in the capital of Spain.
- Up to this date, the company has deployed a total investment of € 15.6 million within 126 homes in Madrid and the outskirts of Barcelona and it keeps working to expand its geographical presence in Spain, unwavering from the strategic focus of providing “affordable quality rentals in mid-income areas”.
- ADVERO’s core strategy has allowed the company to navigate the distressed economic and social situation triggered by COVID-19 without any adverse effects to its business so far.

Barcelona, October 29, 2020. - ADVERO Properties SOCIMI, SA, 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, has formalised the acquisition of its eighth residential asset in Spain.

The newly built property is located in the neighbourhood of Vallecas in Madrid and consists of 17 homes and 15 parking spaces, which will be commercialised immediately on a rental basis. The transaction has amounted to € 2.5 million and has been financed through the company’s own resources.

The transaction follows the acquisition completed by ADVERO at the end of June when the company added to its portfolio another recently built property in Vallecas, consisting of 16 homes and 11 parking spaces.

Additionally, in recent weeks, and according to the planned calendar, ADVERO completed the full renovation of a property composed of 17 homes in the neighbourhood of Tetuan in Madrid. ADVERO acquired the asset from SAREB in December 2019 and will start its commercialisation in the coming days.

With the incorporation of these three assets in Madrid, ADVERO takes another key step in a year of significant progress in its development, where the company formalised the first tranche of a capital increase for € 6.7 million at the end of June, and obtained authorisation from its shareholders to complete said round up to a total amount of approximately € 10 million.

ADVERO total investment up to date amounts to € 15.6 million in 126 homes, located in the first-proximity belt of Barcelona (Rubi, Sabadell and Terrassa) and Madrid capital. The company works to continue expanding its geographical presence in the Spanish territory, with a strategic focus on quality affordable rent in middle income areas, through a portfolio of properties with an average age of 5 years.

In a year marked by the health and economic crisis caused by COVID-19, ADVERO's business model has proven so far to be highly defensive in several ways: (a) the money for value of its homes, which has kept occupancy levels at the highest pre-crisis rates; (b) the percentage of income that ADVERO residents allocate to paying rent, which the company targets below 30%, and which has led to no abstentions to pay by tenants throughout these months; (c) the receipt of demand from higher rent levels; (d) personalised attention to the particular circumstances of residents throughout these months, which has strengthened relations between them and the company; and (e) a nation-wide increase in rental demand versus purchase, which in turn has generated new acquisition opportunities for ADVERO.

As the company announced at the beginning of 2020, the achievements made up to that moment led the Board of Directors of ADVERO to conclude that the initial "proof-of-concept" stage was completed and so it was time to start working on a new growth phase. The extraordinary situation generated by COVID-19 has not diminished these growth plans, as shown by ADVERO shares, which have appreciated by 34% in the months following the listing in the stock exchange in November 2019, and 5.5% since the beginning of the state of alarm in Spain for the pandemic.

As of the date of this writing, ADVERO's net financial debt stands at € 0.4 million, so the resources from the capital increases approved, together with the additional bank debt capacity, will grant ADVERO a further investment equal to € 15 million, which should allow the company to double its size and optimize its operating structure.

The international real estate consultancy Catella has advised ADVERO in this transaction. According to Gonzalo Zulueta, Head of Residential & Land at Catella, *"this type of transactions highlights investors' commitment to rental housing as a long-term refuge value. Affordable rental housing is a great opportunity, as it is a segment of activity that will be very resilient to the uncertainties of the moment"*.

About ADVERO Properties SOCIMI, S.A.

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

About ADVERO shares

Shares outstanding: 2.426.373 shares

Market capitalisation on 30/9/2020: 21,23 M€

Trading exchange: BME MTF Equity (Spain)

Trading ticker: YADV

ISIN: ES0105448007

More information is available in the "Investors" section in www.adveroproperties.com

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