

REPORT OF THE BOARD OF DIRECTORS OF
ADVERO PROPERTIES SOCIMI, S.A.
ON THE PROPOSED RESOLUTION CONTAINED IN ITEMS 4 AND 5
OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING
CALLED FOR JUNE 29, 2021, IN THE FIRST CALL,
AND FOR THE FOLLOWING DAY, IN THE SECOND CALL

Barcelona, May 28th, 2021

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1. PRESENTATION

This report has been prepared and signed by the Board of Directors of the company ADVERO PROPERTIES SOCIMI, SA (“ADVERO” or the “Company”), in compliance with the provisions of articles 286, 296, 297, 299 of the Spanish Capital Companies Law (LSC), in order to explain to the shareholders the reasons, interests and main characteristics of the proposed resolutions included in points 4 and 5 of the Agenda of the Ordinary and Extraordinary General Shareholders’ Meeting of the Company (the “GSM”), which will take place on June 29 at 4:00 p.m., in the first call, or, where appropriate, the following day in the same telematic form and at the same time, in the second call.

2. BACKGROUND AND JUSTIFICATION OF THE RESOLUTION PROPOSALS CONTAINED IN ITEMS 4 AND 5 OF THE GENERAL SHAREHOLDERS MEETING AGENDA.

ADVERO's growth engine focuses on the acquisition of residential real estate assets in middle-income areas in Spain, for their subsequent commercialization under an affordable long-term lease.

ADVERO closed 2020 with the addition of three new residential buildings to its operating portfolio, adding a total investment of 15.8 million euros since the start of its activity, in February 2018.

The current portfolio of assets is made up of five buildings in municipalities of influence in Barcelona (Rubí, Sabadell and Terrassa) and three buildings in the neighbourhoods of Tetuan and Vallecas in Madrid, with a total of 126 apartments under management. These properties were valued by an independent firm on September 30th, 2020, under the scenario of full operation under rental, for a total amount of 22.8 million euros (+44% compared to their acquisition cost).

ADVERO has financed its investments to date through four capital increases between 2018 and 2020, and bank debt. The net financial debt at the end of 2020 represented 3% of the total value of its assets, well below the 30% established as a cap by the Board of Directors of the Company.

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

The resolutions that are intended to be adopted under items 4 and 5 of the GSM's agenda are aimed at attracting financial resources of up to 3.33 MILLION EUROS to continue with the non-organic development of the Company, through the incorporation of new real estate assets to the operating portfolio.

Consequently, the Company requests the approval of the General Shareholders' Meeting for the following capital increases:

- (i) A first capital increase agreed by the Shareholders' Meeting, under point 4 of the agenda, for a maximum amount of 3,330,250 (THREE MILLION THREE HUNDRED THIRTY THOUSAND TWO HUNDRED AND FIFTY) euros (par value plus share premium), recognising the pre-emptive subscription right for the current shareholders.
- (ii) A second capital increase to be adopted by the Board of Directors authorized by the General Shareholders' Meeting. To this end, the GSM, pursuant to article 297.1.b), will delegate to the Board of Directors, under item 5 of the agenda, the power to increase the share capital, once or more times, within a maximum period of 5 years, and up to a maximum of half of the share capital at the time of authorization, providing for an incomplete subscription. The amount of share capital at the time of authorization will include the amount of share capital subscribed in the capital increase that, if appropriate, the GSM have approved under item 4 of the agenda.

Justification of the proposal to delegate the power to increase capital, from item 5 of the GSM's agenda:

Article 297.1.b) of the Capital Companies Law provides a mechanism for the General Shareholders' Meeting to delegate to its administrative body the power to increase the share capital, within the legal limits and in the terms that are agreed upon, without the need to previously consult with the General Shareholders' Meeting. Specifically, the legal precept establishes that the General Shareholders' Meeting, with the requirements established to modify the bylaws, may delegate to the administrators the power to agree, one or more times, to increase the share capital up to a certain amount, at the opportunity and in the amount that they decide, without previously consulting with the General Shareholders' Meeting. These increases cannot be higher in any case than half the share capital of the Company at the time of authorization and must be made through monetary contributions, within a maximum period of five (5) years from the resolution of the General Shareholders' Meeting.

The Board of Directors considers convenient to have the tools that the law authorizes, so that the Company can provide itself with the necessary resources and be able to respond quickly and efficiently to the needs and opportunities that may arise at any time, as means of financing the Company's needs. For all of the above, the Board of Directors considers that the delegation in its favour of the power to agree one or more times to increase the share capital up to the maximum allowed by the LSC (half of the share capital in the time of said delegation), without prior consultation with the General Shareholders' Meeting, is an adequate and flexible mechanism so that, at all times and in an agile and efficient manner, the Company can adapt its own resources to the additional needs that may arise.

3. PROPOSED AGREEMENT TO INCREASE THE SHARE CAPITAL CHARGED TO MONETARY CONTRIBUTIONS, RECOGNISING THE PRE-EMPTIVE SUBSCRIPTION RIGHT.

RESOLUTION PROPOSAL TO BE SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING:

The Board of Directors proposes to the Shareholders' Meeting to adopt the following resolution:

a) Capital Increase: To increase the share capital by a total maximum amount (par value plus share premium) of 3,330,250 (THREE MILLION THREE HUNDRED THIRTY THOUSAND TWO HUNDRED AND FIFTY) euros, by issuing and putting into circulation a maximum of 385,000 new ordinary shares, of the same class and series and with identical rights and obligations as those currently in circulation, of 5.00 (FIVE) euros of par value each, with an issuance premium of 3.65 (THREE AND SIXTY-FIVE) euros per share, the issuance price being equal to 8.65 (EIGHT AND SIXTY-FIVE) euros per share. The maximum amount of the nominal capital increase will be 1,925,000 (ONE MILLION NINE HUNDRED TWENTY-FIVE THOUSAND) euros. The newly issued shares will be fully paid up by means of monetary contributions, with recognition of the pre-emptive subscription right and providing for incomplete subscription. To delegate, where appropriate, to the Board of Directors, with powers of substitution, the precise powers to execute the agreement and to set the conditions in everything not provided for in the agreement, all under the protection of the provisions of article 297.1.a) of the Capital Companies Act, as well as to freely offer the new unsubscribed shares, where appropriate, within the subscription term or terms that may be established.

b) Recipients of the capital increase: The capital increase is aimed at all shareholders of the Company who are registered in the corresponding accounting records at the closing of the

market on the trading day immediately prior to the beginning of the pre-emptive subscription period, all without the detriment of other investors being able to subscribe for shares by acquiring pre-emptive subscription rights, whether or not they are shareholders.

In the event that, once those periods for shareholders and other holders of pre-emptive subscription rights (Pre-emptive Subscription Period and Additional Allocation Period) have ended, there were new unsubscribed shares remaining, the Board of Directors may allocate said shares in a Period of Discretionary Assignment to investors who have submitted underwriting commitments.

Likewise, in the event that all of the shareholders renounce the exercise of their pre-emptive subscription right, the Board of Directors may assign all of the issued shares to investors who have submitted underwriting commitments, in which case the opening of the Pre-emptive Subscription Period and Additional Assignment Period will not occur.

c) *Type of issuance:* The new shares will be issued for their nominal value of 5.00 (FIVE) euros plus an issue premium of 3.65 (THREE SIXTY-FIVE) euros, so the issuance price will be 8.65 (EIGHT SIXTY-FIVE) euros per share.

d) *Maximum execution period:* In the event that the GSM does not execute the capital increase, the maximum term for the Board of Directors to execute the resolution already adopted by the GSM to increase the share capital will be one year from the date of adoption of the resolution by the GSM, after which, without the Board of Directors having agreed to its execution, it will remain without value or effect.

e) *Representation of the new shares:* The newly issued shares will be represented by entries in the shareholders' book, whose accounting records are attributed to Compañía de Gestión de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear).

f) *Rights of the new shares:* The new shares will provide to their holders the same political and economic rights as the Company's currently outstanding shares as of the date in which they are registered in their name in the corresponding accounting records. In particular, with regard to economic rights, the new shares will give the right to dividends, either interim or final, whose distribution is agreed from that date.

g) *Pre-emptive subscription rights:* All shareholders of the Company who are registered in the corresponding accounting records at the close of the market on the trading day immediately prior to the start of the pre-emptive subscription period will have a pre-emptive subscription right over the new shares. Each share of the Company will give rise to a pre-

emptive subscription right, delegating to the Board of Directors the power to set the exchange ratio for the exercise of said right and to propose to one or more shareholders the waiver of that number of rights of pre-emptive subscription of its ownership that is necessary to guarantee that the number of shares issued maintains the proportion resulting from the application of the agreed exchange ratio.

The pre-emptive subscription rights will be transferable under the same conditions as the shares from which they derive, and therefore negotiable on the BME Growth market where the Company's shares are listed and through the Spanish Stock Exchange Interconnection System (SIBE).

The issuance subscription will be carried out in one or more successive subscription periods. The Pre-emptive Subscription Period will last for one month beginning the day following the publication date of the increase in the Official Gazette of the Mercantile Registry (BORME), with the Board of Directors being able to set a longer Pre-emptive Subscription Period if circumstances advise so at the time of execution of the capital increase. It is expressly agreed to delegate to the Board of Directors the power to establish successive subscription periods. In this case, in the event that it is decided to agree on a discretionary allotment period, a prior period for the additional allotment of shares must be foreseen in favor of the shareholders or investors who have requested said shares in the Pre-emptive Subscription Period under the conditions determined by the Board of Directors.

In the event that, once the pre-emptive subscription periods are expired (Pre-emptive Subscription Period and Discretionary Allocation Period), there were new shares remaining unsubscribed, the Board of Directors may allocate said shares to investors who have submitted underwriting commitments.

Likewise, in the event that on the date of the GSM or on the date of the Board that is to carry out the capital increase, all shareholders renounce to exercise their pre-emptive subscription right, the GSM or the Board of Directors, as appropriate, may assign all of the issued shares to investors who have submitted underwriting commitments, in a period of Discretionary Assignment set by the GSM or the Board of Directors, in which case the opening of the Pre-emptive Subscription Period and Additional Assignment Period will not proceed.

The payment of the subscribed shares will be made within a maximum period of 5 days from the subscription date, by means of a monetary contribution.

h) Incomplete subscription: In accordance with the provisions of article 311 of the LSC, the possibility of an incomplete subscription of the capital increase is expressly provided. Consequently, the increase in share capital will be limited to the amount corresponding to the nominal value of the Company's shares effectively subscribed and paid up, with no effect on the rest. It is agreed to delegate to the Board of Directors the power to agree on the incomplete subscription.

i) Admission to trading: It is agreed to request the admission to trading of the new shares in the markets where the Company's shares are listed at the time of execution of this agreement, as well as their integration into the Spanish Stock Exchange Interconnection System (SIBE). Additionally, the admission to trading of the pre-emptive subscription rights will be requested in the markets where the Company's shares are listed at the time of execution of this resolution.

j) Modification of the fifth article of the bylaw: As a result of this increase in share capital, it is proposed to empower the Board of Directors to rewrite article 5 of the Bylaws, in order to adapt it to the totality of the share capital that results after the subscription of the shares that are finally issued.

k) Delegation of powers: Notwithstanding the delegations of specific powers contained in the previous sections (which must be understood to have been granted with express powers of substitution in the bodies and persons detailed herein), it is agreed to empower the Board of Directors, with all the breadth that is required by law and with express powers of substitution of the President, of one or more directors and of the Secretary, to execute this resolution, being able to, in particular, with an indicative and non-limiting character:

- (i) Expand and develop this resolution, indicate the date on which the capital increase approved in this resolution must be carried out in the terms agreed by the General Shareholders' Meeting, as well as to put into circulation the representative shares of the agreed increase, setting the terms and conditions in everything not provided for in this agreement.
- (ii) Determine the premium of the new shares to be issued and, therefore, set the issuance rate of the new shares, establishing the figure at which the capital increase must be executed after subscription, the term, form and procedure of subscription and disbursement in each of the respective periods.
- (iii) Agree, with the broadest powers, but subject to the terms of this agreement, to the issuance placement procedure, setting the starting date and, where appropriate, modifying the duration of the Pre-emptive Subscription Period and, where appropriate, setting the duration of the Additional and Discretionary

Allocation Periods, being able to declare the early closing of the placement period.

- (iv) Draft, subscribe and present, where appropriate, to the relevant supervisory authorities, in relation to the issuance and admission to trading of the new shares that are issued as a result of the capital increase, the Informative Prospectus and any supplementary documentation, assuming the responsibility over it, as well as the other documents and information that are required in compliance with the provisions of the Securities Market Law, and applicable regulations; likewise, carry out on behalf of the Company any action, declaration or management that is required before the CNMV, IBERCLEAR, BME Growth, the Governing Companies of the Stock Exchanges and any other body or entity, public or private, Spanish or of foreign registry.
- (v) Negotiate and sign, where appropriate, in the terms it deems most appropriate, the contracts that are necessary for the successful completion of the capital increase, including the agency contract and, where appropriate, the placement contracts and assurance that may be appropriate.
- (vi) Declare the capital increase as effectively executed, issuing and putting into circulation the new shares that have been subscribed and paid up, as well as rewriting the article of the Company Bylaws relating to capital, leaving without effect the part of said capital increase that has not been subscribed and disbursed in the established terms.
- (vii) Request admission to trading on the Spanish Stock Exchanges and any other markets in which the Company's shares are listed at the time of the execution of this agreement, as well as their integration into the Spanish Stock Exchange Interconnection System (SIBE).
- (viii) Raise this capital increase to the public, and grant on behalf of the Company as many public or private documents as deemed necessary or convenient for the issuance of the new shares and their admission to trading that is the object of this resolution and, in general, carry out as many procedures as required for the execution thereof, as well as correcting, clarifying, interpreting, specifying or complementing the resolutions adopted by the General Shareholders' Meeting, and, in particular, any defects, omissions or errors, in substance or form, resulting from the verbal or written qualification, which would prevent the access of the agreements and their consequences to the Mercantile Registry, the Official Registers of the CNMV/BME Growth or any other.

4. PROPOSAL FOR DELEGATION TO THE BOARD OF DIRECTORS OF THE POWER TO INCREASE THE COMPANY'S SHARE CAPITAL IN THE TERMS OF ARTICLE 297.1.B) OF THE CAPITAL CORPORATIONS LAW.

RESOLUTION PROPOSAL TO BE SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING:

Based on what is stated in point 2 of this Report, the full text of the delegation proposal that the Board of Directors will submit for approval to the General Shareholders' Meeting of the Company is as follows:

It is proposed to the General Shareholders' Meeting to empower the Board of Directors, as broadly as necessary by Law, so that in accordance with the provisions of article 297.1.b) of the Capital Companies Law, it may agree to a capital increase for the Company, one or more times, and at any time, within a maximum period of five years from the date of the GSM agreed by this delegation, in the amount and conditions that in each case freely decides, up to a maximum figure equivalent to half of the Company's share capital at the time of authorization. The share capital figure at the time of authorization will include the amount of share capital subscribed in the capital increase that the GSM has approved under point 4 herein. The equivalent value of the new shares will consist of monetary contributions, with the Board being empowered to set the terms and conditions of the capital increase and the characteristics of the shares, as well as freely offer the new unsubscribed shares, where appropriate, within the pre-emptive subscription term that may be established and expressly providing for the possibility of incomplete subscription of the shares issued in accordance with the provisions of article 311.1 of the Companies Act.

As a result of said increase in share capital, if applicable, it is proposed to empower the Board of Directors to rewrite article 5 of the Bylaws, in order to adapt it to the reality of the share capital that results after the subscription of the shares that are effectively issued. The Board of Directors shall also be authorized to delegate in favor of the Director or Directors deemed appropriate, the powers conferred by virtue of this resolution that are delegable.

In the event that the issue or issues were not fully subscribed, the capital will be increased by the amount actually subscribed.

Likewise, it is proposed to empower the Board of Directors to carry out the necessary acts in order to comply with the requirements established by the LSC, the Securities Market Law and corresponding provisions for the public issuance of securities, as well as to request the

admission to trading of the shares issued by the Company by virtue of this delegation in any official or unofficial secondary markets, organized or not, national or foreign, as well as to carry out the procedures and actions necessary or merely convenient for the admission to trading of the shares before the competent bodies of the different national or foreign securities markets.

Delegation for the execution and formalization of this resolution. Likewise, to empower the Chairman of the Board of Directors, the Non-Director Secretary, as well as all the members of the Board of Directors, so that any of them, indistinctly, carry out as many actions as are necessary and grant and formalize as many documents and contracts, public or private, as necessary or convenient for the full effectiveness of the previous agreements in any of their aspects and contents and, especially, to correct, clarify, interpret, complete and/or specify the agreements adopted; likewise, to correct the defects, omissions or errors that were appreciated in the verbal or written qualification of the Mercantile Registry, all in the broadest possible terms.

All the members of the Company's Board of Directors, whose names are indicated below, subscribe and endorse this report with their signature.

Riuaran, S.L.

represented by Mr. Pablo Corbera Elizalde

Adequita Capital Limited

represented by Ms. Gloria Folch Ramos

Mr. Jordi Vera Suñé

Parwing, S.L.

represented by Mr. Jordi Adsarà Grau,

Rimevi, S.L.

represented by Ms. Gemma Mestre Ribot

Reig Jofre Investments, S.L.

represented by Mr. Alejandro García Reig

Ciganga, S.L

represented by Mr. Gabriel Roig Zapatero

Grau, S.A.

represented by Mr. Alexandre Grau Bedós

Mr. Maxim Soloshchanskiy

Solcorbi 2013, S.L.U

represented by Mr. Carlos Corbera Elizalde

Mr. Aureli Mas i Raldiris,