

ADVERO PROPERTIES SOCIMI S.A. (Spanish REIT) started business in February 2018 **with the aim of supplying middle income rental housing in Spain.**

The company currently has **thirteen buildings in its portfolio, encompassing a total of 218 apartments**, located in the first belt of Barcelona, and middle-income neighbourhoods in Madrid and Malaga. ADVERO maintains full ownership over its buildings, which optimises asset management and facilitates the creation of cohesive communities of residents and the offering of additional services adapted to their needs and purchasing power.

To date, ADVERO has made investments amounting to a total of €25.7 million, acquired mainly to financial institutions, with a Gross Asset Value of €36.8 million (**+44% revaluation**), according to Savills Aguirre Newman, based on all assets in the portfolio under operation.

In December 2021, ADVERO concluded a capital increase of €10 million and plans to execute a second round in the first quarter of 2022, for an amount of €6.5 million. These resources, together with undrawn bank financing, will give the company an investment capacity of around €26 million, allowing it to double its size this year.

The value per share of the portfolio as of 31 December 2021, is estimated at **9.75 euros**, considering the effect of the latest capital increase and a conservative use of resources.

ADVERO's shares have appreciated 48% in the last two years since they started trading on BME Growth in November 2019, and 10% in the last 12 months.

Additionally, ADVERO stands as an interesting investment proposal for investors who demand **a low-risk product with natural hedge against inflation.** In the real estate sector, only middle-income residential rental assets achieve this objective directly, due to the correlation between inflation, wages and rents.

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|---------------------------------|-------------------|
| Share capital (n shares) | 3,537,485 |
| Stock price | € 9.65 |
| Market cap | €34.0 m |
| Ticker | YADV |
| Stock exchange | BME Growth, Spain |

| | in '000 € |
|--|--------------------------|
| Gross Rental Income (GRI) ¹ | 1,472 |
| Net Rental Income (NRI) ^{1 2} | 1,152 |
| % GRI | 78% |
| EBITDA ¹ | 633 |
| % GRI | 43% |
| FFO ³ | 465 |
| GRI 2020 | 610 |
| Net result 2020 ⁴ | +825 ⁵ (IFRS) |
| | -109 (GAAP) |

1. Proforma figures (recurring rents with 12 existing assets under management)
2. Calculated as GRI less direct operating expenses
3. FFO (Funds From Operations) calculated as proforma EBITDA minus interest
4. ADVERO's net result according to GAAP is less than that according to IFRS as a result of the revaluation of assets that is not reflected under Spanish GAAP.

| | |
|------------------------------------|--------|
| Total investments | €25.7m |
| Gross Asset Value (GAV) | €36.8m |
| Net Asset Value (NAV) ¹ | €37.9m |
| NAV/share ² | €9.75 |
| LTV ratio ³ | 23.7% |
| Gross yield ⁴ | 4.4% |
| Net Yield OIC ⁵ | 5.1% |

1. GAV less net debt. Higher NAV than GAV due to the capital increase conducted in December 2021
2. Accounts for the effect of vested warrants and treasury stock. This estimated value considers the effect of the capital increase and a conservative use of resources.
3. Loan to value ratio: net debt/GAV. This ratio excludes the €10 M cash from the latest capital increase in December 2021.
4. Pro forma GRI over GAV
5. Proforma NRI to total invested capital

VALUE INDICATORS



+44%

Revaluation of current portfolio compared to acquisition price



+17%

Annualised Return for investors, between first capital increase in Feb '18 and Dec '21



+10%

Increase in share price last 12 months



+49%

Increase in share price value since listing in Nov '19

EFFECTS OF COVID-19

ADVERO's strategic focus on affordable rent for the middle-income households granted the company with a strong position to face the global health crisis. This resulted in limited impact to its operations and a year of notable achievement for its portfolio and shareholders.

The strength of demand in ADVERO's activity segment led the company not to slow down its development in 2020-2021, obtaining financial resources amounting to €22 million in these years and diversifying from Barcelona into Madrid and Malaga.

PENDING CAPITAL INCREASE

In December 2021, ADVERO completed the first tranche of its fifth capital increase for €10 million, to finance the acquisition of additional assets and further its geographical diversification. **The General Shareholders' Meeting also authorized the second tranche of around €6.5 M expected to be executed in Q1 2022.**

SHAREHOLDING BASE

In the capital increase of December 2021, ADVERO incorporated HNA, the Spanish mutual society of architects, to its shareholder base, which became its first shareholder, with a stake of 18.8%.

ADVERO's shareholding structure currently consists of 63 shareholders (none of them with a controlling interest) and a free float of 31.4%.

OPERATING STRUCTURE

In its development phase, ADVERO has articulated its management by outsourcing all its services to firms based in Spain and led from London by Adequita Capital Ltd. This provides ADVERO with a flexible management structure that is adaptable to the growth of the company, thus maximizing the capacity to distribute dividends and the return on investment for its shareholders.

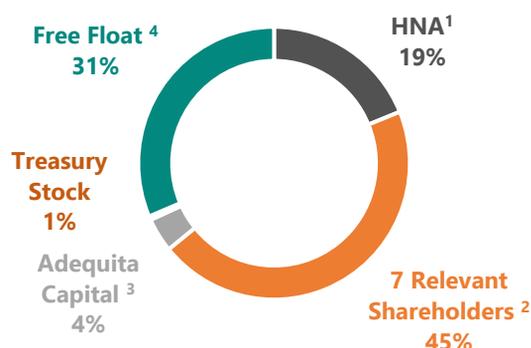
ADVERO designed a remuneration system for its management company based on an issue of warrants aligned with the generation of value for the shareholder. The calculation of the value per share of the ADVERO portfolio includes at all times the effect of the accrual of said warrants, so that their exercise has no impact on the value of the participation of the company's shareholders.

Asset Management KPIs

| | |
|----------------------------------|------------------------------|
| No. of Assets | 13 |
| No. of Apartments | 218 (v 126 in 2020) |
| Occupancy Rate ¹ | 98% |
| Passing Rent | €11m ² /mo |
| Avg. Apartment Size | 54 m ² |
| Avg. Monthly Rent | €607/mo. |
| Affordability Ratio ² | ADVERO: 35% |
| | Spain Avg ³ : 40% |

1. Occupancy rate from assets under full operation in 2021
2. Calculated as % of salary spent on rent
3. Source: Fotocasa

Shareholding Structure



1. HNA: Mutual society of architects of Spain
2. Stakes between 5%-10%
3. Includes the participation of the management company and its related parties
4. Shareholders with a stake of less than 5%

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