

Barcelona (Spain), 15 February 2023

## OTHER RELEVANT INFORMATION

### ***Portfolio appraisal and Factsheet***

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 227 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 3/2020 of the BME MTF Equity stock exchange, hereby discloses the annual valuation of the real estate portfolio, according to an appraisal conducted by an independent firm, as well as the Company's factsheet. The following information has been prepared under the exclusive responsibility of the issuer and its administrators.

ADVERO commissioned Savills Aguirre Newman Valoraciones y Tasaciones, S.A.U ("Savills") to update the Company's real estate portfolio market value as of December 31, 2022, in accordance with the RICS valuation standards.

As of that date, ADVERO's portfolio comprised 22 residential buildings, with a total of 340 homes, 128 parking spaces and 2 retail units, located in the metropolitan area of Barcelona (Rubi, Sabadell, Terrassa and Martorell), as well as in the cities of Madrid, Malaga and Cordoba.

At the end of 2021, ADVERO's portfolio comprised 11 buildings with a total of 173 homes. Throughout 2022, the Company incorporated 11 new buildings to its portfolio, reaching a total of 340 homes, an increase of 96%.

The market value of the ADVERO properties estimated by Savills in the valuation as of December 31, 2022 amounted to 53.1 million euros.

The previous valuation, carried out by Savills as of December 31, 2021, placed the value of the portfolio at 30.6 million euros, an increase of 22.5 million euros, equivalent to 73%.

Said increase in value is explained both by the significant growth in the number of homes in the portfolio between years, as well as by the maintenance of the value of the existing portfolio throughout 2022, despite the significant increase in the cost of capital this year.

The extraordinary confluence of the war in Ukraine, which increased the risk and, therefore, the cost of capital, combined with the energy crisis, which caused historic inflation and the consequent rise in interest rates to try to control it, had an impact in practically all sectors of activity. However, ADVERO's value proposition, based on the correlation between inflation, salaries and, consequently, the available income to pay rent, gives the Company certain immunity against upward movements in inflation.

Furthermore, the increase in uncertainty as well as in interest rates benefits the Company, as it channels greater demand towards renting.

The loss of value suffered by assets of all kinds in other segments was offset in the case of ADVERO by: a) the increase in rents compared to the last valuation; b) optimization of operating expenses; and c) the improvement in rental growth expectations in the residential rental segment in Spain.

All of the above does not mean that the negative effects of the crisis generated by the war in Ukraine and the increase in energy prices do not have an impact on ADVERO's business model, but rather that the Company has levers that offset them and prevent value deterioration in the portfolio.

Pending the audit of ADVERO's financial statements for 2022, the fact of having doubled the number of buildings in the portfolio last year was transferred to the Company's income, which stood at 1.8 million euros in 2022, compared to 0.9 million euros in 2021 (+102%), and guarantee profits for the year.

In addition to the optimal behaviour of the portfolio, there was an additional value generation through the difference between the acquisition price of the assets incorporated throughout the year 2022 and their market value, with a total value generation of 5.7 million euros, a 34% over the market value of the assets acquired.

Yours sincerely,

Mr. Pablo Corbera Elizalde  
Representing RIUARAN, S.L  
Chairman of ADVERO PROPERTIES SOCIMI, S.A.

# ADVERO

## PROPERTIES SOCIMI

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

ADVERO's standard asset type is finished apartment buildings that ended up in the bank's balance sheets as a result of the 2008 real estate crisis in Spain, which ADVERO acquires to manage on a long-term rental basis, thus facilitating the balance between offer and demand.

The company currently has **22 buildings in its portfolio, encompassing a total of 340 apartments**, located in the first belt of Barcelona, and middle-income neighbourhoods in Madrid, Málaga and Cordoba. 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.

The strength of demand in ADVERO's segment led the company not to slow down its development throughout the 2020-2021 global COVID pandemic, obtaining financial resources to **double its size in 2022, both in number of buildings and revenues.**

The imbalance between supply and demand in the residential rental market in Spain offers countless acquisition opportunities to continue the sustained growth and opens the possibility to become one of the leaders in a build-up process to consolidate a professionalised rental offer in Spain.

Additionally, ADVERO stands as an interesting investment proposal for investors who demand **a low-risk product with natural hedge against inflation** due to the correlation between inflation, wages and rents in Spain.

February 2023

Share capital (# shares)

4,217,061<sup>(1)</sup>

Stock price

€ 10.0

Market cap

€42.2 m

Ticker

YADV

Stock exchange

BME Growth, Spain

GRI 2022 <sup>2</sup>	€1.8m
% vs 2021	+102%
Total investments	€37.3m
Gross Asset Value (GAV)	€53.1m
Portfolio Revaluation	+42%
Net Asset Value (NAV) <sup>3</sup>	€47.1m
NAV/share <sup>4</sup>	€10.17
LTV ratio <sup>5</sup>	12%
Gross yield <sup>6</sup>	4.4%
Net Yield OIC <sup>7</sup>	5.0%

1. Plus 2,000,000 warrants
2. GRI: Gross Rental Income
3. GAV less net debt
4. Adjusted for vested warrants on deployed equity
5. Loan to value ratio: net debt/GAV
6. Based on annualised GRI over GAV based on audited 2021 results
7. Annualised NRI over total invested capital based on audited 2021 results

### VALUE INDICATORS



**+42%**

Revaluation of portfolio compared to acquisition price



**+12%**

Annualised return for investors between first capital increase in Feb. '18 and Dec. '22



**+5.3%**

Increase in share price in 2022



**+54%**

Increase in share price since listing in Sept '19

## WHY ADVERO? / WHY SPAIN?

- ADVERO's unlevered net yield of 5%, plus a standard long-term growth of 2% (+5% in 2022), stand as a challenging competitor to no-growth government bonds.
- ADVERO's obligation to distribute a minimum 80% of its net result as dividends.
- ADVERO's optimised operations resulting in high occupancy levels (98%), low default rates (<1%) and market level rents.
- Spain's better GDP evolution than Euro area: +4.6% vs 3.5% in 2022.
- Spain's traditionally higher inflation rates than in the rest of the Euro zone, are fully hedged at ADVERO due to the connection between inflation, salaries and rents, translating into higher nominal and real returns compared to lower-inflation countries.
- Spain's significant salaries' imbalance compared to the Eurozone, as a result of the 2008 and 2020 crisis is expected to be corrected, directly resulting in secured affordability ratios and higher rental prices.
- Spain's percentage of households under rental (25%) still lags other main EU countries (Germany, 50%; France and Sweden, 36%; Ireland and Italy, 29%).
- Spain currently needs 1 million homes under rental, with increasing demand pushing rental prices up.

## SHAREHOLDING BASE

2022 was a turning point for ADVERO as the company onboarded its first institutional investors: the Spanish mutual fund of architects and the mutual fund of lawyers, that became the main shareholders, with a joint stake of 31%.

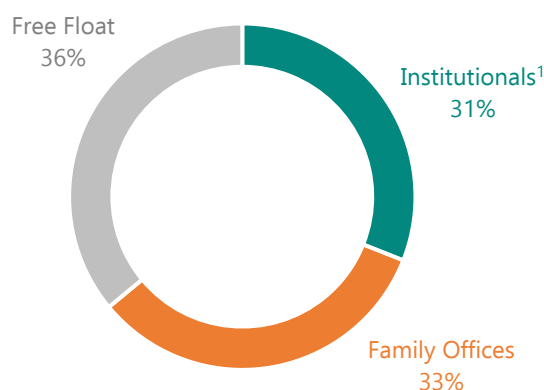
The board of directors is formed of 7 additional directors, representing 33% of the share capital. The free float stands at 36%.

## Asset Management KPIs

No. of Assets	22
No. of Apartments	340
Avg. Acquisition Cost <sup>1</sup>	€2,106/sqm
Avg. Acquisition Cost <sup>1</sup>	€109,844/apt
Occupancy Rate <sup>2</sup>	98%
Passing Rent	€10.9/sqm/mo
Avg. Apartment Size	52 sqm
Avg. Monthly Rent	€579/mo/apt
Barcelona & Madrid	€635/mo/apt
Malaga & Cordoba	€499/mo/apt
Affordability Ratio <sup>3</sup>	ADVERO: 35%
	Spain Avg <sup>4</sup> : 40%

1. €/sqm and €/apt include the acquisition cost of the related parking and storage units
2. Occupancy rate from assets under full operation in 2022
3. Calculated as % of salary spent on rent
4. Source: Fotocasa

## Shareholding Structure



1. HNA - Hermandad Nacional de Arquitectos (16%) and Mutualidad General de la Abogacía (15%)

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