

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 financial institutions' 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 in the highly growing mid-income rental market in Spain.

The company currently **has 25 buildings in its portfolio, encompassing a total of 402 apartments**, located in the first belt of Barcelona, and middle-income neighbourhoods in Madrid, Malaga and Cordoba. Generally, 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, and even **doubling 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.

Share capital (# shares)
4,217,061⁽¹⁾
Stock price
€ 10.90
Market cap
€46 m
Ticker
YADV
Stock exchange
BME Growth, Spain

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|---|------------|
| Annualised Gross Income ² | €3.0m |
| Gross Income 2023 | €2.6m |
| <i>vs 2022</i> | +44% |
| EBITDA 2023 | €1.0m |
| <i>vs EBITDA 2022</i> | +42% |
| % Gross Income 2023 | 36% |
| Net Result 2023 | IFRS €2.6m |
| <i>IFRS 2022 Net Result³</i> | €6,7m |
| Net Result 2023 | GAAP €0.2m |
| <i>GAAP 2022 Net Result⁴</i> | €0.15m |
| OCF 2023 ⁽⁵⁾ | €0.7m |

1. Plus 826,615 vested warrants
2. Annualised gross rental income of the current portfolio
3. International Financial Reporting Standards
4. Generally Accepted Accounting Principles
5. Operating Cash Flow = GAAP Net Result + D&A

| | |
|------------------------------------|--------|
| Total Investment | €45.3m |
| Gross Asset Value (GAV) | €62.1m |
| Portfolio Revaluation | +37% |
| Net Asset Value (NAV) ⁶ | €50.1m |
| NAV/share ⁷ | €10.8 |
| LTV ratio ⁸ | 22% |
| Gross yield ⁹ | 4.9% |
| Net Yield OIC ¹⁰ | 5.2% |

6. NAV = GAV – Net Debt
7. Adjusted for vested warrants
8. Loan to value ratio: Net Debt / GAV
9. Annualised Gross Income / GAV
10. Annualised Net Rental Income / Total Investment

VALUE INDICATORS



+37%

Revaluation of portfolio compared to acquisition price



+12%

Annualised return for investors between first capital increase in Feb. '18 and Dec. '23



+9%

Increase in share price in 2023



+68%

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 (97%), low default rates (<1%) and rents at market level.
- 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 1.8 million homes under rental⁵, with increasing demand pushing rental prices up.

SHAREHOLDING BASE

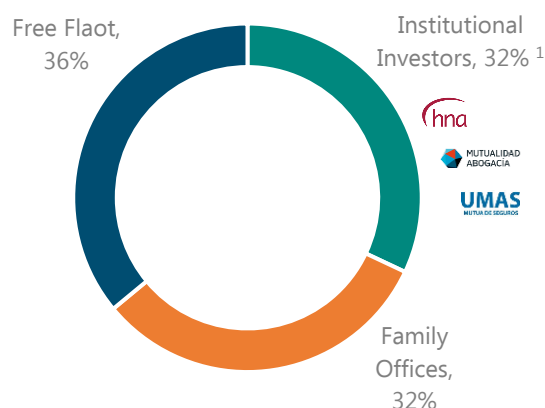
2022 was a turning point for ADVERO as the company onboarded its first institutional investors: the Spanish mutual fund of architects and the mutual fund of lawyers¹, that became the main shareholders, with a joint stake of 31%. The board of directors is formed of 7 additional directors, representing 33% of the share capital. The free float stands at 36%.

Asset Management KPIs

| | |
|------------------------------------|------------------------------|
| No. of Assets | 25 |
| No. of Apartments | 402 |
| Avg. Acquisition Cost ¹ | €2,101/sqm |
| Avg. Acquisition Cost ¹ | €112,480/apartm |
| Occupancy Rate ² | 98% |
| Passing Rent | €11.0/sqm/month |
| Avg. Apartment Size | 54 sqm |
| Avg. Monthly Rent | €611/sqm/apartm |
| Barcelona & Madrid | €645/sqm/apartm |
| Malaga & Cordoba | €506/sqm/apartm |
| Affordability Ratio ³ | ADVERO: c.35% |
| | Spain Avg ⁴ : 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 2023
3. Calculated as % of available disposable income spent on rent
4. Source: Fotocasa
5. Source: Atlas RE

Shareholding Structure



1. Hermandad Nacional de Arquitectos (16%), Mutualidad General de la Abogacía (15%) & Union Mutua Asistencial (1%)

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