

Barcelona, 1 July 2022

OTHER RELEVANT INFORMATION

ADVERO PROPERTIES SOCIMI, S.A. ("ADVERO" or "the Company"), in compliance with the provisions of article 17 of Regulation (EU) 596/2014 on market abuse and article 227 of the revised text of the Securities Market Law, approved by Royal Legislative Decree 4/2015, of October 23, and related provisions, as well as Circular 3/2020 of BME MTF Equity, under the exclusive responsibility of ADVERO and its administrators, informs that the Company held the Ordinary and Extraordinary General Shareholders' Meeting on the first call on June 28, 2022, with the established agenda and with the attendance of shareholders present (45.138%) and represented (33.28%), who jointly held 78.41% of the share capital.

The agreements on the agenda were approved as follows:

- First.- The Annual Accounts (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Statement of Cash Flows and Report) and the Company's Management Report, all corresponding to the year ended December 31, 2021, were unanimously approved.
- Second.- The application of the results for the year against negative results from previous years was unanimously approved.
- Third.- The management of the board of directors for the year ended December 31, 2021 was unanimously approved.
- Fourth.- The appointment of Ernst & Young Auditores, S.L. as auditors of the Company for a period of three years, corresponding to the years 2022, 2023 and 2024 was unanimously approved, since the period for which the previous auditors were appointed had ended.
- Fifth.- The delegation to the board of directors, under article 297.1.b) of the Capital Companies Act, of the power to agree to an increase in capital stock, one or more times, within the maximum term of 5 years and up to a maximum amount equivalent to half of the company's share capital at the time of authorization, in the amount decided by the board of directors, with provision for incomplete subscription, also delegating the power to modify article 5 of the bylaws was unanimously approved.
- Sixth - It was unanimously approved to delegate to the Board of Directors for a maximum period of 12 (TWELVE) months the power to acquire own shares, directly or through subsidiary companies, by title of sale or by any other "Inter vivos" act. The acquisition of treasury shares must in all cases be carried out within the limits established for this purpose by the General Shareholders' Meeting, for a minimum price equal to their nominal value and a maximum price of 15 (FIFTEEN) euros per share.

- Seventh.- The seventh item on the agenda, regarding the examination, study and approval of operations for the acquisition of essential assets, was left without effect.
- Eighth.- It was unanimously approved to empower any Director and the Secretary of the Board of Directors so that any of them, indistinctly, can formalize the agreements adopted by the Meeting and grant the necessary public or private documents.

The Company attaches to this communication the 2021 Annual Report that was delivered to those attending the Shareholders' Meeting.

Sincerely,

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

Annual Report 2021



This page is intentionally left blank

Contents

- 05 | 2021 at a Glance
- 11 | Asset Portfolio
- 18 | Value Indicators
- 22 | Share Capital
- 25 | Financial Statements
- 32 | Corporate Governance
- 35 | Spanish Residential Market
- 38 | Relevant Events in First Half 2022





About This Report

Welcome to ADVERO Properties Socimi's Annual Report for 2021. Here we outline the history and values of the company, as well as the progress ADVERO has made over the past year. We describe the group's strategy within the field of middle-income residential rental property and we cover the 2021 financial results for the company.

If you have any questions about this report, please send them via email to investor.relations@adveroproperties.com.

It will be a pleasure to assist you.





1.

2021 at a glance



Fellow shareholders and residents,

It is a pleasure to greet you all to share the annual report of 2021 and the notable achievements of ADVERO over this year.

As life slowly starts to resume to normality after Covid-19, we reflect on another year dealing with the pandemic and the resilience ADVERO's portfolio was once again able to highlight over this time. 2021 was another significant year for the company, with our arrival in a new city, high demand for our property offering and resultant outstanding occupancy levels, as well as growing the equity value by 10x after just four years since inception.

Covid-19 has brought about significant change and caused people to reflect and re-evaluate their living situations, placing greater importance on the quality of their homes, something which we as ADVERO take great pride in being able to provide.

The company was able to make use of both funds from capital raises and bank financing to grow the number of apartments by 37% in 2021, to a total of 173 apartments in 11 buildings across the outskirts of Barcelona (Sabadell, Rubí, Martorell and Terrassa) and the cities of Madrid and Malaga.

After entering Barcelona in 2018 and 2019, and debuting in Madrid in 2020, ADVERO once again achieved its milestone of geographical diversification and acquired two buildings in Malaga in 2021, reaching a total of 31 apartments in the city. The assets were both purchased fully rented and performed well for the remainder of the year with limited churn and sustained rental income.

ADVERO's growth in 2021, through the incorporation of new assets, together with continuous operating improvements, resulted in positive evolution of both turnover and profitability year on year.

Investor confidence was once again highlighted in 2021 with a noteworthy performance in ADVERO's share price and the subscription of a new capital increase of 10 million euros on December 30.

This capital raise was fully subscribed by both existing and new investors and saw the introduction of HNA, the architects' mutual company in Spain, acquiring a stake of 18.9% in ADVERO, thus becoming the main shareholder in the company.

In addition to this capital increase, the General Shareholders Meeting authorised a new share issuance amounting to 6.5 million euros, expected to be completed in the first half of 2022. These resources, together with undrawn bank financing, will give the company an investment capacity of around 26 million euros, allowing it to double its size in 2022.

The company's shares achieved an 8.6% increase in 2021, and an impressive 48% increase since its listing on the BME Growth in November 2019. ADVERO closed the year with a gross asset value of 30.6 million euros and a market capitalization of 34 million euros.

Although 2021 was reviewed by many as a recovery year, ADVERO has proven that this year was more than that.

With further geographical diversification, expense optimisation and increases in operating margins, a 10 million euros capital increase fully subscribe and the GSM's authorisation to raise another 6.5 million euros in the coming months, ADVERO is ready to take on 2022 and propel its growth even further.

PAU CORBERA
Chairman

February 2022

ADVERO in a nutshell

- As of 31 December 2021

3

Geographic areas

11

Buildings

173

Apartments

€30.6m

Gross Asset Value
as per Savills Aguirre Newman

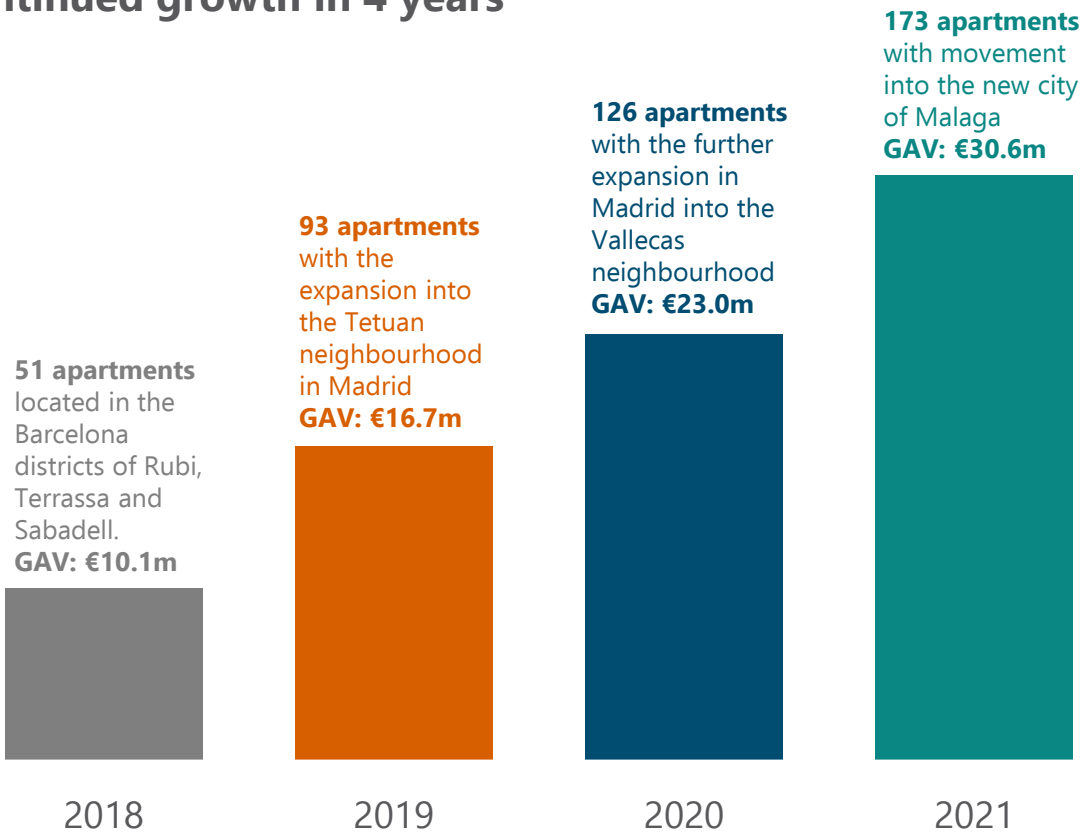
€34.0m

Market Capitalisation

€0.9m

Gross Rental Income

Continued growth in 4 years



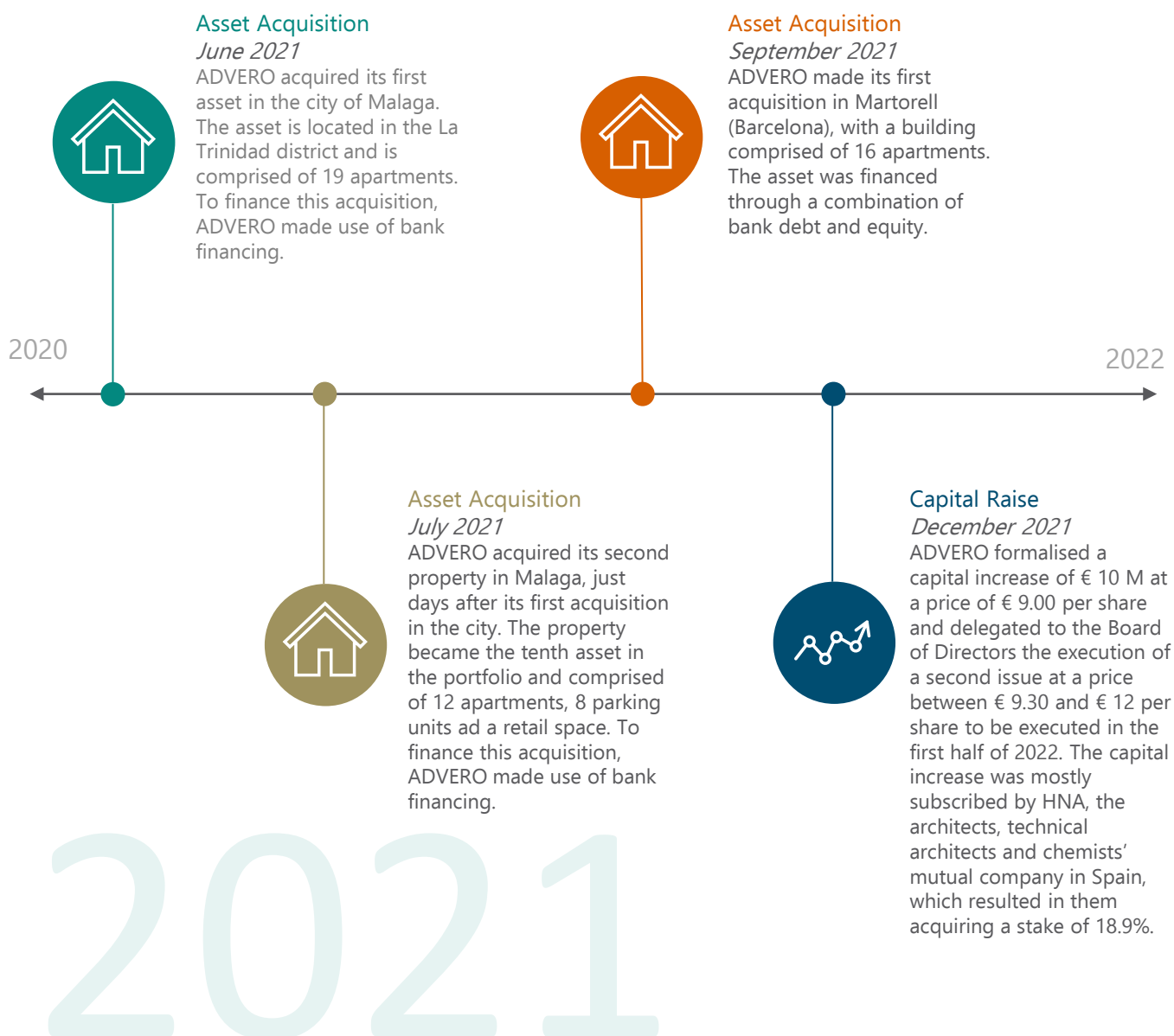
Highlights of the year 2021

Our Achievements

Further geographical diversification achieved, with the entry to the city of Malaga

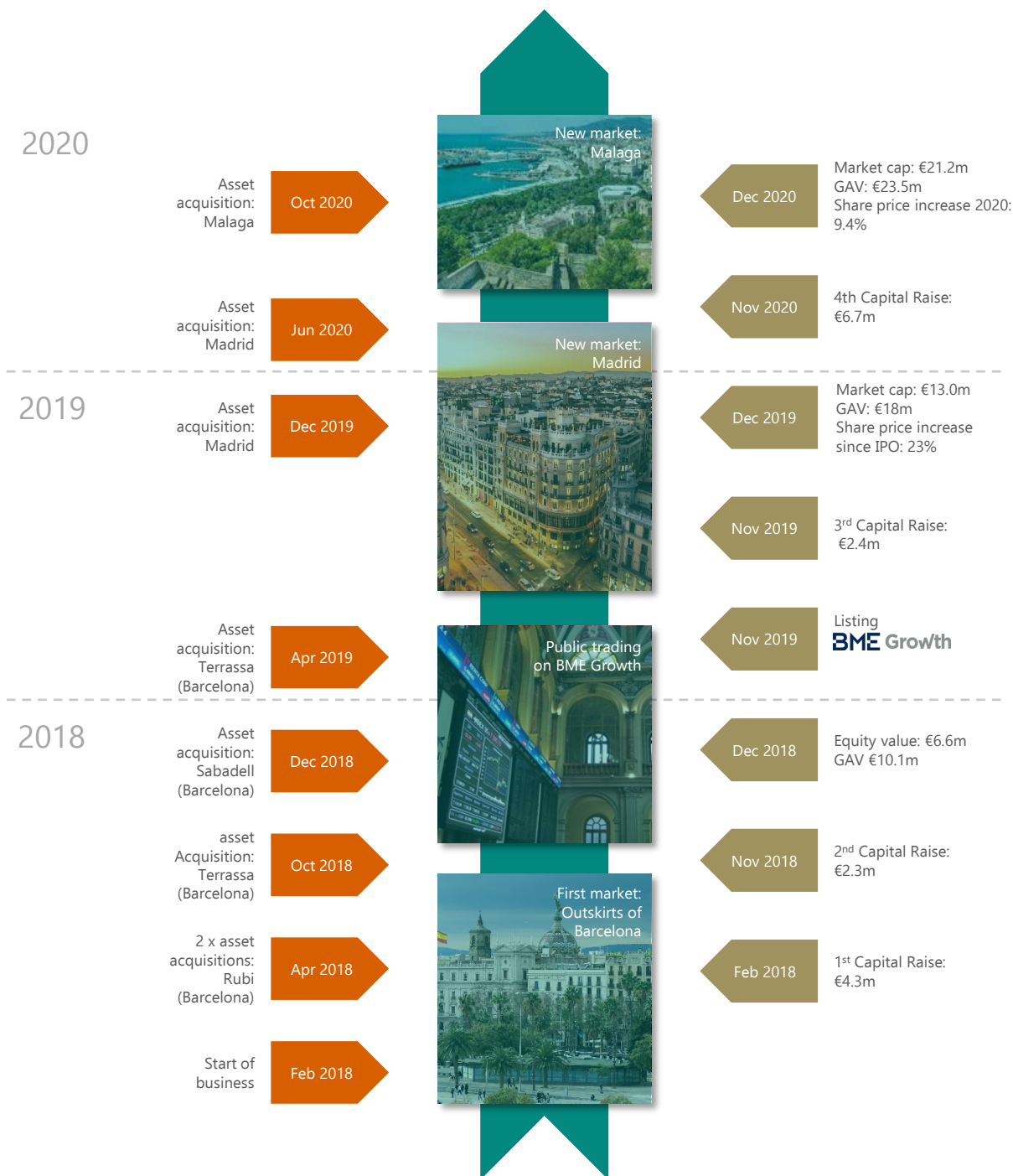
10x equity value growth in 4 years since the first capital raise

5th capital raise successfully subscribed by both existing and new investors



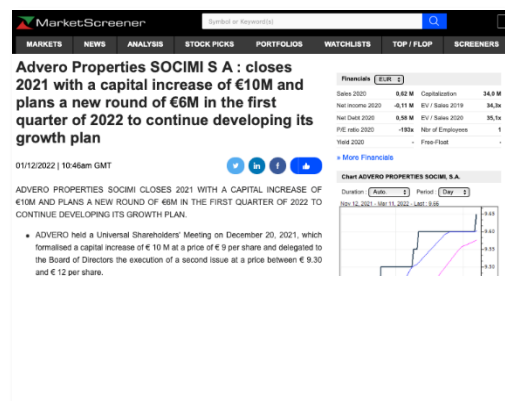
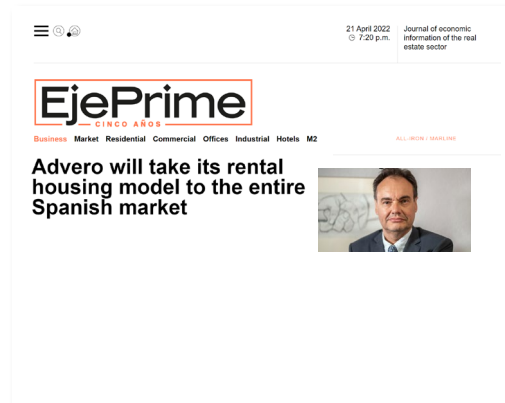
ADVERO's milestones 2018-2020

A consolidated business model increasing the supply of quality rental housing to the middle income sector, while creating value for shareholders.



ADVERO in the news

ADVERO's acquisitions and market movements are closely watched by industry experts, resulting in positive coverage for the company following each of its milestones.



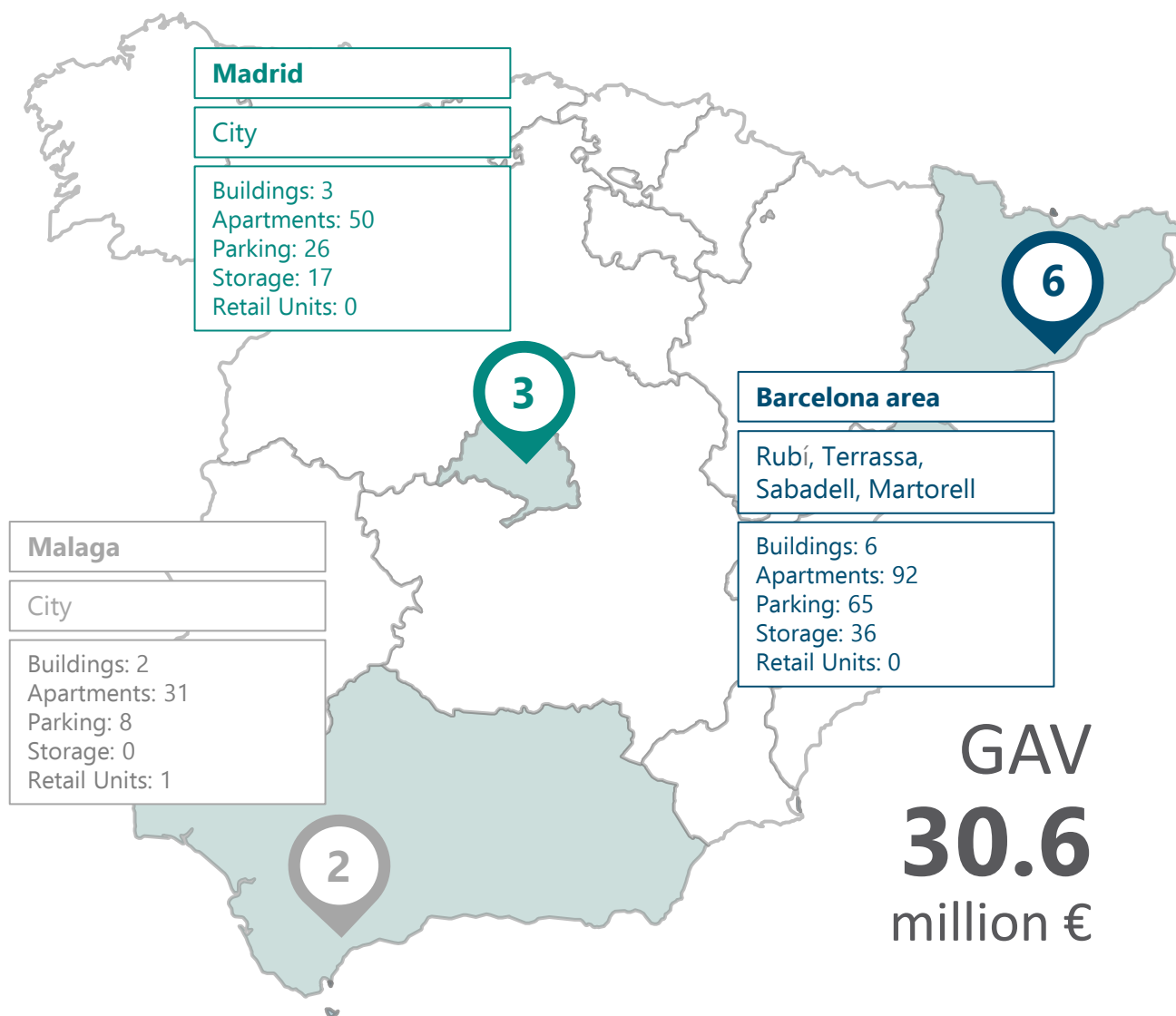
2.

Asset portfolio



Our Asset Portfolio

as of 31 December 2021



9,400 sqm

Gross leasable area



€11.9/sqm

Passing rent



173

Apartments



98%

Occupancy rate¹

1. For assets in full operation in 2021

Portfolio Assets – Barcelona area

1. Mare de Deu del Pilar



Location: Rubí, Barcelona
Apts: 7
Pkg: 7
GLA: 682 sqm
Purchase Date: Apr 2018
GRI¹: €75,740
Occupancy: 96%

2. Santa Fe



Location: Rubí, Barcelona
Apts: 19
Pkg: 19
GLA: 1,152 sqm
Purchase Date: Apr 2018
GRI¹: €165,060
Occupancy: 97%

3. Wilson



Location: Terrassa, Barcelona
Apts: 11
Pkg: 7
GLA: 746 sqm
Purchase Date: Oct 2018
GRI¹: €81,070
Occupancy: 99%

4. Virgen de la Paloma



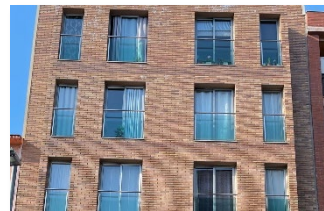
Location: Sabadell, Barcelona
Apts: 14
Pkg: 14
Stg: 5
GLA: 1,009 sqm
Purchase Date: Dec 2018
GRI¹: €119,200
Occupancy: 99%

5. Canonge Rodo



Location: Rubí, Barcelona
Apts: 25
Pkg: 18
Stg: 15
GLA: 1,134 sqm
Purchase Date: Apr 2019
GRI¹: €158,240
Occupancy: 96%

6. Carretera de Piera



Location: Martorell, Barcelona
Apts: 16
Stg: 16
GLA: 844 sqm
Purchase Date: Sep 2021
GRI¹: €101,020
Occupancy: 99%



¹ Gross rental income based on annualized figures from December 2021

Portfolio Assets – Madrid

1. Platano



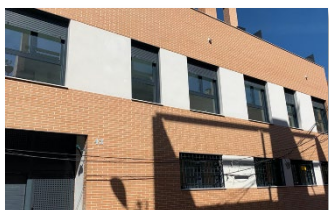
Location: Tetuan, Madrid
 Apts: 17
 GLA: 539 sqm
 Purchase Date: December 2019
 GRI¹: €153,960
 Occupancy: 65%

2. Teresa Maroto



Location: Vallecas, Madrid
 Apts: 16
 Pkg: 11
 GLA: 783 sqm
 Purchase Date: June 2020
 GRI¹: €128,880
 Occupancy: 97%

3. Puerto de Tarancon



Location: Vallecas, Madrid
 Apts: 17
 Pkg: 15
 GLA: 931 sqm
 Purchase Date: October 2020
 GRI¹: €149,010
 Occupancy: 88%

Portfolio Assets – Malaga

1. Fatima



Location: La Trinidad, Malaga
 Apts: 19
 GLA: 808 sqm
 Purchase Date: June 2021
 GRI¹: €113,020
 Occupancy: 96%

2. Ventura Rodriguez³



Location: La Trinidad, Malaga
 Apts: 12
 Pkg: 8
 Retail Unit: 1
 GLA: 739 sqm
 Purchase Date: July 2021
 GRI¹: €88,440
 Occupancy: 96%

¹ Gross rental income based on annualized figures from December 2021

² Occupancy rate as of December 2021

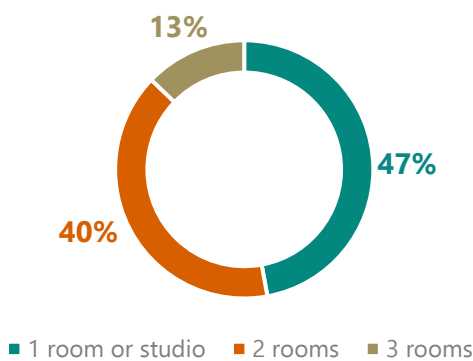
³ ADVERO does not own 1 apartment in the Ventura Rodriguez building

Profile of ADVERO's portfolio

ADVERO's portfolio includes 173 apartments, ranging from studios to 3-bedrooms with an average size of 54 sqm

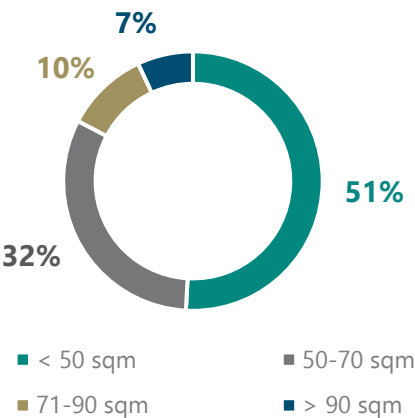
By number of rooms

% total portfolio



By apartment size

Gross sqm
Average = 54 sqm

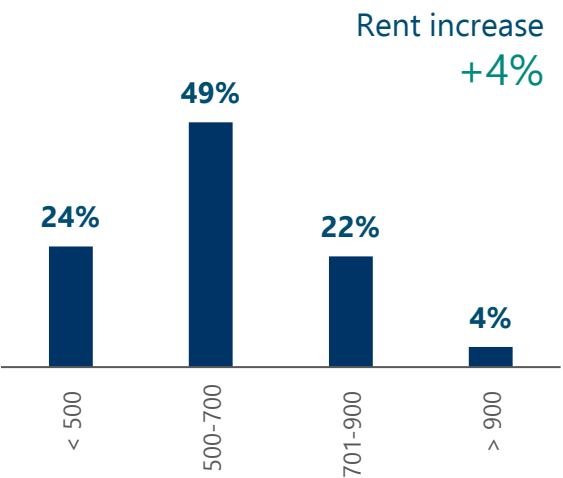


Profile of ADVERO's contracts

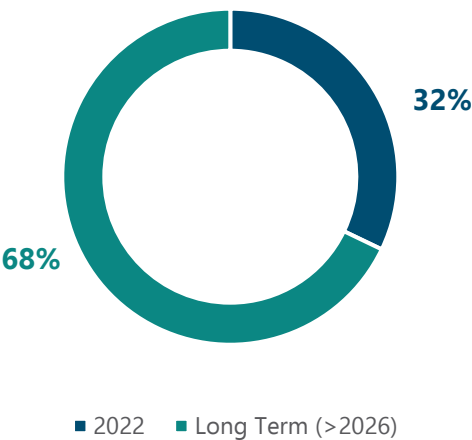
ADVERO's focuses on charging affordable market rates for its units, with a current average rent of €613 per month. 32% of its contracts will be expiring in 2022, enabling these contracts to be readjusted to latest market prices, always following a socially responsible price fixing.

By monthly rent

Average = €613



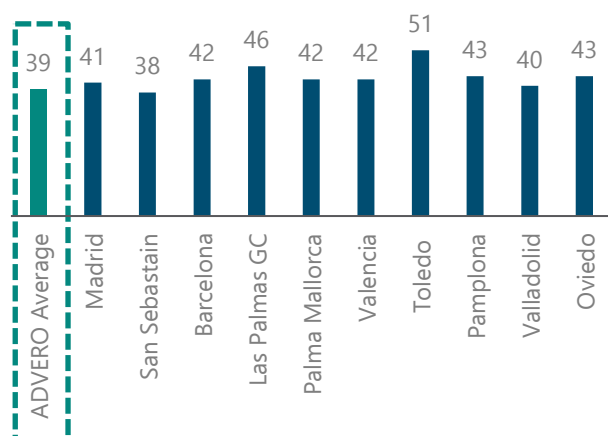
Lease expiration



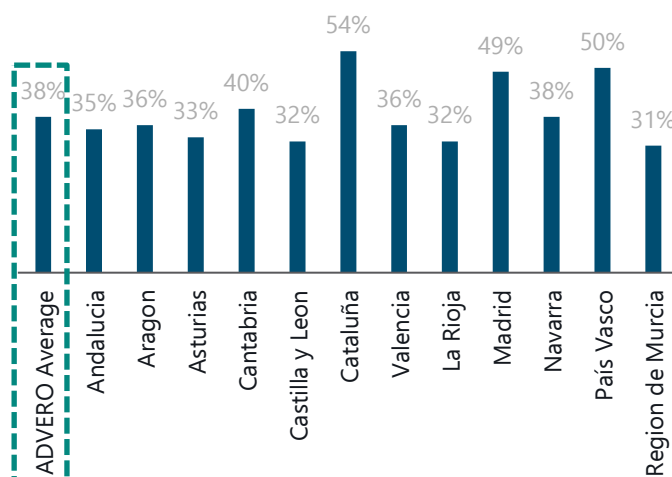
Profile of ADVERO's tenants

Average age

vs. average of tenants in major Spanish cities



Affordability ratio



€2,379

average net household income among ADVERO's tenants

4.06

WAULT¹

ADVERO's asset acquisition and rental strategies

- 1) Primarily the purchase of distressed assets from financial institutions, enabling those buildings to be reincorporated into the market and providing a professionalised supply of affordable rental housing. These being either:
 - i. Already-leased apartments, with rents generally below market levels as a result of the undermanagement of the properties while they are linked to non-performing loans. This allows ADVERO to receive cash flows at the point of acquisition but requires rent management policies in order to eventually reach market levels while adhering to our philosophy of fair rental increases
 - ii. The acquisition of empty properties or work in progress assets, which involves some initial investment in capex, but also allows for rental prices to be adjusted to market levels once operating
- 2) The acquisition of properties from private individuals in key locations for ADVERO, where the above source of supply is scarce but securing compliance with the company's profitability standards

¹ The aggregate of the weighted average lengths of the unexpired lease terms under all occupational leases as at 31/12/2021

Source: Fotocasa



More than just a home

ADVERO's long-term mission is to build a cohesive community of tenants and local partners to reinforce ADVERO's mission-driven purpose of providing quality housing to sectors of the population that opt for rent as the best alternative to owning property.

ADVERO works to complement its apartments with services adapted to its tenants' needs. ADVERO's buildings already have one of the most affordable broadband and mobile contract facilities on the market through its strategic alliance with **Netllar Telecom**.

Additionally, ADVERO's residents may benefit in particular from attractive corporate rates agreed by ADVERO with other firms, such as insurance companies.

A major step towards intelligent housing: ADVERO is actively seeking and currently working with various technology companies that can provide pleasurable and practical living solutions for tenants, including those that can be input through the internet-fibre cable.




Telephone


Internet


Mobile



3.

Value indicators



ADVERO's strategic investment pillars

ADVERO is focused on delivering long-term sustainable return for its shareholders through its strategic investments pillars, while playing a role in the social and economic shift in Spain from home ownership to rental, through providing quality housing solutions to the middle-income sectors of the population.

High quality residential assets

ADVERO focuses on the acquisition of assets exclusively for residential use, prioritising properties that are no older than 15 years, with quality finishing.

Due to the population segment targeted by ADVERO, the company specializes in the management of assets located in middle-income neighborhoods of Spain's main capitals or in the peripheral areas.

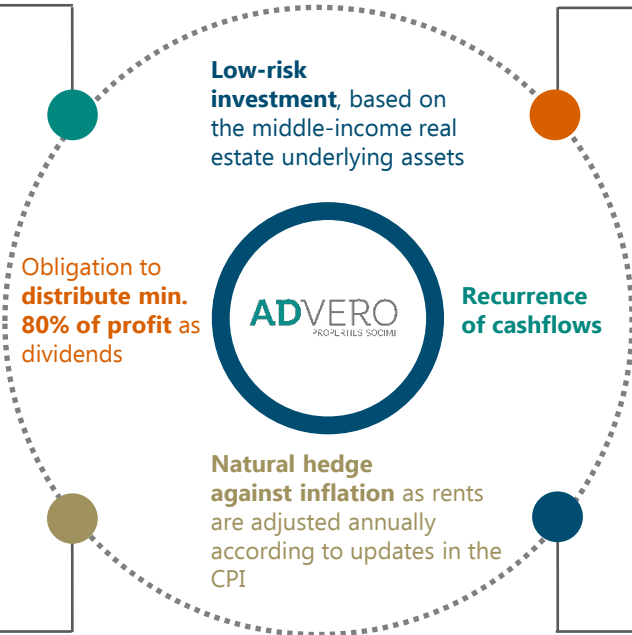
Periphery of large cities

Access to housing

ADVERO aims to offer a solution to middle-income population, which faces a greater difficulty in obtaining financing for the acquisition of housing, Undoubtedly, this population segment lies behind the structural change regarding property ownership in Spain.

ADVERO prioritizes the acquisition of complete buildings to facilitate the creation of cohesive communities.

Complete assets instead of scattered housing



Our key figures

+48%	Revaluation of current portfolio compared to acquisition price	+17%	Annualised return for investors, between first capital increase in Feb '18 and Dec '21
+8.6%	Increase in share price value in 2021	+46%	Increase in share price value between listing in Nov '19 and Dec '21

2021 in Figures

ADVERO's substantial portfolio growth in 2021 resulted in significant results for the company. Through its long-term asset management plan and focus on both rental and expense optimisation, ADVERO achieved a 160% growth in its net result (IFRS).

On December, 30 ADVERO completed a capital raise of 1,111,112 shares at 9 euros per share, which is not considered in the year performance figures below. Further details of this capital increase can be found on page 23.

Business performance

173 (v 126 in 2020)
Apartments

€30.6m
GAV

€25.5m
NAV

€9.64
NAV/share¹

9,366 sqm
GLA

€0.90m
GRI

€0.56m
NOI

62%
NOI Margin

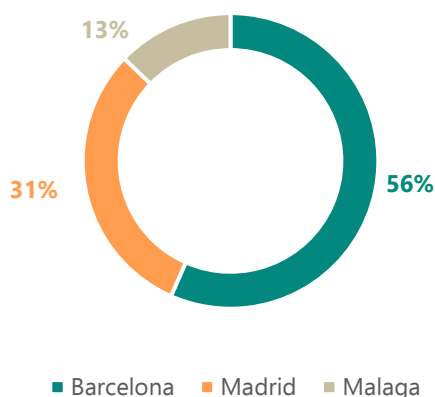
€2.8m
Net Result - IFRS

-€0.05m
Net Result - GAAP

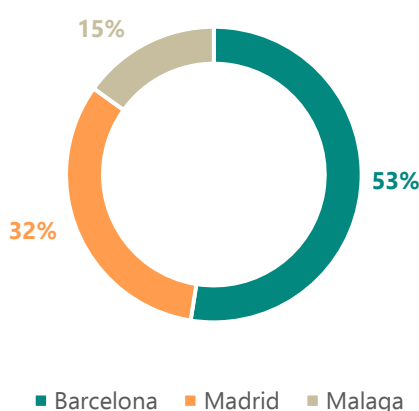
23%
Annualised Return on Assets

Portfolio breakdown

by GAV



by GRI



Financial structure

€20.6m
Total Investment

€15.8m
Total Equity Raised

17%
LTV

25%
LTC

€8.6m
Outstanding Debt

€3.4m
Cash Position

€5.3m
Net Financial Debt

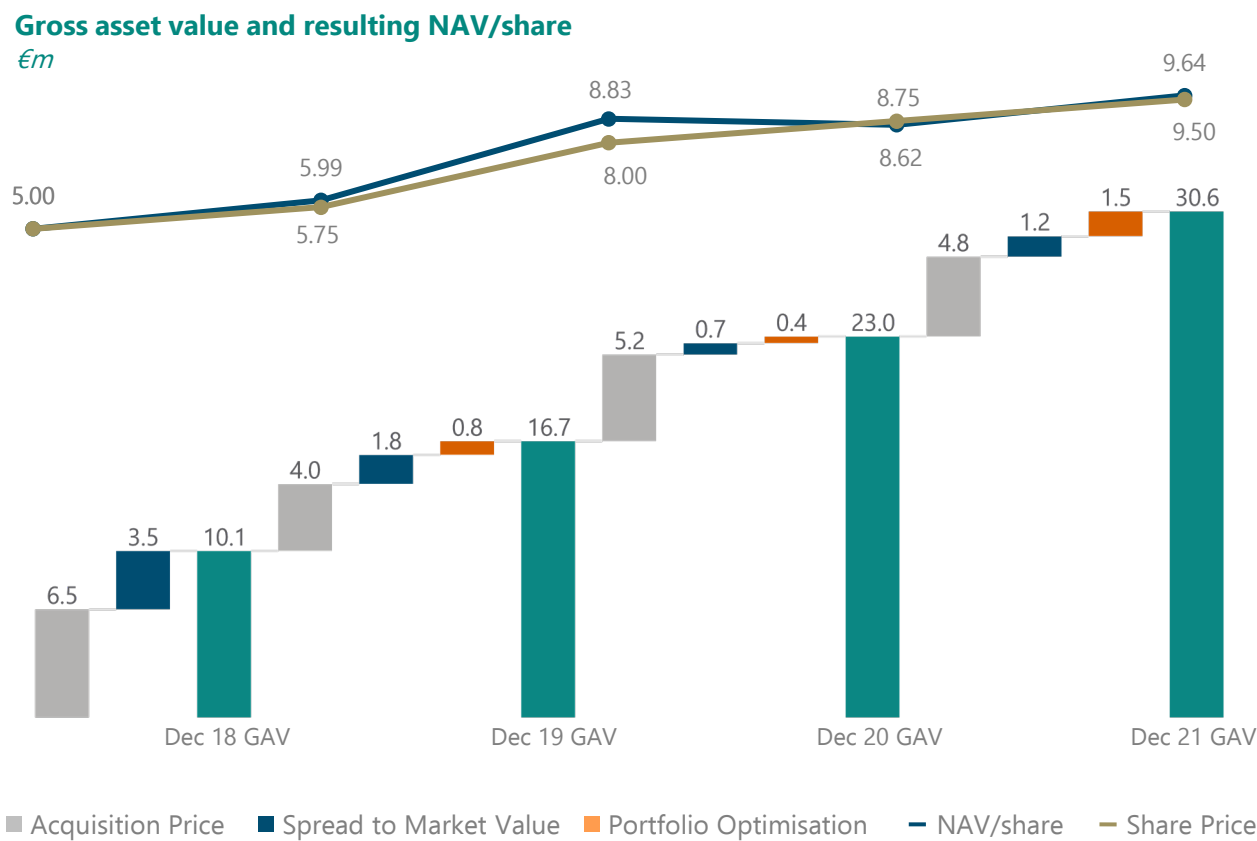
2%
Average Interest Rate (Fixed)

15.5 yrs.
Average Maturity

2021

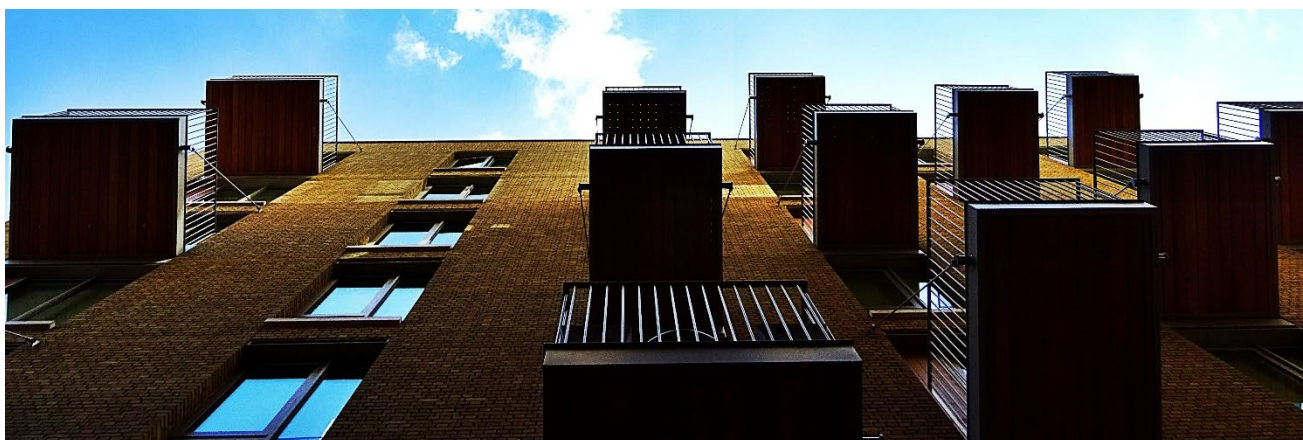
¹ Accounts for the effect of vested warrants and treasury stock.

GAV, NAV & share price evolution



ADVERO has managed to increase the value of its portfolio not only by managing the terms for asset acquisitions compared to market prices but also by continuously optimising the management of its properties.

The blue trendline indicates how **this value creation translates to the NAV/share**. ADVERO's transparent communication policy to the market enables the share price to move in line with the NAV/share and reflect the company's fundamental value.



4.

Share capital

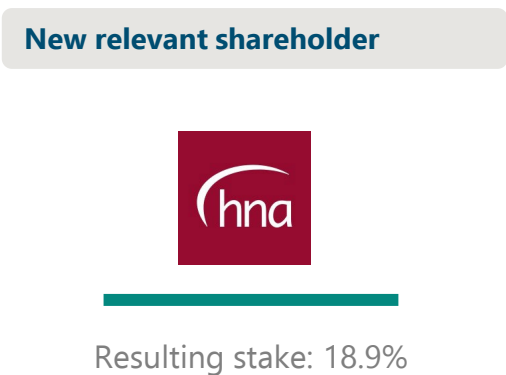
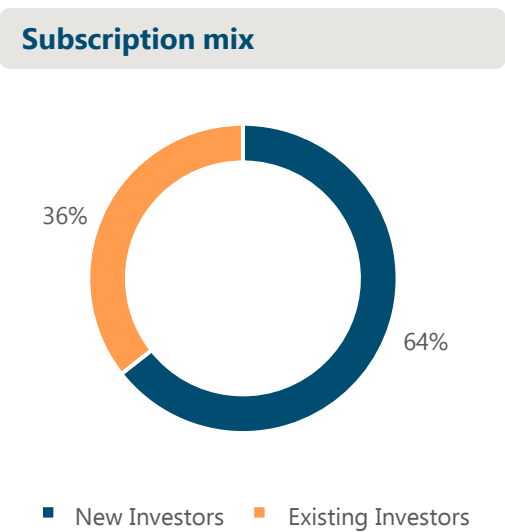


2021 Capital Increase

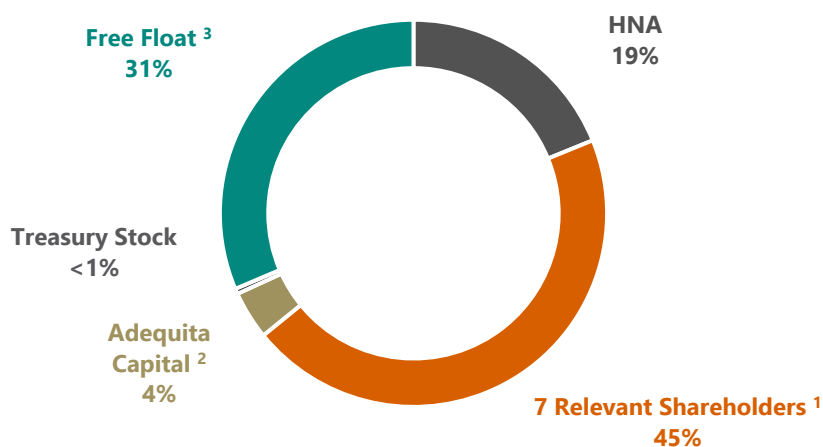
ADVERO completed its 5th capital increase in December 2021. The capital increase amounted to a total of 1.1m new shares issued and a corresponding total of 10 million euros raised. In addition to this capital increase, the shareholders unanimously approved a second tranche of this capital raise, with a maximum number of 679,576 new shares expected to be carried out in the first half of 2022.

This capital increase was predominantly subscribed by HNA, the architects, technical architects and chemists’ mutual company in Spain, which became the largest shareholder in ADVERO, with a stake of 18.9%

<div>1,111,112</div> <div>New shares in 1st tranche of capital increase</div>	<div>€9.00</div> <div>Price per share</div>	<div>€10m</div> <div>Total amount raised in 1st tranche</div>
--	---	--



Shareholding Structure



¹ With stakes between 5-10%

² Includes the participation of the management company and its related parties

³ Shareholders with a stake of less than 5%

Relevant shareholders

Shareholder	Direct	Indirect	Related ¹	Total
HNA	18.85%	-	-	18.85%
Riuaran, S.L.	5.00%	-	5.79%	10.80%
Jorge Vera Suñé	9.68%	-	-	9.68%
Ciganga, S.L.	7.15%	-	1.27%	8.42%
Grau, S.A.	5.96%	-	2.35%	8.31%
Parwing, S.L.	6.47%	-	1.52%	7.99%
Rimevi, S.L.	6.02%	-	-	6.02%
Reig Jofre Investments, S.L.	5.00%	-	-	5.00%
Adequita Capital Ltd	1.17%	-	2.87%	4.04%

1. Related parties do not have shareholders' agreements

5.

Financial statements



2021 Financial Results

Over 2021, ADVERO managed to increase both its turnover and profitability through a combination of the incorporation of new assets and the optimisation of the portfolio management. Gross rental income increased 48% year on year, while the EBITDA margin increased over this period from 13% to 18%. The company achieved a net result of €2.8m (+160%) according to IFRS, backed on the revaluation of the portfolio, and net loss of €0.05m in GAAP, as the amortization of assets is accounted for.

€ 0.9 m

€ 0.6 m in 2020

Gross Rental Income

€ 2.8 m

€ 1.1 m in 2020

Net Result (IFRS)

€ -0.05 m

€ -0.11 m in 2020

Net Result (GAAP)

€ 0.15 m

€ 0.01 m in 2020

Net cash flow (GAAP)

€ 30.6 m

€ 23.0 m in 2020

GAV

€ 20.2 m

€ 15.5 m in 2020

Non-current Assets (GAAP)

Auditors' Opinion

Audit report on annual accounts issued by an independent auditor¹

To the shareholders of ADVERO PROPERTIES SOCIMI, S.A.:

Opinion

We have audited the annual accounts of ADVERO PROPERTIES SOCIMI, S.A. (the Company), which comprise the balance sheet as of 31 December 2021, the profit and loss account, the statement of changes in equity, the statement of cash flows and the annual report, corresponding to the year ended on that date.

In our opinion, the annual accounts attached reflect, in all significant aspects, the true image of the equity and of the Company's financial situation as of 31 December 2021, as well as of its results and cash flows corresponding to the year ended on that date, in accordance with the applicable financial reporting regulatory framework (identified on note 2 of the annual report) and, particularly, with the accounting principles contained in it.

Basis of the opinion

We have conducted our audit in accordance with the regulations governing the account auditing in Spain. Our responsibilities under these standards are described further in the section "*The auditor's responsibilities in relation to the annual accounts audit*" in our report.

We are independent from the Company in accordance with the ethical requirements, including independence, with are of application to our auditing of annual accounts in Spain, as required by the regulatory standard of the account auditing. In this sense, we have not provided different services other than those of the auditing of accounts, nor have there been any situations or circumstances that, in accordance with the provisions of the aforementioned regulations, have affected the necessary independence in a way that it has been compromised.

We consider that the audit evidence that we have obtained provides a sufficient and adequate basis for our opinion.

Most relevant aspects of the audit

The most relevant aspects of the audit are those that, to our professional understanding, have been considered as the most relevant risks of material misstatement in our audit of the annual accounts for the current period. These risks have been addressed in the context of our audit of the annual accounts as a whole, and in the formation of our opinion about them, and we do not express a separate opinion about these risks.



Informe de auditoría de cuentas anuales emitido por un auditor independiente

A los accionistas de ADVERO PROPERTIES SOCIMI, S.A.:

Opinión

Hemos auditado las cuentas anuales de ADVERO PROPERTIES SOCIMI, S.A. (la Sociedad), que comprenden el balance a 31 de diciembre de 2021, la cuenta de pérdidas y ganancias, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio terminado en dicha fecha.

En nuestra opinión, las cuentas anuales adjuntas expresan, en todos los aspectos significativos, la imagen fiel del patrimonio y de la situación financiera de la Sociedad a 31 de diciembre de 2021, así como de sus resultados y flujos de efectivo correspondientes al ejercicio terminado en dicha fecha, de conformidad con el marco normativo de información financiera que resulta de aplicación (que se identifica en la nota 2 de la memoria) y, en particular, con los principios y criterios contables contenidos en el mismo.

Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con la normativa reguladora de la actividad de auditoría de cuentas vigente en España. Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección *Responsabilidades del auditor en relación con la auditoría de las cuentas anuales* de nuestro informe.

Somos independientes de la Sociedad de conformidad con los requerimientos de ética, incluidos los de independencia, que son aplicables a nuestra auditoría de las cuentas anuales en España según lo exigido por la normativa reguladora de la actividad de auditoría de cuentas. En este sentido, no hemos prestado servicios distintos a los de la auditoría de cuentas ni han concurrido situaciones o circunstancias que, de acuerdo con lo establecido en la citada normativa reguladora, hayan afectado a la necesaria independencia de modo que se haya visto comprometida.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

Aspectos más relevantes de la auditoría

Los aspectos más relevantes de la auditoría son aquellos que, según nuestro juicio profesional, han sido considerados como los riesgos de incorrección material más significativos en nuestra auditoría de las cuentas anuales del periodo actual. Estos riesgos han sido tratados en el contexto de nuestra auditoría de las cuentas anuales en su conjunto, y en la formación de nuestra opinión sobre éstas, y no expresamos una opinión por separado sobre esos riesgos.

¹ Translated by ADVERO from the original in Spanish. In case of conflict, Spanish version shall prevail.

Profit & Loss Account (IFRS)¹

PROFIT & LOSS ACCOUNT (IN €)	2020	2021	Evol.
A) ONGOING OPERATIONS			
1. Total Income	609,504	901,971	+48%
2. Other operating income	1,047	138	
3. Otros payroll Expenses	-	-16,910	
a) Salaries and wages	-	-12,854	
b) Social charges	-	-4,056	
3. Other operating expenses	-547,461	-735,129	
a) External services	-509,297	-685,539	
b) Taxes	-38,104	-48,990	
c) Other current management expenses	-60	-600	
4. Variation in the fair value of investment properties	1,054,364	2,719,190	
5. Depreciation of fixed assets	-5,449	-11,865	
6. Other results	14,036	13,824	
A.1) OPERATING INCOME	1,126,041	2,871,218	+155%
6. Financial income	7,044	16,805	
a) Participations in equity instruments	6,781	16,560	
b) Other financial income	263	245	
7. Financial expenses	-82,978	-105,503	
a) For debts with third parties	-82,978	-105,503	
8. Variation in fair value of financial instruments	25,714	9,336	
a) For debts with third parties	-	-80,000	
b) Trading portfolio and others	25,714	89,337	
A.2) FINANCIAL RESULT	-50,220	-79,361	+58%
A.3) EARNINGS BEFORE TAXES	1,075,821	2,791,857	
10. Corporate Income Tax	-	-	
A.4) NET RESULT	1,075,821	2,791,857	+160%

¹ Internal preparation according to International Financial Reporting Standards (IFRS) for information purposes only. As ADVERO does not have financial statements audited under IFRS, the firm of Ernst & Young, S.L. has issued a report of agreed procedures in relation to the special purpose financial statements prepared under international regulations.

Profit & Loss Account (Spanish GAAP)

PROFIT & LOSS ACCOUNT (IN €)	2020	2021	Evol.
A) ONGOING OPERATIONS			
1. Total income	609,504	901,971	+48%
a) Rendering of services	609,504	901,971	
2. Other operating income	1,047	138	
a) Ancillary income and other current management	1,047	138	
3. Personal expenses	-	-16,911	
a) Wages, salaries and other	-	-12,854	
b) Social charges	-	-4,056	
4. Other operating expenses	-547,461	-735,129	
a) External services	-509,297	-685,539	
b) Taxes	-38,104	-48,990	
c) Other current management expenses	-60	-600	
5. Variation in the fair value of investment properties	-	-	
6. Depreciation of fixed assets	-124,011	-197,997	
7. Other results	14,036	13,824	
A.1) OPERATING INCOME	-46,885	-34,103	-27%
6. Financial income	7,045	16,805	
a) Participations in equity instruments	6,781	16,560	
b) Other financial income	264	245	
7. Financial expenses	-95,065	-119,721	
a) For debts with third parties	-95,065	-119,721	
8. Variation in fair value variation in financial instruments	25,714	89,337	
a) For debts with third parties	-	-	
b) Trading portfolio and others	25,714	89,337	
A.2) FINANCIAL RESULT	-62,306	-13,579	-78%
A.3) EARNINGS BEFORE TAXES	-109,191	-47,682	
10. Corporate income tax	-	-	
A.4) NET RESULT	-109,191	-47,682	-56%
Net Cash Flow	14,820	150,315	+914%

Balance Sheet (IFRS)¹

Assets	31/12/2020	31/12/2021
Non-current assets	23,089,244	30,723,879
Intangible fixed assets	533	-
Fixed assets	59,329	114,432
Property Investments	23,028,597	30,603,000
Long-Term Investment in Subsidiaries	-	5,662
Long-term financial investments	785	785
Current assets	3,747,767	13,691,483
Accounts receivables	21,752	106,487
Short-term financial investments	433,944	220,147
Current provisions	7,313	5,240
Cash and cash equivalents	3,284,758	13,359,608
TOTAL ASSETS	26,837,011	44,415,362

Equity & Liabilities	31/12/2020	31/12/2021
Shareholders' equity	22,694,665	35,280,605
Own funds	22,694,665	35,280,605
Share Capital	12,131,865	17,687,425
Share Premium	3,643,844	8,088,297
Retained Earnings	5,956,686	6,803,004
Treasury Stock	-138,550	-114,978
Other Equity Instruments	25,000	25,000
Net Result of the year	1,075,821	2,791,857
Non-current liabilities	3,688,491	8,158,114
Long term debts	3,688,491	8,158,114
Current liabilities	453,855	976,643
Short term debts	366,545	598,823
Accounts payable	87,311	377,820
TOTAL EQUITY & LIABILITIES	26,837,011	44,415,362

¹ Internal preparation according to International Financial Reporting Standards (IFRS) for information purposes only. As ADVERO does not have financial statements audited under IFRS, the firm of Ernst & Young, S.L. has issued a report of agreed procedures in relation to the special purpose financial statements prepared under international regulations.

Balance Sheet (Spanish GAAP)

Assets	31/12/2020	31/12/2021
Non-current assets	15,515,976	20,245,290
Intangible fixed assets	533	-
Fixed assets	59,329	114,432
Property investments	15,455,329	20,124,411
Long-Term Investment in Subsidiaries	-	5,662
Long-term financial investments	785	785
Current assets	3,747,767	13,691,485
Prepaid Expenses	2,420	38,047
Accounts receivable	19,332	68,442
Short-term financial investments	433,944	220,147
Current provisions	7,313	5,240
Cash and cash equivalents	3,284,758	13,359,608
TOTAL ASSETS	19,263,743	33,936,775

Equity and Liabilities	31/12/2020	31/12/2021
Shareholders' equity	15,207,197	24,933,496
Own funds	15,207,197	24,933,496
Share capital	12,131,865	17,687,425
Share premium	3,643,844	8,088,297
Reserves	-338,684	-588,289
Treasury shares	-138,551	-114,978
Retained earnings	-36,529	-145,721
Contributed capital	29,443	29,443
Annual result	-109,191	-47,682
Other equity instruments	25,000	25,000
Non-current liabilities	3,602,691	8,026,835
Long-term debt	3,602,691	8,026,835
Current liabilities	453,855	976,444
Short-term debt	366,544	598,623
Accounts payable	87,311	377,821
TOTAL EQUITY AND LIABILITIES	19,263,743	33,936,775

6.

Corporate governance



Board of Directors

The Board of Directors is formed of:

- Chairman
- Management Company (Adequita Capital)
- Representatives of majority shareholders (>5% of capital)
- Representatives of minority shareholders (<5% each)
- Independent director
- Non-director secretary



Chairman
Riuaran S.L.
Mr. Pau Corbera



Director
Mr. Jorge Vera



Director
Ciganga S.L.
Mr. Gabriel Roig



Director
Parwing S.L.
Mr. Jorge Adsara



Director
Rimevi S.L.
Ms. Gemma Mestre



Director
Grau S.A.
Mr. Alex Grau



Director
Reig Jofre Inv. S.L.
Mr. Alejandro Garcia



Director
Mr. Maxim Soloschanskiy



Director
Adequita Capital Ltd.
Ms. Gloria Folch



Director
Solcorbi 2013 S.L.U.
Mr. Carlos Corbera



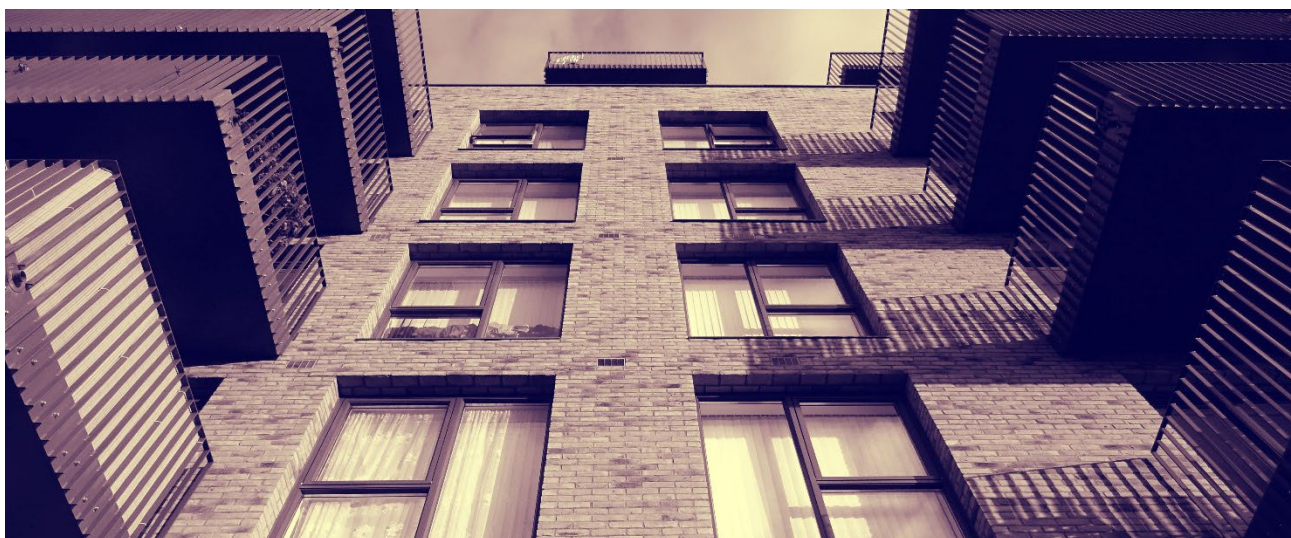
Independent director
Mr. Aureli Mas



Non-director secretary
Mr. Alejandro Vives

In addition to the above directors, the General Shareholders’ Meeting approved on December 20, 2021 the appointment of HNA as a director of the board. The appointment was pending formal acceptance by HNA’s governing bodies at the end of the year.





Management structure

A singular management structure, to back ADVERO's consolidation stage

ADVERO's management structure has been designed to adapt to the company's growth trajectory and ensure the protection of the return on investment for all shareholders. As a result, ADVERO outsources all services to external firms based in Spain, with a solid track record and commitment towards the company. The coordination of these firms is led from London by the company's shareholder and director, Adequita Capital Ltd., a regulated entity by the UK Financial Conduct Authority (FCA), who acts as the management company for ADVERO.

ADEQUITA
CAPITAL LTD

Adequita Capital holds 2 million warrants of ADVERO, each of them entitling to subscribe shares of the company for a unit value of €5.00 before August 2024. Adequita committed to modulate the exercise of the warrants in a way that it never accounts for more than 20% of the share capital. The calculation of the NAV/share is always adjusted by the dilutive effect of the vested warrants, so that their subscription will not have any impact on the share price.



Accounting & tax advisor



Legal advisor



Legal advisor



7.

Residential market in Spain



Increasing demand in the rental residential sector resulting from changes in housing preference from 2008 recession further compounded by Covid-19

2008 Recession and reduced credit access

Spain has been in recovery for the last decade following the 2008 financial crisis and resultant inflated supply of housing. Prior to the housing market crash, banks were providing mortgages with LTVs above 100%. Following the housing market crash, banks adjusted their protocols and implemented stricter requirements for mortgage loans. Banks are no longer providing mortgages at 100% or above and instead significantly reduced access to credit. This has resulted in many households with limited credit access and the inability to purchase homes.

The number of mortgages issued from 2006 to 2019 fell from 370k to 99k (-70%). This has been further amplified by the disparity between salary growth and house price increase. Between 2004 and 2019 salary growth was recorded at 5% while house prices grew 12% over the same period, making home ownership more and more unaffordable. This has propelled the demand for rental housing, with the percentage of Spanish households living in rental housing increasing from 14% to 18% between 2004 and 2019.

Rising demand further propelled by Covid-19

The rental market saw a further boom in growth during Covid-19. With job losses and uncertainty over the pandemic, many people were either no longer able to qualify for housing credit or put their house purchases on hold. In addition to this, many were re-evaluating their house choices, no longer renting in city centres, but instead opting for the outskirts of major cities in order to gain more space.

Growing demand requires increased supply

Atlas Analytics estimate that over a million homes are required in the rental housing market of Spain to meet the rapidly growing demand for rental housing. ADVERO's strategy of acquiring REOs and NPLs from financial institutions is addressing this supply, restoring many empty or illegally occupied buildings into quality housing for the middle-income sector.



Regulatory Updates in the Spanish Residential Real Estate Sector

Catalonia Housing Law to be abolished

The Constitutional Court has confirmed that the rental law, which prohibits the increase in rental prices, is set to be annulled in 2022. This annulment ruling comes a year and a half after its first approval in Parliament in September 2020.

Although it is unclear to see the full effects this rental law has had, due to the compounded effect of the global pandemic and the subsequent crisis, it is expected that rental prices will now be able to adjust to pre-pandemic levels.

While this law enables the increase in rental prices to align with market prices, ADVERO is still committed to adhering to its rental pricing policy, which targets incremental rental increases with a socially responsible approach.

Corporate Tax Regulation

Government has toughened the taxation of Socimis.

For the tax period beginning on January 1, 2021, Law 11/2009 of October 26, which regulates listed investment companies in the real estate market, has been modified. This modification will result in entities being subject to a tax of 15% on all profits that are not distributed as dividends. This is an update from the original taxation policy for Socimis, where profits were taxed at 0%.

No update has been made to the mandatory dividend distribution policy for Socimis, whereby at least 50% of all profits realized from the divestment of property, 100% of profits from dividends earned and 80% of all other profits (predominantly rental income) must be distributed as dividends.

Independently from this new law, it has always been ADVERO's will targeting a 100% distribution of its profits.





8.

**Relevant Events in
First Half 2022**

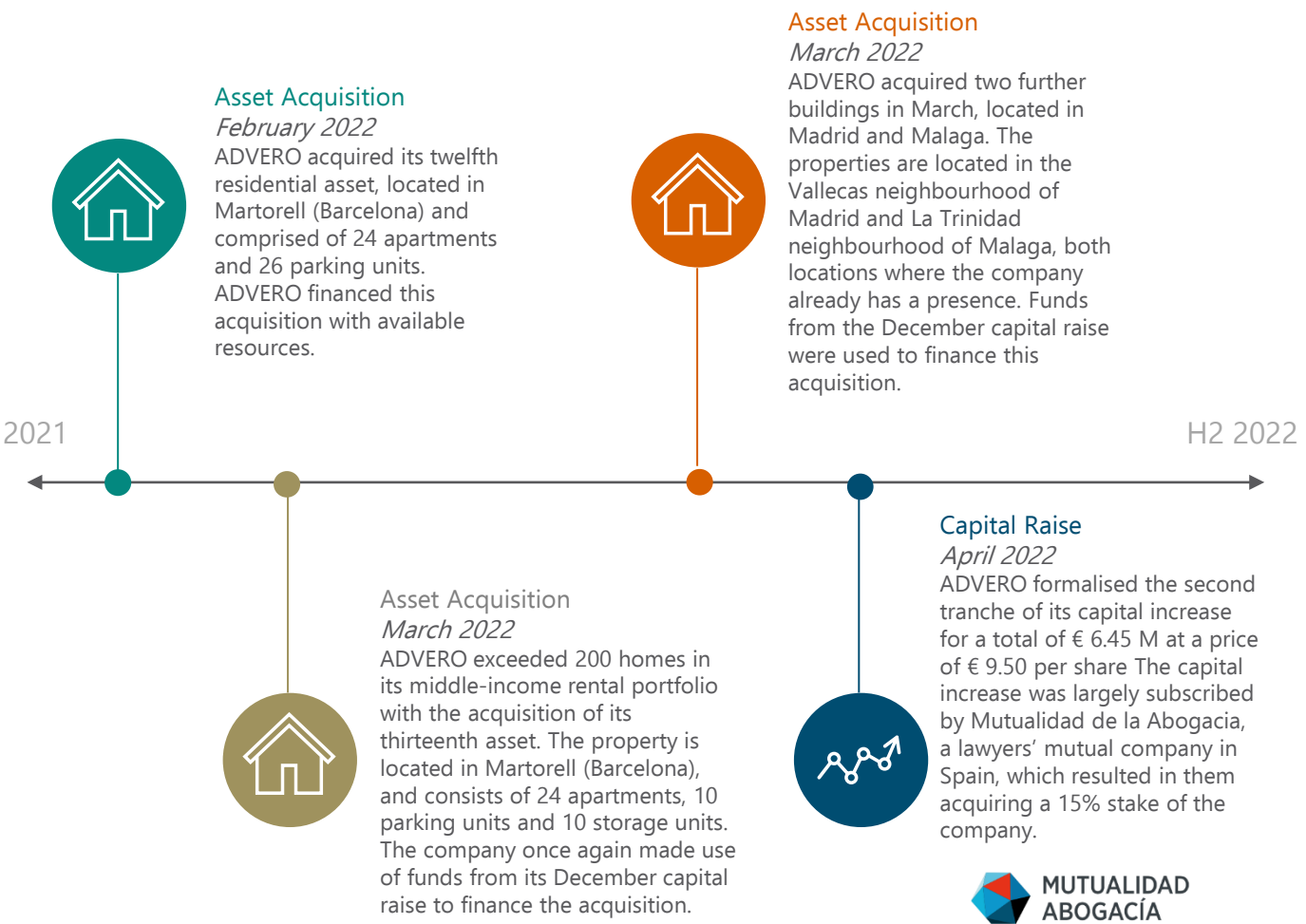
Relevant Events in First Half 2022

4

New buildings

€6.5m

Capital raise fully subscribed



The impact of the War in Ukraine

The war in Ukraine is producing cascading effects to the global economy. Recent projections by UNCTAD estimate that the world economy and inflation will be significantly affected by this conflict. Central banks have in turn been increasing interest rates, however the continued rate of this, given the ongoing uncertainty surrounding this war and the possibility of a recession, remains unknown.

ADVERO presents itself as a hedging financial investment against inflation, due to the correlation between wages, rents and inflation in the middle income residential sector.

Although rising interest rates may impact any ADVERO's new bank financing, the company is currently well hedged against this as it is financed through fixed interest rate loans, with an average rate of 2% and 15-year maturity.

2022 in figures

Following the recent acquisitions in Q1 of 2022, ADVERO's annualised figures including all 15 assets in the portfolio would show as below. Annualised figures are meant to give an indication of the company's potential magnitudes with the current portfolio, should further acquisitions not take place. **Annualised figures are not a forecast of ADVERO's results for 2022.**

Portfolio Value

GAV	€m	39.8
NAV	€m	31.5
NAV/Share ⁶	€m	9.85

Key Earnings

Gross rental income	€m	1.78
Net rental income	€m	1.37
NRI margin	%	77
EBITDA	€m	0.86
EBITDA margin	%	48
FFO	€m	1.03

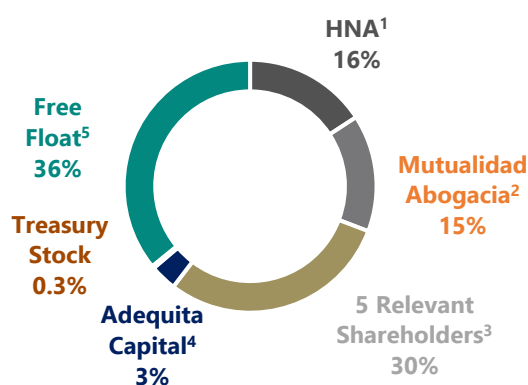
Profitability Ratios

Gross yield	%	4.5
Net yield	%	3.4
Net Yield OIC	%	4.8

Following the asset acquisitions in Q1 of 2022, ADVERO also closed the second tranche of its capital increase in May 2022. The raise was conducted at a price of €9.50 per share, with a total of 679,576 shares issued. The round was subscribed by a combination of both new and existing shareholders, with new shareholder Mutualidad Abogacia, taking the largest portion to become the second largest shareholder in ADVERO, with a stake of 15%.

These resources, together with undrawn bank financing, will give the company an investment capacity of around €25 million, allowing it to double its size in 2022.

Resultant Capital Structure



¹ HNA: Mutual company of architects in Spain

² Mutualidad Abogacia: Mutual company of lawyers in Spain

³ Stakes between 5%-10%

⁴ Includes the stake of the management company and its related parties

⁵ Shareholders with a stake of less than 5%

⁶ Without considering the effect of the capital increases for non-deployed resources

This page is intentionally left blank

Glossary

EBITDA: Earnings before net revaluations, depreciation and amortisation, provisions, interest and taxes

FFO: Funds from operations calculated as EBITDA less interest and income tax payments

GAAP: General Accepted Accounting Principles (Spain's accounting standards)

GAV: Gross asset value of the properties, as evaluated by an independent appraiser per RICS metrics

GLA: Gross leasable area

GRI: Gross rental income, defined as annualized monthly rental income on a pro-forma basis

Gross yield: Gross yield of the properties calculated by dividing annualized gross rent by the GAV

IFRS: International Accounting Standards

LTV (loan to value): Net debt divided by GAV

Maintenance capex: Amount invested to maintain and upgrade investment properties, excluding acquisitions

NAV: Net asset value, calculated according to EPRA guidelines, as GAV less net debt and accounting for the impact of any options that are dilutive

Net Rental Income (NRI): Rental income less direct operating expenses on a pro-forma basis

Net yield: Net yield of the properties calculated by dividing net rental income by the GAV

Net yield on invested capital (Net yield OIC): Net Yield on invested capital is the ratio of annualised NRI to total invested capital

Occupancy rate (physical): Leased residential surface area divided by total residential surface area

Passing rent: Calculated as monthly rent divided by GLA

Reversionary yield: Yield calculated as the ratio between the rental income that would be obtained from leasing the entire area at the market prices estimated by the independent valuers (ERV) and the gross asset value

Total ROA: Total return on assets is the Internal rate of return for ADVERO's portfolio from date of first acquisition in April 2018 to December 2020

A woman with long dark hair, wearing a teal long-sleeved shirt and black pants, is sitting cross-legged on the floor against a light grey wall. She is smiling and holding a large, rectangular, off-white sign with her right arm. The sign features the Advero logo, which consists of the word 'ADVERO' in a bold, sans-serif font, with 'AD' in teal and 'VERO' in dark grey. Below 'ADVERO' is the text 'PROPERTIES SOCIMI' in a smaller, dark grey, sans-serif font.

ADVERO

PROPERTIES SOCIMI

ADVERO PROPERTIES SOCIMI, S.A.

c/ Iradier 21
08017 Barcelona, Spain

info@adveroproperties.com
www.adveroproperties.com

Listing information

Ticker: YADV

Stock Exchange: Spain – BME Growth