

Barcelona (Spain), 5 May 2025

**OTHER RELEVANT INFORMATION**

**ADVERO PROPERTIES SOCIMI, S.A.** ("ADVERO" or "the Company"), in compliance with the provisions of article 17 of Regulation (EU) No 596/2014 on market abuse and article 227 of the consolidated text of the Securities Market Law, approved through Royal Legislative Decree 6/2023, of March 17, and concordant provisions, as well as in Circular 3/2020 of the BME MTF Equity, hereafter submits its 2024 Annual Report, which can also be downloaded in the Company's website [www.adveroproperties.com](http://www.adveroproperties.com).

The following information has been prepared under the exclusive responsibility of the issuer and its directors.

Yours sincerely,

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

# Annual Report 2024



Committed to middle-income rental housing

---

This page is intentionally left blank



## About This Report

Welcome to ADVERO Properties SOCIMI Annual Report for 2024. 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 2024 financial results for the company.

This report is available on the ADVERO website:  
**[www.adveroproperties.com](http://www.adveroproperties.com)**

Any questions or comments on this report, or requests for physical copies of the report, may be sent to:  
**[investor.relations@adveroproperties.com](mailto:investor.relations@adveroproperties.com)**

All paper copies will be printed on 100% recycled paper.





# Contents

- 06 | Chairman's Letter
- 07 | ADVERO at a Glance
- 12 | 2024 Highlights
- 19 | Asset Portfolio
- 25 | Value Indicators
- 30 | Financial Results
- 39 | ESG Update
- 45 | Share Capital & Corporate Governance
- 50 | Spanish Residential Market









## Fellow shareholders and residents,

It is a pleasure to present to you this Annual Report, in which we display the most relevant events of 2024 for ADVERO, a year where the company achieved new operational and strategic milestones.

ADVERO's pure focus on middle-income rental homes in Spain proved successful one more year. Although we started 2024 with the will to promote the consolidation of the middle-income rental market in Spain through the integration of a complementary company, higher value-generating asset deals led the board of directors to prioritize profitability for our shareholders. Consequently, ADVERO completed a capital raise of 16.5 million euro in October, managed to acquire four residential buildings with a total of 63 apartments before the end of the year, and secured resources for further growth in 2025.

We closed 2024 with a portfolio of 465 apartments in 28 buildings in the cities of Madrid, Malaga, Cordoba and six cities around Barcelona. The company increased total revenues by 23% up to 3.2 million euro and set net profit at 19.5 million euro from 2.6 million euro in 2023, as per international financial reporting standards.

Monthly rents averaging 661 euros granted the company continued occupancy levels of 97% throughout the portfolio, and losses from unpaid rents of less than 1%. Additionally, the size of the standard ADVERO apartments, with 62 sqm and 1 to 2 rooms, set the contract rotation at 24% in 2024, in line with previous years, thus enabling to top up the rents increase by CPI to reach an average increase of 10% in 2024, without considering revenues from new acquisitions.

The positive performance of the existing portfolio one more year, combined with the value created through acquisitions, set ADVERO's gross asset value at the end of 2024 in 96.0 million euro, an increase of 58% compared to that at the end of 2023.

All the above was achieved while maintaining a net loan-to-value of 7.3%, well below the 30% threshold set by the board of directors, with an average interest rate in 2024 of 3.3%.

Spanish accounting standards, which are the reference for dividend distribution, reported an 80% growth in net profit, to 0.37 million euro. This will set average dividend-to-cost payout in 0.7%, thus complementing the profitability per share of 20% achieved in 2024 through the revaluation of the net asset value, which evolved from 10.7 euro in 2023 to 12.85 euro at the end of 2024.

Throughout the year, ADVERO remained committed to the vision of delivering sustainable returns to our shareholders, while contributing positively to the communities in which we operate. To this end, ADVERO made significant strides in the execution of its ESG roadmap, whose first three-year plan is expected to be completed this year 2025.

The recent decline in interest rates is energizing the Spanish real estate sector and investor interest, creating new growth opportunities for ADVERO in the year ahead. This favorable environment supports our strategy in middle-income areas. Although regulatory uncertainties persist, our long-term approach in a country with severe challenges to balance rental homes supply and demand positions us to navigate the future with resilience and a clear sense of purpose.

We look ahead with optimism and determination, ready to continue building a resilient, high-impact platform that delivers value to our stakeholders and society alike.

**PAU CORBERA**  
*Chairman*

March 2025



# 1.

## ADVERO at a Glance





## WHO WE ARE

We are one of the fastest growing residential real estate investment companies in Spain, with a property portfolio of 28 buildings and 465 apartments<sup>1</sup> distributed across four strategic areas of Spain. ADVERO is listed on the BME Growth since November 2019.

## OUR MISSION

ADVERO's core purpose is to facilitate the incorporation of quality homes into the middle-income residential rental market in Spain, to respond to both the significant undersupply and the growing demand of this segment in Spain.

To this end, ADVERO acquires residential buildings, mainly in the hands of financial institutions. This enables value generation at the time of purchase, which is successively complemented by the operational optimisation of the portfolio and the strength of the residential rental sector.

## OUR PURPOSE

To be an active player in the development of a sustainable rental residential sector in Spain for the middle-income population.

Launched:

2017

Buildings:

28

Apartments:

465

Regions:

**Barcelona**  
**Madrid**  
**Malaga**  
**Cordoba**

<sup>1</sup> As of January 2025

# ADVERO Snapshot<sup>1</sup>

Main Figures			
28 Buildings	465 Apartments	4 Regions	4 New buildings in 2024
€3.1m 2024 Revenue	€3.7m Annualised revenue <sup>2</sup>	€95.9m GAV <sup>3</sup>	€82.3m NAV
Latest Capital Raise (October 2024)		Equity & financing	
€16.5m Capital Raise	€10.50 Issue Share Price	€48.9m Total Equity raised	5.8m Outstanding Shares
€11.1m Invested to Date	€26.2m Additional investment resources <sup>4</sup>	€70.6m Market cap	6.5% Net debt/GAV (LTV)
Asset Investments		Share Price	
€54.9m Invested Capital	+62% Revaluation	€12.72 NAV/share <sup>7</sup>	€12.2 Trading Price
4.1% Gross Yield <sup>5</sup>	5.0% Net Yield on Invested Capital <sup>6</sup>	+8.2% 2024 Revaluation	+12.0% IRR <sup>8</sup>

<sup>1</sup> As of 28<sup>th</sup> February 2025.

<sup>2</sup> Annualised figures of portfolio owned on 31/12/2024.

<sup>3</sup> Portfolio asset value + cash.

<sup>4</sup> It includes new debt to set LTV at 30%.

<sup>5</sup> Gross rental income/GAV.

<sup>6</sup> Net rental income/invested capital.

<sup>7</sup> Adjusted to vested warrants.

<sup>8</sup> Since first capital increase in February 2018.

# ADVERO's strategic pillars

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

## 01

### High Quality Residential Assets

ADVERO focuses on the acquisition of assets solely for residential use, prioritising properties that are no older than 15 years, with quality finishes. ADVERO brings to the market assets that are otherwise underutilised or not available for rental purposes in the long run.

## 03

### Access to Housing

ADVERO aims to offer a solution to middle-income families, which face a greater difficulty in obtaining financing for the acquisition of housing. This population segment lies behind the structural change regarding house ownership in Spain.

## 02

### Periphery of Main Cities

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

## 04


### Entire buildings

ADVERO prioritises the acquisition of complete buildings to facilitate the creation of cohesive communities and optimise management of the buildings, control the decision-making process and achieve economies of scale to maximise efficiency.






# Portfolio Summary<sup>1</sup>




**€88.8m**  
Gross Asset Value



**€3.7m**  
GRI (Annualised)



**28,808 sqm**  
Gross leasable area



**465**  
Apartments



Barcelona Area	11 Buildings	227 Apartments	€50.2m GAV	€1.5m GRI
Madrid	8 Buildings	100 Apartments	€19.3m GAV	€0.7m GRI
Malaga	3 Buildings	48 Apartments	€7.6m GAV	€0.3m GRI
Cordoba	6 Buildings	90 Apartments	€11.6m GAV	€0.5m GRI

<sup>1</sup> As of 31/12/2024









# 2.

## 2024 Highlights



# 2024 Highlights

In 2024 ADVERO prioritized value creation through its proven strategy to source the best assets to fit into its middle-income residential portfolio to other growth alternatives, which resulted in the highlights presented hereafter.

	
<b>+4 buildings</b> Four strategic asset acquisitions made in 2024, three of them in Madrid and one in the Barcelona city of Badalona	<b>58% increase in total GAV</b> Thanks to the value creation of both existing assets and the new acquisitions
	
<b>+23% increase in total GRI</b> To be further boosted by annualised income from assets acquired throughout 2024	<b>€19.5m in IFRS<sup>2</sup> net result</b> Translating to €0.4m in GAAP <sup>2</sup> net result, signalling another year of dividend distribution
	
<b>20% increase in share value</b> From 10.7€ net asset value per share in 2023 to 12.85€ at the end of 2024	<b>Low financial leverage</b> Net loan-to-value reduction from 20% in 2023 to 7% in 2024
	
<b>ESG Goals 2023-2025</b> First ESG goal achieved ahead of time while the rest are on track to be completed within the 2025 plan	<b>Tenant survey</b> High resident satisfaction confirmed one more year, even with a larger number of apartments

<sup>1</sup> GAV: Gross Asset Value  
<sup>2</sup> IFRS: International Financial Reporting Standards; GAAP: General Accepted Accounting Principles in Spain

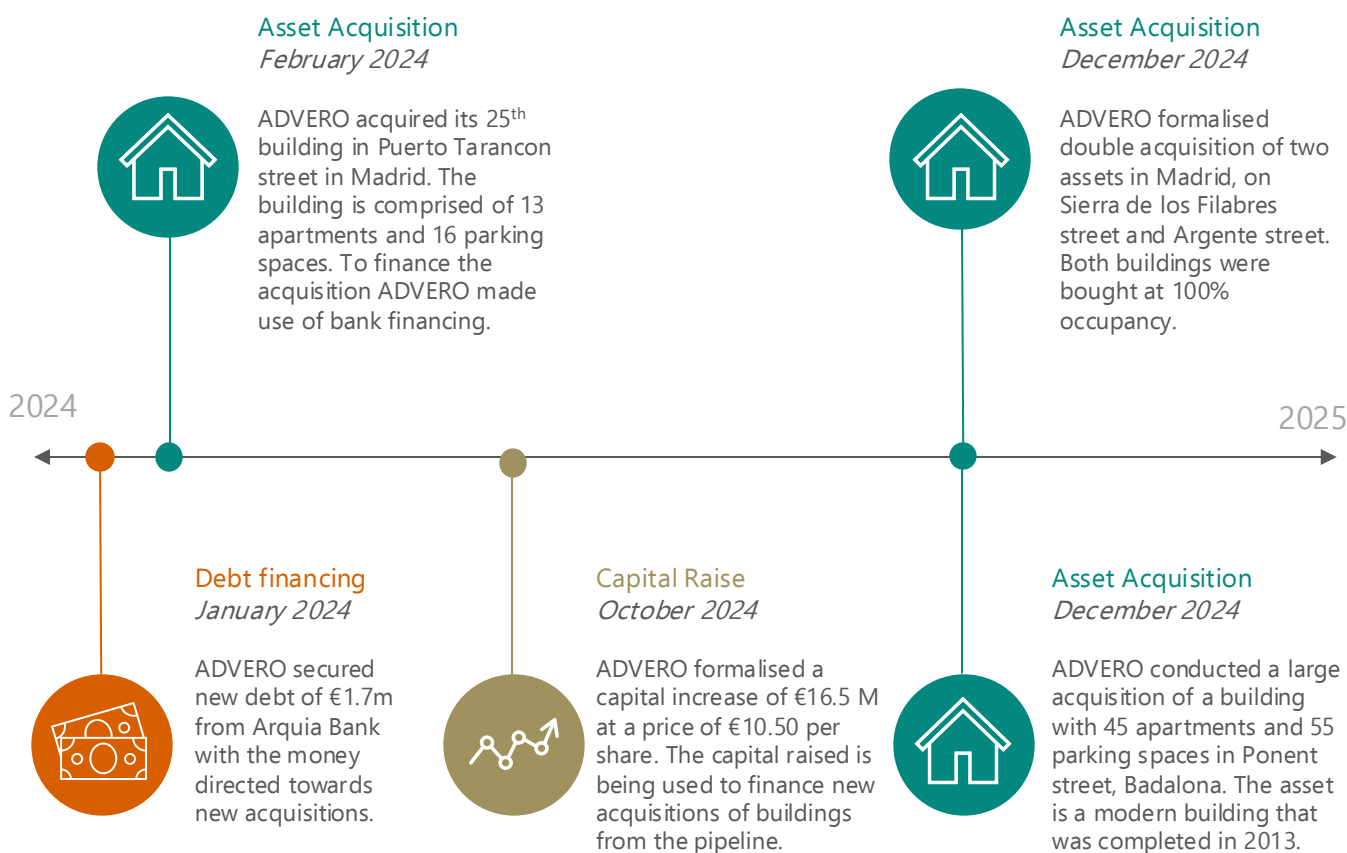
## 2024 Year timeline

### Our Achievements

Expansion in Madrid  
driven by continuously  
rising demand

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

6<sup>th</sup> capital raise  
successfully subscribed  
by both existing and  
new investors



# 2024



# Puerto Tarancón, 32 - Madrid

Built back in 2007, the building consists of 13 homes spread over two floors. It includes 12 studio apartments and one two-bedroom unit, all featuring wood floors, fully equipped kitchens, and convenient lift access.

Located in Madrid’s Puente de Vallecas district, a vibrant and well-connected area known for its strong sense of community. The neighborhood offers easy access to public transport, local markets, schools, and healthcare facilities—ideal for urban living. Puente de Vallecas also offers cultural and recreational spaces, fostering a dynamic environment.



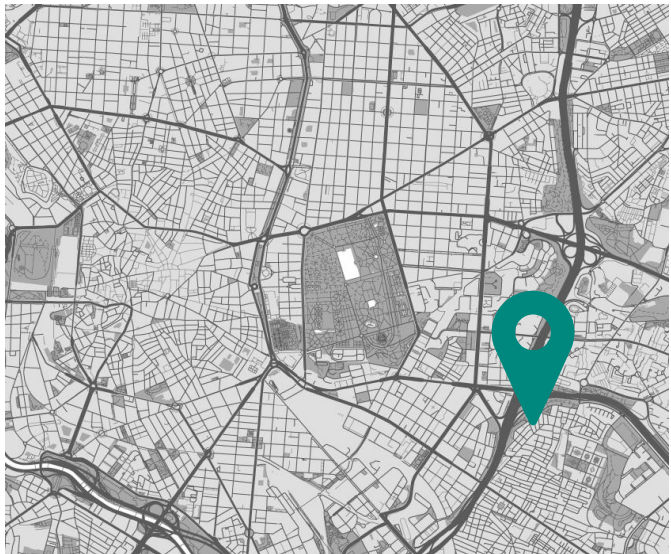
**41 sqm**  
Avg. apartment size



**99%**  
Occupancy rate<sup>1</sup>



**€597**  
Average rent

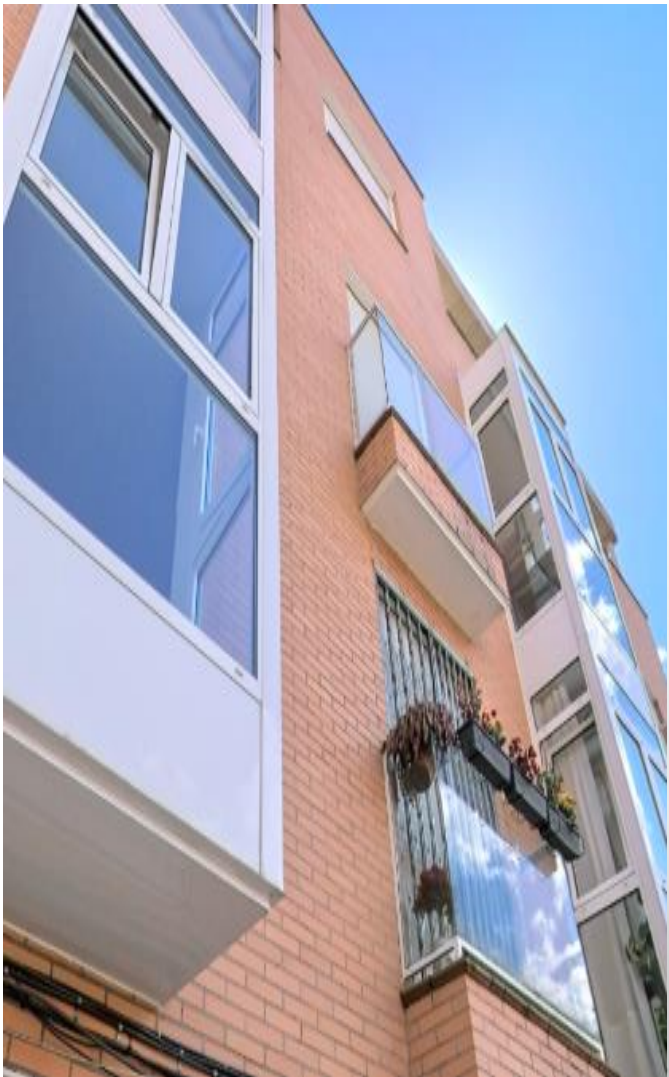


<sup>1</sup> Average 2024

# Argente, 8 - Madrid

Located in Puente de Vallecas, this residential building was constructed in the late 2010s. It features 11 apartments of varying sizes, serviced by an elevator and each designed for comfortable, functional living with abundant natural light, furnished kitchens, wooden floors, private terraces, and open spaces. The property also includes 6 parking spaces and 4 storage units.

The building enjoys excellent connectivity with Madrid, with Nueva Numancia and Puente de Vallecas metro stations just 10 minutes away. The well-established neighborhood combines residential and commercial spaces, making it a convenient and attractive location. Residents benefit from access to essential services, green spaces, and public amenities, all of which enhance overall quality of life.



**55 sqm**  
Avg. apartment size

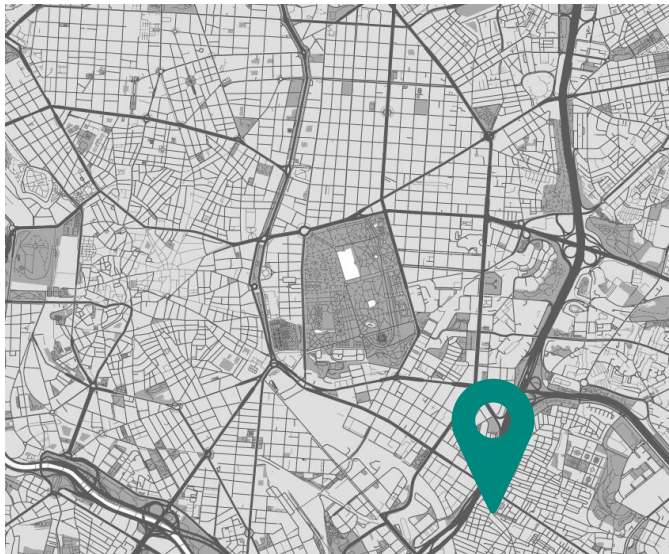


**100%**  
Occupancy rate<sup>1</sup>



**€703**  
Average rent

<sup>1</sup> Average 2024





# Sierra de los Filabres, 31 - Madrid

Residential building located in Madrid, built in 2020, sitting on a 106 m<sup>2</sup> plot with a built area of 276 m<sup>2</sup> and featuring three floors, serviced by a lift, where 7 bright apartments with wooden floors and furnished kitchens. The building benefits from a strategic location with excellent public transportation links, making it highly convenient for residents. Both Nueva Numancia and Puente de Vallecas stations are within a 5-minute walk.

The surrounding neighborhood is well-established, offering a mix of residential and commercial properties, making it an attractive area for both homeowners and investors.



**33.5 sqm**  
Avg. apartment size

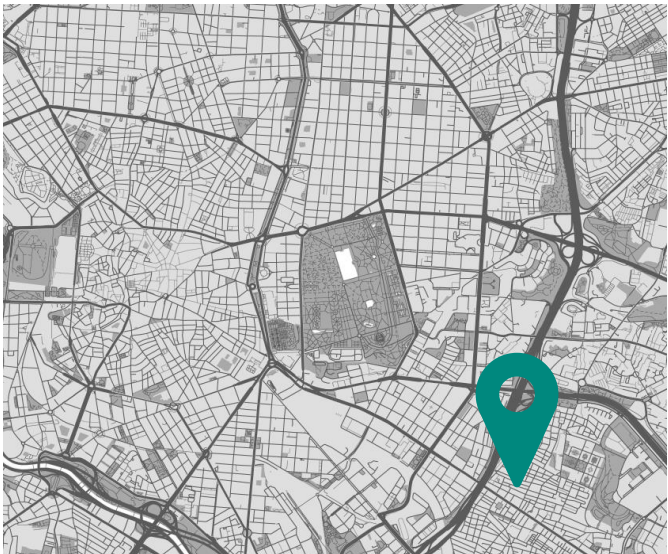


**100%**  
Occupancy rate<sup>1</sup>



**€707**  
Average rent

<sup>1</sup> Average 2024



# Ponent, 139-145 – Badalona (Barcelona)

Located in the El Gorg neighbourhood of Badalona (Barcelona), this is a modern residential building that finished construction in 2013. The building is comprised of 45 apartment of 3 rooms each, with individual units varying in size and layout, and 55 parking spaces.

The building is situated in a strategic location, close to the sea and within a moder urbanization. The area includes an Olympic basketball stadium and parks and offers excellent connectivity to Barcelona with metro stations less than 2 minutes away.



**80 sqm**  
Avg. apartment size

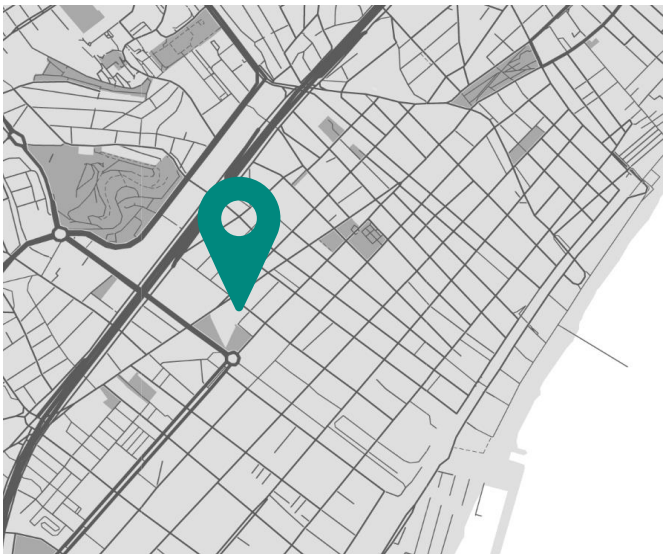


**93%**  
Occupancy rate<sup>1</sup>



**€666**  
Average rent

<sup>1</sup> Average 2024



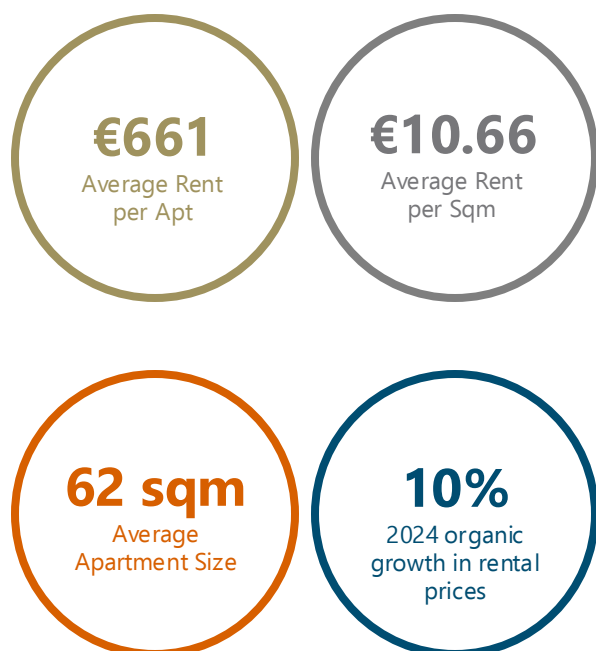


# 3.

## Asset portfolio



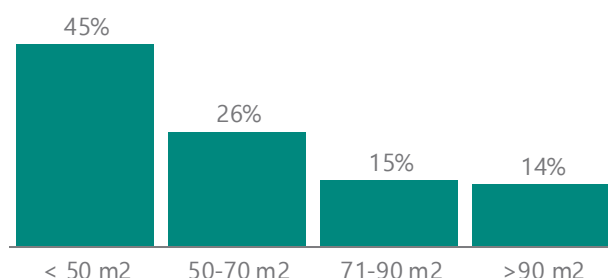
## ADVERO's Portfolio Profile



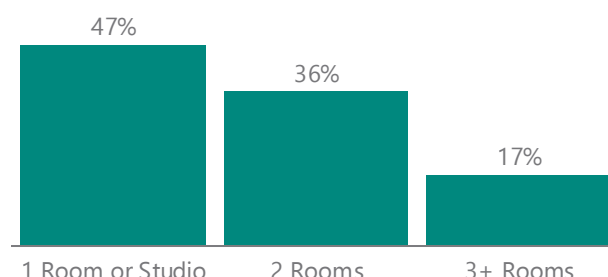
ADVERO is strategically positioned to meet strong rental demand with its portfolio of primarily studios and one-bedroom apartments, complemented by two- and three-bedroom units. This balanced mix addresses both market undersupply and tenant preferences, allowing the company to maintain high occupancy rates, shorten letting times, and adjust contract terms to reflect current market conditions, all while upholding socially responsible rental practices.

With an average tenant stay of approximately three years, and 49% of rental contracts at or beyond this threshold, ADVERO is well-positioned to strategically align rent adjustments with current market trends—while upholding its commitment to socially conscious and responsible management

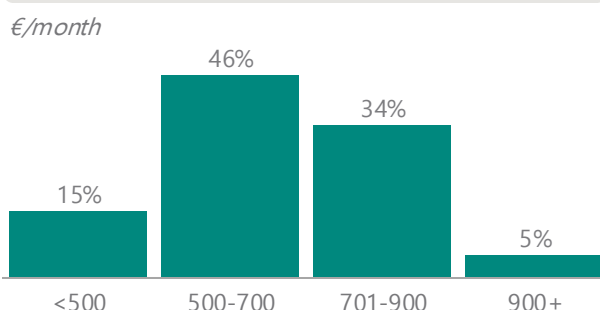
### Breakdown by size of apartments



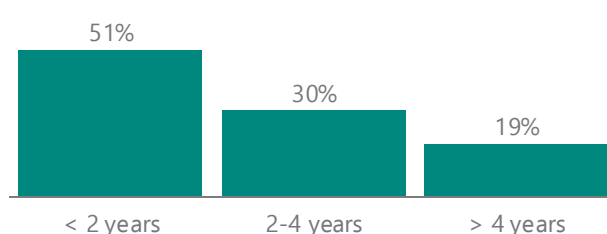
### Breakdown by number of rooms



### Breakdown by contract rent



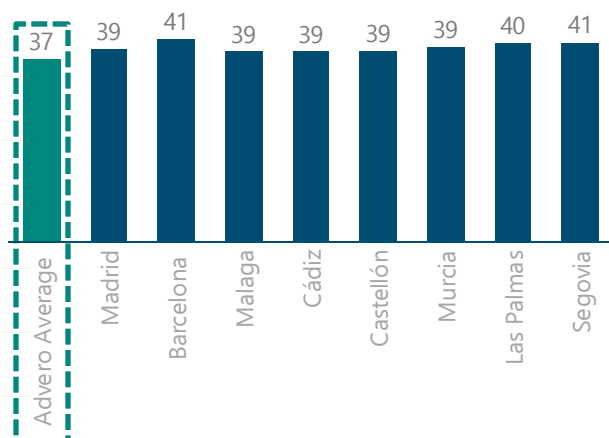
### Breakdown by current tenant stay



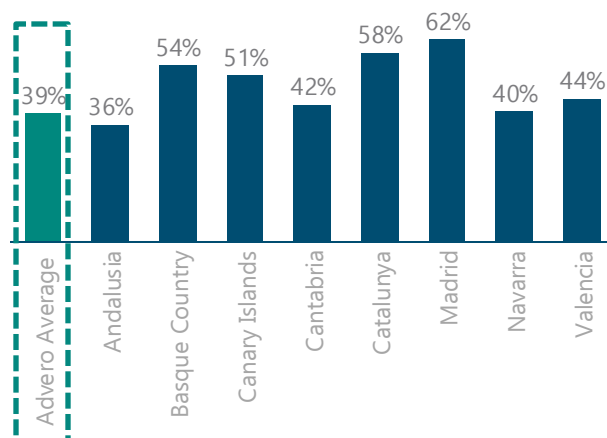
## Profile of ADVERO's tenants

### Average age

vs. average of tenants in major Spanish cities<sup>1</sup>



### Affordability ratio



€20,217

Average income of ADVERO's contract holders

4.57

WAULT<sup>2</sup>

ADVERO's tenant profile highlights the company's strong positioning in the rental market, attracting younger tenants with an average age of 37 — lower than the average in major Spanish cities — which suggests that ADVERO is appealing to young professionals and families looking for stable housing. With an average tenant income of €20,217 and an affordability ratio of 39%, ADVERO offers a balanced mix of affordability and quality, ensuring that tenants can comfortably afford their rent without being overburdened.



<sup>1</sup> Source: El Economista

<sup>2</sup> The aggregate of the weighted average lengths of the unexpired lease terms under all occupational leases as of 31/12/2024



# Portfolio Assets – Barcelona area

## 1. Mare de Deu del Pilar



Location: Rubí, Barcelona  
Apts: 7  
Pkg: 7  
GLA: 793 sqm  
Purchase Date: Apr 2018  
Occupancy<sup>1</sup>: 100%

## 3. Wilson



Location: Terrassa, Barcelona  
Apts: 11  
Pkg: 7  
GLA: 760 sqm  
Purchase Date: Oct 2018  
Occupancy<sup>1</sup>: 99%

## 5. Canonge Rodo



Location: Terrassa, Barcelona  
Apts: 25  
Pkg: 18  
Stg: 15  
GLA: 1,100 sqm  
Purchase Date: Apr 2019  
Occupancy<sup>1</sup>: 99%

## 7. Mercadal



Location: Martorell, Barcelona  
Apts: 21  
Pkg: 26  
GLA: 1,330 sqm  
Purchase Date: Feb 2022  
Occupancy<sup>1</sup>: 99%

## 9. Mur



Location: Martorell, Barcelona  
Apts: 23  
Pkg: 28  
Retail Unit: 1  
GLA: 1,429 sqm  
Purchase Date: April 2023  
Occupancy<sup>1</sup>: 99%

## 11. Ponent



Location: Badalona, Barcelona  
Apts: 45  
Pkg: 55  
GLA: 6,313 sqm  
Purchase Date: Dec 2024  
Occupancy<sup>1</sup>: 93%

<sup>1</sup> 2024 average occupancy rate for apartments

## 2. Santa Fe



Location: Rubí, Barcelona  
Apts: 19  
Pkg: 19  
GLA: 1,152 sqm  
Purchase Date: Apr 2018  
Occupancy<sup>1</sup>: 98%

## 4. Virgen de la Paloma



Location: Sabadell, Barcelona  
Apts: 14  
Pkg: 14  
Stg: 5  
GLA: 1,009 sqm  
Purchase Date: Dec 2018  
Occupancy<sup>1</sup>: 98%

## 6. Carretera de Piera



Location: Martorell, Barcelona  
Apts: 17  
Stg: 16  
GLA: 875 sqm  
Purchase Date: Sep 2021  
Occupancy<sup>1</sup>: 98%

## 8. Gomis



Location: Martorell, Barcelona  
Apts: 24  
Pkg: 10  
Stg: 12  
GLA: 1,440 sqm  
Purchase Date: Mar 2022  
Occupancy<sup>1</sup>: 98%

## 10. La Pau



Location: Sta. Coloma de Gramenet, Barcelona  
Apts: 21  
Pkg: 35  
Stg: 23  
GLA: 1,773sqm  
Purchase Date: Nov 2023  
Occupancy<sup>1</sup>: 95%

# Portfolio Assets – Madrid

## 1. Platano



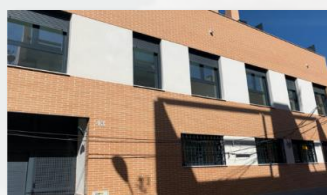
Location: Tetuan, Madrid  
Apts: 17  
GLA: 539 sqm  
Purchase Date: Dec 2019  
Occupancy<sup>1</sup>: 98%

## 2. Teresa Maroto



Location: Vallecas, Madrid  
Apts: 16  
GLA: 783 sqm  
Purchase Date: June 2020  
Occupancy<sup>1</sup>: 99%

## 3. Puerto de Tarancon



Location: Vallecas, Madrid  
Apts: 17  
Pkg: 15  
GLA: 931 sqm  
Purchase Date: Oct 2020  
Occupancy<sup>1</sup>: 99%

## 4. Puerto Alto



Location: Vallecas, Madrid  
Apts: 12  
GLA: 231 sqm  
Purchase Date: Mar 2022  
Occupancy<sup>1</sup>: 91%

## 5. Pico Cejo



Location: Vallecas, Madrid  
Apts: 7  
GLA: 454 sqm  
Purchase Date: Oct 2022  
Occupancy<sup>1</sup>: 100%

## 6. Puerto de Tarancon II



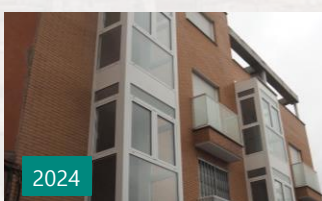
Location: Vallecas, Madrid  
Apts: 13  
GLA: 528 sqm  
Purchase Date: Feb 2024  
Occupancy<sup>1</sup>: 99%

## 7. Sierra de los Filabres



Location: Vallecas, Madrid  
Apts: 7  
GLA: 233 sqm  
Purchase Date: Dec 2024  
Occupancy<sup>1</sup>: 100%

## 8. Argente



Location: Vallecas, Madrid  
Apts: 11  
GLA: 624 sqm  
Purchase Date: Dec 2024  
Occupancy<sup>1</sup>: 100%

<sup>1</sup> 2024 average occupancy rate for apartments



# Portfolio Assets – Cordoba & Malaga

## 1. Fernando de Cordoba



Location: Cordoba  
Apts: 19  
GLA: 1,146 sqm  
Purchase Date: July 2022  
Occupancy<sup>1</sup>: 95%

## 3. Lagunilla



Location: Cordoba  
Apts: 7  
GLA: 227 sqm  
Purchase Date: July 2022  
Occupancy<sup>1</sup>: 91%

## 5. Ciegos



Location: Cordoba  
Apts: 18  
GLA: 722 sqm  
Purchase Date: July 2022  
Occupancy<sup>1</sup>: 81%

## 2. Alhaken



Location: Cordoba  
Apts: 15  
GLA: 1,028 sqm  
Purchase Date: July 2022  
Occupancy<sup>1</sup>: 96%

## 4. Imagenes



Location: Cordoba  
Apts: 14  
GLA: 447 sqm  
Purchase Date: July 2022  
Occupancy<sup>1</sup>: 95%

## 6. Alfonso XII



Location: Cordoba  
Apts: 17  
GLA: 472 sqm  
Purchase Date: July 2022  
Occupancy<sup>1</sup>: 97%

## 1. Fatima



Location: Malaga  
Apts: 19  
GLA: 808 sqm  
Purchase Date: June 2021  
Occupancy<sup>1</sup>: 99%

## 2. Ventura Rodriguez



Location: Malaga  
Apts: 12  
Pkg: 8  
GLA: 739 sqm  
Purchase Date: July 2021  
Occupancy<sup>1</sup>: 99%

## 3. Juan Herrera



Location: Malaga  
Apts: 17  
GLA: 776 sqm  
Purchase Date: Mar 2022  
Occupancy<sup>1</sup>: 99%

<sup>1</sup> 2024 average occupancy rate for apartments

# 4.

## Value indicators



## Portfolio Evolution

€88.8m

Gross Asset Value  
(vs €60.2m in 2023)

€54.9m

Total Invested Capital  
(vs €43.8m in 2023)

62%

Revaluation  
(GAV vs invested capital)

12%

IRR  
(since first capital increase  
in Feb 2018)

4.1%

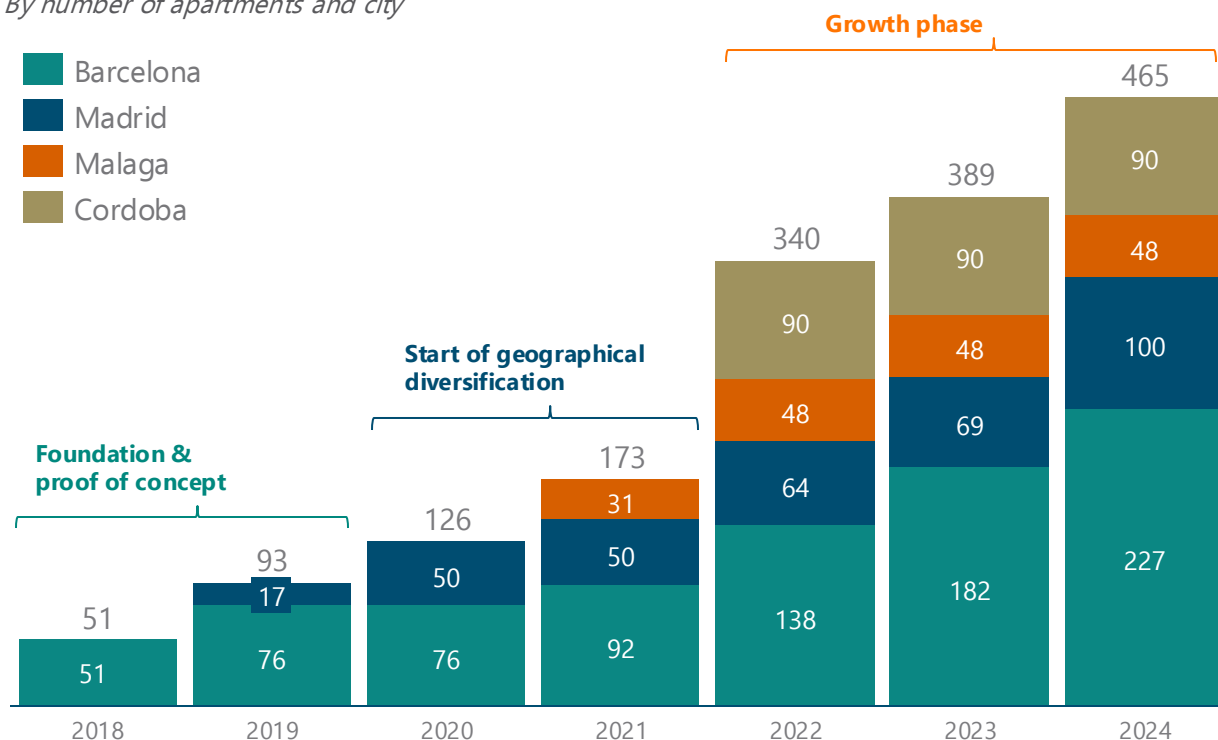
Gross Yield<sup>1</sup>

5.0%

Net Yield<sup>2</sup>

## Acquisitions 2018-2024

By number of apartments and city



<sup>1</sup> Gross rental income/GAV

<sup>2</sup> Net operating income /total invested capital

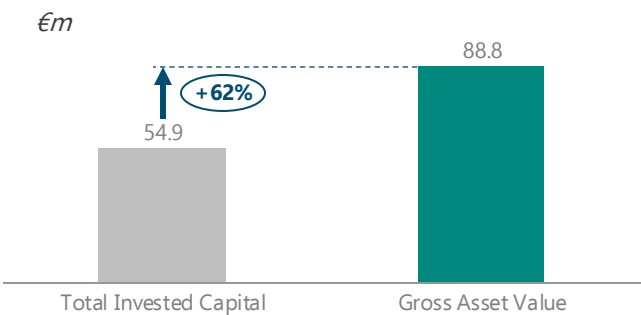


# ADVERO's levers for value creation

## Lever I: Asset acquisitions at a discount

ADVERO's strategy of acquiring assets mainly from financial institutions has allowed the company to secure favorable acquisition terms, leading to an initial revaluation of the purchase price. As a result, the company has achieved a revaluation of 62% to date.

## Total invested capital & GAV

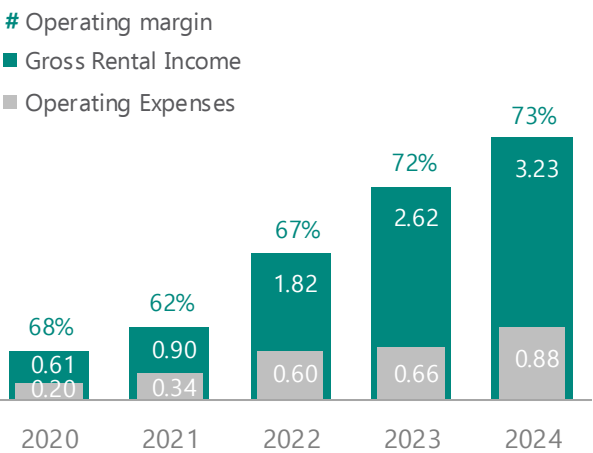


## Lever II: Portfolio optimisation & economies of scale

ADVERO has accomplished a 52% CAGR in gross rental income from 2020 to 2024, driving strong year-on-year growth and enhancing operational efficiency. By optimizing ordinary maintenance expenses, the company has achieved significant economies of scale. This reduction in operating expenses as a percentage of gross rental income has led to a notable improvement in the company's operating margin.

## Operating expenses relative to GRI

€m, 2020-2024

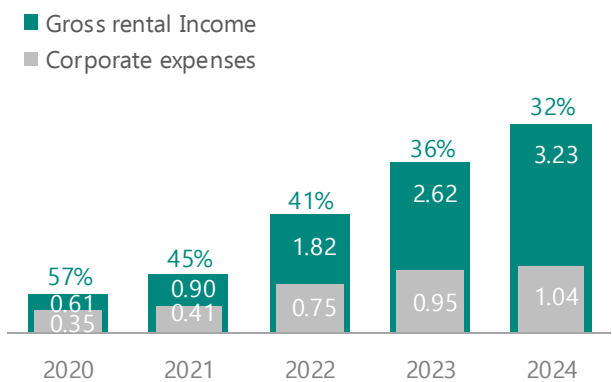


## Lever III: Dilution of mostly-fixed corporate expenses

In addition to the operating expense optimisation, ADVERO's profitability is also grounded in the dilution of the corporate expenses, the majority of which are fixed, ultimately allowing for greater net results and distribution of value to shareholders.

## Corporate expenses as % of GRI

€m, 2020-2024

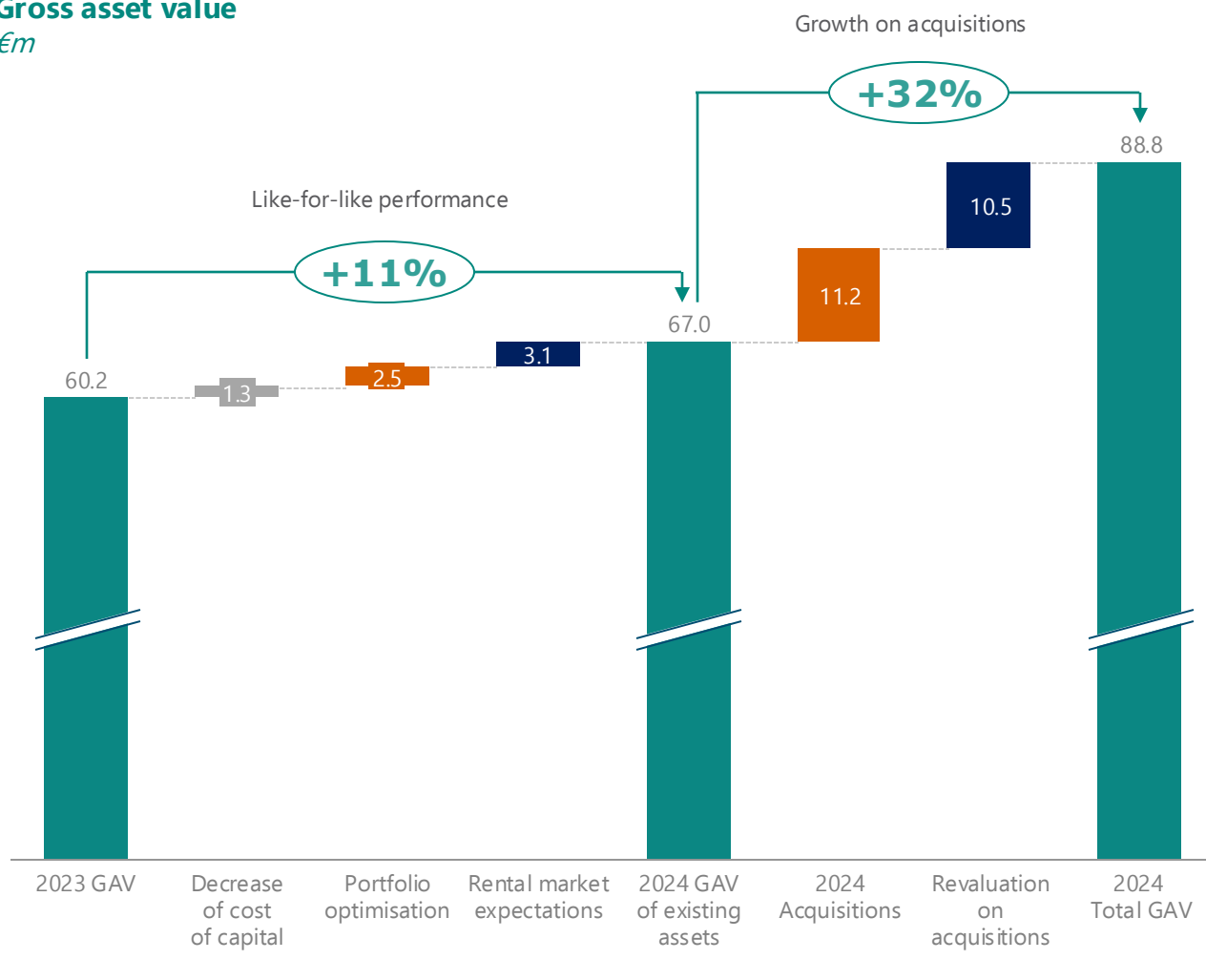




## GAV evolution 2023-2024

### Gross asset value

€m



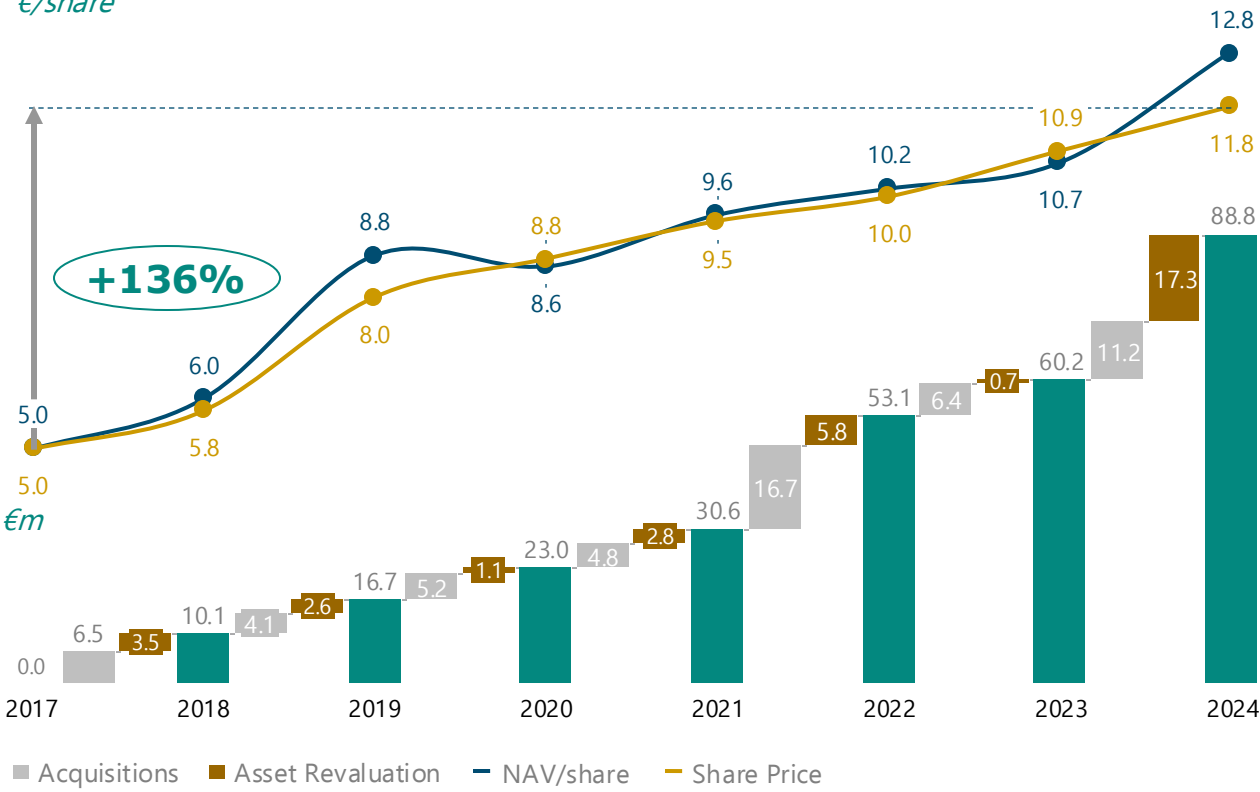
**ADVERO has continued to deliver strong portfolio growth and stability in 2024, outperforming other real estate segments in Spain through strategic value creation.**

The company's ability to maintain and enhance the value of its existing portfolio stems from effective property management strategies. High-quality asset management teams have ensured strong occupancy rates (97%), minimal default levels (below 1%), and competitive rents aligned with market trends. These factors have allowed ADVERO to have a like-for-like value increase of more than 11%.

Further value was unlocked through the acquisition of four new assets under favorable market conditions in 2024. These acquisitions did not only strengthen ADVERO's portfolio but also generated immediate value of 94% through revaluation at the time of purchase.

# GAV, NAV & share price evolution

Gross asset value and resulting NAV/share  
€/share



ADVERO’s clear and transparent communication policy has aligned its share price with the company’s growth. Consistent value creation for shareholders is reflected in a NAV per share CAGR of 13% from 2018 to 2024.

ADVERO has increased the value of its portfolio by securing favorable discounts on asset acquisitions, as well as by optimizing property management through economies of scale and value-added services for tenants.



# 5.

## Financial results





# 2024 Annual Results

In 2024, financial performance and shareholder returns experienced another significant increase. Gross rental income rose by 20% year-over-year, while EBITDA grew by 38%. The net result under IFRS reached €19.5m, driven by the revaluation of the portfolio, alongside a net result of €0.4m under Spanish GAAP, securing another year of dividend distribution for shareholders.

€3.1m | €2.6m in 2023

Gross Rental Income (GRI)

€19.5m | €2.6m in 2023

Net Result (IFRS)

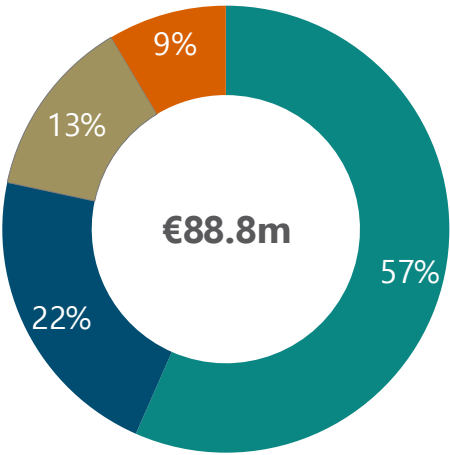
€0.4m | €0.2m in 2023

Net Result (GAAP)

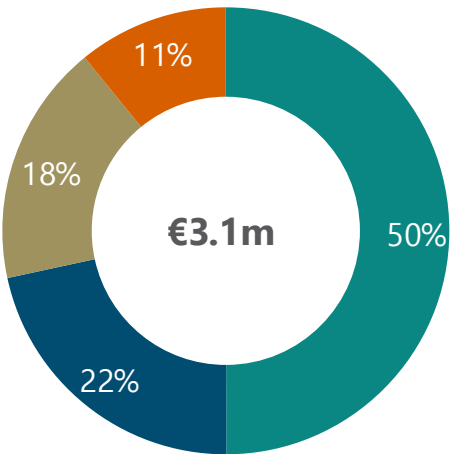
€1.0m | €0.7m in 2023

Funds From Operations (FFO)

Portfolio Breakdown by GAV & acquisition cost (inner circle)



Portfolio Breakdown by GRI



Barcelona Madrid Cordoba Malaga

## 2024 Annual Results (II)

ADVERO successfully converted its strong operating performance into a 47% year-on-year increase in asset value. This growth was driven due to the 11% value increase of its existing portfolio and a combination of four strategic asset acquisitions throughout the year. Altogether, these developments led to a 20% increase in NAV per share, rising from 10.7 at the end of 2023 to 12.85 by the end of 2024, prior to executing new acquisitions with the resources still available.

**€88.8m**  
*€60.2m in 2023*

Gross Asset Value

**€83.5m**  
*€49.8 in 2023*

Net Asset Value

**€54.9m**  
*€43.8 in 2023*

Total Invested Capital

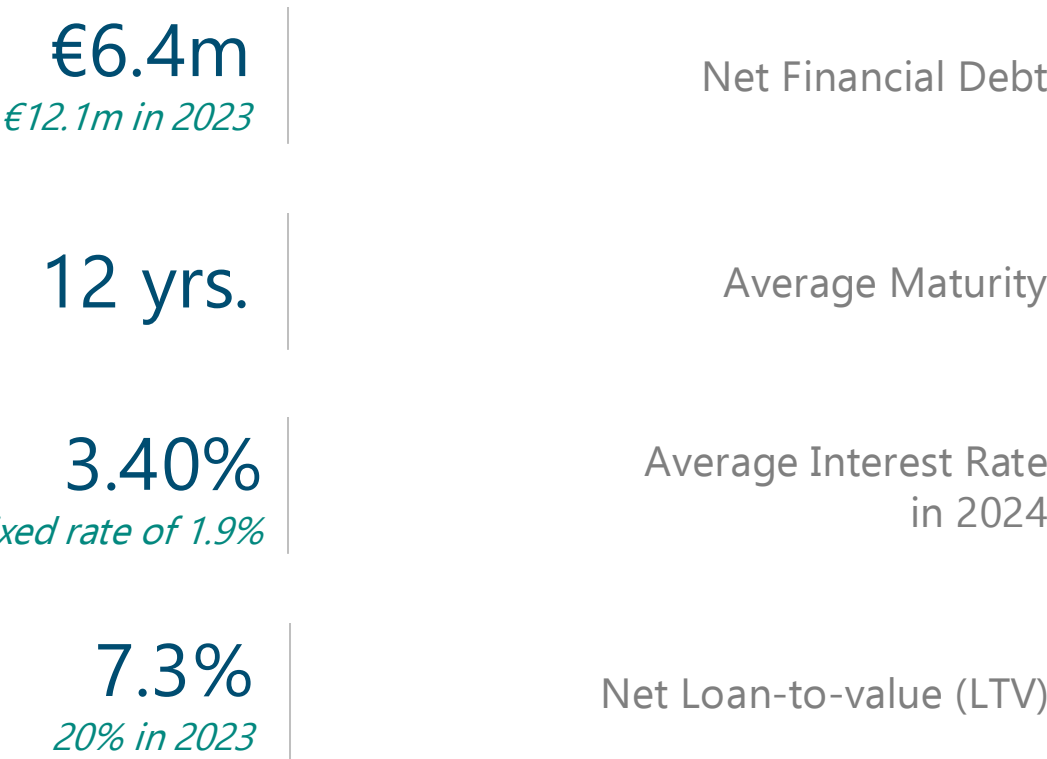
**€12.85**  
*€10.7 in 2023*

NAV/Share<sup>1</sup>

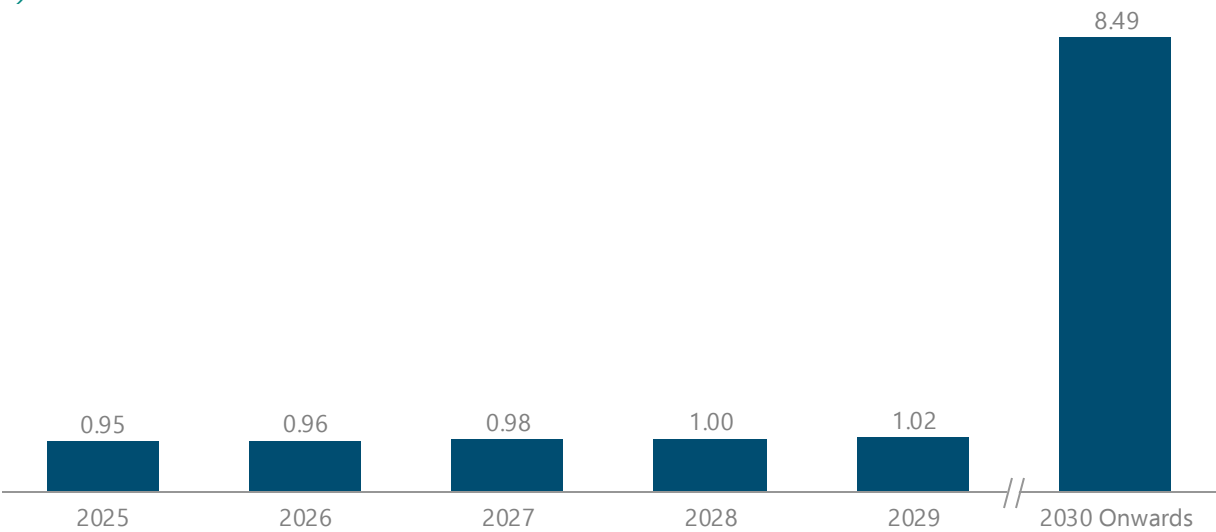
<sup>1</sup>Accounts for the effect of vested warrants and treasury stock as of 31/12/2024.

# ADVERO's Debt Position

ADVERO has drawn seven lines of debt financing since inception, totaling €14.3m. At the end of 2024, €13.4m of this gross debt was outstanding, with an average maturity of 12 years and 53% of this debt fixed at an average interest rate of 1.92%. Total nominal average interest rate in 2024 was set at 3.40%. The loan-to-value (LTV) ratio stood at 7.3%, still well below the 30% limit set by the board of directors.



Debt Maturity Profile  
(€m)





# Profit & Loss Account (IFRS <sup>1</sup>)

*In thousands of euros*

PROFIT & LOSS ACCOUNT	2023	2024	Evol.
<b>ONGOING OPERATIONS</b>			
<b>Total Income</b>	<b>2,618</b>	<b>3,119</b>	<b>+ 19%</b>
a) Rendering of services	2,618	3,119	
<b>Other operating income</b>	<b>5</b>	<b>107</b>	
a) Ancillary income and other	5	107	
<b>Personnel expenses</b>	<b>(254)</b>	<b>(321)</b>	
a) Wages, salaries and other	(191)	(244)	
b) Social charges	(63)	(78)	
<b>Other operating expenses</b>	<b>(1,419)</b>	<b>(1,605)</b>	
a) External services	(1,232)	(1,339)	
b) Taxes	(115)	(172)	
c) Losses, impairment and variation in trade operations	(57)	(92)	
d) Other operating expenses	(14)	(2)	
<b>Variation in the fair value of investment properties</b>	<b>655</b>	<b>17,372</b>	
<b>Depreciation of fixed assets</b>	<b>(4)</b>	<b>(17)</b>	
<b>Other results</b>	<b>-</b>	<b>49</b>	
<b>Impairment and gain or loss on disposal of fixed assets</b>	<b>-</b>	<b>-</b>	
<b>OPERATING INCOME</b>	<b>1,601</b>	<b>18,655</b>	<b>+ 1,065%</b>
<b>Financial income</b>	<b>16</b>	<b>155</b>	
a) Participations in equity instruments	-	-	
b) Other financial income	16	155	
<b>Financial expenses</b>	<b>(423)</b>	<b>(515)</b>	
a) For debts with third parties	(423)	(515)	
<b>Variation in fair value of financial instruments</b>	<b>1,433</b>	<b>(775)</b>	
a) For debts with third parties	1,433	(775)	
<b>FINANCIAL RESULT</b>	<b>1,025</b>	<b>(1,136)</b>	
<b>EARNINGS BEFORE TAXES</b>	<b>2,627</b>	<b>17,519</b>	<b>+ 567%</b>
Corporate Income Tax	-	-	
<b>NET RESULT</b>	<b>2,627</b>	<b>17,519</b>	<b>+ 567%</b>

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

# Balance Sheet (IFRS <sup>1</sup>)

*In thousands of euros*

Assets	31/12/2023	31/12/2024
<b>Non-current assets</b>	<b>60,426</b>	<b>88,815</b>
Intangible fixed assets	42	34
Fixed assets	202	18
Property Investments	60,174	88,759
Long-Term Investment in Subsidiaries	6	3
Long-term financial investments	1	1
<b>Current assets</b>	<b>953</b>	<b>7,668</b>
Accounts receivables	153	139
Short-term financial investments	219	292
Prepaid expenses	17	38
Cash and cash equivalents	564	7,199
<b>TOTAL ASSETS</b>	<b>61,379</b>	<b>96,483</b>

Equity & Liabilities	31/12/2023	31/12/2024
<b>Shareholders' equity</b>	<b>49,349</b>	<b>82,292</b>
Own funds	49,349	82,292
Share Capital	21,085	28,950
Share Premium	11,146	19,797
Retained Earnings	14,670	14,619
Treasury Stock	(234)	(198)
Other Equity Instruments	54	54
Net Result of the year	2,627	17,519
<b>Non-current liabilities</b>	<b>10,494</b>	<b>11,898</b>
Long term debts	10,494	11,898
<b>Current liabilities</b>	<b>1,536</b>	<b>2,294</b>
Short term debts	1,256	1,508
Accounts payable	280	786
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>61,379</b>	<b>96,483</b>

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

# Profit & Loss Account (Spanish GAAP<sup>1</sup>)

*In thousands of euros*

PROFIT & LOSS ACCOUNT	2023	2024	Evol.
<b>ONGOING OPERATIONS</b>			
<b>Total Income</b>	<b>2,618</b>	<b>3,119</b>	<b>+ 19%</b>
a) Rendering of services	2,618	3,119	
<b>Other operating income</b>	<b>5</b>	<b>58</b>	
a) Ancillary income and other current management	5	58	
<b>Personnel expenses</b>	<b>(254)</b>	<b>(321)</b>	
a) Wages, salaries and other	(191)	(244)	
b) Social charges	(63)	(78)	
<b>Other operating expenses</b>	<b>(1,419)</b>	<b>(1,605)</b>	
a) External services	(1,232)	(1,339)	
b) Taxes	(115)	(172)	
c) Losses, impairment and variation in trade operations	(57)	(92)	
d) Other operating expenses	(14)	(2)	
<b>Variation in the fair value of investment properties</b>	<b>-</b>	<b>-</b>	
<b>Depreciation of fixed assets</b>	<b>(476)</b>	<b>(604)</b>	
<b>Other results</b>	<b>-</b>	<b>49</b>	
<b>Impairment and gain or loss on disposal of assets</b>	<b>-</b>	<b>-</b>	
<b>OPERATING INCOME</b>	<b>475</b>	<b>696</b>	<b>+ 47%</b>
<b>Financial income</b>	<b>16</b>	<b>155</b>	
a) Participations in equity instruments	-	-	
b) Other financial income	16	155	
<b>Financial expenses</b>	<b>(286)</b>	<b>(483)</b>	
a) For debts with third parties	(286)	(483)	
<b>Variation in fair value variation in financial instruments</b>	<b>-</b>	<b>-</b>	
a) For debts with third parties	-	-	
<b>FINANCIAL RESULT</b>	<b>(271)</b>	<b>(328)</b>	
<b>EARNINGS BEFORE TAXES</b>	<b>204</b>	<b>368</b>	
Taxes on profits	-	-	
<b>NET RESULT</b>	<b>204</b>	<b>368</b>	<b>+ 80%</b>
<b>Net Cash flow<sup>2</sup></b>	<b>679</b>	<b>972</b>	<b>+ 43%</b>

<sup>1</sup>. Audited Spanish generally accepted principles.

<sup>2</sup> Net result + amortisation



# Balance Sheet (Spanish GAAP<sup>1</sup>)

*In thousands of euros*

Assets	31/12/2023	31/12/2024
<b>Non-current assets</b>	<b>43,150</b>	<b>53,971</b>
Intangible fixed assets	42	34
Fixed assets	202	18
Property investments	42,898	53,915
Long-Term Investment in Subsidiaries	6	3
Long-term financial investments	1	1
<b>Current assets</b>	<b>953</b>	<b>7,668</b>
Accounts receivable	153	139
Short-term financial investments	219	292
Prepaid Expenses	17	38
Cash and cash equivalents	564	7,199
<b>TOTAL ASSETS</b>	<b>44,103</b>	<b>61,639</b>

Equity & Liabilities	31/12/2023	31/12/2024
<b>Shareholders' equity</b>	<b>30,975</b>	<b>47,218</b>
Own funds	30,975	47,218
Share Capital	21,085	28,950
Share Premium	11,146	19,797
Retained Earnings	(1,072)	(1,544)
Treasury Stock	(234)	(198)
Other Equity Instruments	(155)	(155)
Net Result of the year	204	368
<b>Non-current liabilities</b>	<b>11,592</b>	<b>12,128</b>
Long-term debt	11,592	12,128
<b>Current liabilities</b>	<b>1,536</b>	<b>2,294</b>
Short-term debt	1,256	1,508
Accounts payable	280	786
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>44,103</b>	<b>61,639</b>

<sup>1</sup> Audited Spanish generally accepted principles

# Auditors' Opinion

## Audit report on annual accounts issued by an independent auditor<sup>1</sup>

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 December 31, 2024, the income statement, the statement of changes in equity, the cash flow statement, and the notes to the financial statements for the year ended on that date.

In our opinion, the accompanying annual accounts present, in all material respects, a true and fair view of the Company's equity and financial position as of December 31, 2024, as well as of its results and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the accounts), and in particular, with the accounting principles and criteria contained therein.



Ernst & Young, S.L.  
C/ Raimundo Fernández Villaverde, 65  
28003 Madrid

Tel: 902 365 456  
Fax: 915 727 238  
ey.com

### 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 2024, 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 anual 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 2024, así como de sus resultados y flujos de efectivo correspondientes al ejercicio anual 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.

### Basis of the opinion

We conducted our audit in accordance with the regulatory framework governing audit activity in Spain. Our responsibilities under these standards are further described in the section Responsibilities of the auditor in relation to the audit of the annual accounts of our report.

We are independent of the Company in accordance with the ethical requirements, including independence requirements, applicable to our audit of the annual accounts in Spain, as required by the regulatory framework for audit activity. Accordingly, we have not provided services other than those related to the audit of the accounts, and no situations or circumstances have arisen which, in accordance with said regulatory framework, would have affected our necessary independence in a way that could be considered compromised.

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

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

# 6.

## ESG Update

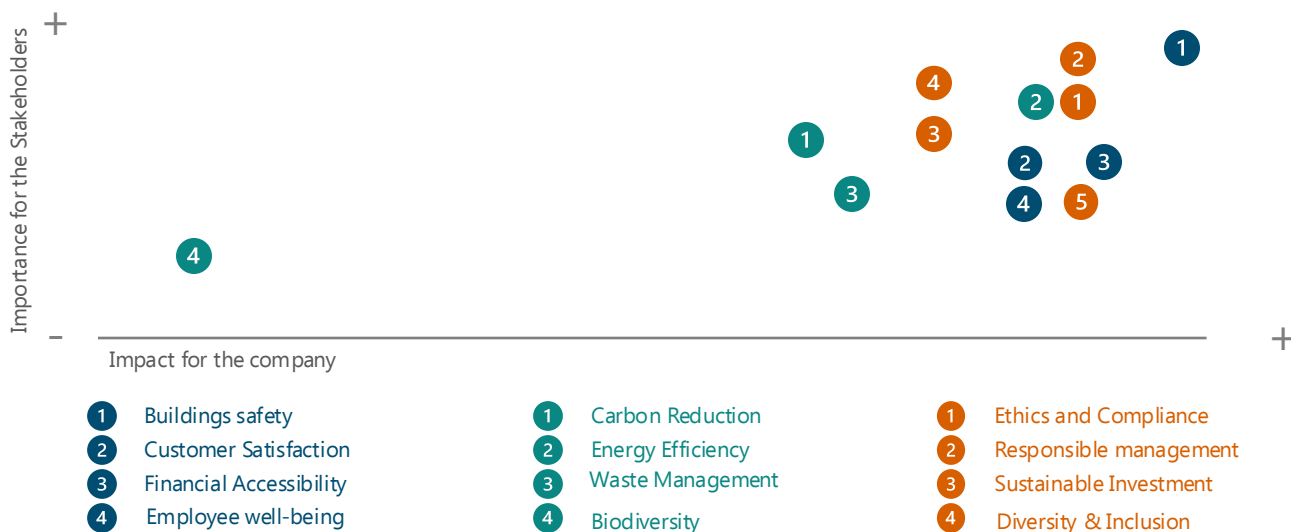




## ADVERO's ESG Commitment

On March 21, 2023, ADVERO's Board of Directors approved its ESG plan for 2023-2025, following the insights from our materiality matrix, to ensure special attention to environmental, social, and corporate governance actions, shaping a sustainable value creation approach to its operations.

### Materiality matrix



### Social Commitment

ADVERO's commitment to bringing underutilised assets to the market is driven by our mission to provide affordable housing options for the middle-income population while promoting a sustainable equilibrium between supply and demand.

At ADVERO, we acknowledge the significant impact that our properties and services have on the lives of our residents and the communities we serve. Therefore, we are fully committed to prioritising the well-being of our residents, while fostering a culture of inclusivity and diversity, which we consider as essential components of a thriving community.

To this end, we have aligned our ESG actions with the United Nations Sustainable Development Goals (SDGs) to contribute to the attainment of these predetermined objectives

### Environmental Commitment

At ADVERO, we believe that value creation should be aligned with environmentally-friendly practices. Therefore, we are committed to implementing energy-efficient technologies to reduce our carbon footprint, as a critical part of our dedication to our communities.

By prioritising environmental initiatives, we also strive to create positive social impacts, such as lowering energy bills for our communities.

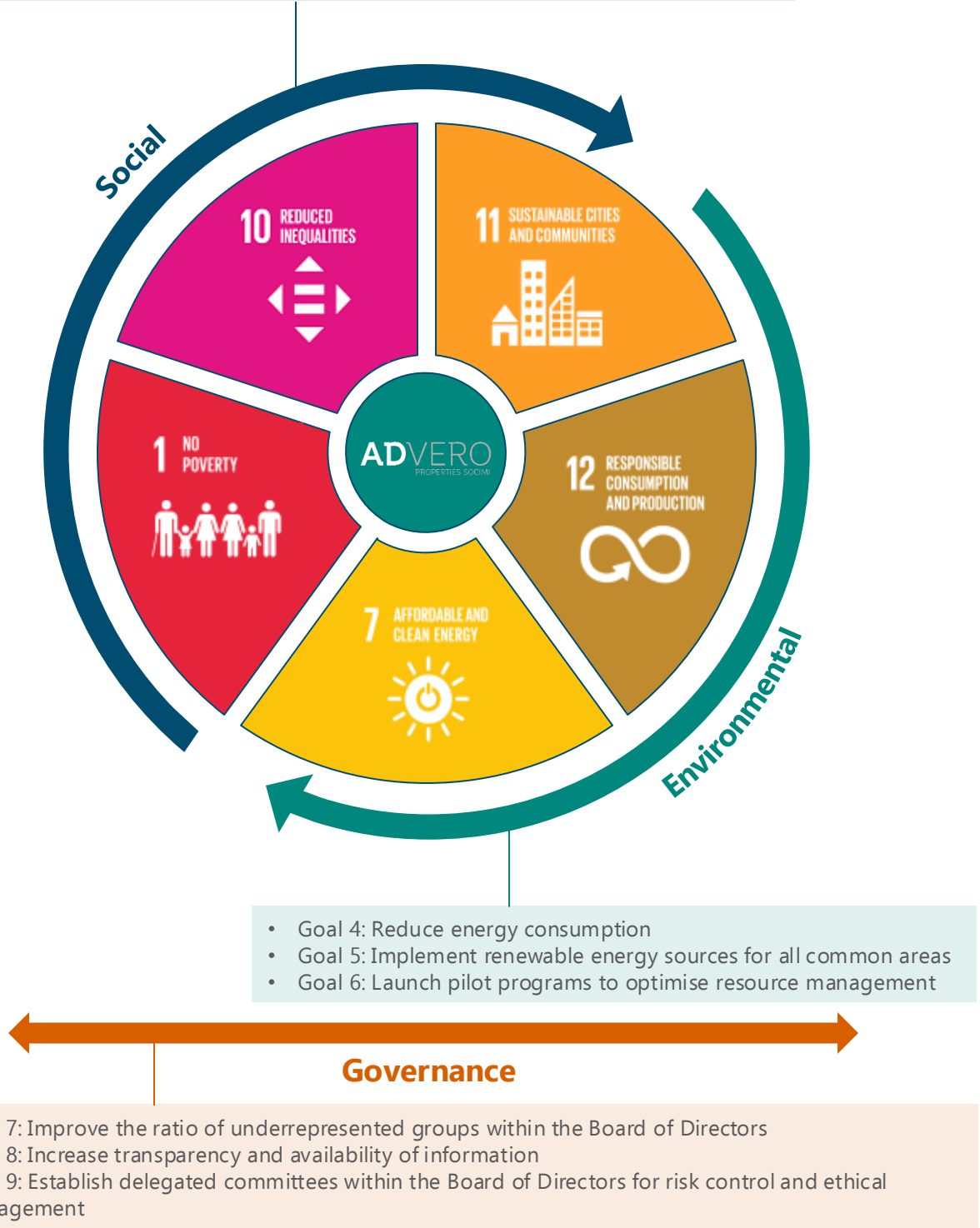
### Corporate Governance

ADVERO's internal regulations and governance policies are designed to align with the Good Governance Code of Listed Companies. The company's corporate ethics and values are embodied in its culture, ensuring business transparency for both shareholders, residents and the market. The integration of these principles into all of our operations, including both our current assets and future acquisitions, highlight our collective effort to address social and economic development whilst ensuring shareholder value and market transparency.

# United Nations’ Sustainable Development Goals




Based on its intrinsic social mission, ADVERO has aligned its ESG objectives to the United Nations Global Compact’s framework for Sustainable Development by 2030.

- Goal 1: Define a policy for sustainable rental prices and prevention of vulnerability
- Goal 2: Implement tenant support actions
- Goal 3: Monitor and increase tenant satisfaction



## Targets and Objectives to 2025

ADVERO has decided to implement a set of concrete objectives for both its portfolio assets, its review of new opportunities, and its own governance.

	THEME	COMMITMENT	PROGRESS
 Social	Sustainable Housing Model	<b>Goal 1:</b> Define a policy for sustainable rental prices and prevention of vulnerability.	<div><div></div></div>
	Commitment to residents	<b>Goal 2:</b> Define and implement support actions for tenants in the field of energy cost saving, financial support policies and residents' networking.	<div><div></div></div>
		<b>Goal 3:</b> Increase tenant satisfaction by 15%, implementing a tenant feedback program and addressing identified issues in a timely manner.	<div><div></div></div>
 Environmental	Carbon Reduction and Energy Efficiency	<b>Goal 4:</b> Reduce energy consumption by 15% by retrofitting properties with energy-efficient lighting and HVAC systems.	<div><div></div></div>
		<b>Goal 5:</b> Install photovoltaic panels to cover the energy demand of all common areas in at least all of the 2022 portfolio of assets + an annual 10% portfolio increase.	<div><div></div></div>
	Resource Management	<b>Goal 6:</b> Launch pilot programs in selected buildings across our portfolio to monitor and optimise resource consumption.	<div><div></div></div>
 Governance	Diversity & Inclusion	<b>Goal 7:</b> Improve the ratio and presence of underrepresented groups within the Board of Directors.	<div><div></div></div>
	Fair & Ethical Conduct / Risk Management	<b>Goal 8:</b> Increase transparency and availability of regular information to stakeholders by implementing a quarterly newsletter.	<div><div></div></div>
		<b>Goal 9:</b> Establish delegated committees within the Board of Directors to enhance risk control, talent retention and ethical management.	<div><div></div></div>



# Achievements in 2024

Throughout 2024 ADVERO has made significant advancements in the following goals outlined in the 2023-2025 ESG Plan. The company will keep working in these areas to accomplish the plan objectives before the end of 2025 and set up new goals for the coming years.

## Social Commitment

Goal 1: Define a policy for sustainable rental prices and prevention of vulnerability.

ADVERO has continuously worked on a “Handbook for Setting Rental Prices, Preventing Vulnerability, and Managing Unpaid Rents,” aimed at promoting socially responsible and sustainable practices. This initiative reflects ADVERO’s commitment to being an active driver of positive change in Spain’s mid-income residential rental market. By the end of 2023, the average monthly rent across ADVERO properties was €661, resulting in a tenant effort rate of 39%—notably below the 43% national average.

As a key step toward developing support policies aligned with tenants’ real needs, the company committed to maintaining an updated residents’ map, tracking key data such as household size, income levels, and the presence of minors.

Goal 3: Increase tenant satisfaction by 15%, implementing a tenant feedback program

ADVERO conducted its second annual tenant satisfaction survey as part of its commitment to continuous improvement and dialogue with residents. This year’s survey reached a significantly larger tenant base, who confirmed stable overall ratings, reinforcing the strength and consistency of ADVERO’s housing quality and tenant experience.

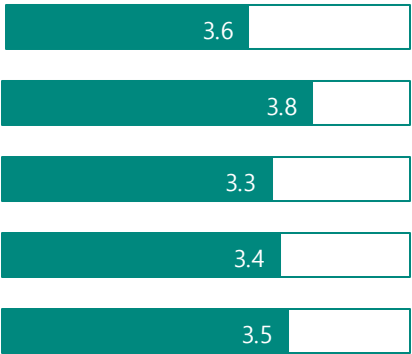


Although satisfaction levels remained strong, ADVERO sees room for improvement to meet its 15% increase goal. Tenants once again highlighted the importance of energy-saving initiatives in the apartments, reaffirming the relevance of ADVERO’s focus on sustainable living and guiding future improvements.

### Survey Results

- Q1: How satisfied are you with ADVERO in general?
- Q2: How satisfied are you with the property manager for your building?
- Q3: How satisfied are you with the maintenance of your apartment?
- Q4: How satisfied are you with the general maintenance of the common areas of your building?
- Q5: How satisfied are you with the services regarding required repairs?

#### Average Score (out of 5)





**Goal 5:** Install photovoltaic panels to cover the energy demand of all common areas in at least all 2022 portfolio of asset, plus an annual 10% portfolio increase.

In 2023, ADVERO invested in the installation of photovoltaic panels in four assets of the portfolio, which shall produce sustainable energy to compensate the needs of all the common areas in the existing portfolio.

In 2024 the installation has managed to produce 116,900 kWh, generating more than enough green energy to cover to compensate the electricity needs of the common areas in all of the buildings from our 2022 portfolio.

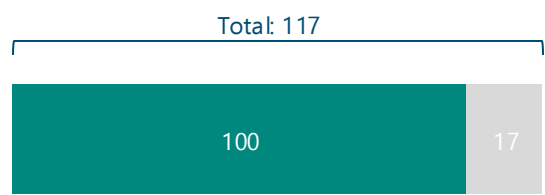
Although the goal was achieved ADVERO will keep on tracking consumption and production to define new steps for the coming years and potential use of any extraordinary income to support their residents' energy consumption.

Looking ahead, we are assessing the feasibility of extending solar coverage to new acquisitions of the portfolio. Our goal will remain to try to ensure that each year, a growing portion of our portfolio meets or exceeds energy self-sufficiency for common areas.

For ensuring a long-term impact, ADVERO is looking to establish a monitoring framework that tracks energy production and consumption across all properties.

The surplus production of energy opens potential avenues for reinvestment into community-focused initiatives. Whether through energy-sharing pilots, tenant support programs or any new project, we aim to try to redirect any extraordinary benefit toward initiatives that further strengthen the pillars of our ESG framework.

**Total production and consumption (in '000 kW)**





# 7.

## Share Capital & Corporate Governance



# Share Price Evolution

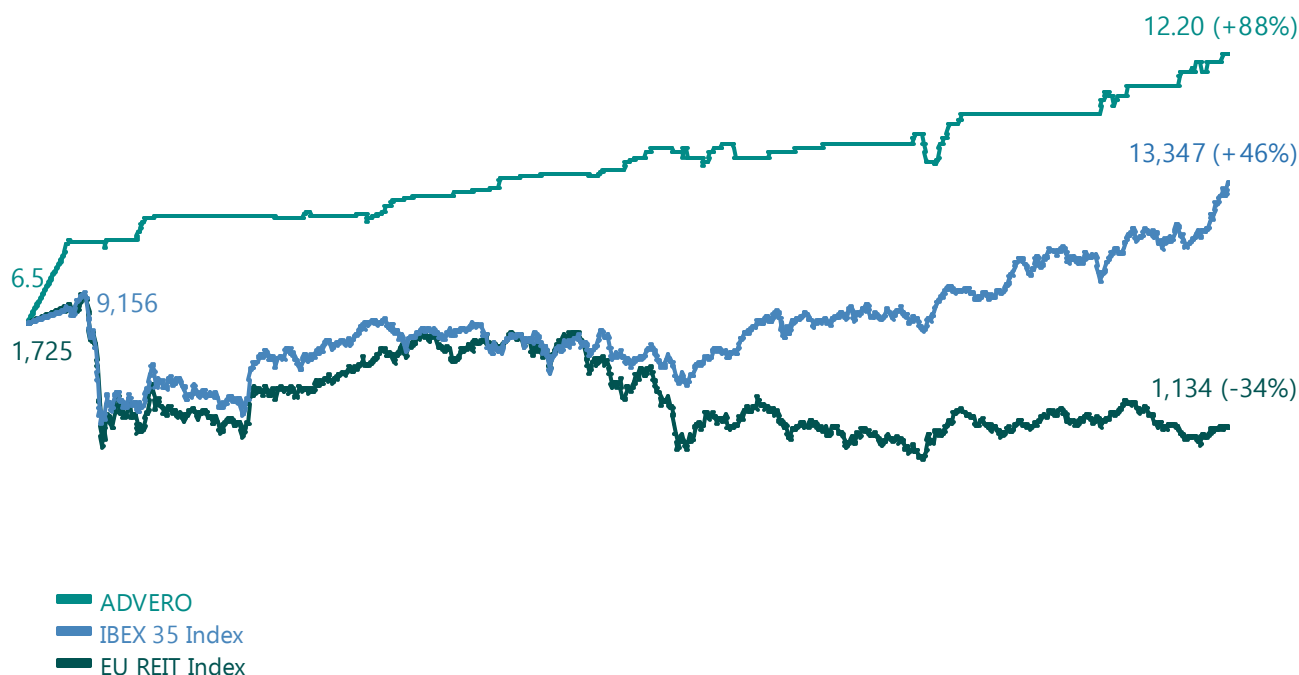
## Main Figures



Since its listing on the BME Growth exchange in November 2019, ADVERO has demonstrated a solid upward trajectory, **outperforming key market benchmarks**. The company's 2024 closing share price of €11.80 reflects an impressive 81% increase from its initial trading value of 6.5, highlighting investor confidence and the company's ability to deliver consistent growth. This rise significantly exceeds the performance of the IBEX 35 Index (+46%) and the EU REIT Index (-34%) over the same period, reinforcing ADVERO's position as a leading player in the sector.

## ADVERO, EU REIT Index Share Price Evolution & IBEX 35

€/share, 11/2019-02/2025 (base 100)



31/11/2019

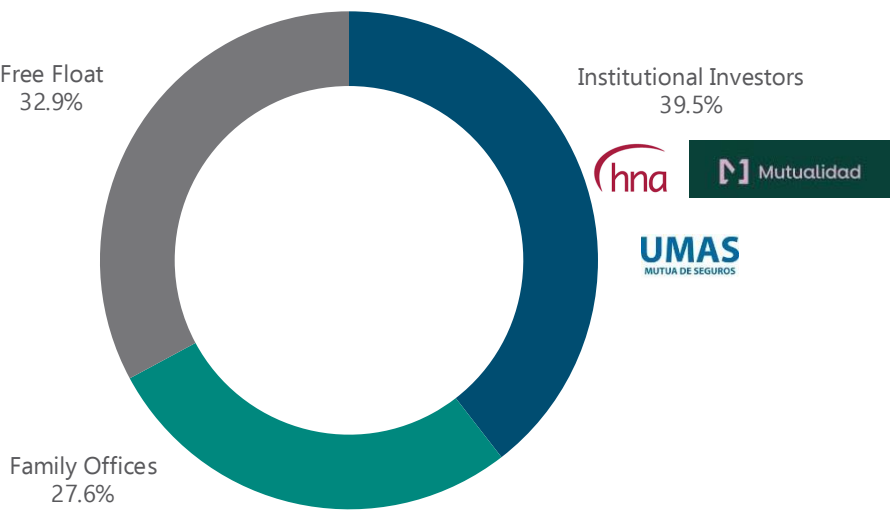
28/02/2025

<sup>1</sup> Number of shares traded as a % of total shares

<sup>2</sup> As a % of total tradable days in 2023



# Shareholding Structure



Shareholders <sup>1</sup>	Direct Stake	Indirect Stake	Related stake <sup>2</sup>	Total
HNA <sup>3</sup>	19.1%	-	-	19.1%
Mutualidad <sup>4</sup>	19.1%	-	-	19.1%
Ripargrau S.L. <sup>5</sup>	11.3%		2.7%	14.0%
Ciganga, S.L.	6.5%		0.8%	7.3%
Mr. Jorge Vera Suñe	6.3%	-	-	6.3%
Triple O d’Inversions S.L.U.	5.5%		’	5.5%
Riuaran, S.L.	3.2%	-	2.7%	5.9%
Reig Jofre Investments, S.L.	3.1%	-	-	3.1%
Mr. Oleg Soloshchanskiy	2.4%	-	-	2.4%
Adequita Capital Ltd. <sup>6</sup>	0.7%	-	2.3%	3.0%

<sup>1</sup> Shareholders with a stake equal or above 5% and members of the board  
<sup>2</sup> No shareholders’ agreements in place between relevant shareholders and related parties  
<sup>3</sup> Hermandad Nacional de Arquitectos, Arquitectos Técnicos y Químicos MPS  
<sup>4</sup> Mutualidad General de la Abogacía, Mutualidad de Previsión Social A Prima Fija  
<sup>5</sup> 2024 new shareholding group of former direct investors Grau, S.A., Parwing, S.L. and Rimevi, S.L.  
<sup>6</sup> Adequita Capital also holds 2 million warrants of ADVERO, see pg. 49 for more detail

# Board of Directors

## The Board of Directors is formed of:

- Chairman
  - Founding partner (Adequita Capital)
  - Representatives of relevant shareholders (>5% of capital each)
- Representatives of minority shareholders (<5% each)
  - Non-director secretary

## 2024 Board of Directors

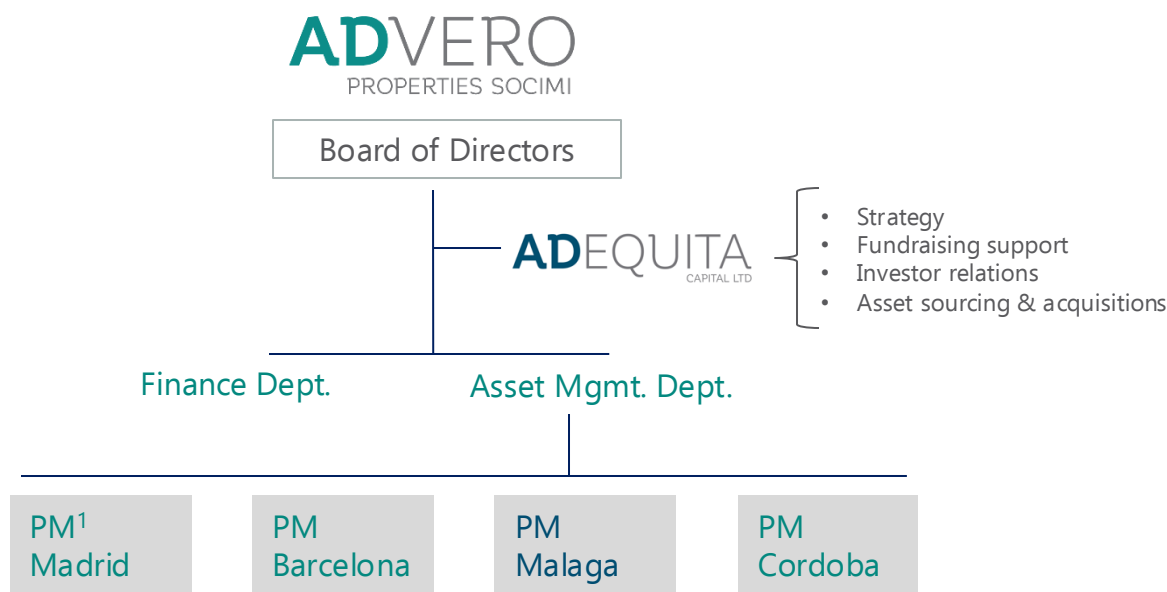
<b>Chairman</b> Riuaran S.L. <i>Mr. Pau Corbera</i>	<b>Director</b> HNA <sup>1</sup> <i>Mr. Julian Moreno</i>	<b>Director</b> Mutualidad <i>Mr. Carlos Perez-Baz</i>
<b>Director</b> Ripargrau S.L. <i>Mr. Alex Grau</i>	<b>Director</b> Ciganga S.L. <i>Mr. Gabriel Roig</i>	<b>Director</b> Mr. Jorge Vera
<b>Director</b> Triple O d’Inversions S.L.U. <i>Mr. Rafael Palomo</i>	<b>Director / Head of ESG</b> Reig Jofre Investments, S.L. <i>Mr. Alejandro Garcia</i>	<b>Director</b> Mr. Maxim Soloschanskiy
<b>Director</b> Adequita Capital Ltd. <i>Ms. Gloria Folch</i>	<b>Non-director secretary</b> Mr. Alejandro Vives	



# Corporate Structure

From the beginning of activity in 2018 and until 2021, in order to fully focus ADVERO's resources on the development of the business project and maximise the return for shareholders, the board of directors designed a fully outsourced operating structure with companies based in Spain, led from London by Adequita Capital, an entity regulated in the United Kingdom by the FCA and founding shareholder of ADVERO.

In 2022, after the significant growth of ADVERO, the company began to internalise some of its operations by incorporating its own structure.



## Internalised Roles vs Outsourced Roles

<sup>1</sup> PM: Property Manager

As the founding partner of ADVERO, Adequita Capital is the holder of two million company warrants, each of which gives the right to subscribe ADVERO shares for a unit value of 5.00 euros, before August 2027. Adequita undertook to modulate the exercise of the warrants so that their execution would never represent more than 20% of the share capital<sup>1</sup>. The NAV/share calculation presented in ADVERO documentation includes at all times the dilutive effect of the warrants, thus ensuring that their subscription does not have an impact on the share price.

<sup>1</sup> Except in the event of a change-of-control M&A transaction or if authorised by the board of directors.



# 8.

## Residential market in Spain



# High demand, limited supply and a changing financial environment

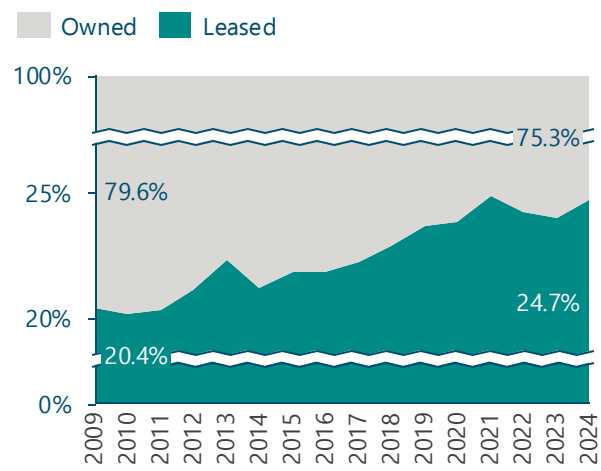
## Economic growth driving housing demand

In 2024, the Spanish economy showed strong resilience, with GDP growing by 3.2%, making it one of the fastest-growing economies in Europe. Economic growth has been supported by increased tourism, foreign investment, and rising employment levels. However, this economic expansion has also increased pressure on the housing market, particularly in major urban areas such as Madrid, Barcelona, and Malaga.

As a result, properties prices have risen making it increasingly difficult for middle-income families and young professionals to afford housing, leading to a surge in rental costs and a decrease in home ownership rates. In key urban centers such as Madrid, Barcelona, and Malaga, rising housing demand has exceeded supply, leading to overcrowding and gentrification, which has forced lower-income residents to relocate to city outskirts.

The government and the construction industry has responded with initiatives and increased development activity, but the lag between demand and supply has managed to keep prices elevated all around the Spanish territory and specially in the major cities of Spain.

## Home ownership in Spain (% Households)



Source: Idealista, Glassdoor, INE

## Rental prices hit historic high

Rental prices in Spain reached record levels in 2024 due to strong demand and limited supply. The average rental price stood at €13.55/m<sup>2</sup> per month in December 2024, representing an increase of 11.5% compared to 2023. Barcelona (€23.4/m<sup>2</sup>) and Madrid (€20.7/m<sup>2</sup>) had the highest rental prices with Malaga in the top 5 at 14.9/m<sup>2</sup>.

This surge reflects a broader trend observed over the past decade, where the average monthly rent increased from €553 in 2014 to €984 in 2024, marking a 78% increase in just ten years. The escalation has been particularly sharp in high-demand urban centers and tourist areas.

## Limited availability of rental properties

One of the key drivers of rising rental costs is the shortage of available rental housing. This drop is partly due to legal uncertainty, growing administrative burdens, and the lack of landlord protection against illegal occupations and non-payments. These issues have led many property owners to withdraw homes from the rental market or shift toward other uses. At the end of 2024, the rental housing stock represented only 0.65% of the total residential stock — nearly six times lower than the housing stock available for sale, which stood at 3.72%.

Furthermore, the rise of short-term rentals has further tightened the long-term rental market. By the end of 2024, short-term rentals represented 13% of the total rental stock — a figure that has steadily increased in recent years, especially in tourist-heavy areas. This trend has accelerated since the passage of the Housing Law, which notably excludes short-term rentals from its regulatory scope, allowing them to operate under more flexible conditions than traditional long-term leases.



# Demographic change and challenges from disposable income and short-term lets

## Shifting household sizes

Spain's demographic landscape is shifting toward smaller households. According to projections from the Spanish National Institute of Statistics (INE), the number of households in Spain is expected to grow by 19% by 2039, adding nearly 3.7 million new households.

This increase will be largely driven by the rise of one- and two-person households, which are projected to grow by 42% and 30%, respectively. This trend reflects broader social changes, such as declining birth rates, delayed family formation, and an aging population.

The average household size is forecasted to decrease from 2.5 people per household in 2024 to below 2.3 by 2039. This shift is fueling demand for smaller apartments and one- or two-bedroom homes. In densely populated urban areas with limited housing availability, this increased demand has pushed up rents and reduced the supply of affordable options.

## High financial effort for renting

In 2024, the financial burden of securing housing in Spain reached unprecedented levels. A persistent salary gap with neighboring countries has made access to housing more difficult, with renters and buyers dedicating large portions of their income to housing costs. Nationally, households allocated an average of 35.7% of their income to rent.

This strain is even more pronounced in certain regions such as Barcelona, where the rental effort escalated to 49%, or Madrid, where it stood at 44.3%.

These figures significantly surpass the 30% threshold commonly recommended by financial experts. Contributing factors include a 3.5 million deficit in affordable homes and a 56% reduction in rental property availability over the past five years.

## ADVERO's positioning

ADVERO's portfolio strategy aligns with the evolving needs of Spain's rental market, especially in addressing affordability and the demand for smaller units. With 83% of its apartments being studios or one- and two-bedroom layouts, ADVERO responds to the demographic shift toward smaller households. Its average apartment size of 62 sqm and monthly rent of €661 offer accessible housing for middle-income tenants — a segment increasingly underserved in urban centers.

Tenants spend 39% of income on rent, well below regional averages of 58% in Catalunya and 62% in Madrid. By operating just outside major urban cores, ADVERO balance's location, quality, and price to promote long-term tenancies and tenant well-being. Amid rising rental costs and limited supply, this positioning supports housing access and a resilient investment model.



Source: Idealista, Glassdoor, INE

---

# 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

**Gross yield:** Gross yield of the properties calculated by dividing annualised 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

**WAULT(weighted average unexpired lease term):** Indicator of the average remaining life of the leases within ADVERO's portfolio



This page is intentionally left blank

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 above her head 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](mailto:info@adveroproperties.com)  
[www.adveroproperties.com](http://www.adveroproperties.com)

**Listing information**

**Ticker:** YADV

**Stock Exchange:** Spain – BME Growth