



**RESULTS**  
**JANUARY SEPTEMBER 2019**



[Free translation from the original in Spanish. In the event of discrepancy, the Spanish Language version prevails]

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## 1. BUSINESS PERFORMANCE AND GROUP SITUATION

### 1.1. KEY HIGHLIGHTS FOR THE PERIOD

#### RESIDENTIAL DEVELOPMENT

- In the first nine months of 2019 (9M 2019) Grupo Quabit has launched 8 developments with a total of 466 houses, which means that as at 30 September 2019 it has 59 developments in different stages of execution with a total of 4,245 homes and an estimated billing amount of EUR 940 million. The projects portfolio, its status and geographic distribution are detailed in section 1.4.1 of this Report.
- The pre-sales portfolio (commitments to clients through reservations and contracts) as at 30 September 2019 is 1,601 homes (an increase of 54.4% compared to 30 September 2018) for a total billing amount of EUR 318 million.
- Grupo Quabit has started the construction phase of 11 developments with 885 units. The projects in the delivery or construction phase totaled 2,180 homes and EUR 479 million of estimated billing as at 30 September 2019.
- In the first nine months of the year 2019 Grupo Quabit has delivered 62 units. 3 developments of 4 completed in 2018 have been fully delivered and all the units of the stock of homes prior to 2015 (2 units) have been delivered.

#### INVESTMENTS. LAND PURCHASES

Until 30 September 2019 the Quabit Group has invested EUR 10.0 million and has signed commitments for additional EUR 12.0 million. These acquisitions refer to:

- Land acquisitions with a total buildable area of 99,645 square meters buildable (sqmb) with the potential to develop more than 900 homes. The lands are located in Corredor del Henares, region of Madrid, region of Valencia and Costa del Sol.
- One residential building with 60 homes and 5,919 sqmb for renovation and sale by units.

#### FINANCING OF INVESTMENTS

Two new financing operations have been signed in the first nine months of 2019 for the development of the Business Plan:

- On 4 April 2019, an issuance of simple bonds was closed for a total amount of EUR 20 million issued at 99% and that will accrue an annual coupon of 8.25% and maturity on April 2023. The funds will be used to finance new projects.
- On 10 April 2019, a new financing line was signed for an amount of EUR 13.8 million. The objective of the funds is to continue with the active policy of expansion and advance with the residential development business of Quabit. The initial interest rate to be applied will be 7.875% per year, with an average annual rate of 9.375%. Maturity will be on April 2023.

Additionally to those operations, EUR 33.7 million have been draw down from developer loans both of developments in progress and finished in the year.

## BUSINESS PLAN UPDATE

The Group released on 16 May 2019 an update of its Business Plan 2018-2022, the most significant aspects of which are as follows:

- Delivery of 7,200- 7,600 home units.
- Forecasted turnover for the period: EUR 1,700-1,800 million
- The 2020 financial year should be the first one with operational profits, which will be recurrent from that year.

## INTEGRATION OF THE CONSTRUCTION PROCESS

The Group has decided to integrate the constructive process and has agreed the acquisition of 82.95% of Rayet Construcción, S.A., owned by some companies of Rayet group.

Strategic rational of the acquisition:

- To ensure construction periods
- To ensure the minimum possible impact of the inflations of construction costs
- Advance in the process of industrialization of the construction process.

Synergies: The operation is expected to add synergies between EUR 30-35 million:

- Incorporation of margins derived from the construction works executed by the Construction subsidiary.
- Additional reduction of terms and costs of construction.

Amount and Execution of the operation:

- The transaction has been closed on 7 October 2019.
- Acquisition price of the 82.95% owned by companies belonging to Rayet group amounts EUR 14.4 million.
- The payment of acquisition is made as follow: (i) EUR 5.4 million as set-off of certain amounts owed by the Sellers (ii) EUR 2.7 million in cash and (iii) EUR 6.3 million in 3,164,946 Quabit Inmobiliaria, S.A. (Quabit) shares at a reference price of 2.00 Eur per share.

The approval of the transaction has been subject to a Fairness Opinion report and a Due Diligence on Rayet Construction. Both works have been carried out by BDO Auditores, S.L.P.

## TEMPORARY SHARES REPURCHASE PROGRAM

- On 19 June 2019, the Group sent a significant event to the Spanish National Securities Market Commission (CNMV) to notice the approval by the Board of Directors of a Share Buyback program in order to meet the incentive plan approved by the General Meeting of Shareholders of 28 June 2017, taking into account that the treasury share existing at the date of publication of the significant event will preferably be used to pay in shares of the part of the acquisition price of the construction company Rayet Construcción, S.A.
- The repurchase program will involve the acquisition by Quabit of a maximum of 4,500,000 own shares, representing approximately 3%, of the capital stock of the Parent Company and for a maximum monetary amount allocated of 6,500 thousand euros.

The repurchase program will remain in effect until 31 December 2019 and its management is delegated to the securities company Gestión de Patrimonios Mobiliarios Sociedad de Valores, S.A.

Until 30 September 2019 Quabit has acquired 1,434,449 shares within this share repurchase program.

## COOPERATIVE MANAGEMENT. QUABIT STYLE

In October 2019, Quabit has launched a new cooperative manager for new housing developments.

- Target customer with medium-high purchasing power.
- The objective is to reach the management of 500 homes annually in two or three years with a sales value of 175 million euros.
- The manager will focus its activity on municipalities in Madrid. Contacts are currently being managed in Alcobendas, San Sebastián de Los Reyes, Alcorcón, Getafe, Móstoles, Alcalá de Henares, Coslada, Rivas, Torrejón de Ardoz and Boadilla del Monte.
- From 26 October to 10 November 2019, 746 contacts have been received from people interested in cooperatives in these areas.

## RESULTS FOR THE PERIOD JANUARY-SEPTEMBER 2019

### Key figures of the P&L account

<i>( in thousands of euros)</i>	30/09/2019	30/09/2018	Variation
<b>Turnover</b>	<b>24,939</b>	<b>15,227</b>	<b>63.8%</b>
Procurements	(16,955)	(8,503)	99.4%
Other operating income	862	16,906	(94.9%)
Variation in traffic provisions	3,006	(3,657)	182.2%
Personnel and other expenses	(21,778)	(19,743)	10.3%
<b>EBITDA (*)</b>	<b>(9,926)</b>	<b>229</b>	<b>(4,434.5%)</b>
<b>Financial Results</b>	<b>(3,384)</b>	<b>(4,067)</b>	<b>16.8%</b>
<b>Earnings Before Taxes</b>	<b>(14,213)</b>	<b>(3,988)</b>	<b>(256.4%)</b>
<b>Net Profit</b>	<b>(5,713)</b>	<b>1,057</b>	<b>(640.5%)</b>
- Attributable to Parent Company	(5,632)	1,108	(608.3%)
- Attributed to Minority Interest	(81)	(51)	(58.8%)

(\*) See note on Alternative Performance Measurements (at the end of this Management Report),

- The turnover for the period includes the effect of a higher average price of the 62 units delivered in 2019 than the average price of the 109 units delivered in the same period of 2018.
- The EBITDA in the period includes the positive gross margin of the houses delivered in the year minus overheads and commercial expenses associated with developments in progress (that is to say, not only to the delivered but also the ones in progress). The differences in EBITDA with respect to the same period of the previous year are mainly explained by the item "Other Operating Income" which included in 2018 debt discounts that amounted to EUR 15.1 million. This kind of income in 9M 2019 amounts to EUR 0.5 million.

Like for like EBITDA and Earnings Before Taxes (EBT) excluding the effect of the debt discounts corresponding to the same period of 2018 would be as follows:

<i>(in thousands of euros)</i>	30/09/2019	30/09 /2018	Variation
<b>EBITDA (*)</b>	<b>(9,926)</b>	<b>229</b>	<b>(4,434.5%)</b>
Adjustments:			
Other operating income (Debt discounts)	469	15,105	(96.9%)
<b>EBITDA (*) Adjusted</b>	<b>(10,395)</b>	<b>(14,876)</b>	<b>30.12%</b>
<b>Earnings Before Taxes</b>	<b>(14,682)</b>	<b>(19,093)</b>	<b>23.10%</b>

(\*) See note on Alternative Performance Measurements (at the end of this Management Report),

- There is an improvement in EBITDA due to the greater volume of activity. The progressive increase of activity and the increase in the value of gross margin will contribute to cover overheads and other operating expenses associated with the launching of new developments.
- The Financial result improves as the amount of debt not associated with projects is lower (cost of debt associated with projects is capitalized in the value of inventories). Also, in 9M 2019 there was a positive effect in Financial result for an amount of 756 thousand euros as consequence of a debt cancellation payment that was restructured in 2013.
- Even though Earnings Before Tax (EBT) for 9M 2019 is negative, there is an improvement of 23.10% in like for like comparison with 9M 2018. The results associated to the activity (like for like EBITDA) show an improvement trend that will become more pronounced in the last quarter of this year in which the deliveries are concentrated and, therefore, the turnover and the gross margin.

## 1.2. KEY FIGURES

### 1.2.1. FINANCIAL FIGURES

#### Consolidated net Debt

<i>(in thousands of euros)</i>	30/09/2019	31/12/2018	Variation
Non-current financial debt	19,127	5,945	221.7%
Current financial debt	277,608	211,749	31.1%
<b>TOTAL GROSS DEBT</b>	<b>296,735</b>	<b>217,694</b>	<b>36.3%</b>
Liquid assets (*)	(30,974)	(24,120)	28.4%
<b>TOTAL NET DEBT (*)</b>	<b>265,761</b>	<b>193,574</b>	<b>37.3%</b>

(\*) See note on Alternative Performance Measurements (at the end of this Management Report)

The classification of the debt as current and non-current on the Consolidated Balance Sheet is made based on the asset associated with the financing. A large part of the Group financial debt is linked to the development of the projects that are included in inventories and, therefore, in current assets of the Balance Sheet. Consequently, the associated debt must be recorded as current debt regardless of the maturity. This classification therefore bears no relation to the maturity of the operations. Debt maturities are detailed in section 1.3.2 of this Report.

#### Consolidated Cash Flow

<i>(in thousands of euros)</i>	30/09/2019	30/09/2018	Variation
Investment in inventories	(95,138)	(95,260)	0.1%
Other operating cash flows	41,958	30,926	35.7%
<b>OPERATING CASH FLOWS</b>	<b>(53,180)</b>	<b>(64,334)</b>	<b>17.3%</b>
<b>INVESTMENT CASH FLOWS</b>	<b>(3,562)</b>	<b>(9,605)</b>	<b>62.9%</b>
<b>FINANCING CASHFLOWS</b>	<b>63,584</b>	<b>69,218</b>	<b>(8.1%)</b>
Cash and equivalents at the beginning of the period	21,132	37,156	(43.1%)
Cash and equivalents at the end of the period	27,974	32,435	(13.8%)
<b>INCREASE / (DECREASE) CASH AND EQUIVALENTS FOR THE PERIOD</b>	<b>6,842</b>	<b>(4,721)</b>	<b>244.9%</b>

### 1.2.2. OPERATIONAL FIGURES

#### Orderbook and stock

<b>Residential Development (units)</b>	30/09/2019	30/09/2018	Variation
Presales for the period (units) (1)	587	673	(12.8%)
Deliveries for the period (units) (2)	62	109	(43.1%)
Portfolio of final presales for the period (units) (3)	1,601	1,037	54.4%
Finished homes stock (units) (4)	5	44	(88.6%)

(1) Presales for the period: Reservations and contracts (less cancellations) signed during the period.

(2) Deliveries for the period: Deliveries of homes.

(3) Portfolio of presales: Reservations and contracts for homes to deliver in the future (for completed projects as well as developments being marketed) at a certain date.

(4) Finished homes stock: Finished homes (with or without reservation or contract).

### Turnover

Turnover (in thousand of euros)	30/09/2019	30/09/2018	Variation
Residential Development	23,751	15,023	58.1%
Land	1,158	185	N.A.
Other	30	19	-
<b>TOTAL</b>	<b>24,939</b>	<b>15,227</b>	<b>63.8%</b>

### Gross Asset Value (GAV) (\*)

(In thousands of euros)	Estimated* 30/09/2019	Actual 31/12/2018	Actual 31/12/2017
Land	343,177	395,830	351,894
Developments under construction	227,680	89,142	40,258
Fixed Assets	696	696	862
Stock	3,959	20,461	6,254
<b>Total value of assets</b>	<b>575,512</b>	<b>506,129</b>	<b>399,268</b>

(\*) See note on Alternative Performance Measurements (at the end of this Management Report),

### 1.3. FINANCIAL STATEMENTS

#### 1.3.1.- CONSOLIDATED P&L ACCOUNT FOR THE PERIOD ENDED AT 30 SEPTEMBER 2019 AND 2018

<i>(in thousands of euros)</i>	30/09/2019	30/09/2018	Variation
Turnover	24,939	15,227	63.8%
Procurements	(16,955)	(8,504)	99.4%
Other Operating income	862	16,906	(94.9%)
Variation in provisions	3,006	(3,657)	182.2%
Personnel expenses	(6,277)	(5,342)	17.5%
Amortization	(898)	(121)	642.1%
Other operating expenses	(15,501)	(14,399)	7.7%
Results from sale of fixed assets	-	(2)	100.0%
<b>Operating results</b>	<b>(10,824)</b>	<b>108</b>	<b>(10,122.2%)</b>
<b>EBITDA (*)</b>	<b>(9,926)</b>	<b>229</b>	<b>(4,434.5%)</b>
<b>Net financial results</b>	<b>(3,384)</b>	<b>(4,067)</b>	<b>16.8%</b>
Result of investments in associates	(5)	(29)	82.8%
<b>Earnings Before taxes</b>	<b>(14,213)</b>	<b>(3,988)</b>	<b>(256.4%)</b>
<b>Corporate Income tax</b>	<b>8,500</b>	<b>5,045</b>	<b>68.5%</b>
<b>Net Profit</b>	<b>(5,713)</b>	<b>1,057</b>	<b>(640.5%)</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company	(5,632)	1,108	(608.3%)
Minority interest	(81)	(51)	(58.8%)

(\*) See note on Alternative Performance Measurements (at the end of this Management Report),

### 1.3.2. CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2019

(In thousands of euros)

ASSETS	30/09/2019	31/12/2018	Variation
<b>NON-CURRENT ASSETS:</b>			
<b>Total non-current assets</b>	<b>82,258</b>	<b>73,349</b>	<b>12.1%</b>
<b>CURRENT ASSETS:</b>			
Inventories	513,867	426,525	20.5%
Other current assets	55,445	56,782	(2.4%)
Cash and other liquid assets	30,974	24,120	28.4%
<b>Total current assets</b>	<b>600,286</b>	<b>507,427</b>	<b>18.3%</b>
<b>TOTAL ASSETS</b>	<b>682,544</b>	<b>580,776</b>	<b>17.5%</b>
LIABILITIES AND NET SHAREHOLDERS EQUITY	30/09/2019	31/12/2018	Variation
<b>NET SHAREHOLDERS EQUITY:</b>			
<b>Total net equity attributable to the shareholders of the Parent Company</b>	<b>284,671</b>	<b>291,794</b>	<b>(2.4%)</b>
Minority interest	4,153	4,024	3.2%
<b>Total net equity</b>	<b>288,824</b>	<b>295,818</b>	<b>(2.4%)</b>
<b>NON-CURRENT LIABILITIES:</b>			
Financial debt	19,127	5,945	221.7%
Others	14,887	12,273	21.3%
<b>Total non-current liabilities</b>	<b>34,014</b>	<b>18,218</b>	<b>86.7%</b>
<b>CURRENT LIABILITIES:</b>			
Financial debt	277,608	211,749	31.1%
Others	82,098	54,991	49.3%
<b>Total current liabilities</b>	<b>359,706</b>	<b>266,740</b>	<b>34.9%</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>682,544</b>	<b>580,776</b>	<b>17.5%</b>

The main variations are as follows:

#### Non – current assets (EUR +8.9 million):

Increase due, mainly, to the variation of assets by deferred taxes amounting to EUR 8.5 million. The Group has potential tax credits to be applied in future Corporate Income tax statements amounting to EUR 194 million. EUR 59.5 million of that amount are recognised in its consolidated balance sheet at 30 September 2019.

### Current assets (EUR +92.9 million)

- Inventories: (EUR + 87.3 million):

Inventories increase as a result of the net effect of the investment in land and work in progress and the decrease in the stock of finished product due to the deliveries as well as the land sold in the period. The evolution of the different items of inventories is as follows:

<i>(In thousands of euros)</i>	30/09/2019	31/12/2018	Variation
Land	293,787	327,941	(10.4%)
Development under construction	214,818	80,149	168.0%
Stock of finished homes	3,192	17,004	(81.2%)
Advances to suppliers	1,251	612	104.4%
Others	819	819	-
<b>Net book value</b>	<b>513,867</b>	<b>426,525</b>	<b>20.5%</b>

- Other current assets (EUR -1.3 million)

Decrease of EUR 9.5 million in Receivable from Public Administrations as consequence of the reimbursement from tax authorities side of the VAT paid in land acquisitions that is partially compensated with the increase of EUR 8.2 million in other assets due the increase in the business activity.

- Cash other liquid assets (EUR +6.9 million)

Increase of cash (EUR +6.8 million).

### Net equity

The evolution of Net equity is as follows:

*(In thousands of euros)*

<b>Balance as at 31 December 2018</b>	<b>295,818</b>
Results for the period	(5,713)
Treasury shares operations	(1,354)
Other Equity Instruments	72
Minority interest increase	1
<b>Balance as at 30 September 2019</b>	<b>288,824</b>

The balance of treasury shares as at 30 September 2019 amounts to 7,123 thousand euros having increased during the period by 1,830 thousand euros amount that reduces net equity. Quabit holds 4,832,233 treasury shares (3.25% of share capital) as at 30 September 2019.

### Liabilities. Financial debt

Financial debt is 75.4% of total liabilities. Breakdown of the gross financial debt as at 30 September 2019 compared with 31 December 2018 is as follows:

<i>(in thousands of euros)</i>	30/09/2019	31/12/2018	Variation
Non-current debts with credit institutions	19,127	5,945	221.7%
Debts with current credit institutions	277,608	211,749	31.1%
<b>TOTAL GROSS DEBT</b>	<b>296,735</b>	<b>217,694</b>	<b>36.3%</b>

Detail of debt structure and maturities as at 30 of September 2019 is as follows:

(Thousands of euros)	2019	2020	2021	2022	2023	Total
<b>Recourse debt</b>	<b>65</b>	<b>14,354</b>	<b>14,554</b>	<b>49,324</b>	<b>32,338</b>	<b>110,635</b>
Debt to be covered according to schedule of payments	65	13,134	14,554	49,324	-	77,077
Bonds Issue	-	700	-	-	19,386	20,086
Debt with international funds	-	520	-	-	12,952	13,472
<b>Non-recourse debt</b>	<b>35,422</b>	<b>88,265</b>	<b>39,771</b>	<b>22,642</b>	<b>-</b>	<b>186,100</b>
Debt to be covered according to schedule of payments	1,128	-	-	-	-	1,128
Debt guaranteed by VAT refunds	886	-	-	-	-	886
Debt to be discharged with sale of assets	18,536	15,175	-	-	-	33,711
Alpin Equities Loan (i)	7,283	6,175	-	-	-	13,458
Facility Avenue I (ii)	7,589	66,915	-	-	-	74,504
Facility Avenue II (ii)	-	-	39,771	-	-	39,771
Taconic Facility (iii)	-	-	-	22,642	-	22,642
	<b>35,487</b>	<b>102,619</b>	<b>54,325</b>	<b>71,966</b>	<b>32,338</b>	<b>296,735</b>

(i) Loan granted for funds managed by Alpin Equities

(ii) Credit facilities for land purchases granted by funds managed by Avenue Europe International Management L.P, ("Avenue")

(iii) Credit facility for the purchase of land signed with Taconic Capital Advisors UK LLP and Grupo Royal Metropolitan España S.A,

(\*) Debt with recourse: Debt of which Quabit Inmobiliaria, S.A. has universal patrimonial responsibility

(\*\*) Debt without recourse: Debt in which the liability is limited to the assets that guarantee it.

The movement of Gross Debt in the period is shown in the following table:

<i>Thousands of euros</i>	
<b>Balance at 31 December 2018</b>	<b>217,694</b>
Draw downs developer loans	33,719
Draw downs Taconic	11,608
Draw downs other loans	13,750
Bond issue	20,000
Debt adjusted to amortised cost	(205)
Amortisation of maturities	(2,393)
Cancellations due to debt discounts	(469)
Cancelation from sales	(11,021)
Interest accrued	15,829
Cancelation of Liabilities at fair value	(1,777)
<b>Balance at 30 September 2019</b>	<b>296,735</b>

Drawdowns developer loans: This item corresponds to draw downs made on loans for the financing of work underway and VAT. In the case of the VAT financing, the VAT paid in land purchase operations is partially financed. The debt associated with the financing of the VAT shall be paid at the same time as Public Treasury makes the return of the draw downs of the development and land loan and they will be paid upon transfer of the homes.

Drawdowns Taconic: Drawdowns of funds (nominal without commissions) made in 2019 for the credit facility of up to EUR 50 million granted by funds advised by Taconic.

Drawdowns other loans: Drawdown of funds (nominal without commissions) made in 2019 for the total amount of EUR 13.8 million loan granted by international funds. This credit facility was signed on 10 April 2019 and the maturity is on 4 April 2023.

Bond issue: On April 4, 2019, an issue of simple obligations was made for a total amount of EUR 20 million issued at 99% and will accrue an annual coupon of 8.25%

Adjustment of debt at amortised cost

- The adjustments to the debt at amortised cost mainly correspond to the net effect of the recorded debt at amortised cost which includes the impact of discounting commissions charged and the cost incurred on obtaining the and those already paid.
- In addition, include the impact of the issue of warrants associated with Avenue I and Avenue II.
- Also included in this item is the effect of register the effective interest rate accrued as a result of the re-estimation of the payment flows associated with the current debt restructuring agreements with financial entities as of 31 December 2018.

Amortisation of maturities

- Corresponds to repayments of capital and interest agreed with other financial institutions and repayments of VAT made at the same time that Public Treasury has made refunds.

Cancellations for debt discounted

- Capital and interest in the amount of EUR 469 thousand for debt discounts (principal and interest) agreed to with other financial institutions and for debt discounts applied to sale of stock.

Cancelation from sales

- Payment of debt associated with land and finished product (land and development loan), coinciding with the timing of the sale of such assets.

Cancelation of liabilities at fair value

On 15 February 2019 the group cancelled, by a payment in kind, restructured debt registered as "Payable debt with transfer of collateral" related to restructuring debt agreements reached in 2013 with limited recourse clauses.

## 1.4. BUSINESS AREAS

### 1.4.1. RESIDENTIAL DEVELOPMENT

#### DEVELOPMENTS IN EXECUTION

Developments underway are in the following stages:

- Finished developments: The construction works are finished.
- Under construction: Project licence obtained.
- In marketing: with formalisation of reservations and/or sales contracts.
- Pre-marketing: basic sales information exists (such as typologies or features) and a client waiting list is created before moving on to the marketing stage.
- Design: preliminary design of the building and facades based on the needs project created by the company in accordance with the market analysis of supply and demand.

The following is a summary of the situation of the developments managed in 2019, indicating the phase in which they are positioned the units pending of delivery and the commercial situation as at 30 of September 2019. Homes finished prior 2019 are included in a specific line.

STATUS	Number of developments	Province	Total units of the development	Total billing (thousands of euros) (*)	Units with presale
	1	MÁLAGA	4	939	4
		STOCK ANTERIOR A 2019	1	498	1
<b>FINISHED DEVELOPMENTS</b>	<b>1</b>		<b>5</b>	<b>1,437</b>	<b>5</b>
	10	GUADALAJARA	845	153,690	497
	7	MADRID	559	118,135	404
	11	MÁLAGA	685	165,479	448
	1	MENORCA	50	30,060	7
	1	ZARAGOZA	36	10,061	36
<b>DEVELOPMENTS UNDER CONSTRUCTION</b>	<b>30</b>		<b>2,175</b>	<b>477,425</b>	<b>1,392</b>
	4	GUADALAJARA	433	75,934	58
	5	MADRID	322	88,249	97
	4	MÁLAGA	451	116,593	42
	1	VALENCIA	59	11,233	7
<b>DEVELOPMENTS IN MARKETING</b>	<b>14</b>		<b>1,265</b>	<b>292,009</b>	<b>204</b>
	1	MÁLAGA	25	4,300	0
	1	MENORCA	25	13,493	0
<b>DEVELOPMENTS IN PRE-MARKETING</b>	<b>2</b>		<b>50</b>	<b>17,793</b>	<b>0</b>
	6	GUADALAJARA	523	97,899	0
	2	MADRID	75	12,069	0
	2	MÁLAGA	52	25,513	0
	2	VALENCIA	100	16,286	0
<b>DEVELOPMENTS IN DESIGN</b>	<b>12</b>		<b>750</b>	<b>151,766</b>	<b>0</b>
<b>TOTAL</b>	<b>59</b>		<b>4,245</b>	<b>940,428</b>	<b>1,601</b>

(\*) The estimated billing has been calculated considering the current sales rates of the developments including commercial premises and parking units.

## ORDERBOOK

The activity of the presales portfolio of Grupo Quabit in 9M 2019 was as follows:

<b>Orderbook as at 31 December 2018 (units)</b>	<b>1,076</b>
Presales for the period	587
Deliveries for the period	(62)
<b>Orderbook as at 30 September 2019 (units)</b>	<b>1,601</b>

The total price of these 1,601 units of the portfolio is EUR 317,887 thousand.

## STOCK OF FINISHED HOMES

The evolution of the finished homes stock in 9M 2019 was as follows:

<b>Stock as at 31 December 2018 (units)</b>	<b>38</b>
Homes finished in 2019 (units)	29
Homes delivered in 2019 (units)	(62)
<b>Stock as at 30 September 2019 (units)</b>	<b>5</b>

The 29 units of the stock at 30 September 2019 are those of the development Casares Golf 1<sup>st</sup> phase in Casares (Málaga), of which 25 homes have been delivered until 30 September 2019. Adding the other 37 units delivered in the period, the whole stock prior to the start up of the Business Plan of the Group has been fully delivered and only one unit remains of those 215 that were finished in 2018, corresponding to 4 developments.

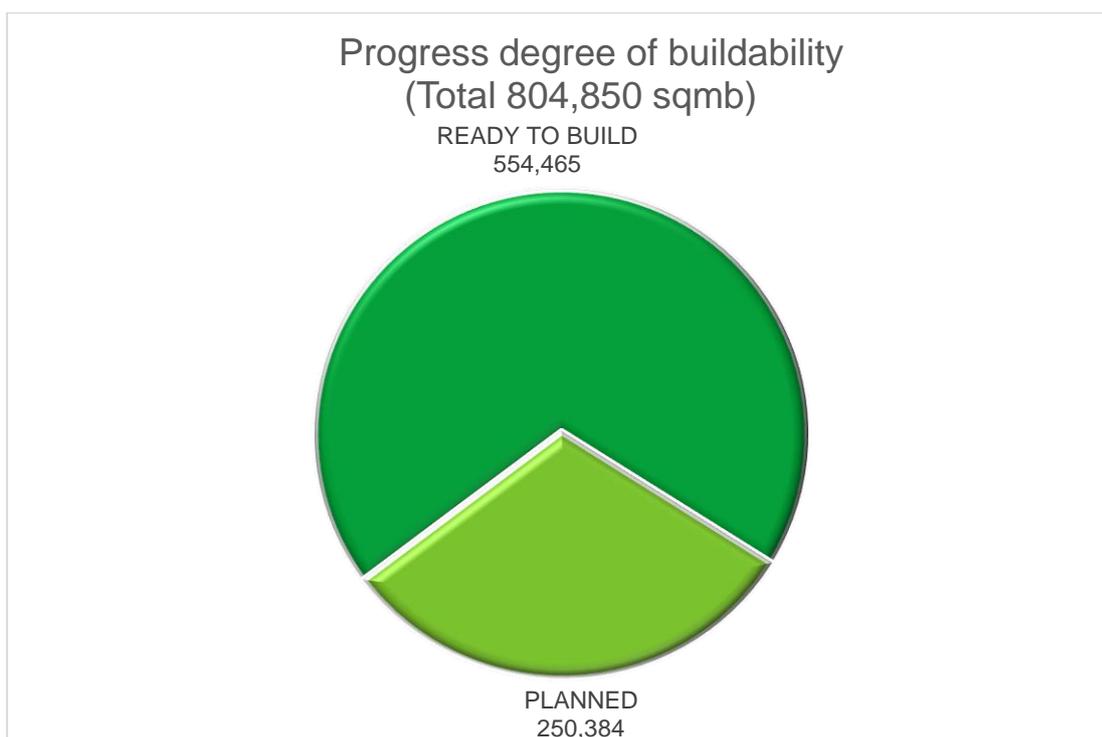
### 1.4.2. LAND MANAGEMENT

#### LAND PORTFOLIO

The land portfolio as at 30 September 2019 (where in the case of the subsidiaries that are not integrated from global consolidation the square metres are based on the percentage hold by the Group) is 804.9 thousand square metres of buildable height (sqmb) plus 5,352 thousand square metres of non-developable land. Estimated market value of this land portfolio (based on valuation at 31 December 2018 plus CAPEX) amounts to EUR 343.2 million.

The following chart details the distribution of the buildability considering the following classification in accordance with the degree of development:

- Planned and/or urban development land: land in which the instruments for planning are currently being processed or have been approved or that which development projects have already started.
- Ready to build land: Land in which you can complete the procedures to obtain a building license and start construction works.



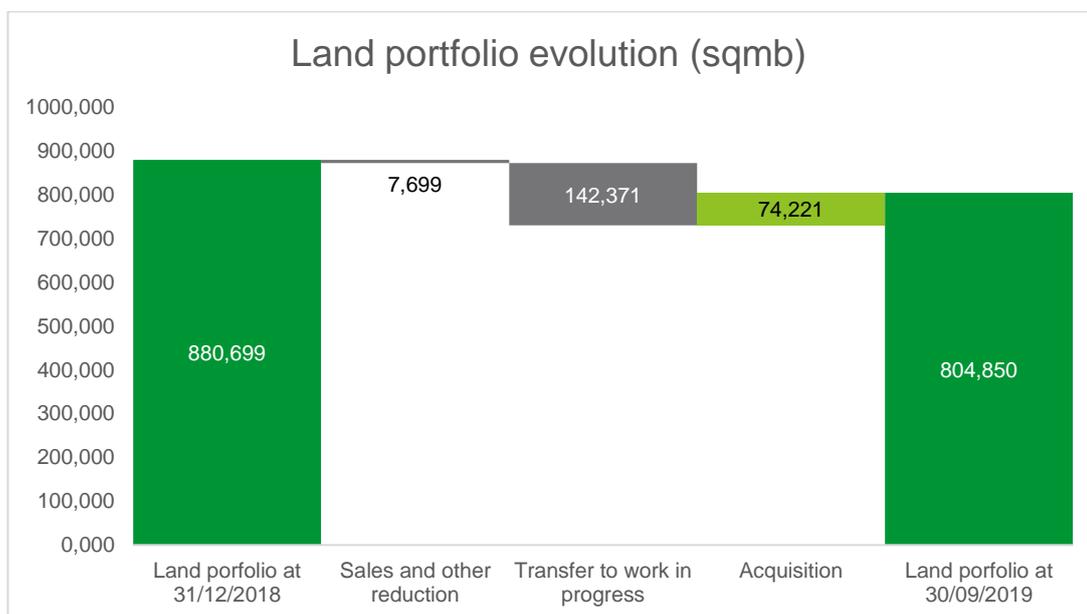
239.6 thousand of sqmb correspond to land in which projects are being developed which are included in the table of developments in execution included in section 1.4.1. (in marketing, pre-marketing and design status). Therefore 565.2 thousand of sqmb are available for future developments or for sale.

In addition to this consolidated land portfolio the Group has land rights in different stages of planning for different situations. The following table sums up these situations and the market value as at 31 December 2018 for the lands:

Item	Million of euros
Mortgaged land in favour of the Company or companies of its Group in guarantee of debts	29,0
Private contracts pending notarize	9,7
Use in exchange for development projects	11,3
<b>Total land rights</b>	<b>50,0</b>

Total buildable area of above land rights amounts to 95,636 sqmb (62,934 sqmb of mortgaged land and 32,702 sqmb of private contracts pending of transfer of the legal ownership).

**CHANGES IN LAND PORTFOLIO IN 9M 2019**



- Sales and variations in buildability: Reduction of buildability due to sales both of land owned directly by the Group or indirectly for the sale of part of the equity interest in companies not integrated from global consolidation.
- Land transferred to developments under construction: 142,371 sqmb have been transferred to developments under construction of which building works of 11 developments (885 units) have started in 2019.
- Acquisitions: Investments in land have been made amounting to EUR 10.0 million. A summary of these operations is included in the following table:

Nº of operations	Province	Buildability sqmb	Homes estimated (units)	Billing Estimated (millions of euros)
2	GUADALAJARA	12,463	100	19
1	MADRID	8,520	85	13
1	MALAGA	41,738	380	90
2	VALENCIA	11,500	100	16
<b>6</b>		<b>74,221</b>	<b>665</b>	<b>138</b>

Additionally to those acquisitions, the Group has committed acquisitions amounting to EUR 6.4 million by the signature of private contracts that are pending of the legal transfer of ownership at 30 September 2019. A summary of these operations is included in the next table:

Nº of operations	Province	Buildability sqmb	Homes estimated (units)	Billing Estimated (millions of euros)
3	GUADALAJARA	19,344	190	31
1	MADRID	6,080	60	10
<b>4</b>		<b>25,424</b>	<b>250</b>	<b>41</b>

## 1.5. Shareholders Evolution of the Shares and Markets on which they are Listed

### 1.5.1. SHARE PRICE

The share price of Quabit Inmobiliaria ,S.A. has evolved from 1.30 euros on 30 December 2018 to 0.805 euros on 30 September 2019 which represents a decline of 38.1% during the period,

The following table shows the most relevant parameters for the behaviour of the stock for the period:

Share performance from 31/12/2018 to 28/06/2019	
Price at close on 30/12/2018 (€/share)	1.30
Price at close on 30/09/2019 (€/share)	0.805
Variation %	(38.1%)
Market capitalisation at close on 30/09/2019 (€)	119,754,773
Max, price at close (€/share)	1.512
Min, price at close (€/share)	0.797
Average weighted price (€/share)	1.095
Average daily volume of contracts (shares)	254,666
Shares traded in the period (1)	48,641,132
Average daily volume of contracts (€)	278,914
Cash transacted in the period (€)	53,272,570
Total number of shares as at 30/09/2019	148,763,693

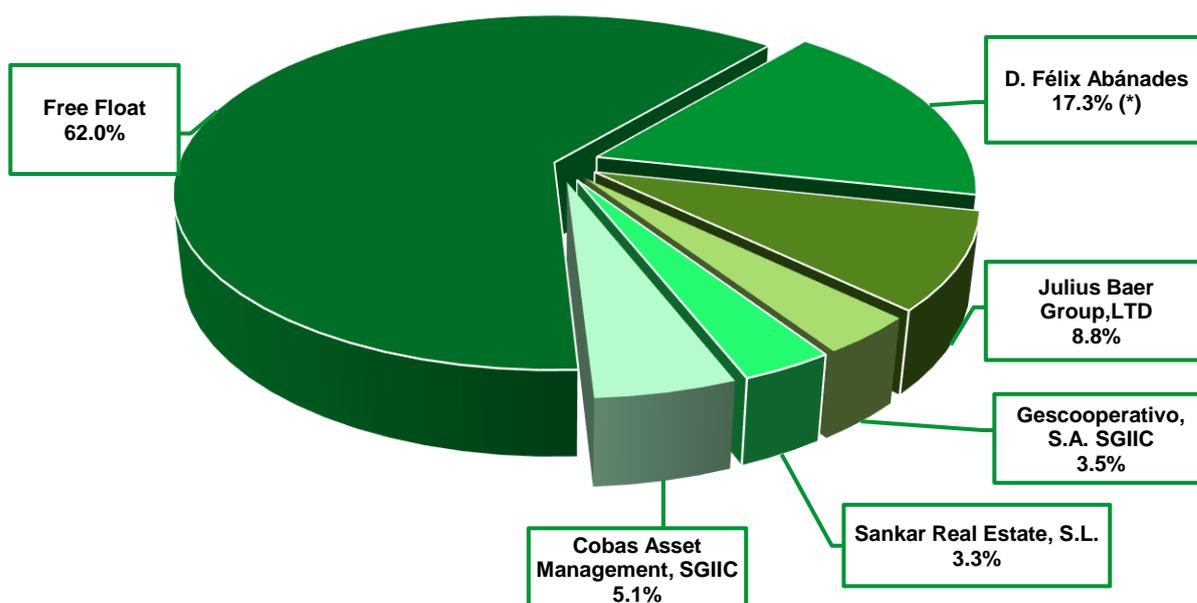
Source: Refinitiv (Reuters)

(1) Includes operations carried out in the market. Does not include blots out the market

The Company's shares are currently traded on the Madrid and Valencia stock exchanges.

### 1.5.2. SHAREHOLDERS

The following chart shows the composition of the shareholder as at 30 September 2019:



(\*) Mr Félix Abánades holds an additional 1.832% through financial instruments (0.840% from share repurchasing clauses and 0.992% related to the incentives plan). The aggregate position using these instruments would be 19.146%.

The percentages of participation in the above chart are obtained from the Significant Shareholdings Register of the Spanish National Securities Market Commission (CNMV) as at 30 September 2019.

After 30 September 2019, new notifications on voting rights and financial instruments have been published, so that, as of the date of publication of this Intermediate Statement, some percentages of those contained in the previous graph have been modified, which remain with the following values:

- Mr. Félix Abánades López: 18.476% plus 1.832% through financial instruments, which represents an aggregate position of 20.308%.
- Julius Baer Group: 8.740%.

## 1.6. GOVERNING BODIES

The composition of the government bodies as at the date of issue of this Management Report is as follows:

Name	Board of Directors	Audit Commission	Appointments and Remuneration Commission
Mr Félix Abánades López	Chairman and Chief Executive Officer	N/A	N/A
Mr Jorge Calvet Spinatsch	Vice-chairman and Independent Board Member	Chairman	Director
Mr Alberto Pérez Lejonagoitia	Proprietary Director	Director	Director
Ms Claudia Pickholz	Independent Board Member	Director	Chairperson
Mr Miguel Ángel Melero Bowen	Non-board member secretary	Secretary	Secretary
Ms Nuria Díaz Sanz	Non-board member vice-secretary	Vice-secretary	Vice-secretary

No changes were made to the governing bodies in 2019

### NOTE ON ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information contained in this Consolidated Management Report prepared in accordance with the applicable International Financial Reporting Standards certain "Alternative Performance Measurements" (APM) are included as defined by the directives regarding APM published by the European Securities Markets Authority on 5 October 2015 (ESMA/2015/1057)) ("ESMA Directives") which entered into force on 3 July 2017.

The ESMA directives define the APM as financial measurements of past or future financial performance of a financial position or cash flows except for financial measurements defined or detailed within the framework of applicable financial information.

Grupo Quabit uses certain APM that have not been audited with the objective of them contributing to a greater comprehension of the financial evolution of the company. The APM as a whole must take into account the latest audited financial statements and must be considered as additional information and in no case may substitute the financial information prepared under the International Financial Reporting Standards. Likewise, these measurements may both in their definition and in their calculation differ from other similar measurements calculated by other companies and therefore may not be comparable.

The Company considers that it follows and complies with the ESMA recommendations regarding the APM, In adherence with the recommendations of the aforementioned directives below is attached the details of the APM used as well as the reconciliation of certain management indicators with those presented in the Financial Statements.

Ratios and figures of the financial structure		Reconciliation with the Consolidated Financial Statements		
		Description	(In thousands of euros)	
			30/09/2019	30/09/2018
<b>EBITDA</b>	Operating profits plus amortization	Operating results	(10,824)	108
		Amortization	898	121
		<b>EBITDA</b>	<b>(9,926)</b>	<b>229</b>
<b>Adjusted EBITDA</b>	EBITDA less other operating income due to debt discounts	<b>EBITDA</b>	(9,926)	229
		Debt discounts	(469)	(15,105)
		<b>Adjusted EBITDA</b>	<b>(10,395)</b>	<b>(14,876)</b>
<b>Gross financial debt</b>	Sum of the current and non-current debt with credit institutions		30/09/2019	31/12/2018
		Financial debt - Non-current	19,127	5,945
		Financial debt - Current	277,608	211,749
		<b>Gross financial debt</b>	<b>296,735</b>	<b>217,694</b>
<b>Net financial debt</b>	Gross financial debt less liquid assets	Gross financial debt	296,735	217,694
		Liquid assets	(30,974)	(24,120)
		<b>Net financial debt</b>	<b>265,761</b>	<b>193,574</b>
<b>Liquid assets</b>	Immediate liquid assets	Cash and other liquid assets	27,974	21,132
		Current financial assets at fair value with changes to Profits and Losses	3,000	2,988
		<b>Liquid assets</b>	<b>30,974</b>	<b>24,120</b>

<p><b>Consolidated GAV</b></p> <p>Gross Assets Value (GAV) is the sum of the market value of the real estate assets (inventory real estate investments and buildings or lands from tangible immovable assets) owned by QUABIT and its subsidiaries and the shares in joint ventures affiliates and financial assets available for sale that have real estate assets, The market value is calculated from independent appraisers reports and excludes transaction costs, As per 30/09/2019 GAV has been estimated as the market value at 31 December 2018 plus the CAPEX (no capitalized interests have been considered ) minus market value of the sold assets .</p>	<p>See calculation of this figure in the following table,</p>
<p><b>Loan to value</b></p> <p>This is understood at the coefficient between the net financial debt and consolidated GAV.</p>	<p>See calculation of this figure in the following table,</p>
<p><b>NAV</b></p> <p>Net Assets Value (NAV): See the result of the Equity attributable to the shareholders of the Parent Company of Grupo QUABIT plus the amount of tacit capital gains from the assets of the subsidiaries of the Consolidated Group and the tacit capital gains from the participations in joint ventures affiliates and financial assets available for sale.</p>	<p>See calculation of this figure in the following table,</p>

<b>Gross Assets Value (GAV)</b>	<b>Estimated (*)</b>	<b>Actual</b>	<b>Actual</b>
(In thousands of euros)	<b>30/09/2019</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
<i>Land in consolidated companies from global integration</i>	326,823	378,455	334,459
<i>Land with affiliates</i>	16,354	17,375	17,435
Total land	343,177	395,830	351,894
Projects under construction	227,680	89,142	40,258
Fixed Assets	696	696	862
Stock	3,959	20,461	6,254
<b>Total market value of the assets (1)</b>	<b>575,512</b>	<b>506,129</b>	<b>399,268</b>
Gross financial debt	296,736	217,694	254,928
Liquid assets	(30,974)	(24,120)	(37,156)
<b>Net financial debt</b>	<b>265,762</b>	<b>193,574</b>	<b>217,772</b>
<b>LTV (2)/(1)</b>	<b>46.2%</b>	<b>38.2%</b>	<b>54.5%</b>
<b>Net Assets Value (NAV)</b>			
(In thousands of euros)	<b>30/09/2019</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Total net equity attributable to the shareholders of the Parent Company	284,671	291,794	223,213
(+) Tacit capital gains in assets:	66,520	69,172	40,477
<b>Consolidated NAV</b>	<b>351,191</b>	<b>360,966</b>	<b>263,690</b>
Tax on tacit capital gains	(16,630)	(17,293)	(10,119)
<b>Consolidated NNAV</b>	<b>334,561</b>	<b>343,673</b>	<b>253,571</b>

(\*) GAV estimated starting from the market value at 31 December 2018 adding the costs incurred other than the financial costs and subtracting the market value of the sold assets. The Group makes valuations with an independent appraiser at least once a year to verify the market value of its assets, BDO Auditores S.L.P. ("BDO") valued the portfolio of real estate assets of Quabit Inmobiliaria S.A. and the companies in which it participates as at 31 December 2018. The land portfolio of the Company and its group of companies as at 31 December 2018 (taking in the case of investee companies not integrated by global consolidation the meters and the value based on the percentage of participation in the same) was valued at 395,8 million euros. This is the starting value on which the estimate of the value as at 30 September 2019 has been made.