



Quabit
Inmobiliaria

RESULTS JANUARY MARCH 2019



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1. BUSINESS PERFORMANCE AND GROUP SITUATION

1.1. Key highlights for the period

RESIDENTIAL DEVELOPMENT

- In the first quarter of 2019 (1Q 2019) Grupo Quabit has launched 4 developments with a total of 128 units, which means that as at 31 March 2019 it has 59 developments in different stages of execution with a total of 4,172 homes and an estimated billing amount of EUR 956 million. The projects portfolio, its status and geographic distribution are detailed in section 1.4.1 of this Report.
- The pre-sales (reservations and contracts) signed in the period reached 192 homes, representing an increase of 43.3% compared to the same period in 2018.
- The pre-sales portfolio as at 31 March 2019 (commitments to clients through reservations and contracts) is 1,237 homes (an increase of 104.1% compared to 31 March 2018) for a total billing amount of EUR 246 million.
- In 1Q 2019 Grupo Quabit has completed the construction of 1 development with 29 units and has initiated the construction phase of 3 developments with 238 units. The projects in the delivery or construction phase totaled 1,843 homes and EUR 409 million of forecast billing as at 31 March 2019. After 31st March 2019, work licenses have been obtained for 2 developments with a total of 259 homes.
- In 1Q 2019 Grupo Quabit has delivered 31 units that correspond to 3 developments completed in 2018 and to stock of homes prior to 2015. As at 31 March 2019, 3 of the 4 developments completed in 2018 with 99 units and stock prior to 2015 are fully delivered.
- In the following months the stock of finished product will be delivered (36 units), meanwhile the rest of units to complete in the year are expected in the last quarter of the year.

INVESTMENTS. LAND PURCHASES

- In the year 2019, until the date of formulation of this interim management report, the Quabit Group has committed land purchases with a total buildable area of 57.822 sqmb with the potential to develop 535 homes. The total investment amount is 11.5 million euros. Land is ready to build, some of them with a work permit in process, and is located in areas of Corredor del Henares and Madrid.

FINANCING OF INVESTMENTS

After 31 March 2019, two new financing operations have been signed for the development of the investments forecasted in 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%. 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%.

These operations represent another step in the group's strategy to diversify funding sources and continue with its growth.

RESULTS FOR THE PERIOD 1Q 2019

Key figures of the P&L account

<i>(in thousands of euros)</i>	31/03/2019	31/03/2018	Variation
Turnover	16,983	216	7,762.5%
Procurement	(12,144)	900	(1,449.3%)
Other operating income	624	7,957	(92.2%)
Variation in traffic provisions	835	62	1,246.8%
Personnel and other expenses	(7,326)	(4,549)	61.0%
EBITDA (*)	(1,028)	4,586	(122.4%)
Financial Results	(199)	(1,589)	87.5%
Earnings Before Taxes	(1,517)	2,929	(151.8%)
Net Profit	983	2,893	(66.0%)
- Attributable to Parent Company	1,014	2,894	(65.0%)
- Attributed to Minority Interest	(31)	(1)	2,900.%

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

- The turnover in 1Q 2019 includes the effect of delivering 31 units versus 1 unit that was delivered in the same period in 2018.
- The EBITDA in Q1 2019 includes, on the one hand, the positive margin of delivering 31 units in the year and, on the other, overheads and commercial expenses associated with developments. 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 6.9 million. There is no income for this concept in 2019.

Like for like EBITDA, not including the effect of the debt discounts corresponding to the same period of the 2018 would be:

<i>(in thousands of euros)</i>	31/03/2019	31/03/2018	Variation
EBITDA (*)	(1,028)	4,586	(122.4%)
Adjustments:			
Other operating income (Debt discounts)	-	6,890	(100.0%)
EBITDA (*) Adjusted	(1,028)	(2,304)	55.4%

(*) 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 improvement in the 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 1Q 2019 there was a positive effect in Financial result for an amount of 756 thousand euros as a consequence of a debt cancellation payment that was restructured in 2013.

- Even though Earnings Before Tax (EBT) for Q1 2019 is negative compared to the positive PBT for Q1 2018, the results associated with 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.
- The net profit is positive as a result of the increase in deferred tax assets, due to the capitalization of tax credits.

1.2. KEY FIGURES

1.2.1. FINANCIAL FIGURES

Consolidated net Debt

<i>(in thousands of euros)</i>	31/03/2019	31/12/2018	Variation
Non-current debts with credit institutions	6,021	5,945	1.3%
Debts with current credit institutions	211,173	211,749	(0.3%)
TOTAL GROSS DEBT	217,194	217,694	(0.2%)
Liquid assets	(18,670)	(24,120)	(22.6%)
TOTAL NET DEBT (*)	198,524	193,574	2.6%

(*) 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 financing has mortgage guarantees established on the inventories, included as part of current Assets, and therefore 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>	31/03/2019	31/03/2018	Variation
Investment in inventories	(19,925)	(17,242)	(15.6%)
Other operating cash flows	19,381	(2,760)	802.2%
OPERATING CASH FLOWS	(544)	(20,002)	97.3%
INVESTMENT CASH FLOWS	4,050	(6,927)	158.5%
FINANCING CASHFLOWS	(5,968)	8,512	(170.1%)
Cash and equivalents at the beginning of the period	21,132	37,156	(43.1%)
Cash and equivalents at the end of the period	18,670	18,739	(0.4%)
INCREASE / (DECREASE) CASH AND EQUIVALENTS FOR THE PERIOD	(2,462)	(18,417)	86.6%

1.2.2. OPERATIONAL FIGURES

Orderbook and stock

Residential Development (units)	31/03/2019	31/03/2018	Variation
Presales for the period (units) (1)	192	134	43.3%
Deliveries for the period (units) (2)	31	1	3.000,0%
Portfolio of final presales for the period (units) (3)	1,237	606	104.1%
Finished homes stock (units) (4)	36	12	200.0%

(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)	31/03/2019	31/03/2018	Variation
Residential Development	16,980	213	7,871.8%
Other	3	3	-
TOTAL	16,983	216	7,762.5%

Gross Asset Value (GAV) (*)

(In thousands of euros)	Estimated(*) 31/03/2019	Actual 31/12/2018	Actual 31/12/2017
Land	359,408	395,830	351,894
Developments under construction	137,046	89,142	40,258
Fixed Assets	696	696	862
Stock	11,613	20,461	6,254
Total value of assets	508,763	506,129	399,268

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

1.3. FINANCIAL STATEMENTS

3.1. CONSOLIDATED P&L ACCOUNT FOR THE PERIOD ENDED AT 31ST MARCH 2019 AND 2018

<i>(in thousands of euros)</i>	31/03/2019	31/03/2018	% Variation
Turnover	16,983	216	7,762.5%
Procurements	(12,144)	900	(1,449.3%)
Other Operating income	624	7,957	(92.2%)
Variation in provisions	835	62	1,246.8%
Personnel expenses	(2,094)	(1,580)	32.5%
Amortization	(289)	(34)	750.0%
Other operating expenses	(5,232)	(2,967)	76.3%
Results from sale of fixed assets	-	(2)	(100.0%)
Operating results	(1,317)	4,552	(128.9%)
EBITDA (*)	(1,028)	4,586	(122.4%)
Net financial results	(199)	(1,589)	87.5%
Result of investments in associates	(1)	(34)	97.1%
Earnings before taxes	(1,517)	2,929	(151.8%)
Corporate Income Tax	2,500	(36)	7,044.4%
Net profit	983	2,893	(66.0%)
Attributable to:			
Shareholders of the Parent Company	1,014	2,894	(65.0%)
Minority interest	(31)	(1)	(2,900.0%)

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

1.3.1. CONSOLIDATED BALANCE SHEET AT 31ST MARCH 2019

ASSETS	31/03/2019	31/12/2018	Variation
NON-CURRENT ASSETS:			
Total non-current assets	76,327	73,349	4.1%
CURRENT ASSETS:			
Inventories	436,799	426,525	2.4%
Others	75,993	80,902	(6.1%)
Total current assets	512,792	507,427	1.1%
TOTAL ASSETS	589,119	580,776	1.4%
LIABILITIES AND NET SHAREHOLDERS EQUITY	31/03/2019	31/12/2018	Variation
NET SHAREHOLDERS EQUITY:			
Total net equity attributable to the shareholders of the Parent Company	292,078	291,794	0.1%
Minority interest	3,838	4,024	(4.6%)
Total net equity	295,916	295,818	0.0%
NON-CURRENT LIABILITIES:			
Debts with credit institutions	6,021	5,945	1.3%
Others	12,784	12,273	4.2%
Total non-current liabilities	18,805	18,218	3.2%
CURRENT LIABILITIES:			
Debts with credit institutions	211,173	211,749	(0.3%)
Others	63,225	54,991	15.0%
Total current liabilities	274,398	266,740	2.9%
TOTAL LIABILITIES AND NET EQUITY	589,119	580,776	1.4%

The main variations are as follows:

Current assets (EUR +5.4 million)

- Inventories: (EUR + 10,3 million) :

Inventories increase as a result of the net effect of the investment in work in progress and the decrease in the stock of finished product that has been delivered in the period. The evolution of the inventories is as follows:

(In thousands of euros)	31/03/2019	31/12/2018	Variation
Land	302,702	327,941	(7.7%)
Development under construction	123,063	80,149	53.5%
Stock	9,603	17,004	(43.5%)
Advances to suppliers	612	612	-
Others	819	819	-
Net book value	436,799	426,525	2.4%

- Other (EUR -4,9 million)

Decrease in the balance of cash and equivalents. "Others" includes 18,670 thousand euros of cash and equivalents.

Net equity

The evolution of Net equity is as follow:

(In thousands of euros)

Balance as at 31 December 2018	295,818
Results attributable to the shareholders of the Parent Company	983
Treasury shares operations	(909)
Other Equity Instruments	24
Balance as at 31 March 2019	295,916

The balance of treasury shares as at 31 March 2019 amounts to 6,202 thousand euros, having increased during the period by 909 thousand euros, amount that reduces net equity. Quabit held treasury shares as at 31 March 2019 that amounted to 3,570,208 shares.

Liabilities. Debt with credit institutions

Debt with credit institutions is 74.1% of total liabilities. Breakdown of the debt with credit institutions as at 31 March 2019 compared with 31 December 2018 is as follow:

<i>(in thousands of euros)</i>	31/03/2019	31/12/2018	Variation
Non-current debts with credit institutions	6,021	5,945	1.3%
Debts with current credit institutions	211,173	211,749	(0.3%)
TOTAL GROSS DEBT	217,194	217,694	(0.2%)

The variation in the debt reflects the net effect of the increase due to the withdrawals of the development loan and capitalization of accrued interest and the decrease due to amortization and cancellation of debt associated to deliveries.

The group cancelled in Q1 2019 non recourse debt with the payment in kind of the collateral amounting to 1,777 thousand euros.

The movement in Gross Debt in the period is as follows:

(In thousands of euros)

Balance as at 31 December 2018	217,694
Draw downs	6,488
Debt adjusted to amortized cost	227
Amortization of maturities	(1,269)
Cancellation due to debt discounts	(469)
Cancellation for sales and payments in kind	(10,136)
Interests accrued	4,659
Balance as at 31 March 2019	217,194

Debt structure and maturities as at 31 March 2019 are detail as follow:

<i>(in thousand euros)</i>	2019	2020	2021	2022	Total
Recourse debt	284	12,881	14,414	49,004	76,583
Debt to be covered according to schedule of payments	221	12,881	14,414	49,004	76,520
Debt to be settled with sale of assets	63	-	-	-	63
Non-Recourse Debt	24,446	68,748	37,403	10,014	140,611
Debt to be covered according to schedule of payments	1,487	-	-	-	1,487
Debt guaranteed by VAT refunds	3,261	-	-	-	3,261
Debt to be settled with sale of assets	6,387	897	-	-	7,284
Alpin Equities Loan (i)	6,289	6,021	-	-	12,310
Facility Avenue I (ii)	7,022	61,830	-	-	68,852
Facility Avenue II (ii)	-	-	37,403	-	37,403
Taconic (iii)	-	-	-	10,014	10,014
TOTAL	24,730	81,629	51,817	59,018	217,194

(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.

Recourse debt: Debt with universal responsibility of Quabit Inmobiliaria, S.A. ("QUABIT").

Debt to be paid according to schedule of payments:

Debt with three entities that should be serviced at the deadlines set out in this schedule. Most corresponds to SAREB: debt in the amount of EUR 72,755 thousand and will be paid through payments in the total amount of EUR 76,932 thousand. The ordinary payment schedule as at 31 March 2019 is as follows:

<u>Maturity</u>	<u>Repayment (in thousands of euros)</u>
31 July 2019	154
31 July 2020	9,859
31 July 2021	15,000
31 July 2022	51,919
TOTAL	76,932

Debt restructuring agreement with its main financial creditor, SAREB, have the following causes of early repayment:

- Mandatory early repayment: QUABIT must set aside for the early repayment of the financial debt the net amounts it receives as a result of the following items: (i) 20% of the operational cash of each fiscal year; and (ii) 20% of the amounts received as a result of any capital increase with monetary contributions.
- Advanced voluntary repayment in certain conditions, allowing QUABIT to decide what assets it wishes to release to allow the development of real estate projects therein.

Debt to be cancelled with sale of assets:

Mortgage debt associated with a commercial premise, which will be paid at the time the assets are sold.

Non-recourse debt: Debt in which the liability of QUABIT is limited to the corresponding collateral.

Debt to be covered according to schedule of payments:

Debt with an entity with a payment calendar has been agreed with a discount over the nominal amount. This debt also has liability that is limited to the corresponding collateral.

Debt guaranteed by VAT refunds:

Debt guaranteed with the amounts to be received by the Public Treasury for return of the VAT payments for land purchases.

Debt to be settle with sale of assets:

Debt associated with development loans associated to stock and work in progress which will be cancelled at the moment in which the financed developments are sold. The maturities schedule corresponds to the year of delivery scheduled for the developments.

Alpin Credit facility:

Debt in the amount of EUR 12,310 thousand (amortised cost plus interest accrued as at 31 March 2019): The schedule for the repayment of this loan has been set up on the dates set for the completions and delivery of the developments under construction by the subsidiaries whose shares have been pledged in favour of the funds providing the debt guaranteeing the performance of the terms of the agreement.

Debt facilities Avenue I and Avenue II:

Facilities signed in 2016 and 2017 for land acquisition and are totally withdrawn. Respective amounts (amortised cost plus interest) of EUR 66,852 and EUR 37,403 thousand with final maturities set in 2020 and 2021. These maturities are expected to be covered with the cash obtained in the sale of the developments under construction on the land acquired with the funds obtained from such facilities. Therefore, in the schedule of maturities shown hereunder, maturities prior to these dates have been shown for the debt associated with developments with deliveries prior to the final maturity date of the facilities.

Taconic credit facility:

Credit facility signed in 2018 for land purchase. Partially withdrawn. Debt in the amount (amortised cost plus interest) of EUR 10,014 thousand with final maturity set in 2022. These maturities are expected to be paid with the cash obtained in the sale of the developments under construction on the land acquired with the funds obtained from such facilities. The total amount of this line is 50,000 thousand euros and the available amount at 31 March 2019 is 40,510 thousand euros.

1.4. BUSINESS AREAS

1.4.1. RESIDENTIAL DEVELOPMENT

DEVELOPMENTS IN EXECUTION

Developments underway are in the following stages:

- Finished developments: The construction project is finished and the first occupation license has been obtained.
- In 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 launched since 2016, indicating the phase in which they are positioned, the units pending delivery, and the commercial situation as at 31 March 2019.

STATUS	No. of developments	Province	No. of total homes of the development	Total billing (thousands of euros)	Homes pending delivery	
					Total Units	With presale Units
		1 BARCELONA	63	18,737	-	-
		2 GUADALAJARA	140	21,821	7	6
		1 MADRID	12	14,853	-	-
		1 MÁLAGA	29	6,609	29	28
		STOCK ANTERIOR A 2018	13	2,349	-	-
Finished developments	5		257	64,369	36	34
		6 GUADALAJARA	484	87,934	484	313
		5 MADRID	445	95,761	445	331
		10 MÁLAGA	621	150,909	621	302
		1 ZARAGOZA	36	10,052	36	36
Developments under construction	22		1,586	344,655	1,586	982
		5 GUADALAJARA	574	101,647	574	78
		5 MADRID	289	82,986	289	92
		3 MÁLAGA	342	87,094	342	51
		1 MENORCA	50	26,891	50	-
		1 VALENCIA	59	10,368	59	-
Developments in marketing	15		1,314	308,986	1,314	221
		1 MADRID	15	7,694	15	-
		1 MENORCA	25	13,493	25	-
Projects in marketing	2		40	21,187	40	-
		6 GUADALAJARA	530	101,515	530	-
		2 MADRID	72	14,996	72	-
		7 MÁLAGA	373	100,173	373	-
Projects in design	15		975	216,684	975	-
TOTAL	59		4,172	955,881	3,951	1,237

The estimated billing has been calculated taking into account the current sales rates of the developments.

ORDERBOOK

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

Pre-sales as at 31 December 2018	1,076
Presales for the period	192
Deliveries for the period	(31)
Pre-sales as at 31 March de 2019	1,237

The total sales for these 1,237 units of the portfolio is EUR 246,473 thousand.

STOCK

The evolution of the finished homes stock for 2019 was as follows:

Stock as at 31 December 2018 (units)	38
Homes finished in 2018 (units)	29
Homes delivered in 2018 (units)	(31)
Stock as at 31 March 2018 (units)	36

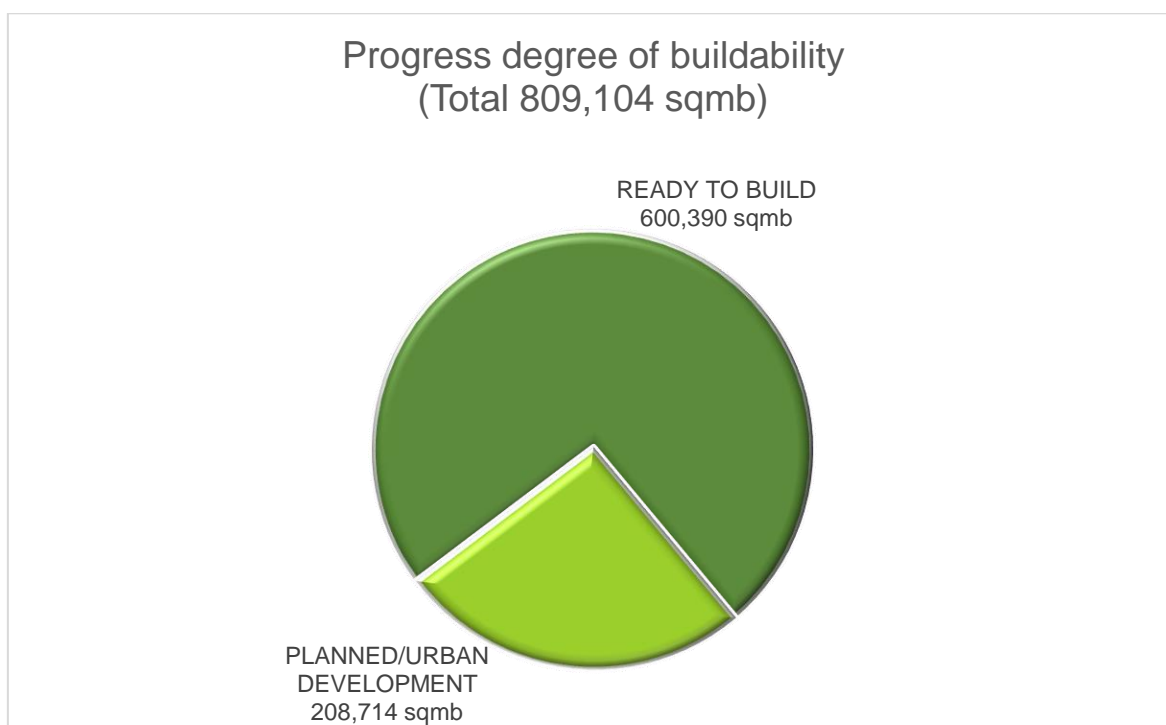
1.4.2. LAND MANAGEMENT

LAND PORTFOLIO

The land portfolio as at 31 March 2019, (where, in the case of the subsidiaries that are not integrated from global consolidation, the square metres of buildable height (sqmb) and the value are based on the percentage of shares) is 809.1 thousand square metres of buildable height (sqmb), plus 5,352 thousand square metres of non-developable land.

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 work.



302.5 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. Therefore, 506.6 sqmb are available for future developments.

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

Item	Millions of euros
Mortgaged land in favour of the Company or companies of its Group in guarantee of debts	29,0
Private contracts pending notarize	3,4
Use in exchange for development projects	11.3
Total land rights	43.7

Total buildable area of above land rights amounts 62,934 sqmb.

CHANGES IN LAND PORTFOLIO

Acquisitions: No new land have been added to land portfolio in 1Q 2019, there are purchase commitments have been signed for acquisitions that will be completed in next months.

Disposals: 66,885 sqmb have been reclassified to developments under construction which building works started in 1Q2019 and 4,710 sqmb corresponding to the buildability associated with share percentage in companies that were transfer to a financial institution for cancellation of debt.

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 1,26 euros on 29 March 2019, which represents a decline of 3.08% during the period.

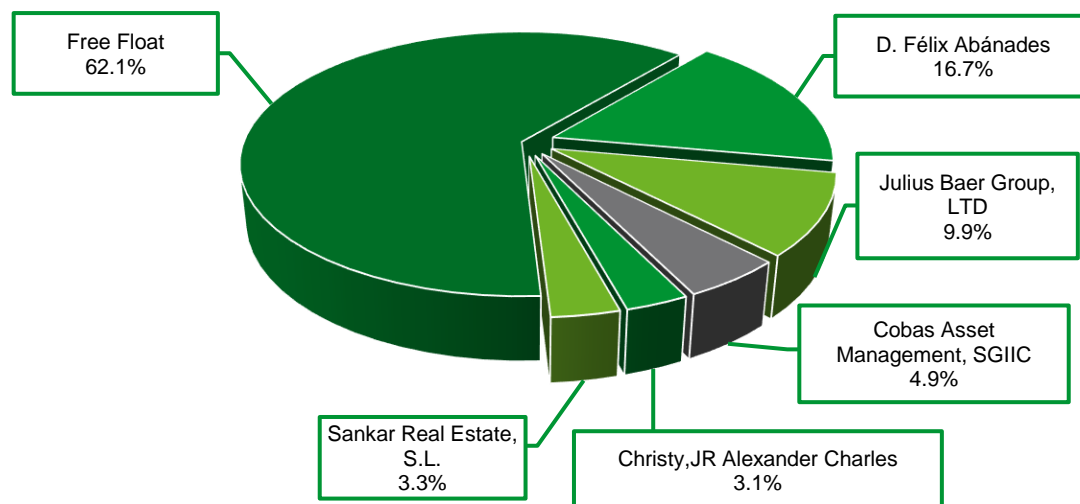
The following table shows the most relevant parameters for the behaviour of the stock for the period:

Share performance from 31/12/2018 to 31/03/2019	
Price at close on 30/12/2018 (€/share)	1.300
Price at close on 29/03/2019 (€/share)	1.260
Variation %	(3.08%)
Market capitalisation at close on 29/03/2019 (€)	187,490,624
Max. price at close (€/share)	1.512
Min. price at close (€/share)	1.254
Average weighted price (€/share)	1.440
Average daily volume of contracts (shares)	168,754
Shares traded in the period	10,631,522
Average daily volume of contracts (€)	242,946
Cash transacted in the period (€)	15,305,606
Total number of shares as at 29/03/2019	148,763,693

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 31 March 2019:



Mr Félix Abánades holds an additional 5.193% through financial instruments (4.201% from share repurchasing clauses and 0.992% related to the incentives plan). The aggregate position using these instruments would be 21.932%.

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 31 March 2019.

On 30 April 2019, the shareholder Cobas Asset Management SGIIC has notified that it has overpass of 5%, holding the 5.06% of the share capital.

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 Alternative Performance Measurements that have not been audited with the objective of them contributing a greater comprehension of the financial evolution of the company. The APM as a whole must take into account the latest audited financial statements, which 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)	
			31/03/2019	31/03/2018
EBITDA	Operating profits plus funding for repayment	Operating results	(1,317)	4,552
		Amortization	289	34
		EBITDA	(1,028)	4,586
Adjusted EBITDA	EBITDA less other operating income due to debt discounts	EBITDA	(1,028)	4,586
		Debt discounts	-	(6,890)
		Adjusted EBITDA	(1,028)	(2,304)
Equity	This is the net equity according to the financial statements.	Total net equity	295.916	295,818
Gross financial debt	Sum of the current and non-current debt with credit institutions		31/03/2019	31/12/2018
		Debts with inst. Credit - Non-current	6,021	5,945
		Debts with inst. Credit - Current	211,173	211,749
		Gross financial debt	217,194	217,694
Net financial debt	Gross financial debt less liquid assets		31/03/2019	31/12/2018
		Gross financial debt	217,194	217,694
		Liquid assets	(18,670)	(24,120)
		Net financial debt	198.524	193,574
Liquid assets	Immediate liquid assets		31/03/2019	31/12/2018
		Cash and other liquid assets	18,670	21,132
		Current financial assets at fair value with changes to Profits and Losses	-	2,988
		Liquid assets	18,670	24,120

Ratios and figures of the financial structure		Reconciliation with the Consolidated Financial Statements	
		Description	(In thousands of euros)
Consolidated GAV	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 31/03/2019 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	See calculation of this figure in the following table.	
Loan to value	This is understood at the coefficient between the net financial debt and consolidated GAV.	See calculation of this figure in the following table.	
NAV	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.	See calculation of this figure in the following table.	

Gross Assets Value (GAV)	Estimated (*)	Actual	Actual
(In thousands of euros)	31/03/2019 (*)	31/12/2018	31/12/2017
<i>Land in consolidated companies from global integration</i>	343,054	378,455	334,459
<i>Land with affiliates</i>	16,354	17,435	17,375
Total land	359,408	395,830	351,894
Projects under construction	137,046	89,142	40,258
Fixed Assets	696	696	862
Stock	11,613	20,461	6,254
Total market value of the assets (1)	508,763	506,129	399,268
Gross financial debt	217,194	217,694	254,928
Liquid assets	(18,670)	(24,120)	(37,156)
Net financial debt	198,524	193,574	217,772
LTV (2)/(1)	39.0%	38.2%	54.5%
Net Assets Value (NAV)			
(In thousands of euros)	31/03/2019	31/12/2018	31/12/2017
Total net equity attributable to the shareholders of the Parent Company	292,078	291,794	223,213
(+) Tacit capital gains in assets:	66,636	69,171	40,477
Consolidated NAV	358,714	360,965	263,690

(*) 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 31 March 2019 has been made.