

COMISIÓN NACIONAL DEL MERCADO DE VALORES

Calle Edison, nº 4
28006 Madrid

Madrid, February 28, 2018

QUABIT INMOBILIARIA, S.A. (“**Quabit**” or the “**Company**”), in compliance with article 228 of the Consolidated Text of the Spanish Securities Market Act approved by the Royal Legislative Decree 4/2015, of October 23, notifies the National Securities Market Commission of the following:

RELEVANT FACT

The Company informs that following the publication of the results corresponding to the accounting period finalizing on December 31, 2017 it has also published a presentation of annual results which reflects a market value of the assets of (GAV) as of December 31, 2017 of 399.3 million euros, and a positive net profit of 14.4 million euros, with an increase of 85.5% after the application of debt haircuts and the activation of tax credits.

The attached presentation shall be available on the Company’s website.

The Secretary to the Board of Directors
Miguel Ángel Melero Bowen



Quabit[↑]
Inmobiliaria

Results Presentation 2017

FEBRUARY 2018

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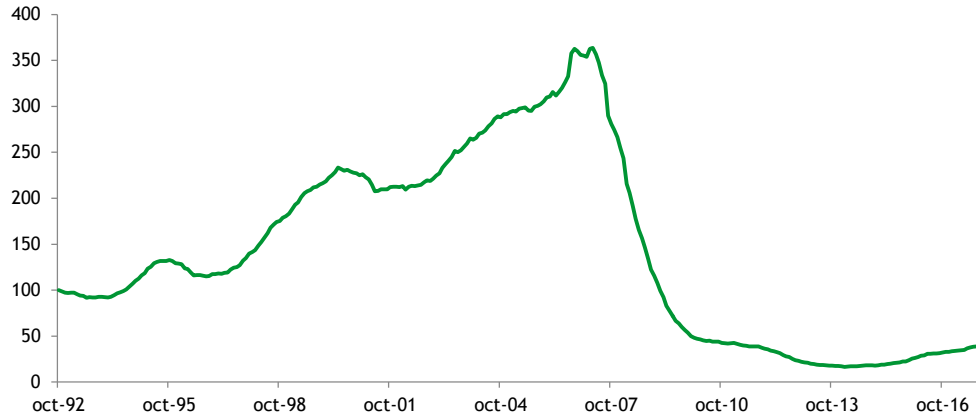
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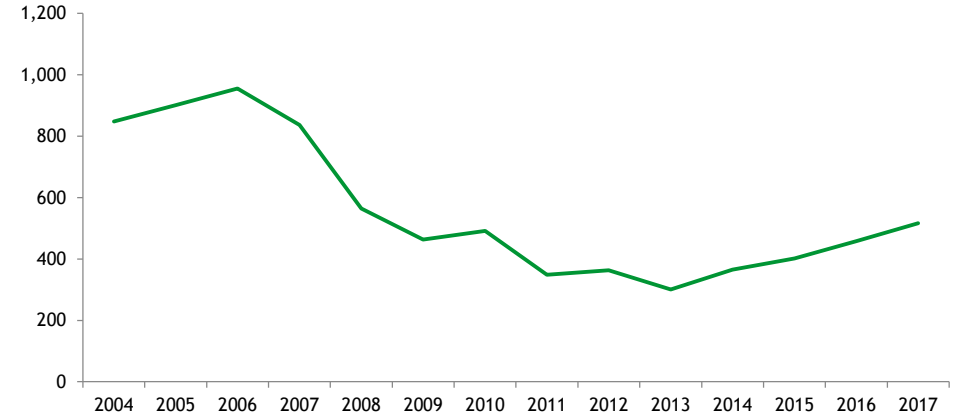
- ✓ The residential sector has experienced a growth acceleration in the last 12 months...
- ✓ ...that has allowed Quabit to start the construction of 302 new homes, to begin commercialization for 919 homes, launch the pre-commercialization of 424 homes and have another 906 homes in the design phase...
- ✓ ... helping to acquire land plots for €160M (812 homes already commercialized) increasing the land portfolio up to 60% of the overall target which is set for the next 5 years
- ✓ ... at the same time it has strengthen its financial structure with the benchmark investors and allowed to receive new funding ...
- ✓ ... helping to set fundamentals for the future growth ...
- ✓ ... and allowed to revise upwards the objectives of the business plan by 20%.
- ✓ The net profit of 2017 grew by 86% thanks to the greater activation of tax credits and haircuts linked to the cancellation of Sareb debt...
- ✓ ... impact will be recurrent in the coming years thanks to the €137M of tax credits pending activation and the €44M in agreed haircuts.

Evolution of new housing starts (m2)



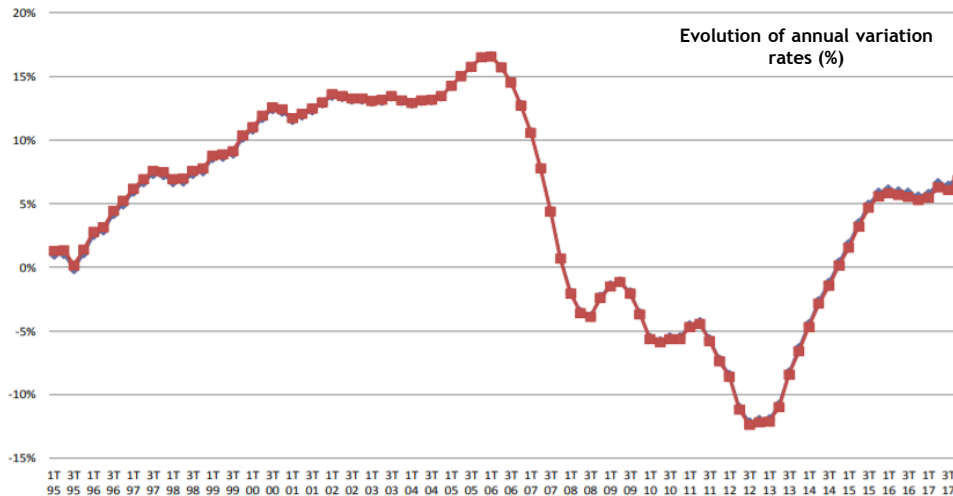
Source: Banco de España

Home transactions ('000)



Source: Ministerio de Fomento

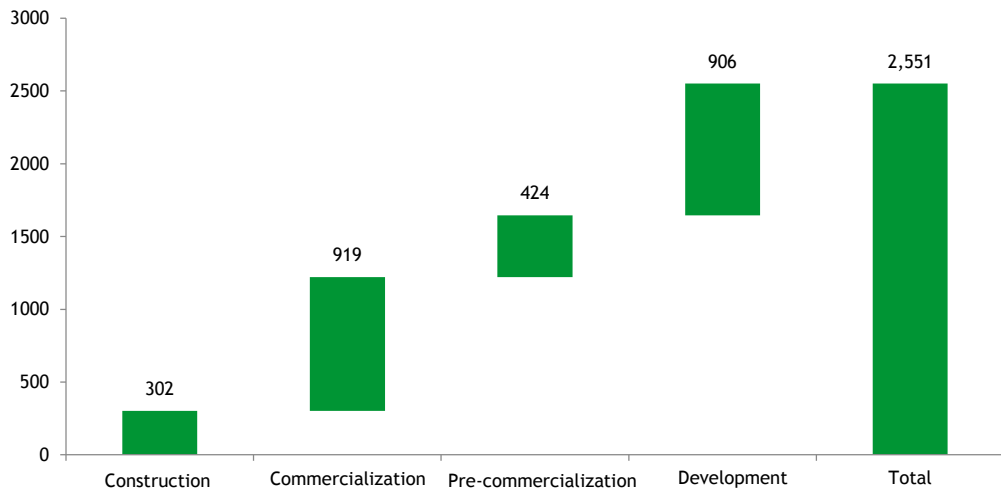
Evolution of the price of repeated home sales



Source: Colegio de Registradores

- ✓ New housing starts demonstrate growth of more than 20% during the year
- ✓ The volume of transactions maintains growth above 10%, in line with previous years
- ✓ The increases in the price of homes accelerates, standing at 7.6% per annum at the end of 2017

More than 2,500 homes are in development...

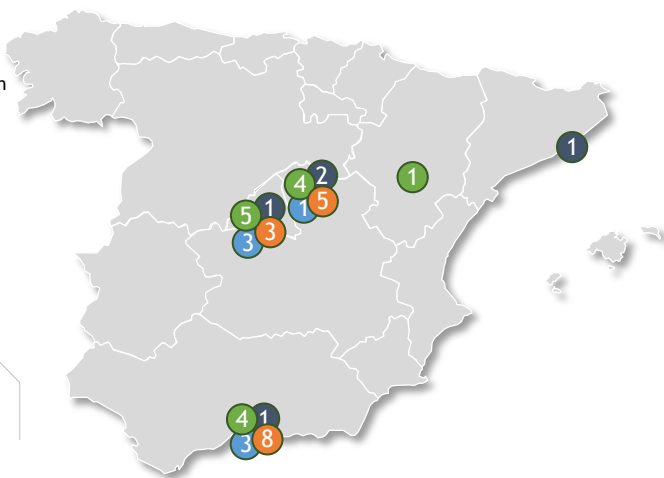


... with pre-sales accelerating in 2H17



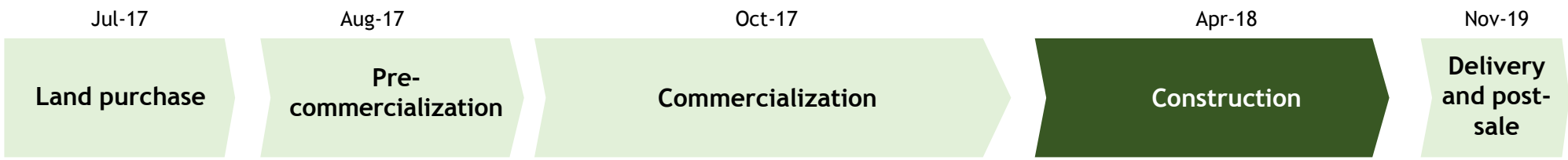
Geographical location of the projects (number of projects)

- In construction
- In commercialization
- In pre-commercialization
- In development



- **Quabit has launched during 2017...**
 - The construction of 5 projects (302 homes)
 - The commercialization of 14 projects (919 homes)
 - The pre-commercialization of 7 projects (424 homes)
 - The design of 16 projects (906 homes)
- **... this all will generate an estimated turnover of €536M**
- The projects are concentrated in the southeast of Madrid, “Corredor del Henares” and Malaga
- The growth of the pre-sales has accelerated with the launch of new commercialisations, **reaching €110M by the end of February 2018 (538 homes)**
- **Works have been awarded for the construction of further 473 homes (beginning in March 2018)**

... which construction will start in the coming months (eg. Quabit-Los Pedregales)...



- Project of 63 homes of 2, 3 and 4 bedrooms with garage and storage

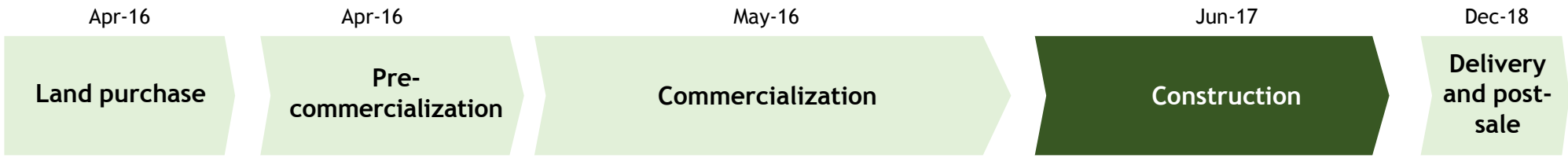
Location	Estepona
Homes (#)	63
Buildable area, homes (m2)	6,495
Buildable area, garages (m2)	1,575
Buildable area, storage (m2)	630

Expected turnover (€M)	10,652
Land value contribution (%)	16.6%
Target Gross Margin (%) ⁽¹⁾	16.3%
IRR (%) ⁽¹⁾	31.0%



(1) Includes the cost of the development loans

...meanwhile we begin the delivery of new homes (eg. Quabit-Las Lomas)...



- 12 exclusive chalets homes. Plots from 1.000 square meters. 6 bedrooms. Private swimming pool. Private compound with paddel court.

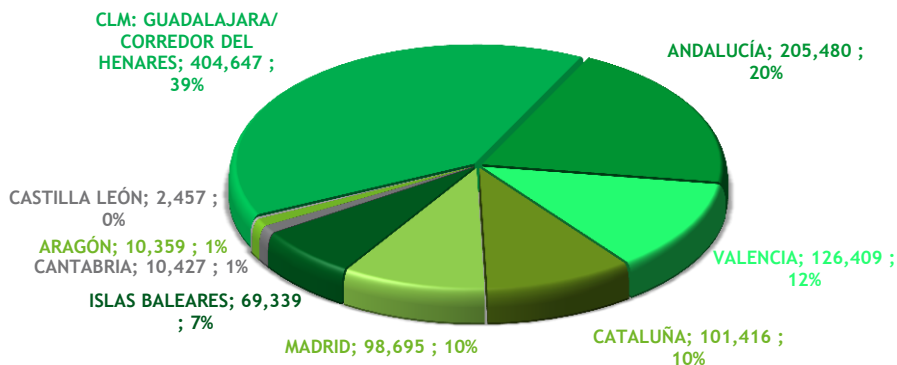
Location	Boadilla del Monte
Homes (#)	12
Buildable area, homes (m2)	5,705

Expected turnover (€M)	14,749
Land value contribution (%)	20.2%
Target Gross Margin (%) ⁽¹⁾	23.5%
IRR (%) ⁽¹⁾	40.4%



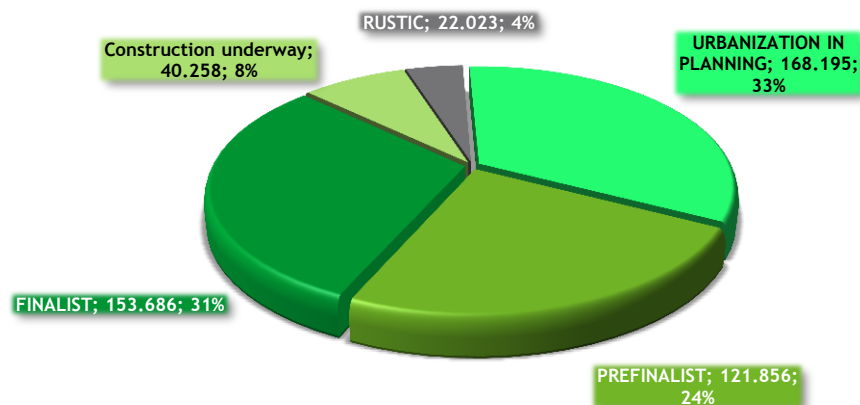
(1) Includes the cost of the development loans

Land portfolio distribution Total 1,029,228m² buildable



(*) Includes 232,900 m² corresponding to optioned land to be incorporated soon

Degree of urban progress by valuation Total 506,018 ('000 euros)

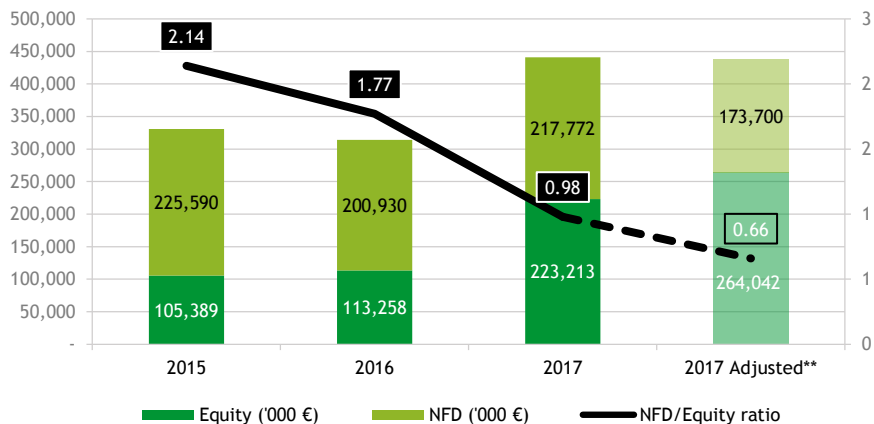


- Land purchases have been signed for a total of **€160.8 million** and **526,017m²** of buildability this year
- ...concentrated around Madrid, Corredor del Henares, Costa del Sol and Baleares
- ... 812 homes out of which have already begun to commercialize.
- With these purchases the portfolio adds up to more than **1,000,000 m² of buildability**
- ... and covers **60%** of the required plot target for home sales from 2018 to 2022.
- The company's objective is to acquire another **€130M between 2018 and 2020.**

... at the same time it has helped to reinforce Quabit's financial structure with benchmark investors ...

Reduction of leverage on equity...

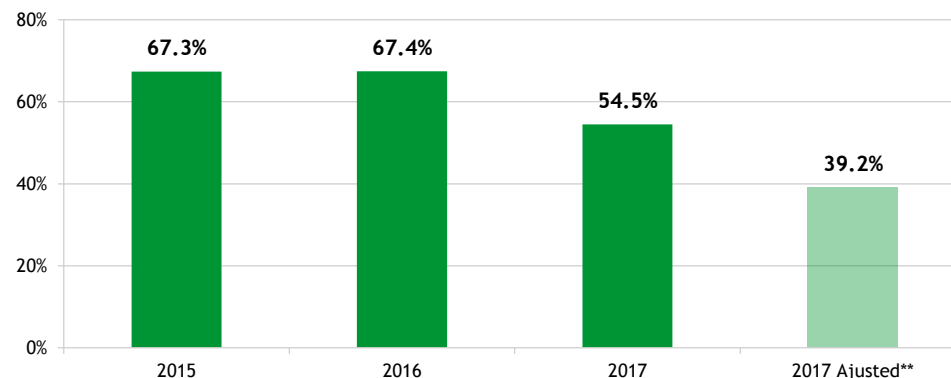
Evolution of the Net Financial Debt / Equity ratio



(**) includes haircuts for €44M

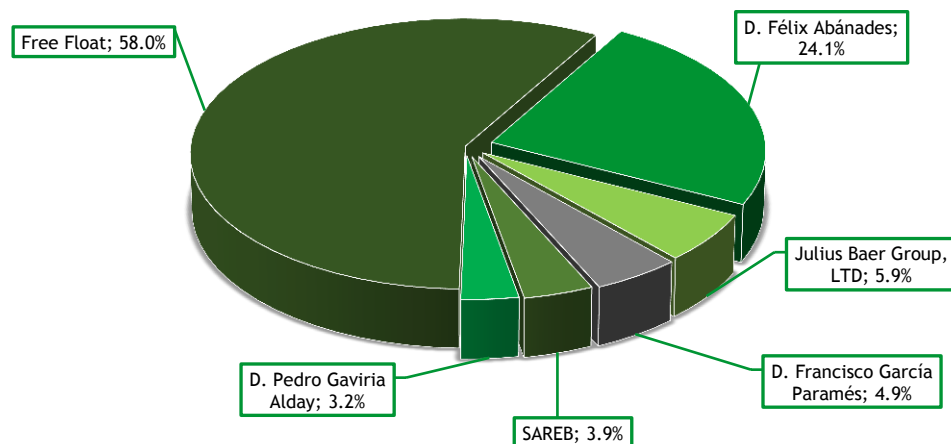
... and LTV

Evolution of the LTV (%)

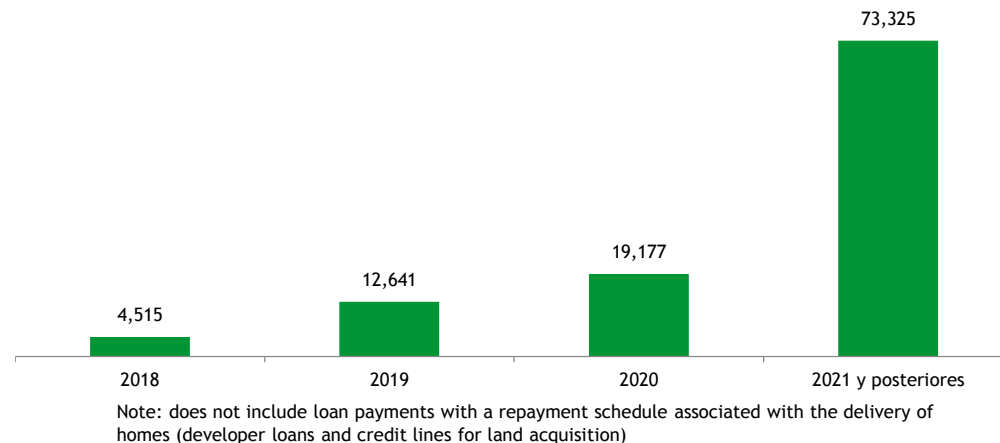


(**) includes haircuts for €44M

A reinforced shareholding structure

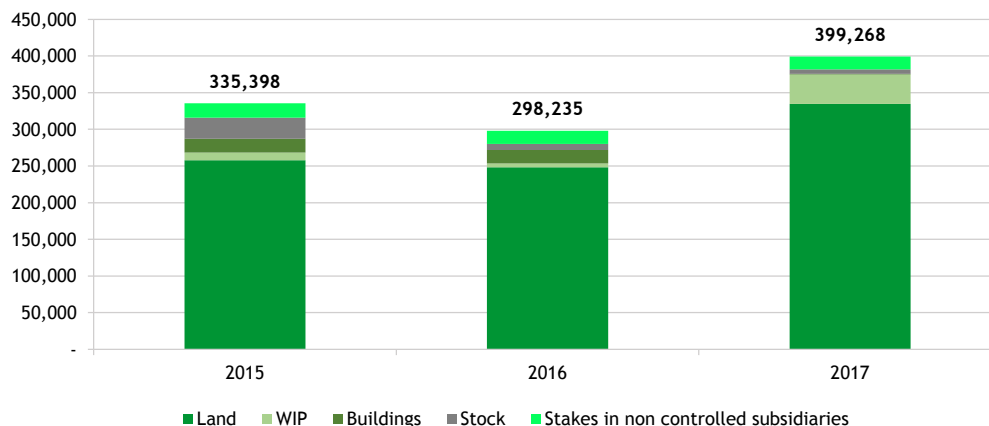


Debt maturities aligned with the future cash generation



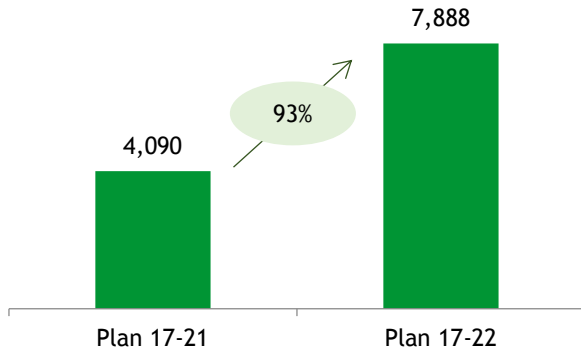
(in thousands euros)	31/12/2017	31/12/2016	Change
Net Turnover	5,701	32,773	(82.6%)
EBITDA	(7,301)	(19,605)	62.8%
Financial results	(4,593)	7,472	(161.5%)
Earnings Before Tax	(11,992)	(12,245)	2.1%
Net Income	14,389	7,755	85.5%
- Attributable Parent Company	14,333	8,001	79.1%
- Attributable to Minority Interests	56	(246)	122.8%
NAV	266,933	139,672	91%

GAV evolution (thousands of euros)

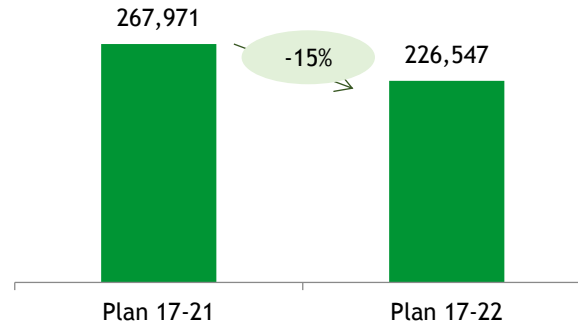


- Sales fell by 83% due to:
 - Reduction of stock during 2016
 - Delivery of new projects starting from 2018 onwards
- The improvements of the operations have allowed to accelerate the speed of recognition of tax credits (€26M in 2017 vs €20M in 2016)
- The net profit doubled thanks to the higher tax credit recognition and the haircuts related to Sareb debt cancellation
- The GAV increased by 34% for the purchase of land and development of projects
- The NAV demonstrates a strong growth this year:
 - 91% at the end of 2017
 - 123% if we were to include the haircuts agreed with Sareb for €44M
 - 222% if we were to include the tax credits pending recognition

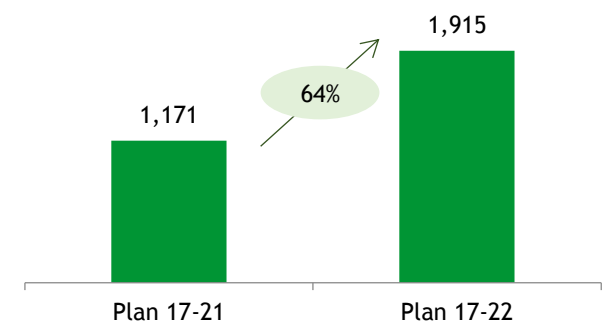
N° homes



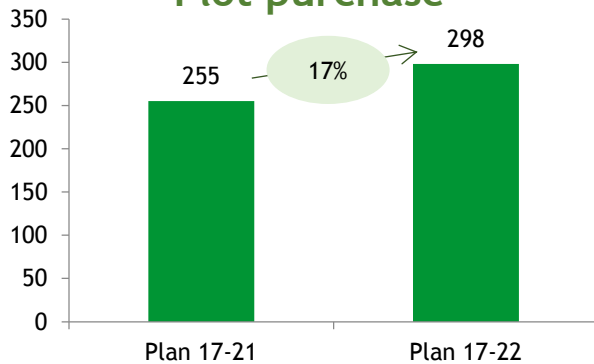
Average price



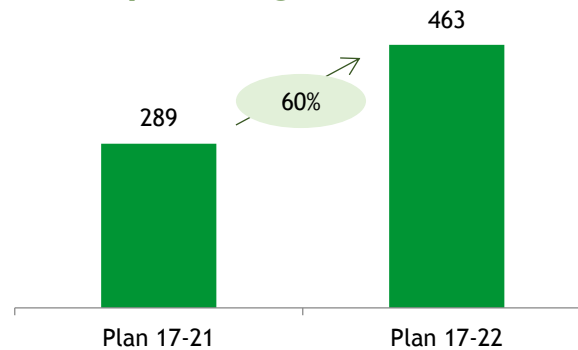
Turnover



Plot purchase



Operating Cash-Flow



Target 2022

- ✓ 3,000 homes a year
- ✓ €600M turnover
- ✓ €100M EBITDA

- The fast acquisition of land in 2017, will allow the company to increase the rate of development in the next years
- The captured land will have a lower impact on sales prices, which allows it:
 - Reduce the impact of third party financing costs for land acquisition
 - Increase the IRR of projects by reducing the required investment

- ✓ The strength of the sector is maintained with expected increases in home prices above 5% in the coming year⁽¹⁾.
- ✓ The advancements in 2017 demonstrated the management capacity of Quabit and give visibility to the execution of the strategic plan with a higher profitability than initially estimated ...
- ✓ ... and place Quabit in line with its goal of reaching a recurring sales level of 3,000 homes from 2022, which will place it among the leaders of the sector
- ✓ By 2018, Quabit estimates to hold a commercial portfolio made of 3,000 homes
- ✓ ... as well as the launch of building works for 2,000 homes
- ✓ ... deliver 215 homes
- ✓ ... and acquire land in order to cover more than 80% of the needs for the strategic plan

(1) Source: Moody's



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