

## COMISIÓN NACIONAL DEL MERCADO DE VALORES

C/ Edison, nº 4  
28006 – Madrid

Madrid, May 16, 2019

**QUABIT INMOBILIARIA, S.A.** (“**Quabit**” or the “**Company**”), in compliance with what is established in article 228 of the restated text of the Spanish Stock Market Law (*Ley del Mercado de Valores*) enacted by Royal Legislative Decree 4/2015, of October 23, makes public the following:

### RELEVANT EVENT

In relation with the results corresponding to the first quarter of the financial year 2019 that the Company has published, the Company attaches the presentation on the results and the 2018-2022 Business Plan update, the most significant aspects of which are as follows:

- Quabit maintains its goal of reaching its cruise speed in year 2022 with the delivery of 2,700 home units on an annual basis, and **exceeding Euro 600 million of annual turnover and Euro 70 million of annual EBITDA.**
- Quabit **integrates the construction activity with the acquisition of Rayet Construcción** in order to ensure compliance with the construction schedules for its developments, limit the impact of construction costs and advance in the industrialization of the constructive process.
- **The growth plan for the Company continues to advance** in a scenario marked by the positive balance of the basic macro-economic variables. A time in which the strength and growth of the Real Estate sector favours **compliance with Quabit’s objectives** and forecasts the achievement of operational results.
- In this sense, the Company’s plans include **reaching recurring positive operational results from the last quarter of this year. The 2020 financial year should be the first one with operational profits.**
- Notwithstanding the above, **fundamentally due to the delays in the construction works and, to a lesser extent, in the obtaining of licenses**, issues that are both common to the majority of the development companies, the delivery objectives of the Business Plan experience a **deviation of approximately 4 months, which entails moving about 350 home units from 2019 to 2020, and about 550 from 2020 to 2021.**
- As a consequence, **the delivery of 7,200–7,600 home units is estimated for the 2018–2022 period.** The reduction of 6% in the delivery objectives, due fundamentally to the extension of the construction terms (3–4 months vs previous estimates) and a greater sale of land (sales of land corresponding to about 650 housing units of the previous Plan are estimated in the 2019–2022 period).
- **ACQUISITION OF RAYET CONSTRUCCIÓN.** Precisely in order to solve the issues with the execution of construction works, in terms of cost and compliance with schedules, **Quabit has decided to integrate the constructive process** and with this aim has agreed the acquisition of the majority or, should it be the case, all of the share capital of Rayet Construcción, S.A., for a price of Euro 13.1 Million, in the terms and conditions established in the *Heads of Terms* document entered into today (a separate Relevant Event shall provide additional information about this transaction). The purchase price has been agreed to be delivered in two tranches: 30% in cash at the closing of

the transaction; **70% in shares of Quabit at a reference price of Euro 2.00 per share** (from treasury stock and the purchase of shares in the market).

- **DEVELOPMENT OF LAND IN PLANNING.** In parallel, the Company is working towards positioning itself in the development of land in planning, acting as Urban Agent of land owned by third parties. The objective is twofold: on the one hand, sourcing itself with ready to build land in better conditions (**Quabit shall develop more than 25% of its land portfolio needs from 2022 onwards**); and, on the other hand, maintaining a recurring activity of sales of ready to build land.
- **Forecasted turnover for the 2018–2022 period: Euro 1,700–1,800 Million.** Quabit currently has more than 1,800 home units in delivery or construction phases with an estimated turnover of Euro 409 Million (>25% of the 2018–2022 Plan). **The current total number of active Real Estate developments is 59, with 4,172 home units and an estimated turnover of Euro 956 Million (>60% of the 2018–2022 Plan).**
- In the 2018–2022 period, **the total sales of land will amount to more than Euro 100 Million, with a margin of 20%.**
- **Strong growth of the comercial activity.** The pre-sales levels are optimal in order to comply with the delivery plans and capture price increases. The evolution of the commercialisation rates is compliant with the Business Plan with **1,237 home units pre–sold up to March 31, 2019 (up 104.1% on a year ago, for a total amount of turnover of Euro 246 Million).**
- In total, since the time the Company started its growth plan in 2017, it has invested Euro 186 Million in residential land in order to develop almost 4,800 home units. After all these transactions, Quabit has a **consolidated and diversified land bank in high potential areas with almost 810,000 buildable square metres.** Approximately 75% is ready to build land and 25% is undergoing urban planning.
- Additionally, the Company has **tax loss carry-forwards** recognized for a value of Euro 194 Million, of which only Euro 55 Million have been activated.
- **The shares are currently trading at a discount in excess of 40% of their NNAV (Euro 2.30).**
- **DIVIDEND POLICY.** 40% *Pay-Out*, with the first dividend payable at the end of 2020 as an interim dividend of the 2020 financial year results.

Sincerely,

---

Miguel Ángel Melero Bowen  
Secretary non-Director



**Quabit**   
Inmobiliaria

# 1Q 2019 RESULTS

May 16<sup>th</sup> 2019

# DISCLAIMER

This Presentation neither constitutes nor is part of any sale or subscription offer, or invitation to purchase or subscribe, or sale offer solicitation or subscription, of the shares of Quabit Inmobiliaria, S,A, ("Quabit"), This Presentation, as well as the information included herein, neither constitutes nor is part of (i) any agreement or commitment to purchase or subscribe shares in accordance with the Spanish Securities Market Law (Ley del Mercado de Valores) and applicable regulations or (ii) an offer to purchase, sell or exchange shares or a request of any type of voting rights in the US or any other jurisdiction, The term "Presentation" shall comprise this document and any part or content of this document; any oral presentation, questions and answers session and any written or audio material treated or distributed during any meeting related to the Presentation or related with the Presentation,

The Presentation and the information included herein shall not be reproduced, used, distributed or published, in whole or in part, whatsoever, except for the information extracted from the Presentation and used for the drafting of analyst reports in accordance with the applicable regulations, Failure to comply with this obligation may result in an infringement of the applicable regulations regarding the securities market, and its infringement may lead to civil, administrative or criminal liabilities,

In addition to the information relating to historical events, this Presentation may include future prospects on the sales and results of Quabit and on other matters such as industry, business strategy, objectives and expectations related to market position, future transactions, margins, profitability, capital investments, own resources, and other operational and financial information, Prospects include statements regarding plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are not statements about historical events, The words "foresee", "expect", "anticipate", "estimate", "consider", "may", and any other similar expressions may identify or refer to future prospects, Other future prospects may be identified based on the context in which they are made, Future prospects are based on a number of hypothesis and assumptions regarding the current and future business strategy of Quabit, as well as the environment in which Quabit expects to operate in the future, Future prospects include and involve known and unknown risks, uncertainties and other material factors, which may affect the current results and performance of Quabit or the industry, Therefore, the result and actual performance of Quabit may be materially different from those expressed or implied in such prospects, None of the future projections, expectations or prospects included in this Presentation shall be considered as a forecast or promise, Nor it should be understood that future prospects imply any statement, promise or guarantee about the correction or completeness of the results or the assumptions or hypotheses on which the future prospects, expectations, estimates or forecasts are based or, in the case of assumptions, of their inclusion in the Presentation, A number of factors may cause the result, profitability or performance of Quabit to be materially different from any future results, profits or performances included expressly or implicitly in any of the future prospects referred above, In case of materialization of one or more of such risks or uncertainties, or if the assumptions are incorrect, the current results may be materially different from those described, anticipated, expected or projected in the Presentation, Therefore, the recipient of this Presentation should not assume as correct and certain these future prospects and their ability to predict future results,

Analysts, securities agents and investors, current and future, shall operate based on their own criteria regarding the suitability and adequacy of the values in connection with the achievement of their particular objectives, having taken into consideration what is stated in this disclaimer and the public available information, and having received all the professional, legal, or any other type of advice, necessary or convenient in these circumstances, without having relied solely on the information included in the Presentation, The disclosure of this Presentation does not constitute advice or recommendation from Quabit to buy, sell or operate with its shares, Analysts, securities agents and investors should bear in mind that estimates, prospects and forecasts do not guarantee the profitability, performance, result, price, margins, exchange rates and other facts related to Quabit that are subject to risks, uncertainties or other variables that are not under the control of Quabit, so the future results and actual performance could be materially different from what is forecasted, projected and estimated,

The information included in this Presentation, which is not intended to be exhaustive, has not been verified by an independent third party and will not be updated, The information in the Presentation, including future prospects, refers to the date of this document or to such others as expressly indicated in the Presentation and does not imply any guarantee in relation to future results, Quabit expressly waives any obligation or commitment to disclose any update or revision of the information, including financial details and future prospects, In this regard, Quabit shall not distribute to the public any revision that may affect the information included in the Presentation that results from any changes in expectations, facts, conditions or circumstances on which future prospects or any other change on which future prospects or any other change occurred on or after the date of the Presentation,

The details related to the industry, market and competitive position of Quabit included in this Presentation that are not attributed to a specific source, have been obtained from the analysis or estimates carried out by Quabit and have not been independently verified, In addition, the Presentation may include information related to other companies that operate in the same sector and industry, This information derives from public sources and Quabit does not grant any representation or guarantee, expressly or implicitly, nor assumes any liability for the accuracy, integrity or verification of such details,

Certain financial and statistical information included in the Presentation is subject to rounding adjustments, Therefore, any discrepancy between the result and the sum of the amounts reflected is due to such rounding, Some of the financial and operating management indicators included in this Presentation have not been subject to financial audit or verification by an independent third party, In addition, certain figures of the Presentation, which neither have been subject to financial audit, are proforma figures,

Quabit and its employees, executives, directors, advisors, representatives, agents or affiliates do not assume any liability (due to fault or negligence, direct or indirect, contractual or extra-contractual) for the damages and losses that may arise from the use of this Presentation or its content, or that, in any case, are related to this Presentation,

The information included in this Presentation does not constitute legal, accounting, regulatory, tax, financial or any other type of advice, The information has not been prepared taking into consideration the investment, legal, accounting, regulatory, fiscal or financial objectives of the recipients of the information, nor regarding particular needs, circumstances or situations, The recipients are the only ones responsible for forming their own criteria, elections and investment decisions and for reaching their own opinions and conclusions regarding these matters and the market, as well as carrying out an independent evaluation of the information, The recipients are the only responsible for seeking independent professional advice in relation to the information included in the Presentation and any performance based on the information, No person assumes any liability for the information or for the actions or decisions carried out by any receiver or any of its directors, officers, employees, agents or associates based on the information,

Neither this Presentation nor any part thereof has contractual nature, and shall not be used to be a part or constitute an agreement of any kind,

Upon receiving or attending to the Presentation, the recipient declares his conformity and, therefore, his submission to the restrictions referred in the previous paragraphs, as well as to any other that may be applicable,

- 1 Highlights
- 2 Residential Development
- 3 Financial Statements
- 4 Final Remarks

## SPEAKERS



**Félix Abánades**  
CHAIRMAN & CEO



**Rubén Bernat**  
CFO



**Álvaro López-Zaballa**  
HEAD INVESTOR  
RELATIONS

## Reduction of financial costs of the new debt issued

20 €M Bond: 4 years maturity, Average annual cost: 8.6%

Corporate Loan 13.75 M€: 4 years maturity, Average annual cost: 9.4%

## 2018-2022 Business Plan Progress

296 home units into WIP during 1Q 2019

Works finished at 1 development in Malaga (Casares Golf 1, 29 units)

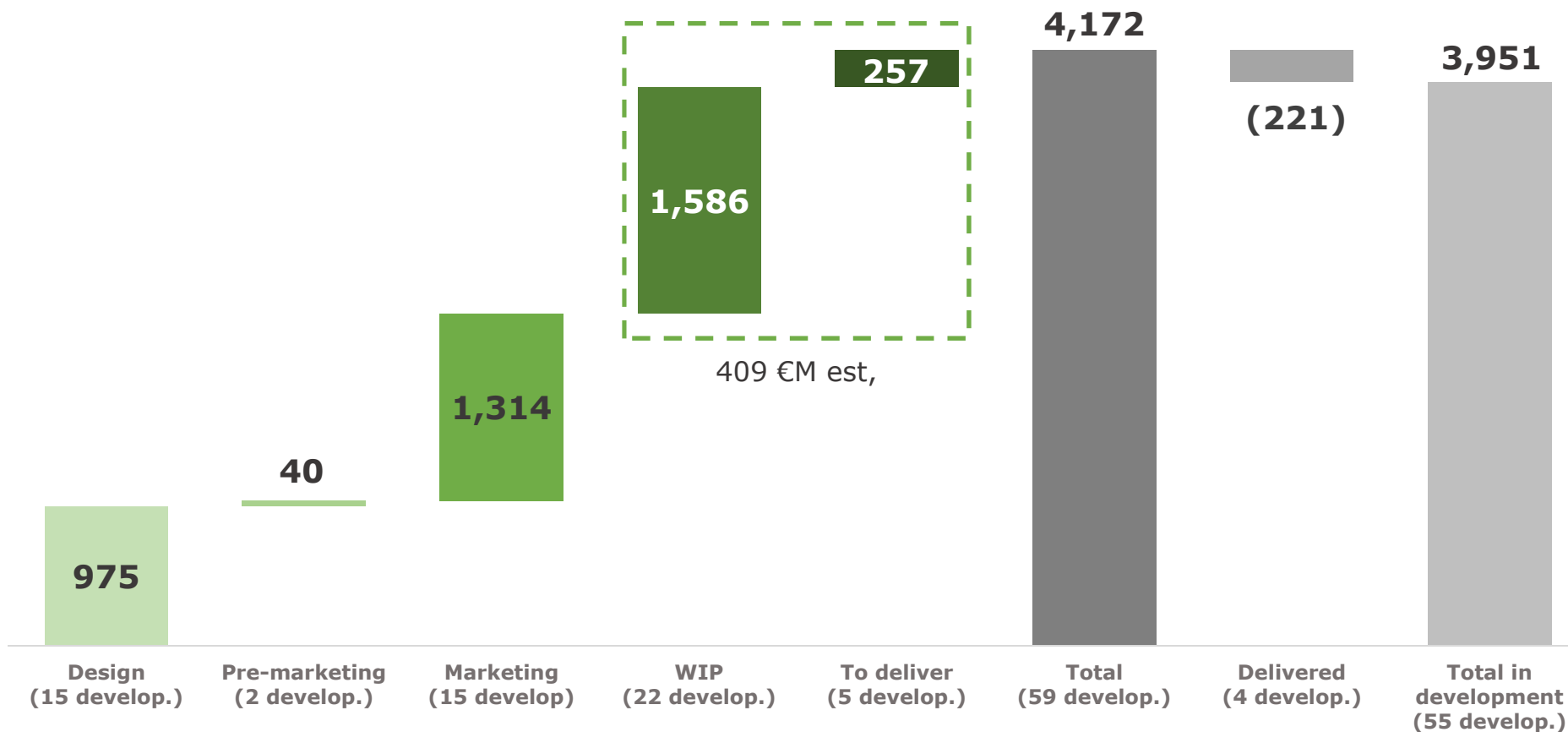
1Q 2019 pre-sales: 192 units (+43% vs, 1Q 2018, 134 units)

1Q 2019 Deliveries: 31 home units (+3,000% vs, 1Q 2018, 1 unit)

Home units under development: >950 €M turnover  
(59 developments, ~4,200 home units)

>1,800 home units or delivery

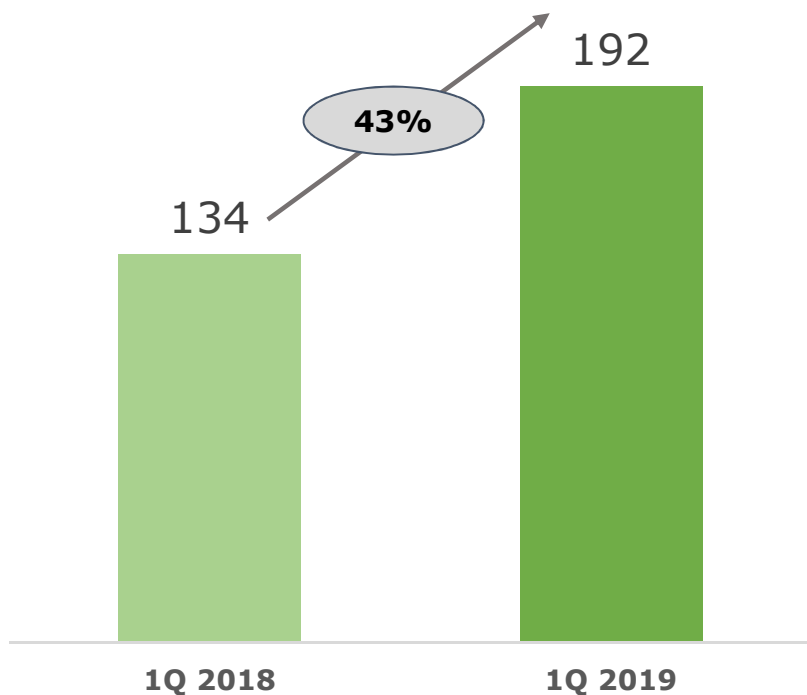
Home units under development<sup>(1)</sup> by stage at 31,03,2019



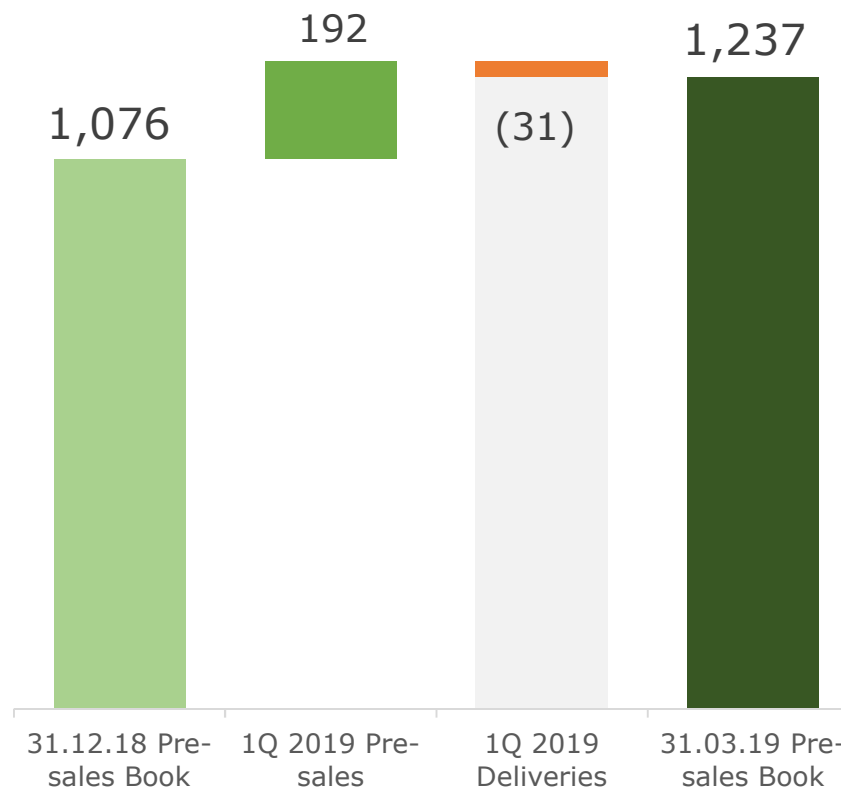
- 296 home units into WIP during 1Q 2019
- WIP home units: 409 €M estimated turnover (>25% Business Plan 2018-22)
- Home units under development: 956 €M estimated turnover (~60% Business Plan 2018-22)

## Strong growth in comercial activity

Sharp increase in home units pre-sales



Pre-sales Book during 1Q 2019 (units)



- 192 home units pre-sold during 1Q 2019: 40 €M estimated turnover
- Pre-sales Book (31,03,19): 1,237 home units, 246 €M estimated turnover



## P&L: strong operating growth on a Like-for-Like

Thousand Euros	1Q 2019	1Q 2018	Change	Change <sup>(1)</sup> Like-for-Like
<b>Turnover</b>	16,983	216	7,763%	7,763% ↑
<b>EBITDA</b>	(1,028)	4,586	(122%)	55% ↑
<b>Financial Result</b>	(199)	(1,589)	87%	
<b>Earnings Before Tax</b>	(1,517)	2,929	(152%)	62% ↑
<b>Net Income<sup>(2)</sup></b>	983	2,893	(66%)	62% ↑
Attributable to the Parent Company	1,014	2,894	(65%)	63% ↑
Attributable to Minority Interests	(31)	(1)	2,900%	

- Sharp turnover increase due to deliveries (31 vs, 1 in 1Q 2018)
- Strong Like-for-Like growth at EBITDA and Net Income level

(1) Adjusted for the debt write-offs recorded in 1Q 2018 for a value of 6,9 €M

(2) Includes capitalization of 2,5 €M of tax credits

## Balance in line with the FY 2018 Results

Thousand Euros

	31,03,19	31,03,18	Change
<b>Non-Current Assets</b>	76,327	73,349	4%
<b>Current Assets</b>	512,792	507,427	1%
Inventories	436,799	426,525	2%
Others	75,993	80,902	(6%)
<b>Total Assets</b>	589,119	580,776	1%
<b>Equity</b>	295,916	295,818	0%
Attributable to the Parent Company	292,078	291,794	0%
Attributable to Minority Interests	3,838	4,024	(5%)
<b>Non-Current Liabilities</b>	18,805	18,218	3%
Bank Debt	6,021	5,945	1%
Others	12,784	12,273	4%
<b>Current Liabilities</b>	274,398	266,740	3%
Bank Debt	211,173	211,749	(0%)
Others	63,225	54,991	15%
<b>Total Liabilities &amp; Equity</b>	589,119	580,776	1%

### Inventories:

- Increase due to investment in WIP and decrease due to stock of finished product that has been delivered during the period

### Bank Debt:

- Increase due to the withdrawals of the development loan and capitalization of accrued interest and decrease due to amortization and cancellation of debt associated to deliveries

## **Financial Costs Decrease**

### **2018-2022 Business Plan progress**

- 31 home units delivered
- 296 WIP new home units during 1Q 2019
- >1,800 home units WIP or delivered at 31.03.19

## **Commercial Activity Strength**



c/ Poeta Joan Maragall, 1 – pl, 16  
Madrid 28020, Spain  
Tel, +34 91 436 48 98

Web: [www,grupoquabit,com](http://www.grupoquabit.com)  
Las News de Quabit: [www,quabit,es](http://www,quabit,es)



**Quabit**   
Inmobiliaria

# 2018-2022 Business Plan Update

May 16<sup>th</sup> 2019

# DISCLAIMER

This Presentation neither constitutes nor is part of any sale or subscription offer, or invitation to purchase or subscribe, or sale offer solicitation or subscription, of the shares of Quabit Inmobiliaria, S.A. ("Quabit"). This Presentation, as well as the information included herein, neither constitutes nor is part of (i) any agreement or commitment to purchase or subscribe shares in accordance with the Spanish Securities Market Law (Ley del Mercado de Valores) and applicable regulations or (ii) an offer to purchase, sell or exchange shares or a request of any type of voting rights in the US or any other jurisdiction. The term "Presentation" shall comprise this document and any part or content of this document; any oral presentation, questions and answers session and any written or audio material treated or distributed during any meeting related to the Presentation or related with the Presentation.

The Presentation and the information included herein shall not be reproduced, used, distributed or published, in whole or in part, whatsoever, except for the information extracted from the Presentation and used for the drafting of analyst reports in accordance with the applicable regulations. Failure to comply with this obligation may result in an infringement of the applicable regulations regarding the securities market, and its infringement may lead to civil, administrative or criminal liabilities.

In addition to the information relating to historical events, this Presentation may include future prospects on the sales and results of Quabit and on other matters such as industry, business strategy, objectives and expectations related to market position, future transactions, margins, profitability, capital investments, own resources, and other operational and financial information. Prospects include statements regarding plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are not statements about historical events. The words "foresee", "expect", "anticipate", "estimate", "consider", "may", and any other similar expressions may identify or refer to future prospects. Other future prospects may be identified based on the context in which they are made. Future prospects are based on a number of hypothesis and assumptions regarding the current and future business strategy of Quabit, as well as the environment in which Quabit expects to operate in the future. Future prospects include and involve known and unknown risks, uncertainties and other material factors, which may affect the current results and performance of Quabit or the industry. Therefore, the result and actual performance of Quabit may be materially different from those expressed or implied in such prospects. None of the future projections, expectations or prospects included in this Presentation shall be considered as a forecast or promise. Nor it should be understood that future prospects imply any statement, promise or guarantee about the correction or completeness of the results or the assumptions or hypotheses on which the future prospects, expectations, estimates or forecasts are based or, in the case of assumptions, of their inclusion in the Presentation. A number of factors may cause the result, profitability or performance of Quabit to be materially different from any future results, profits or performances included expressly or implicitly in any of the future prospects referred above. In case of materialization of one or more of such risks or uncertainties, or if the assumptions are incorrect, the current results may be materially different from those described, anticipated, expected or projected in the Presentation. Therefore, the recipient of this Presentation should not assume as correct and certain these future prospects and their ability to predict future results.

Analysts, securities agents and investors, current and future, shall operate based on their own criteria regarding the suitability and adequacy of the values in connection with the achievement of their particular objectives, having taken into consideration what is stated in this disclaimer and the public available information, and having received all the professional, legal, or any other type of advice, necessary or convenient in these circumstances, without having relied solely on the information included in the Presentation. The disclosure of this Presentation does not constitute advice or recommendation from Quabit to buy, sell or operate with its shares. Analysts, securities agents and investors should bear in mind that estimates, prospects and forecasts do not guarantee the profitability, performance, result, price, margins, exchange rates and other facts related to Quabit that are subject to risks, uncertainties or other variables that are not under the control of Quabit, so the future results and actual performance could be materially different from what is forecasted, projected and estimated.

The information included in this Presentation, which is not intended to be exhaustive, has not been verified by an independent third party and will not be updated. The information in the Presentation, including future prospects, refers to the date of this document or to such others as expressly indicated in the Presentation and does not imply any guarantee in relation to future results. Quabit expressly waives any obligation or commitment to disclose any update or revision of the information, including financial details and future prospects. In this regard, Quabit shall not distribute to the public any revision that may affect the information included in the Presentation that results from any changes in expectations, facts, conditions or circumstances on which future prospects or any other change on which future prospects or any other change occurred on or after the date of the Presentation.

The details related to the industry, market and competitive position of Quabit included in this Presentation that are not attributed to a specific source, have been obtained from the analysis or estimates carried out by Quabit and have not been independently verified. In addition, the Presentation may include information related to other companies that operate in the same sector and industry. This information derives from public sources and Quabit does not grant any representation or guarantee, expressly or implicitly, nor assumes any liability for the accuracy, integrity or verification of such details.

Certain financial and statistical information included in the Presentation is subject to rounding adjustments. Therefore, any discrepancy between the result and the sum of the amounts reflected is due to such rounding. Some of the financial and operating management indicators included in this Presentation have not been subject to financial audit or verification by an independent third party. In addition, certain figures of the Presentation, which neither have been subject to financial audit, are proforma figures.

Quabit and its employees, executives, directors, advisors, representatives, agents or affiliates do not assume any liability (due to fault or negligence, direct or indirect, contractual or extra-contractual) for the damages and losses that may arise from the use of this Presentation or its content, or that, in any case, are related to this Presentation.

The information included in this Presentation does not constitute legal, accounting, regulatory, tax, financial or any other type of advice. The information has not been prepared taking into consideration the investment, legal, accounting, regulatory, fiscal or financial objectives of the recipients of the information, nor regarding particular needs, circumstances or situations. The recipients are the only ones responsible for forming their own criteria, elections and investment decisions and for reaching their own opinions and conclusions regarding these matters and the market, as well as carrying out an independent evaluation of the information. The recipients are the only responsible for seeking independent professional advice in relation to the information included in the Presentation and any performance based on the information. No person assumes any liability for the information or for the actions or decisions carried out by any receiver or any of its directors, officers, employees, agents or associates based on the information.

Neither this Presentation nor any part thereof has contractual nature, and shall not be used to be a part or constitute an agreement of any kind.

Upon receiving or attending to the Presentation, the recipient declares his conformity and, therefore, his submission to the restrictions referred in the previous paragraphs, as well as to any other that may be applicable.

- 1 Highlights
  - 2 Macro & Industry Outlook
  - 3 Residential Development
  - 4 Land Portfolio & Land Management
  - 5 Financial Structure Guidance
  - 6 P&L Guidance
  - 7 Valuation
  - 8 Construction Activity Integration
  - 9 Closing Remarks
- Annexes

## SPEAKERS



**Félix Abánades**  
CHAIRMAN & CEO



**Rubén Bernat**  
CFO



**Álvaro López-Zaballa**  
HEAD INVESTOR  
RELATIONS

Spain: GDP and employment relevant growth

Residential Development Industry in expansion: moderation of growth in the hottest markets (Madrid, Barcelona, etc.), while activity resurfaces in most of the populations of more than 50,000 and periphery of large cities

Business Plan Target is to position QUABIT in the medium term as one of the main Spanish residential developers

The company maintains its target of achieving run-rate in 2022 with the delivery of ~ 2,700 homes and exceeding 600 €M in annual turnover and 70 €M in annual EBITDA

Recurring Operating Profits since 4Q 2019 (2020 first year with Recurring Operating Profits)

Current situation: delay ~4 months of the Business Plan mainly due to delays in the execution of works and to a lesser extent in obtaining licenses, which means that ~350 deliveries scheduled for 2019 will go to 2020 and ~550 scheduled for 2020 will go to 2021, as well as the whole of the new Business Plan a decrease in the total targets ~5-10%



Integrate the construction business: acquisition of Rayet Construcciones. Quabit, like most of the Industry suffers the difficulties in the execution of the construction works, both in costs and in terms of time and for this reason it has decided to internalize the construction process for which it has closed the agreement with Grupo Rayet for the acquisition of its subsidiary of construction

Transaction will be paid 70% in Quabit shares (at 2€/share of Quabit) and 30% in cash. The shares for payment will be acquired in the market and treasury stock will be used

Highlighting the experience of previous construction developer, since it was like this between 1996 and 2006 the successful operations of Rayet Promoción (today Quabit)

Land development: the company will position itself strongly in the development management of land, acting as an Urban Agent in land of other owners as a way of supplying "ready to build" land in better conditions. In such a way that a significant part of the land for promotion as of 2022 will come from this activity, as well as maintaining the activity of sale of ready to build land on a recurring basis

# 1 HIGHLIGHTS

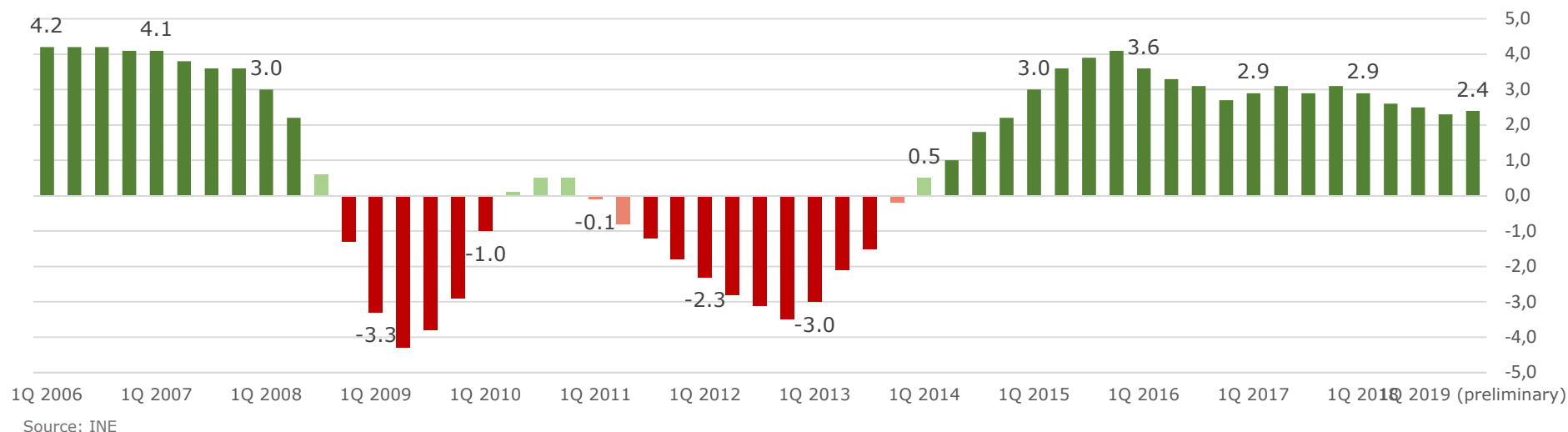
Change vs. 2018-2022 (Nov 2017)

2018-2022e Turnover		<ul style="list-style-type: none"> <li>• Turnover 2018-2022e: 1,700-1,800 €M</li> <li>• Residential development &gt;90%</li> <li>• Land sales &gt;5%</li> <li>• Urban Agent ~ 1%</li> </ul>	<p>5-10%</p>
2018-2022e Deliveries		<ul style="list-style-type: none"> <li>• 2018-2022e: 7,200-7,600 home units</li> </ul>	<p>5-10%</p>
2018-2022e Land Invesments		<ul style="list-style-type: none"> <li>• 2018-2022e: 430-470 €M</li> <li>• 2018A: 84 €M</li> <li>• 2019-2022e: 350-390 €M               <ul style="list-style-type: none"> <li>• ~30% to be developed until 2022</li> <li>• ~70% to be developed after 2022</li> </ul> </li> </ul>	<p>10-15%</p>
2018-2022e Land Sales		<ul style="list-style-type: none"> <li>• 2018-2022e: &gt;100 €M</li> </ul>	<p>10-15%</p>
Dividends		<ul style="list-style-type: none"> <li>• 40% Pay-out<sup>(1)</sup></li> </ul>	

(1) For Pay-Out calculation capitalized tax credits will not be considered as Net Income

## The Spanish economy has a great strength

Spain GDP evolution (% , annual growth) 1Q 2006-1Q 2019



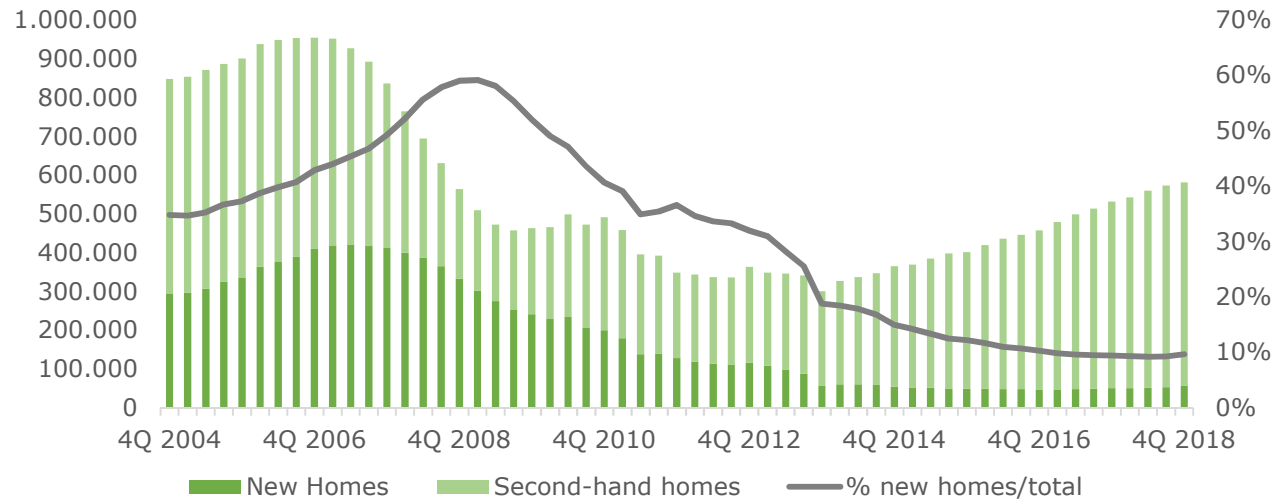
Unemployment evolution (%) 1Q 2006-1Q 2019



## Growing sector and no bubble signs I

Second-hand and new housing transactions (4Q 2004-1Q 2019)

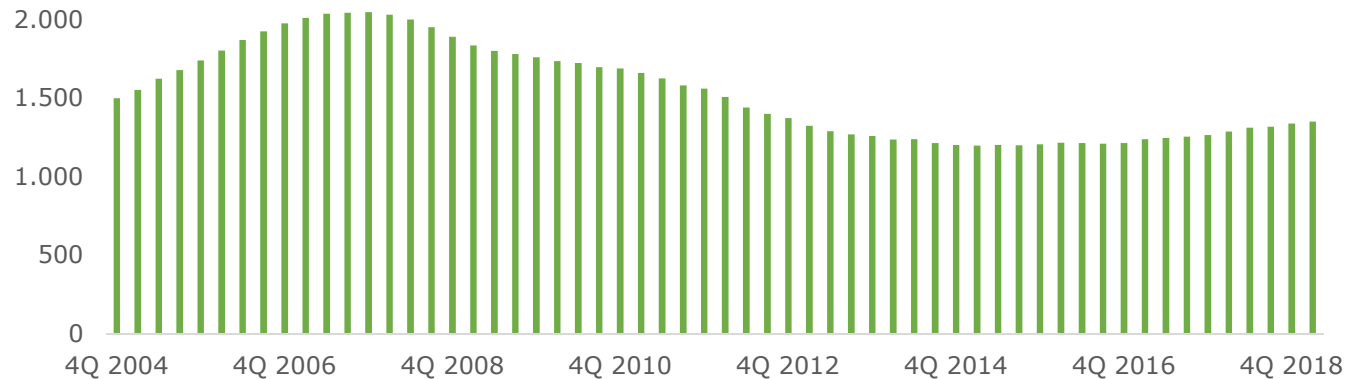
Due to lack of supply, only 10% of housing transactions correspond to new housing. 20-30% normalized situation



Source: Ministry of Public Works. 4Q 2018, preliminary data

Housing prices evolution (€/sqm) (4Q 2004-1Q 2019)

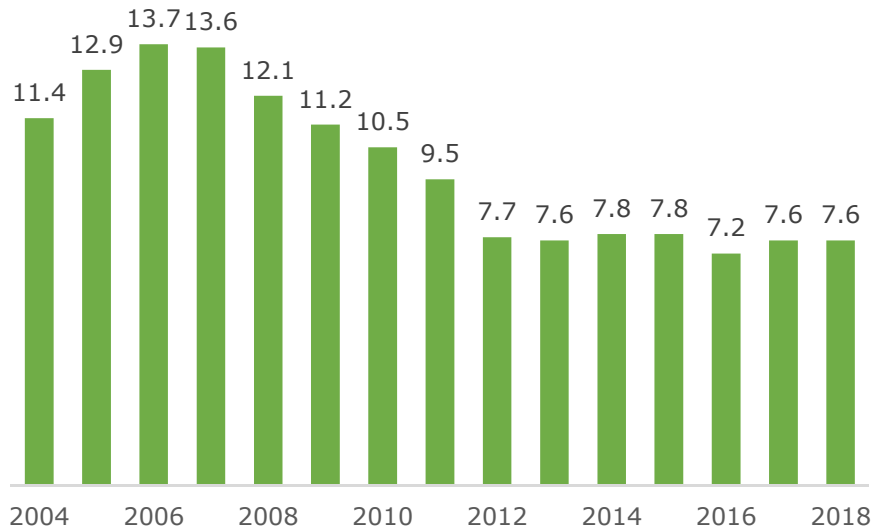
In Spain, the nominal prices are 34% below the maximums marked during 2007



Source: TINSA. 1Q 2019 preliminary data

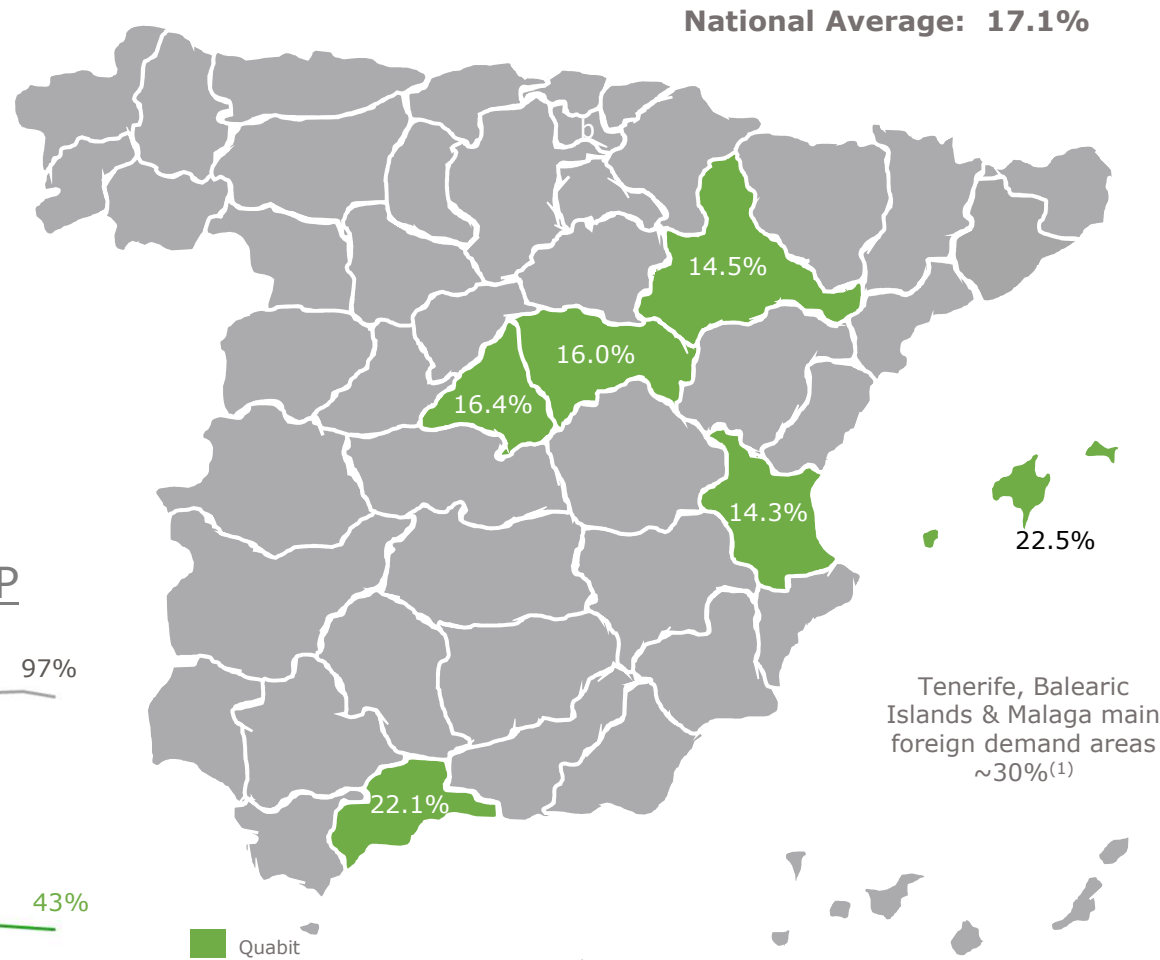
## Growing sector and no bubble signs II

Financial effort (gross salary # of years)



Source: Sociedad de Tasación

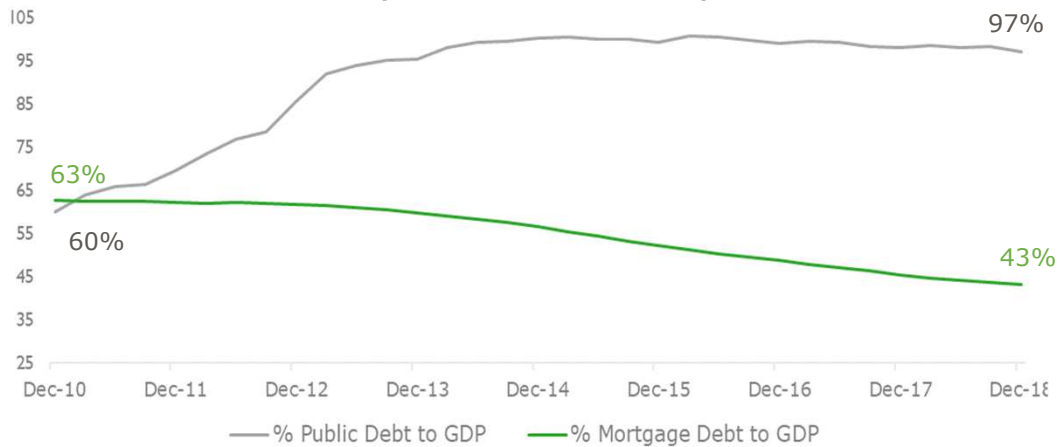
Financial effort (% families gross income)



Source: TINSA 1Q 2019

(1) Source: Colegio de registradores Spain 4Q 2018

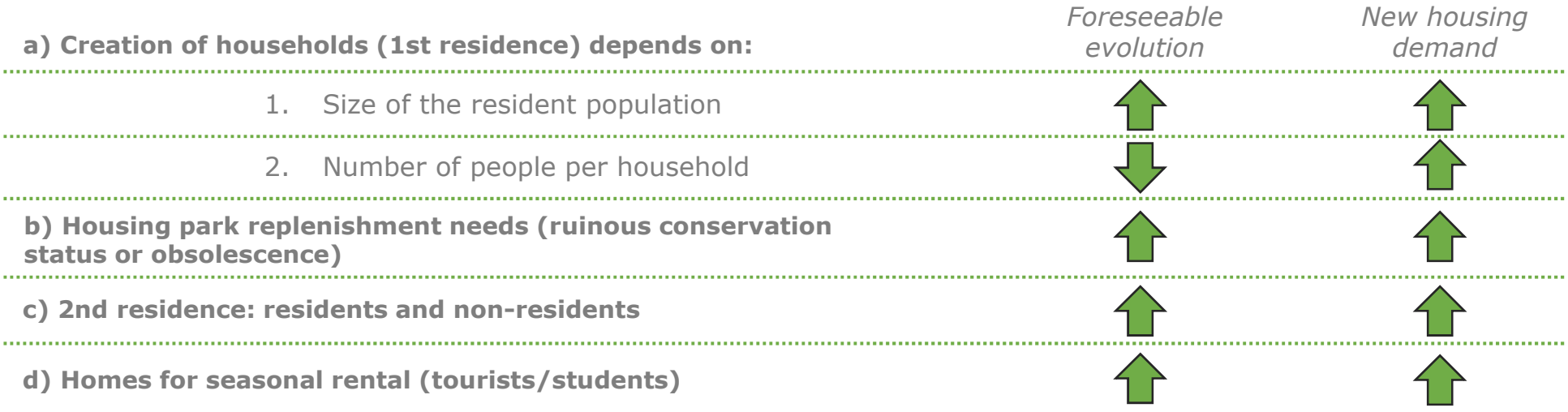
Mortgages debt/GDP vs. Public debt/GDP (Dec 2010-Dec2018)



Source: Bloomberg

## Structural demand: 130,000-170,000 new homes

Demand for new homes is determined by several factors

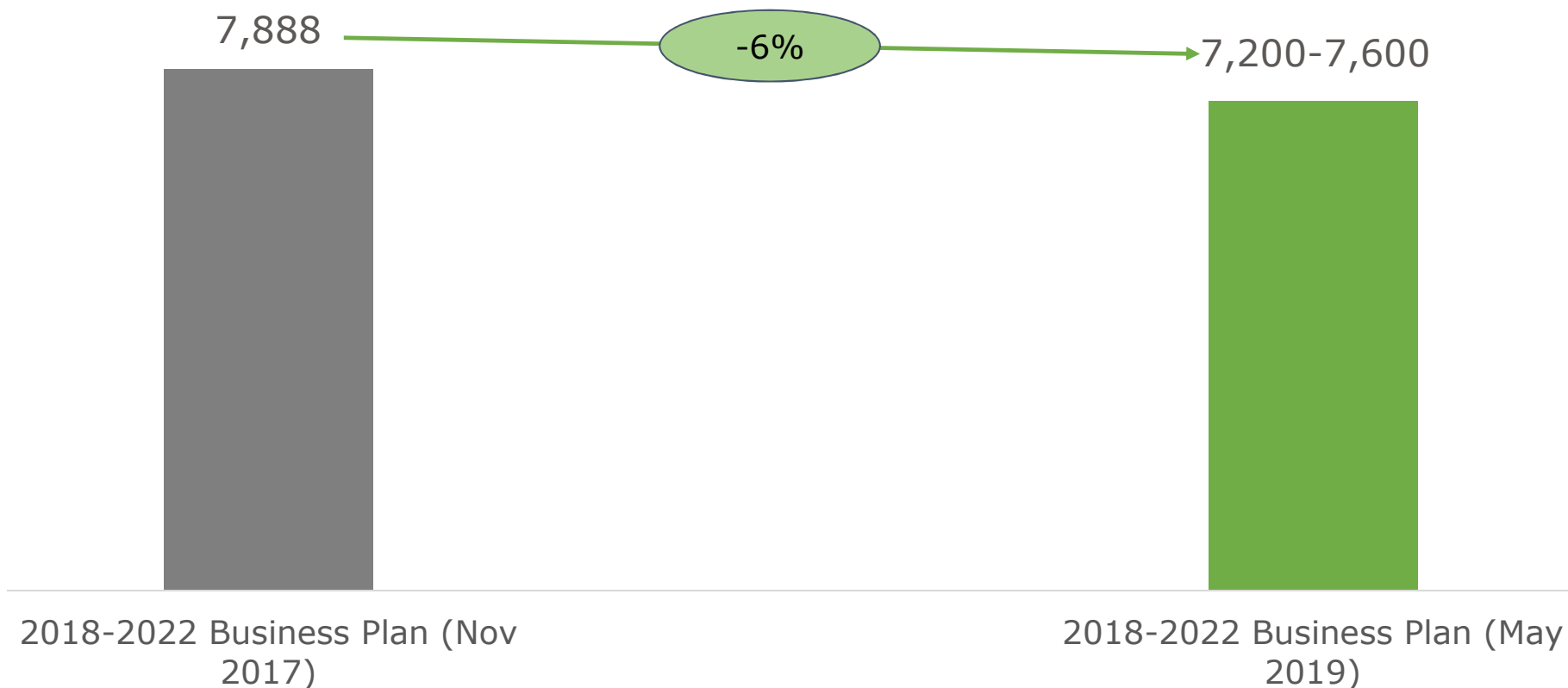


• The creation of households is concentrated in the growth areas



## Deliveries: 7,200-7,600 during 2018-2022

Change in deliveries targets 2018-2022e

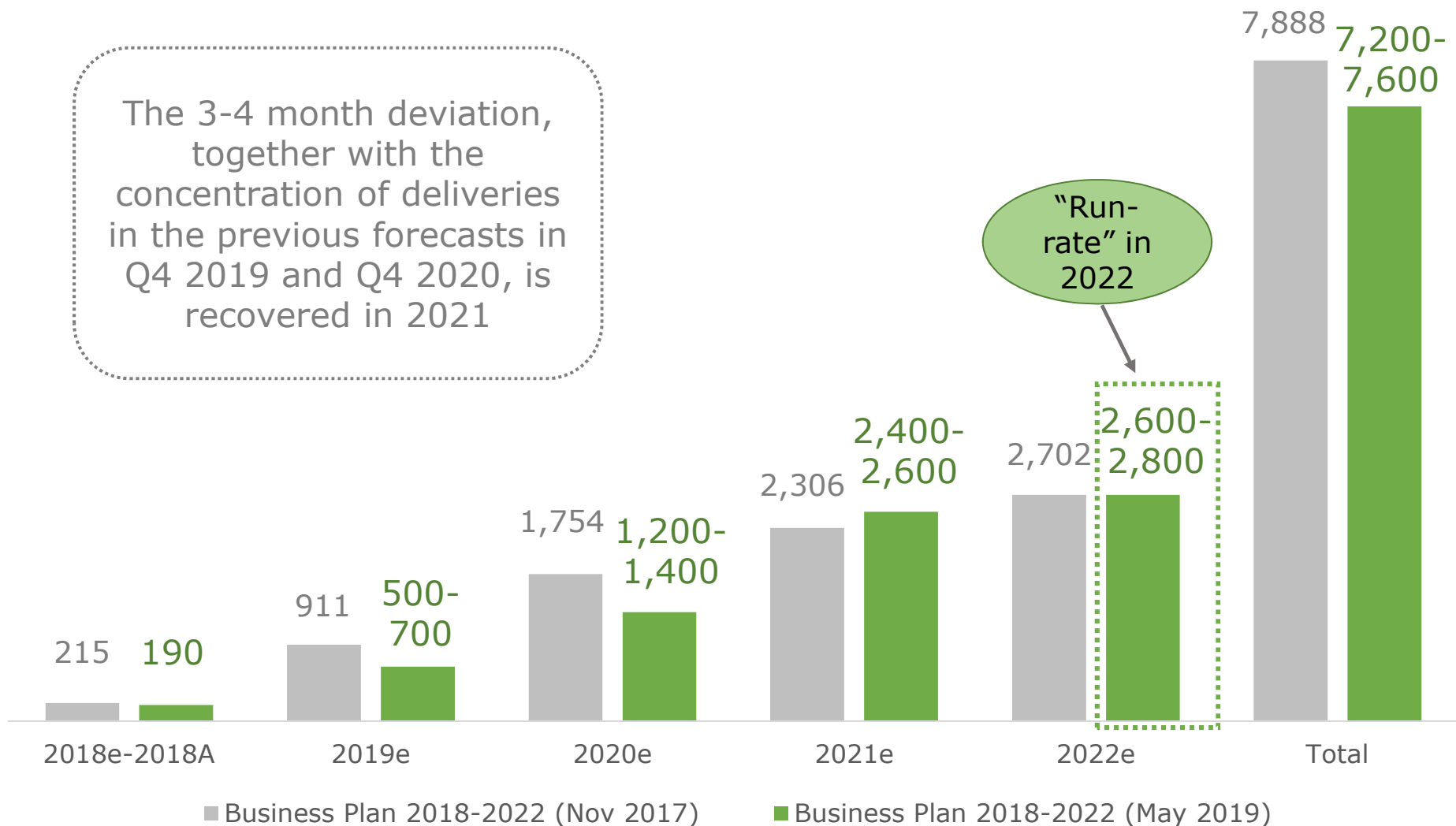


- 6% deliveries target reduction in 5 years, mainly due to the extension of the construction periods (3-4 months vs. previous forecasts) and the greater sale of land

## "Run-Rate" (2,500-3,000 home units) in 2022

Deliveries targets per year (2018-2022e)

The 3-4 month deviation, together with the concentration of deliveries in the previous forecasts in Q4 2019 and Q4 2020, is recovered in 2021





## Deliveries new targets

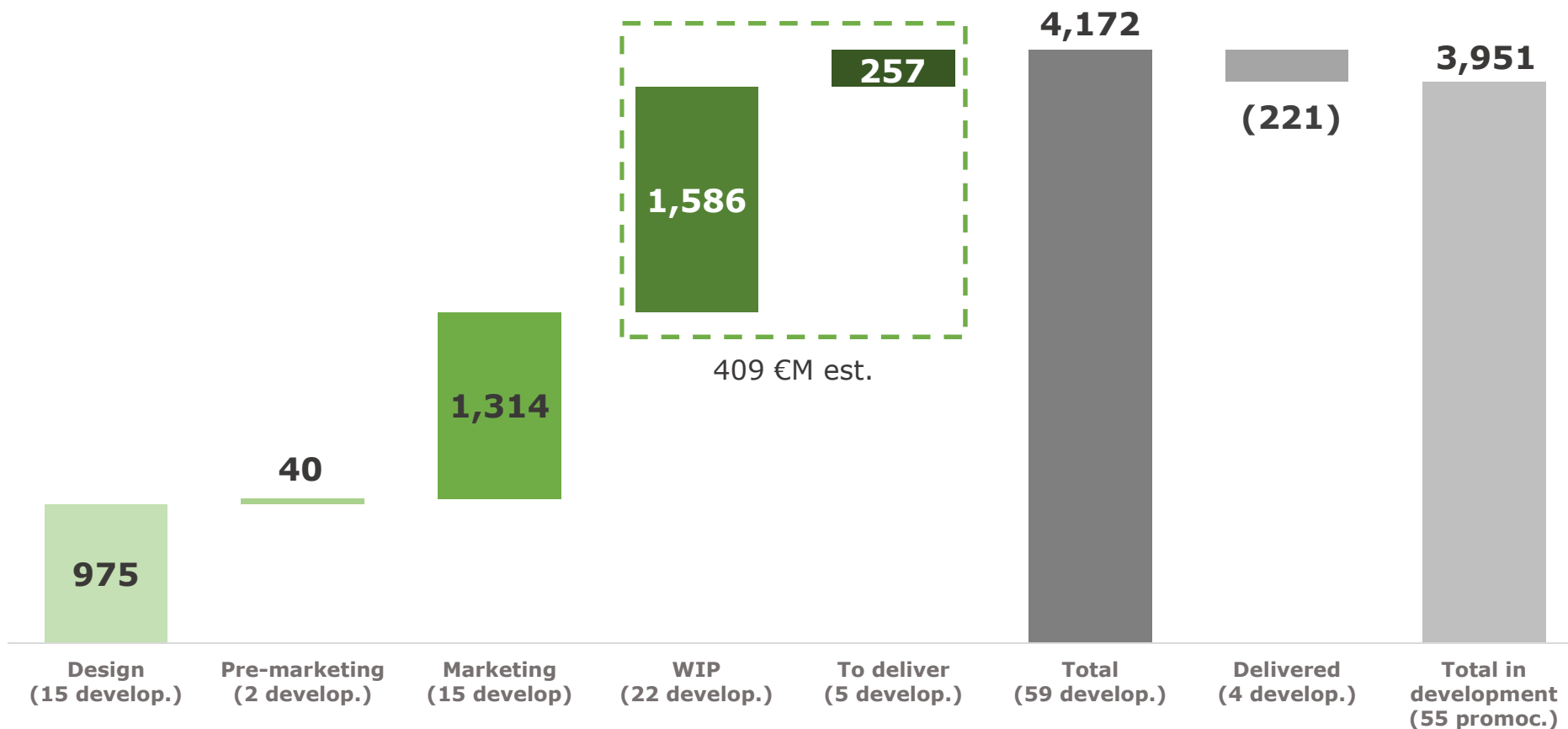
Traceability new targets for annual deliveries 2019, 2020, 2021 2022



- The main change at the delivery level occurs in 2019 and 2020 due to the delay in the construction periods and the concentration in deliveries in Q4
- In the period 2019-2022, land is sold corresponding to ~ 650 homes of the previous Plan

>1,800 home units or delivery

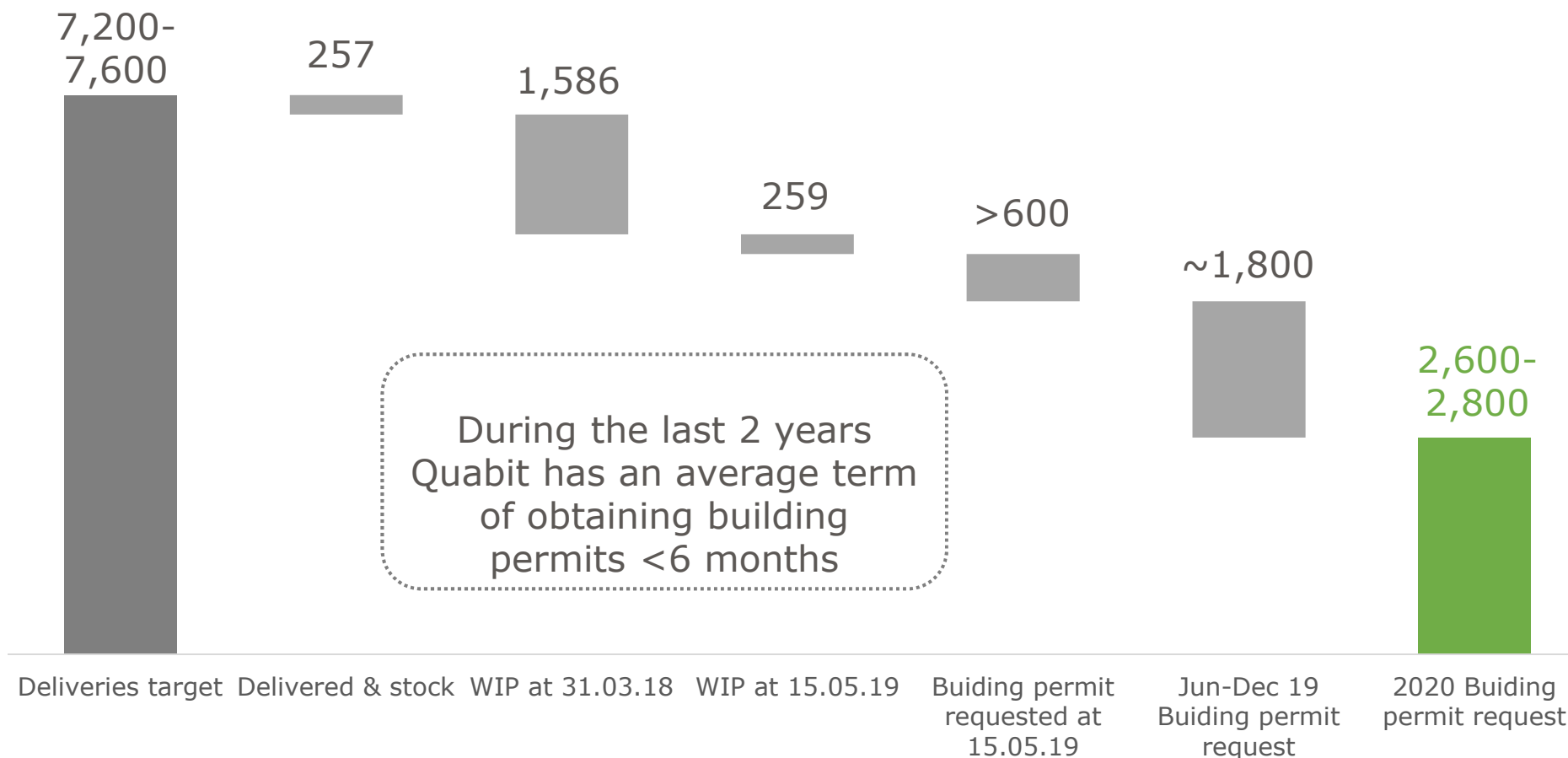
Home units under development<sup>(1)</sup> by stage at 31.03.2019



- 409 €M estimated turnover (>25% Business Plan 2018-22)
- Home units under development at 31.03.19: 956 €M estimated turnover (~60% Business Plan 2018-22)

## Building permits

Building permits: current situation and outlook



During the last 2 years Quabit has an average term of obtaining building permits <6 months

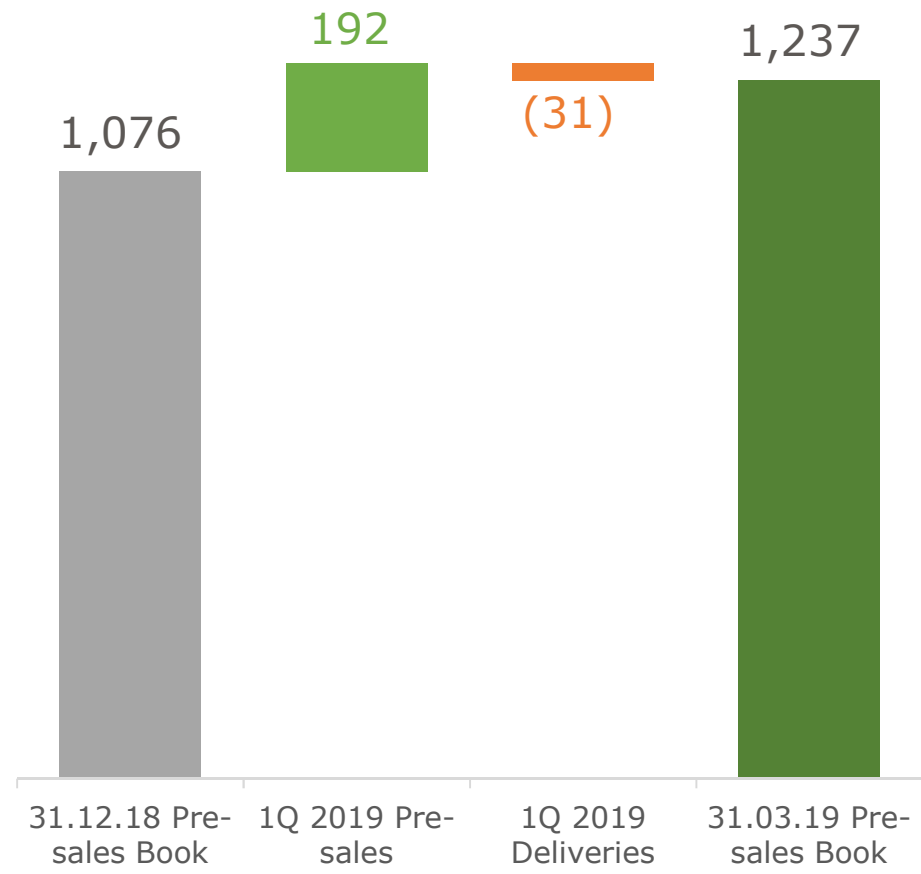
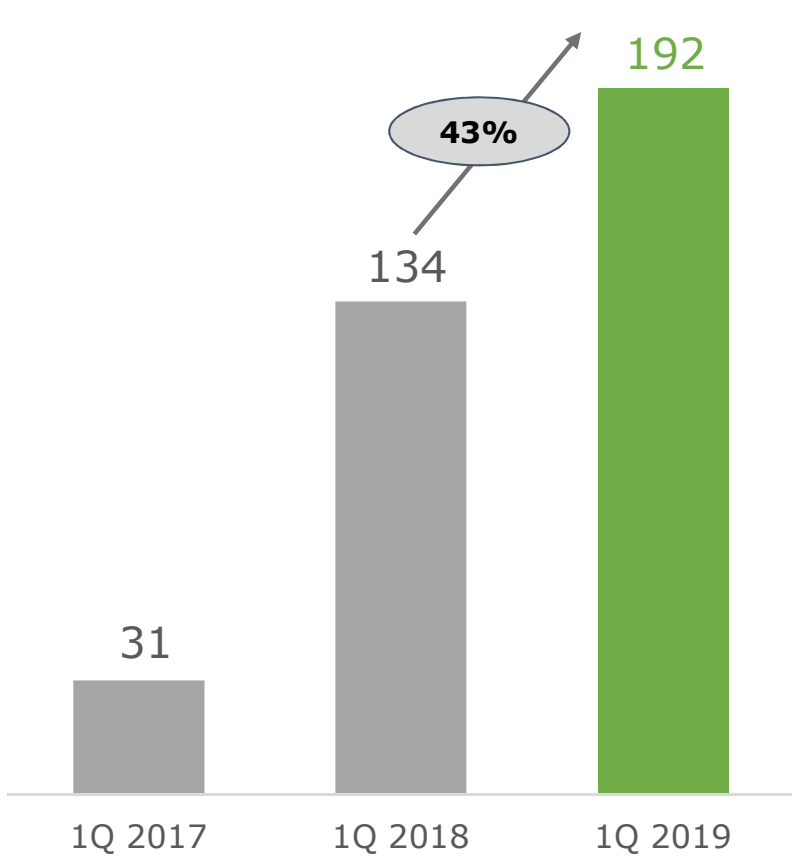
- Quabit takes into account the term of granting building permits of each municipality and discards those with a term greater than 10 months<sup>(1)</sup>

(1) Unless the form of payment is conditional upon obtaining the building permit

## Commercial activity strong growth

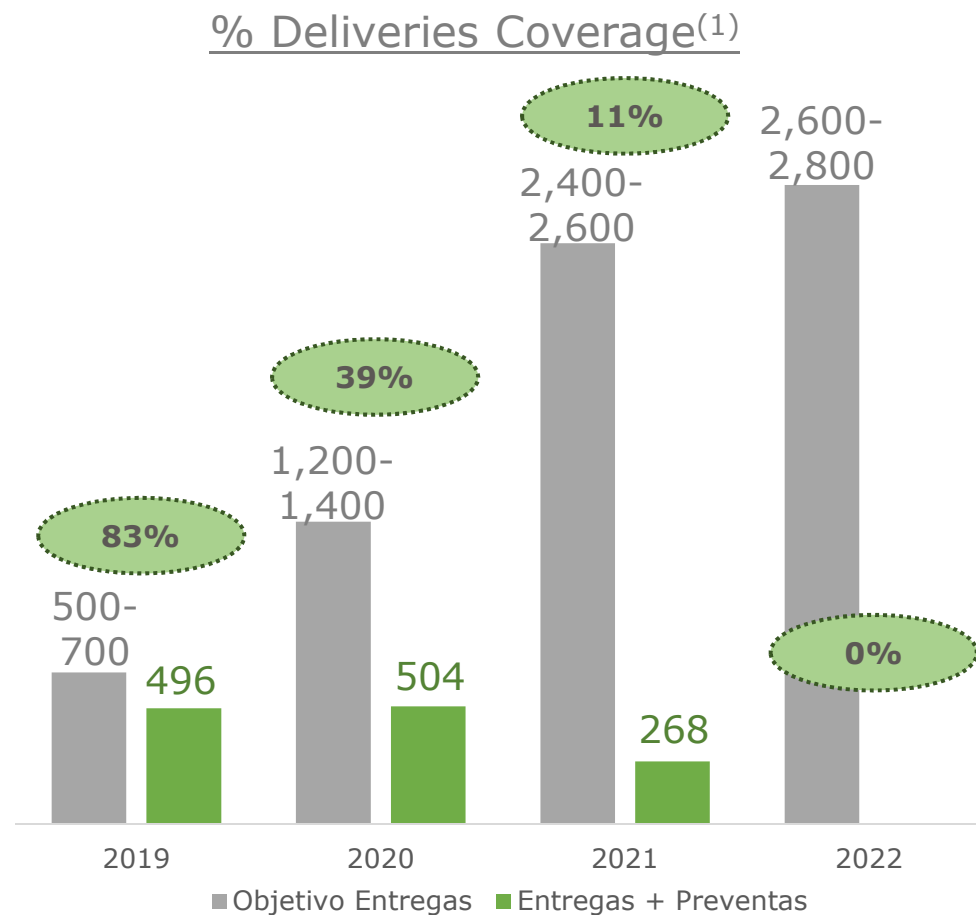
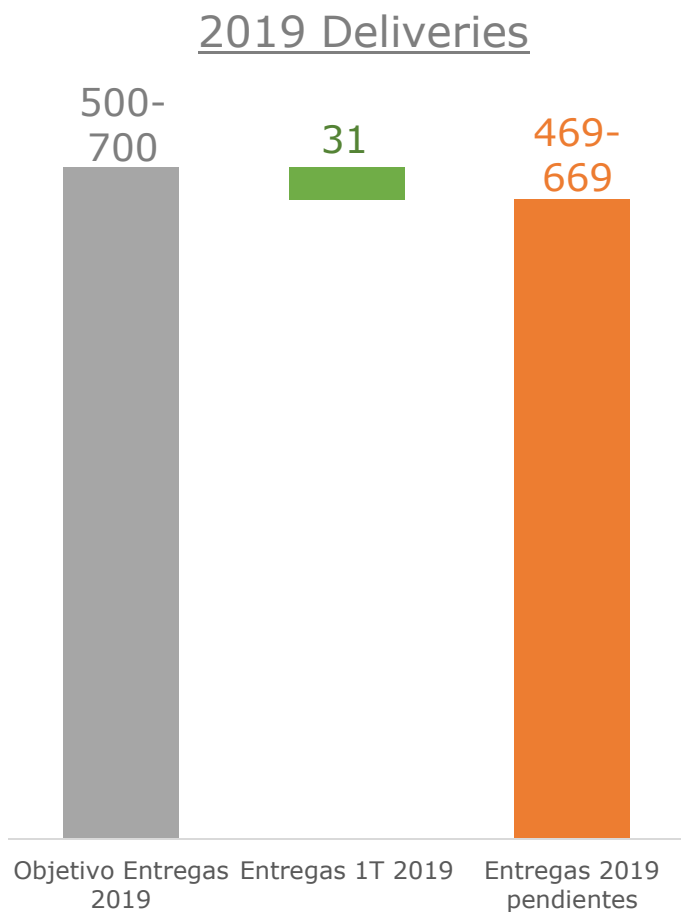
1Q 2019 presales evolution (units)

Pre-sales Book at 31.03.19 (units)



- 192 home units presold during 1Q 2019: 40 €M estimated turnover
- Pre-sales Book (31.03.19): 1,237 home units, 246 €M estimated turnover

## 1Q 2019 deliveries and 2019-2022 deliveries coverage

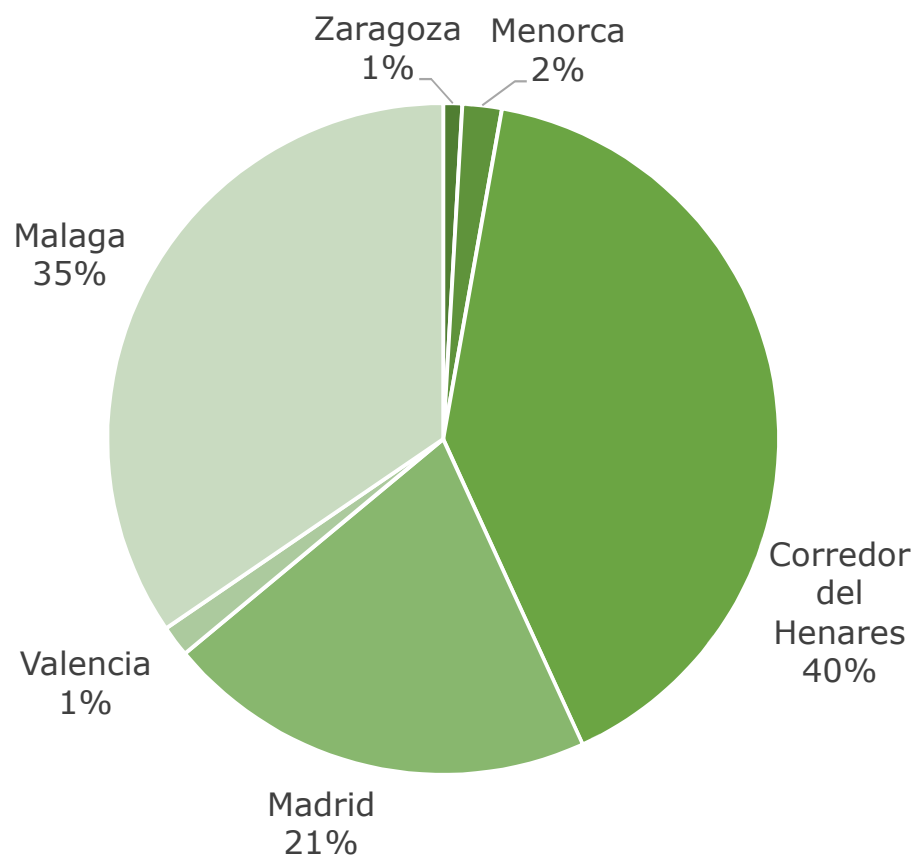


- 31 home units delivered during 1Q 2019
- > 85% 2019 deliveries are expected during 4Q
- Optimal presale levels to comply with the Delivery Plan and capture the price increase

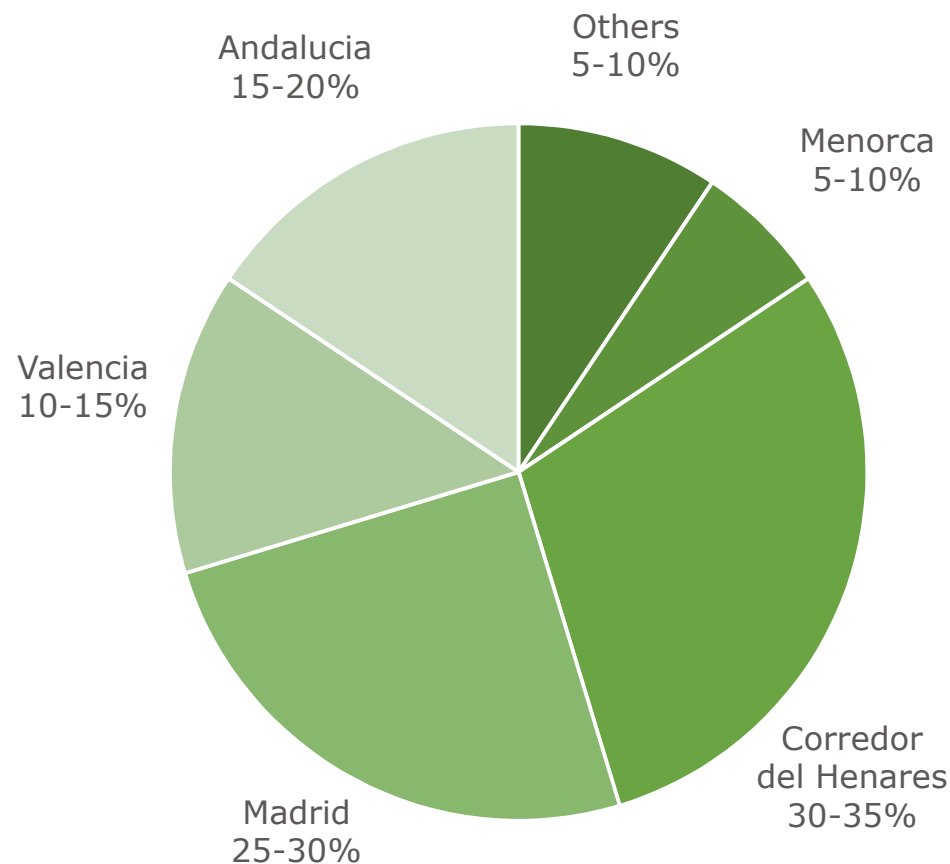
(1) % coverage vs. middle point of the target range

## Developments in high potential areas

Home units under development<sup>(1)</sup>  
(3,951 home units) at 31.03.19



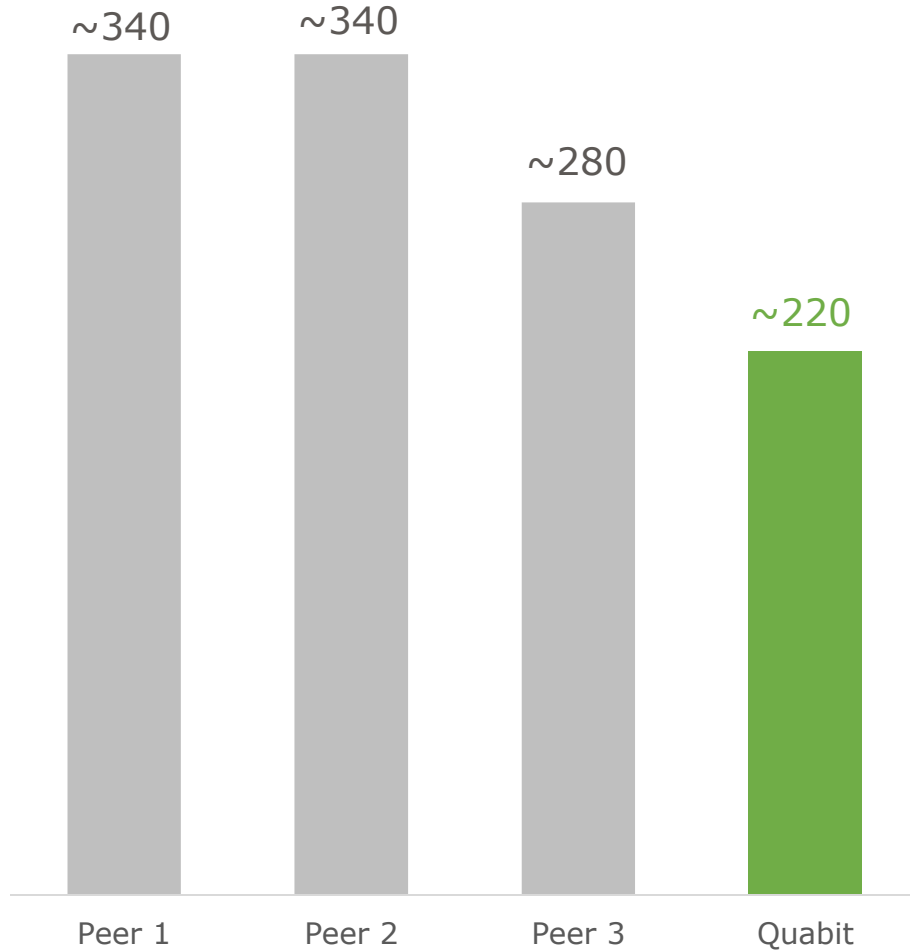
Pending home units to reach 2018-2022e deliveries target (~3,000-3,400) at 31.03.19<sup>(2)</sup>



(1) Does not includes 221 home units delivered at 31.03.19  
 (2) Approximate %, small differences are subject to final investment decisions

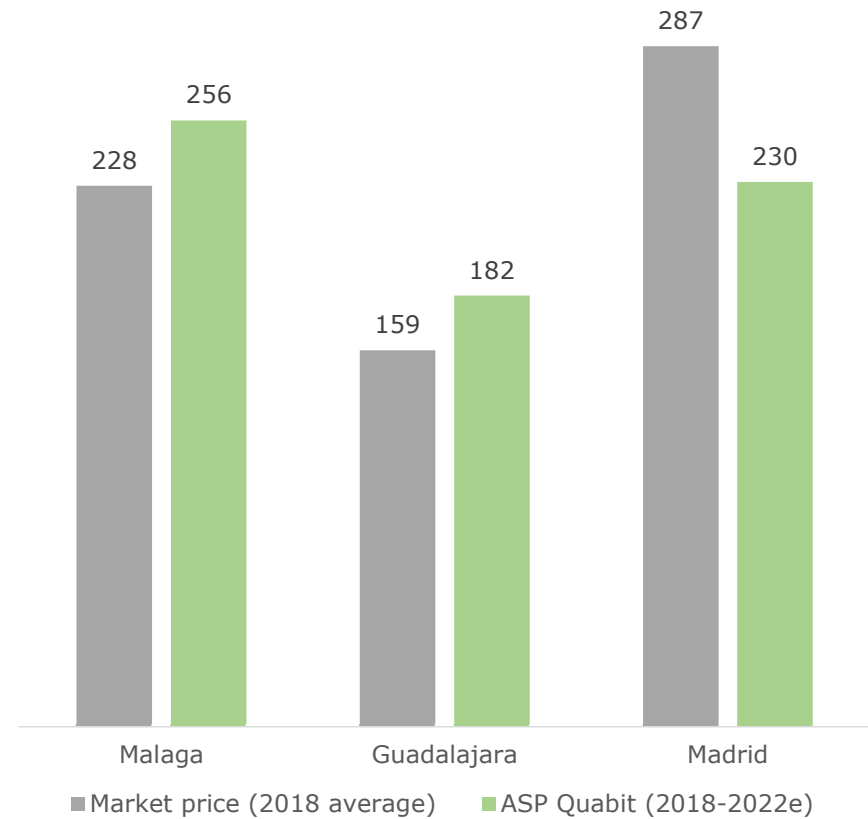
## Strategic positioning: middle class homes

Average Sale Price  
(€ thousands)<sup>(1)</sup>



ASP aligned with the reference markets  
(€ thousands)

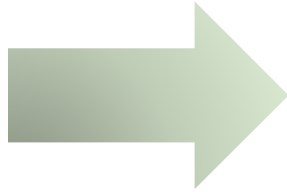
Malaga, Madrid & Corredor del Henares accounts ~ 95% home units under development



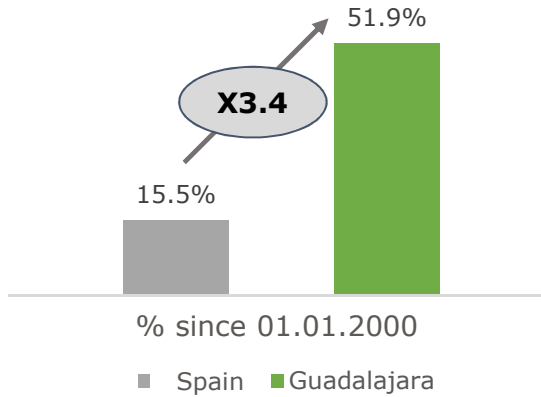
Source: Ministry of Public Works, 2018 average price new homes transactions

## Corredor del Henares has a huge potential I

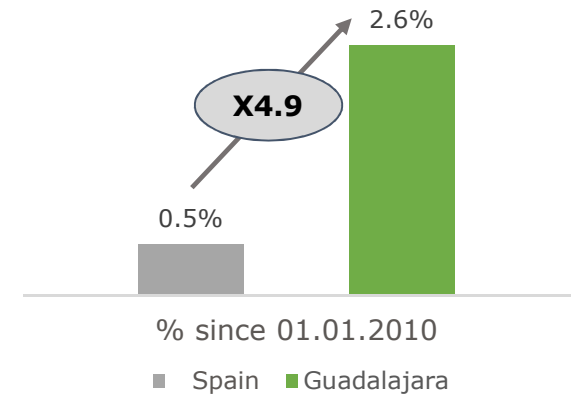
Much more attractive demographic trends than the national average...



Population Growth  
(01.01.2000 to 01.07.2018)

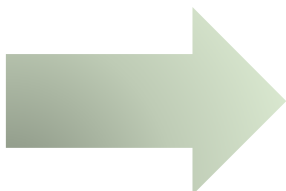


Population Growth  
(01.01.2010 to 01.07.2018)

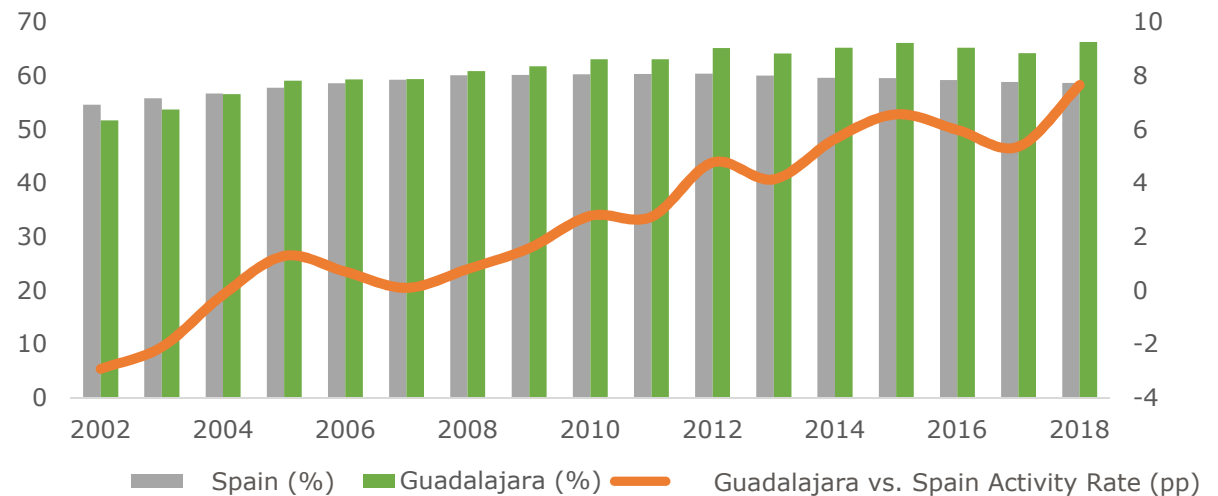


Source: INE

...with a lower structural unemployment rate... with a very attractive activity rate



Activity Rate

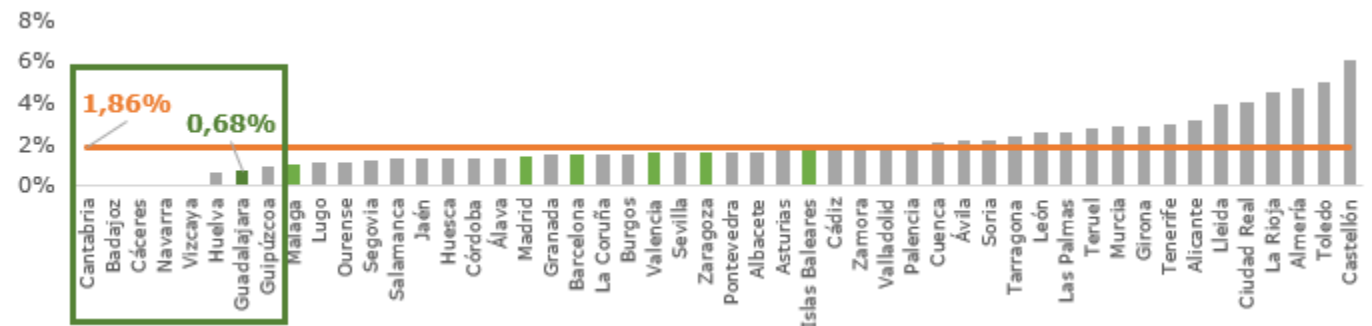


Source: INE



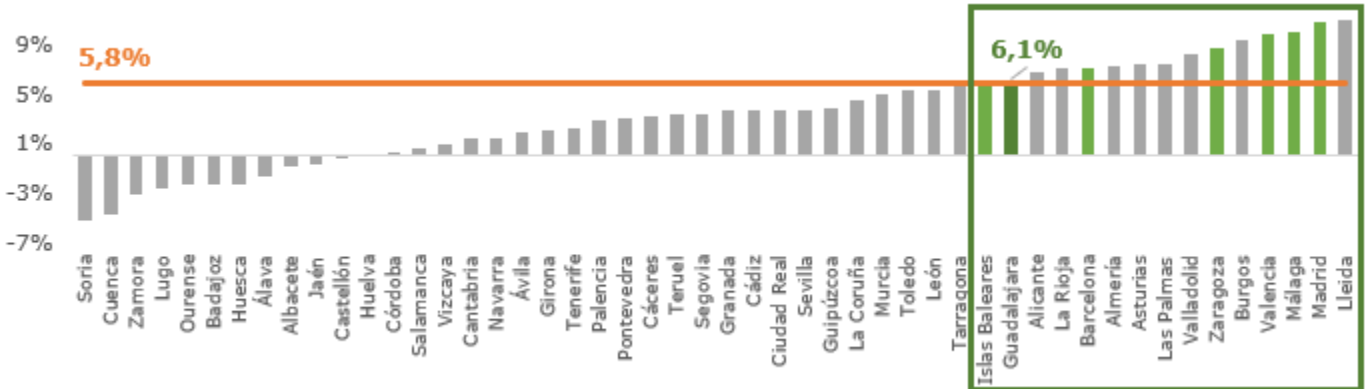
## Corredor del Henares has a huge potential II

One of the lowest unsold stocks...



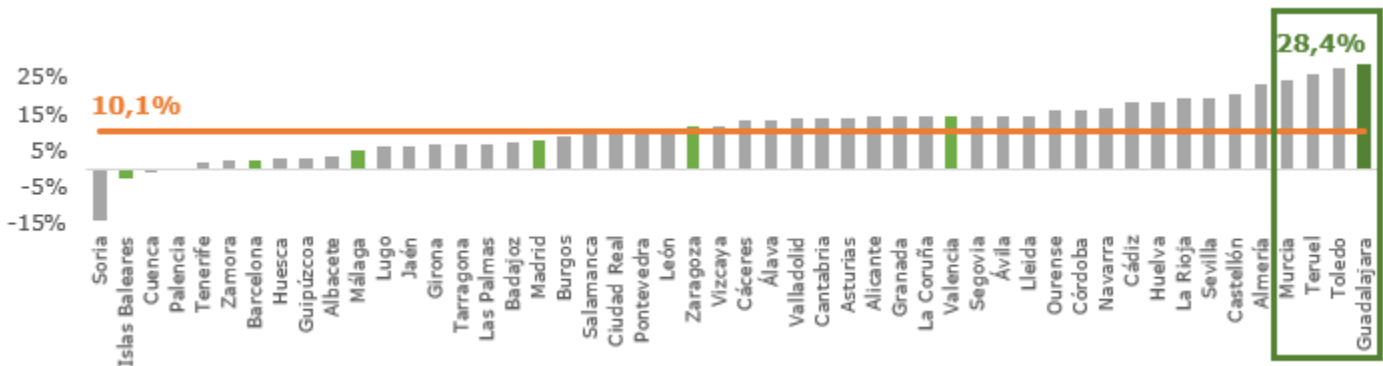
Source: Ministry of Public Works 2017

Price evolution in line with the most dynamic areas



Source: Tinsa. 2018

...and leading growth in number of transactions

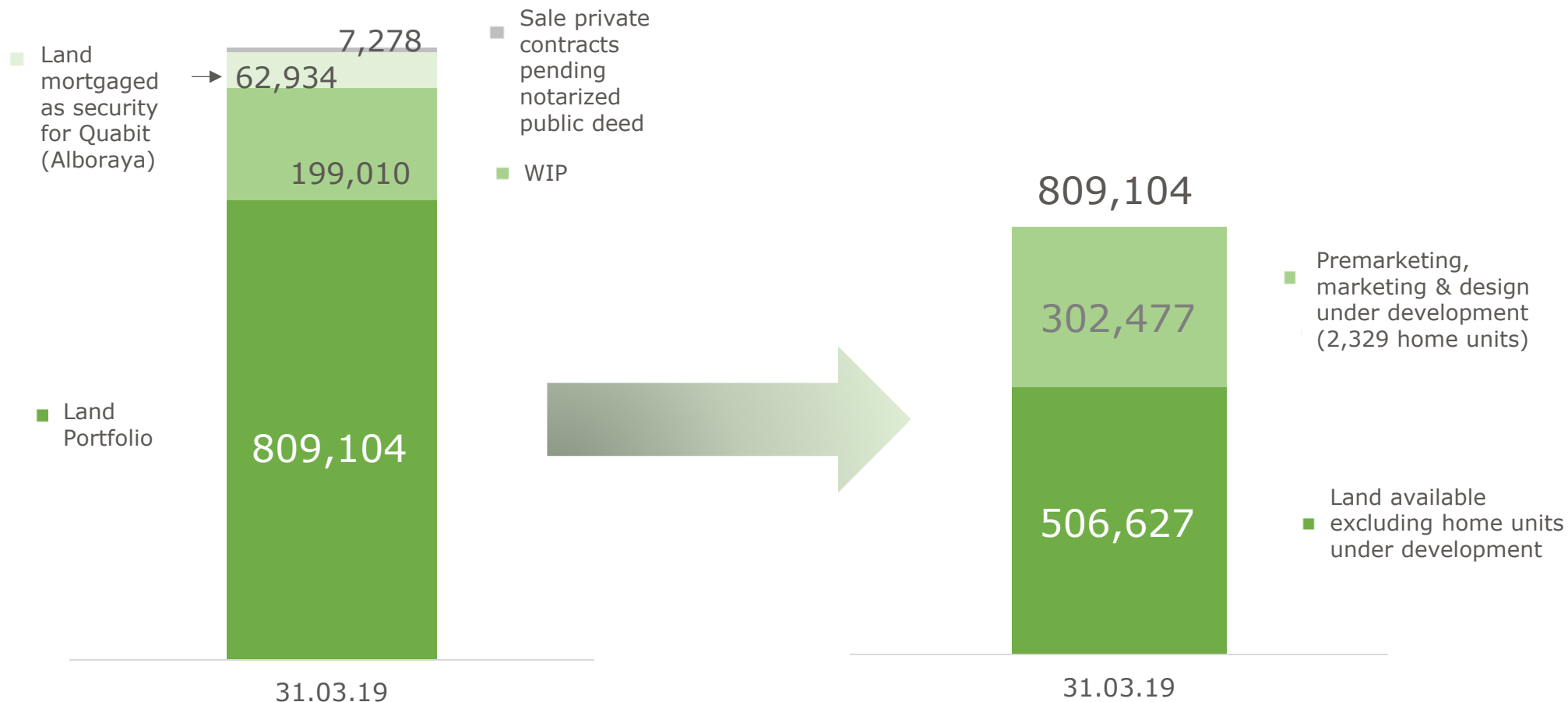


Source: INE. 2018

## Land portfolio at 31.03.19

Total Land Portfolio at 31.03.19  
1,078,326 sqmb (>8,500 home units)

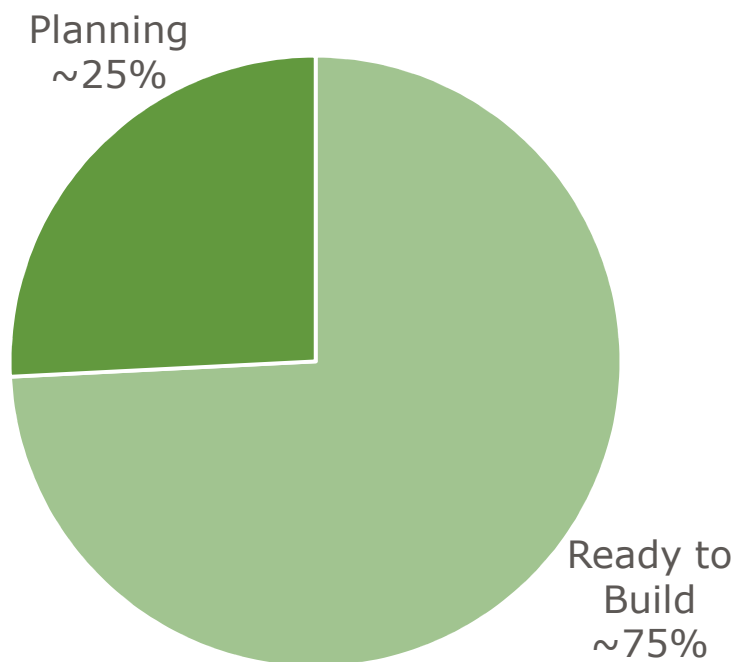
Land Portfolio at 31.03.19  
809,104 sqmb



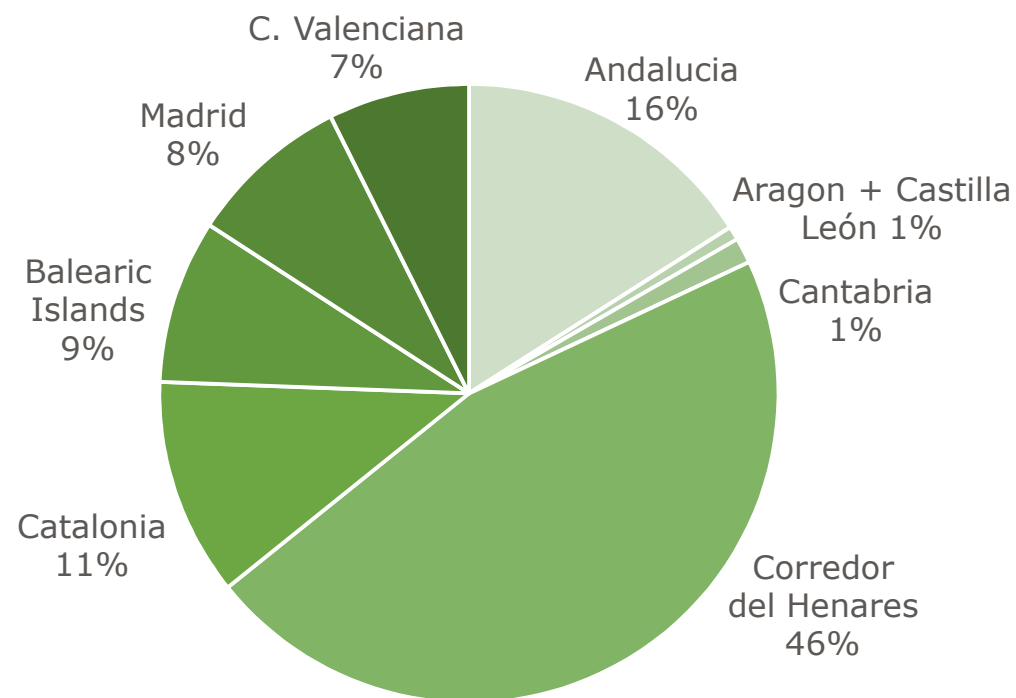
- Additionally Quabit owns 5.4 millions of sqm of non buildable land
- Since 31.03.19 Quabit has committed land purchases for 57,822 sqmb with development potential of 535 homes (investment 11.5 €M)

## Diversified Land Portfolio in high potential areas

Land portfolio<sup>(1)</sup> status at 31.03.19  
809,104 sqmb



Land portfolio<sup>(1)</sup> geographic breakdown at 31.03.19  
809,104 sqmb



• The land in planning allows its future development and obtain "ready to build" Land in very competitive conditions

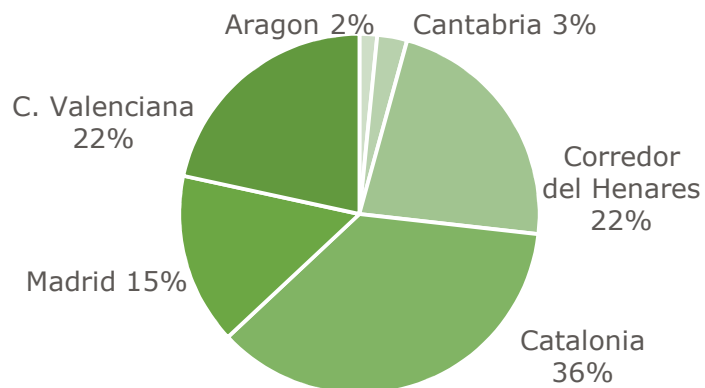
(1) Does not include 62,934 sqmb of land mortgaged as security for Quabit nor 199,110 sqmb WIP nor 7,278 sqmb of sale private contracts pending notarized public deed nor 5.4 million sqm non buildable land

## Future options thanks to the diversified Land Portfolio and the Urban Agent activity

### Planning Land Portfolio

#### Geographic Breakdown at 31.03.19

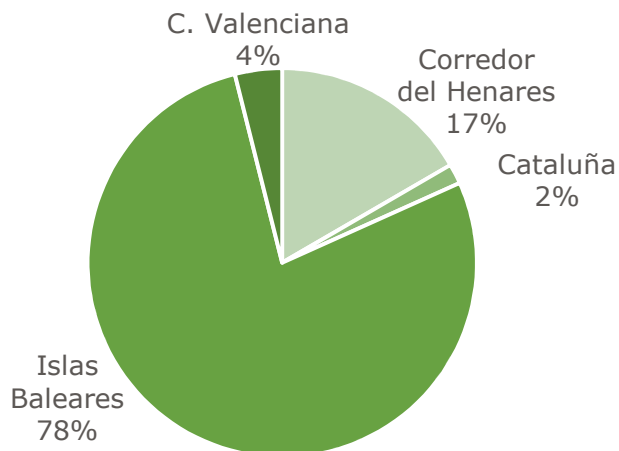
208,714 sqmb



### Non Buidable Land Portfolio

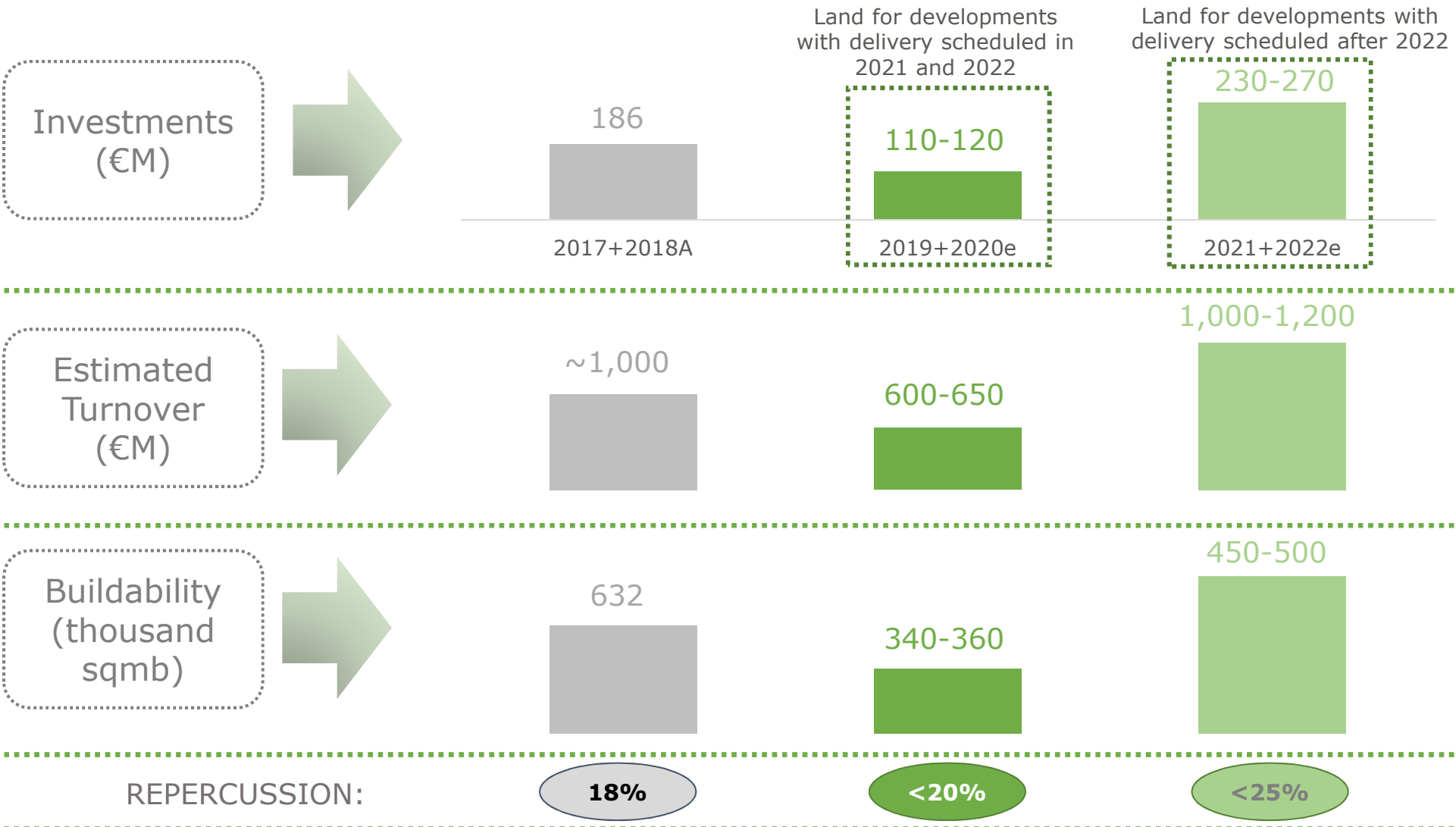
#### Geographic Breakdown at 31.03.19

5.4 million sqm



- Quabit will develop > 25% of its land needs after 2022 thanks to its activity as an Urban Agent (developer):
  - During 1Q 2019 we highlight our Urban Agent activity in Catalonia, in the municipality of Cambrils, in Sector 1 Les Comes (> and 1M sqm and > 600,000 sqmb for ~ 5,700 homes) and in Sector 2 La Cava (Specific Modification of Municipal Planning and an Advance of Partial Plan whose total surface is of 76,000 sqm and 45,000 sqmb for ~ 350 houses).
- Quabit will develop its planning land portfolio.
- Quabit has 5.4 million sqm of strategic land (non buildable) in areas of great interest for its potential future development

## Land Investments 2017-2022

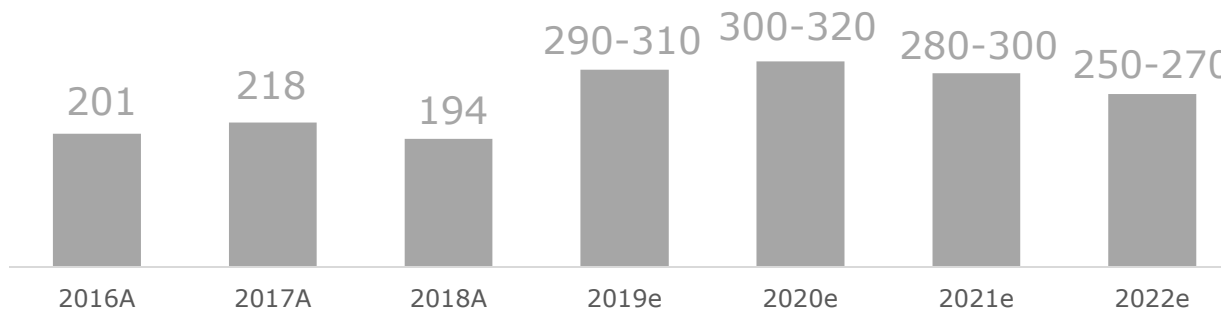
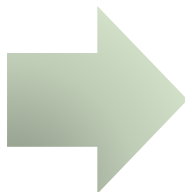


- Selective investments in areas of high potential and repercussion ~ 20%

## Leverage strong decrease

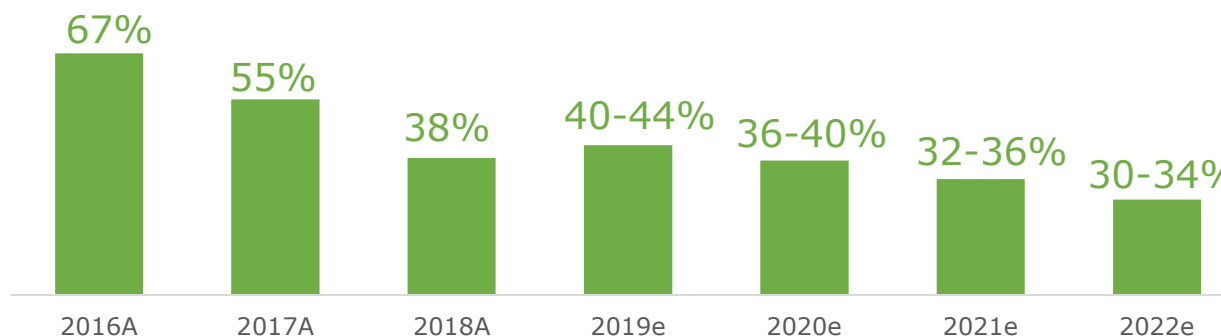
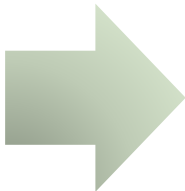
Net Debt evolution (€M) 2016-2022e

Net Debt under control



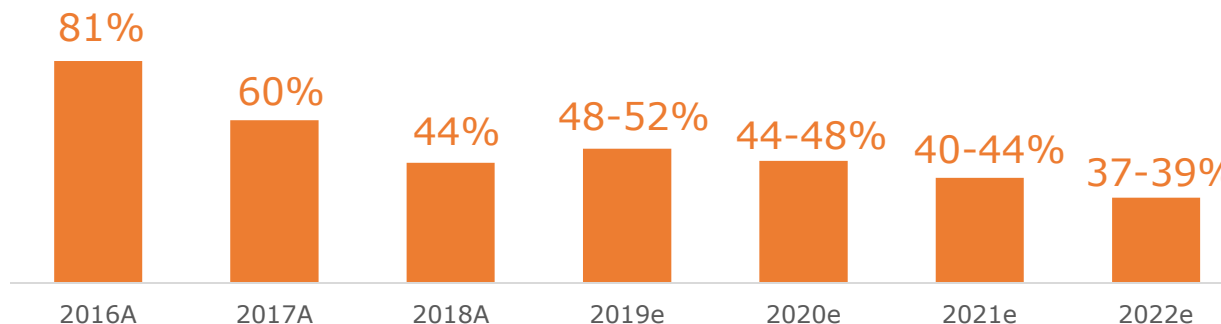
Loan to Value evolution 2016-2022e

~ 35pp improvement in "Loan to Value"



Loan to Cost evolution 2016-2022e

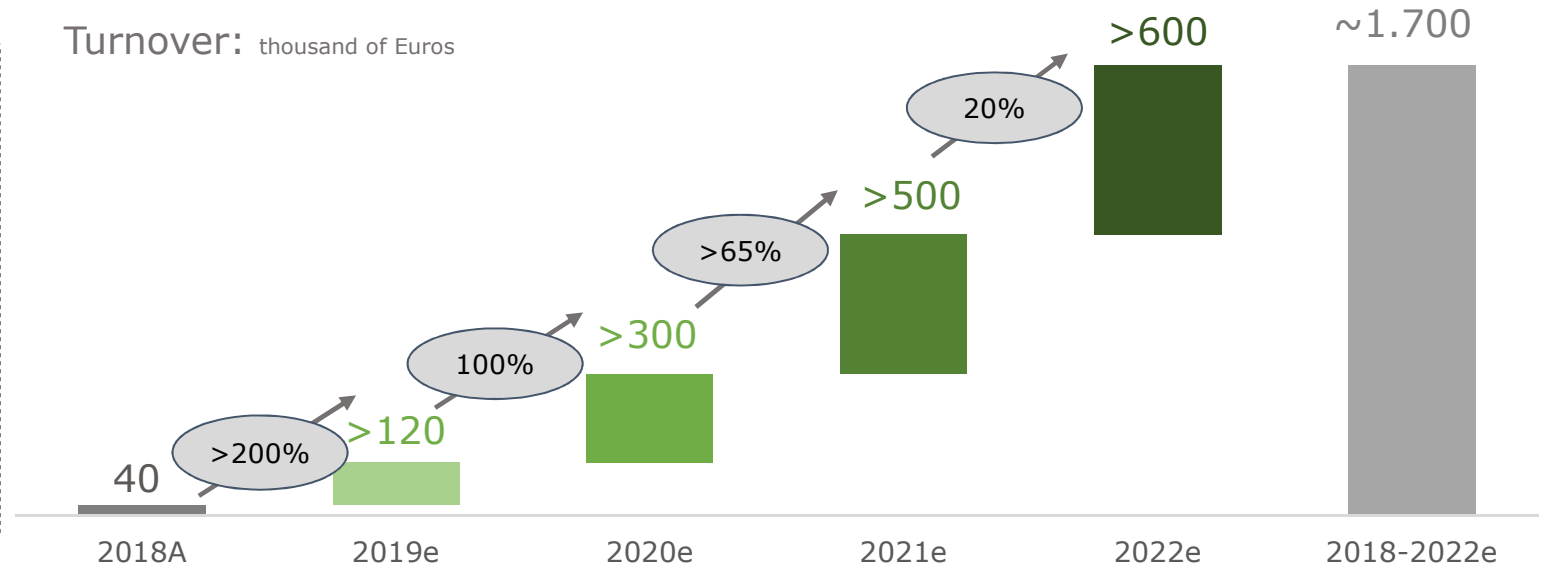
> 40pp improvement in "Loan to Cost"



## Turnover and EBITDA Guidance

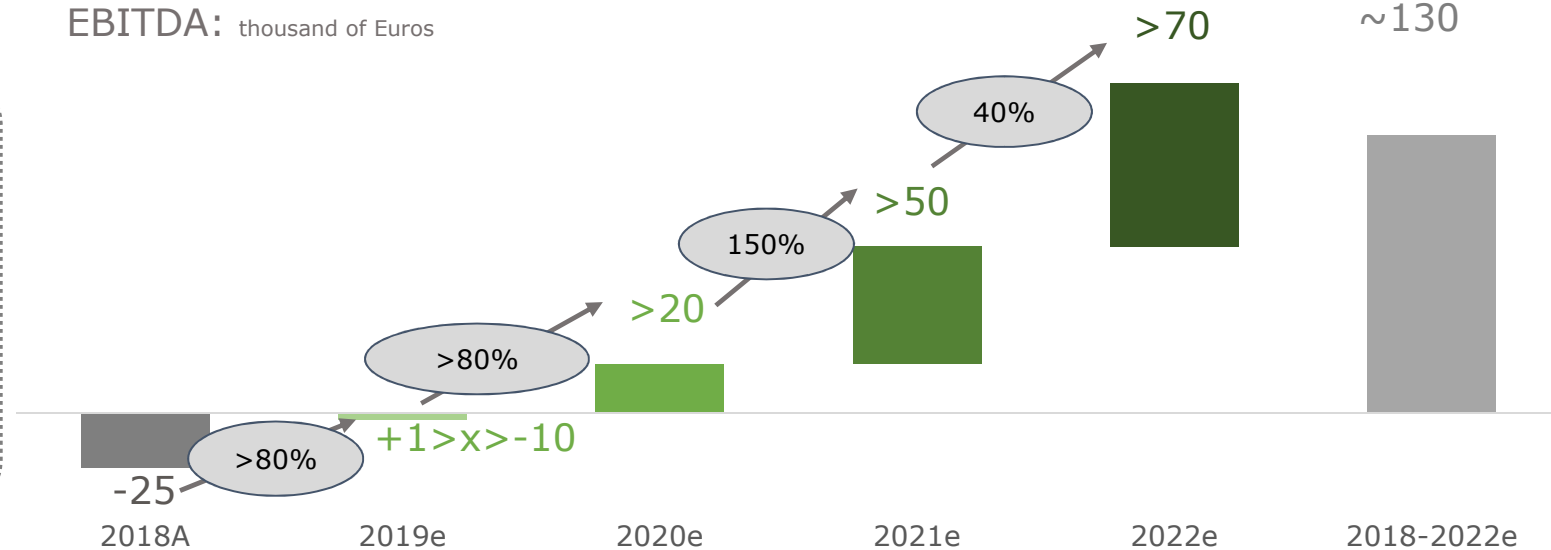
- > 90% comes from development business line
- 100-120 €M of land sales in 2019-2022 with margin > 20%

Turnover: thousand of Euros



Quabit will reach its run-rate structure costs level in 2019 ~14-16 €M

EBITDA: thousand of Euros



### Profits, taxes and dividends guidance

Recurring operating profit 4Q 2019 onwards  
(2020 will be the first year with recurring  
operating profits)

The effective fiscal rate of Quabit will be <10% during  
2019-2022 period and beyond in the future thanks to the  
recognized tax credits

Tax credits at 31.03.19 amount to 194 €M,  
of which 55 €M are capitalized

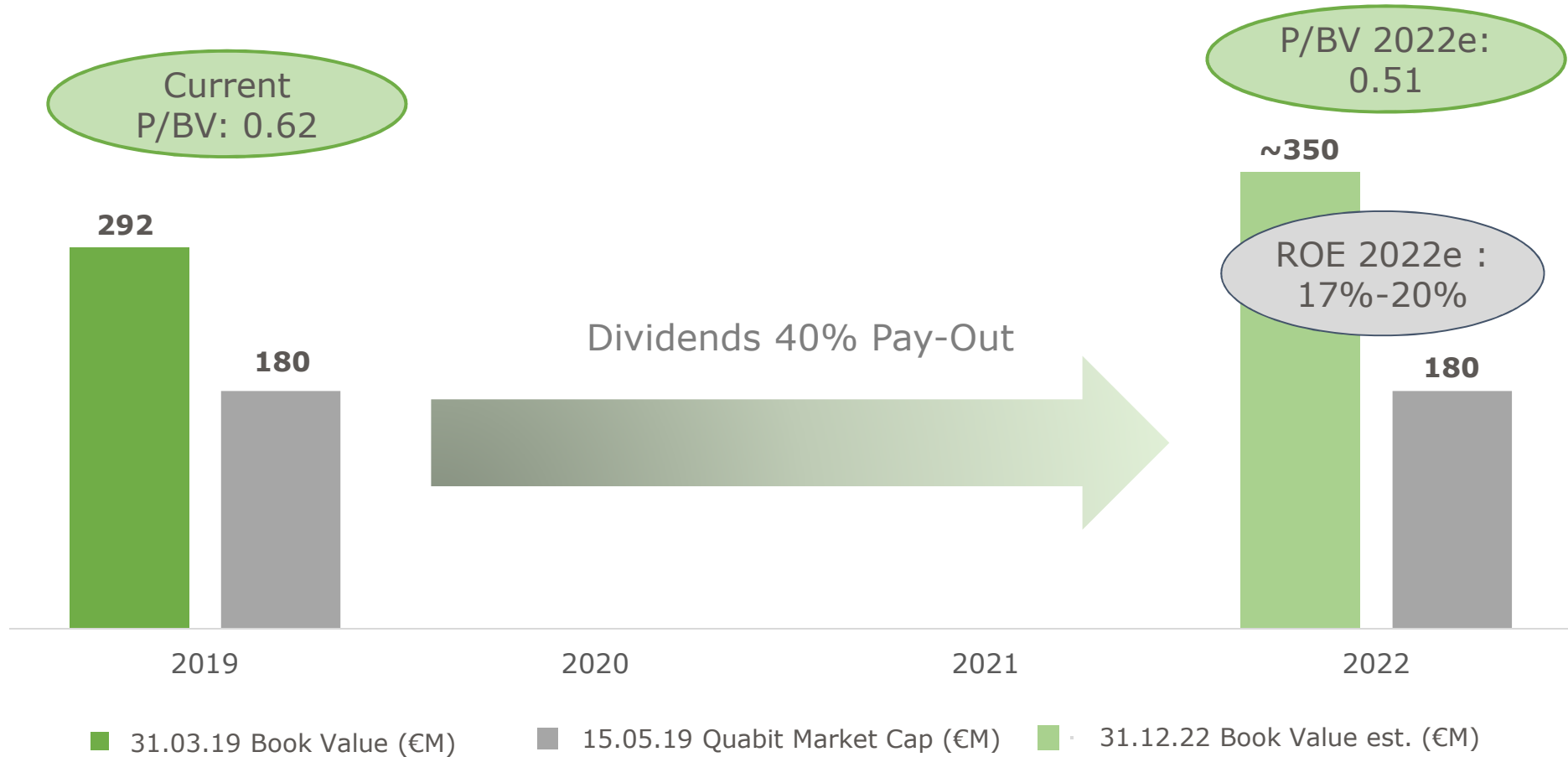
Dividend policy: 40% Pay-Out<sup>(1)</sup>, the first dividend  
will be paid at the end of 2020 as an interim  
dividend charged to 2020 Results

(1) For Pay-Out calculation capitalized tax credits will not be considered as Net Income



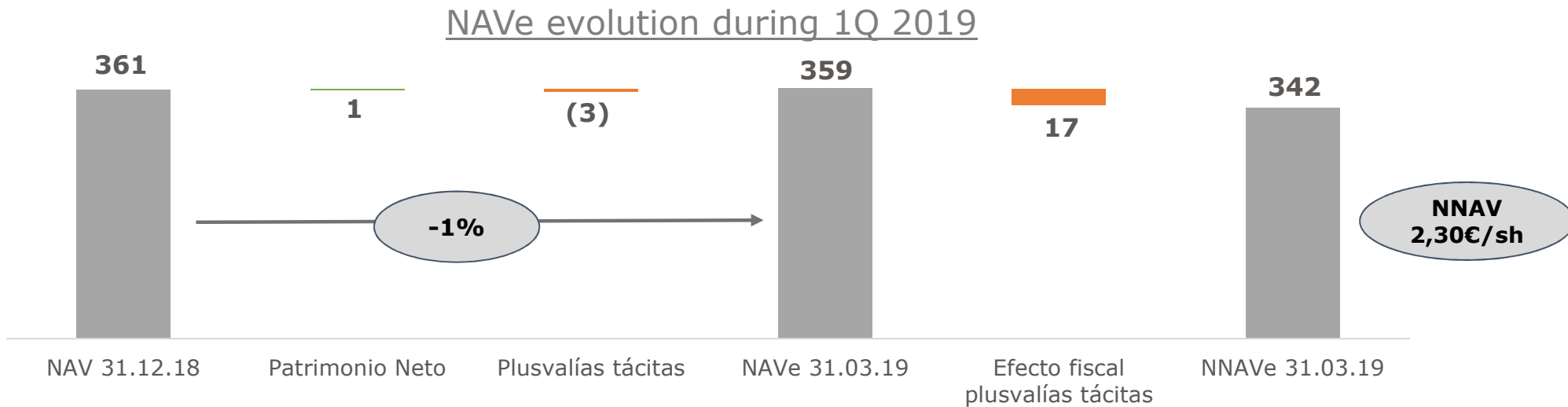
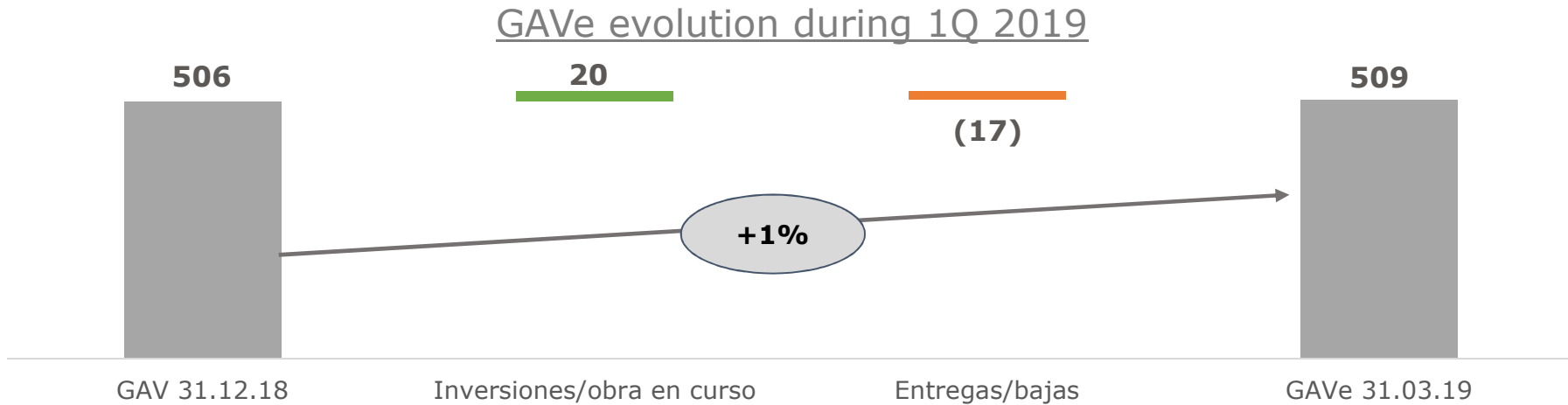
## Very attractive valuation I: P/BVe & ROEe

Current P/BV, P/BV 2022e, dividends & ROE 2022e



• P/BV 2022e=0.51 & ROE 2022e 17%-20%

## Very attractive valuation II: GAVe y NAVE at 31.03.19<sup>(1)</sup>



• The stock price of Quabit is trading at a discount of more than 45% of its NNAVe at 31.03.19

(1) RICs independent valuation by BDO at 31.12.18. Does not include Market revaluation during 1Q 2019

## Rayet Construcción Acquisition

**Quabit has agreed the acquisition of 82.95% of Constructora Rayet Construcción to its two main partners for an amount of 13.1 €M**

### STRATEGIC RATIONAL:

- **Ensure** the minimum **construction periods** necessary to achieve the deliveries set out in the Plan.
- **Ensure the minimum possible impact of construction cost inflation** derived from the supply restriction.
- Advance in the process of industrialization of the construction process through the standardization of materials and processes with the consequent cost reduction.

### SYNERGIES

- The operation is expected to add synergies between **30-35 €M during the 2019-2022 period:**
- Incorporation of additional margins derived from the works that The Construction Subsidiary executes for the Quabit Group.
- Additional reduction of terms and costs as a consequence of the standardization and industrialization of materials and processes.

### EXECUTIOS OF THE TRANSACTION

- The **transaction is subject to full Due Diligence, to "Fairness Opinion" by an independent expert** and to final approval by the Board of Directors of Quabit and its final closure is scheduled for July 2019.
- It is expected that **the payment of the acquisition will be made in 2 tranches:**
  - **30% of the amount in cash** at the time the transaction is formalized.
  - **70% in Quabit shares** to be delivered within a period of 6 months from the close of the transaction **at a reference price of € 2.00 per share (treasury stock and purchase of shares in the market).**
  - Rayet Construcción will remain as an independent company as a subsidiary of Quabit, focusing its activity on the execution of its works.

Sustained growth of the industry in the coming years

Maintenance of the run-rate objective for 2022, with a slight decrease in the overall figures of the Business Plan

Clear positioning in product for the middle class and in geographical areas with high potential for economic growth

Integration of the construction activity in order to mitigate the problems in the execution of the works and as a competitive differential

Betting to develop land as an Urban Agent

Effort and the capacity of the management team of the company that even with scarce economic resources in less than 3 years (2017-2019) is being able to make QUABIT one of the reference companies in the industry

# Q&A

# ANNEXES

## Demand for 130,000-170,000 new homes

### Estimated new housing needs per year in Spain

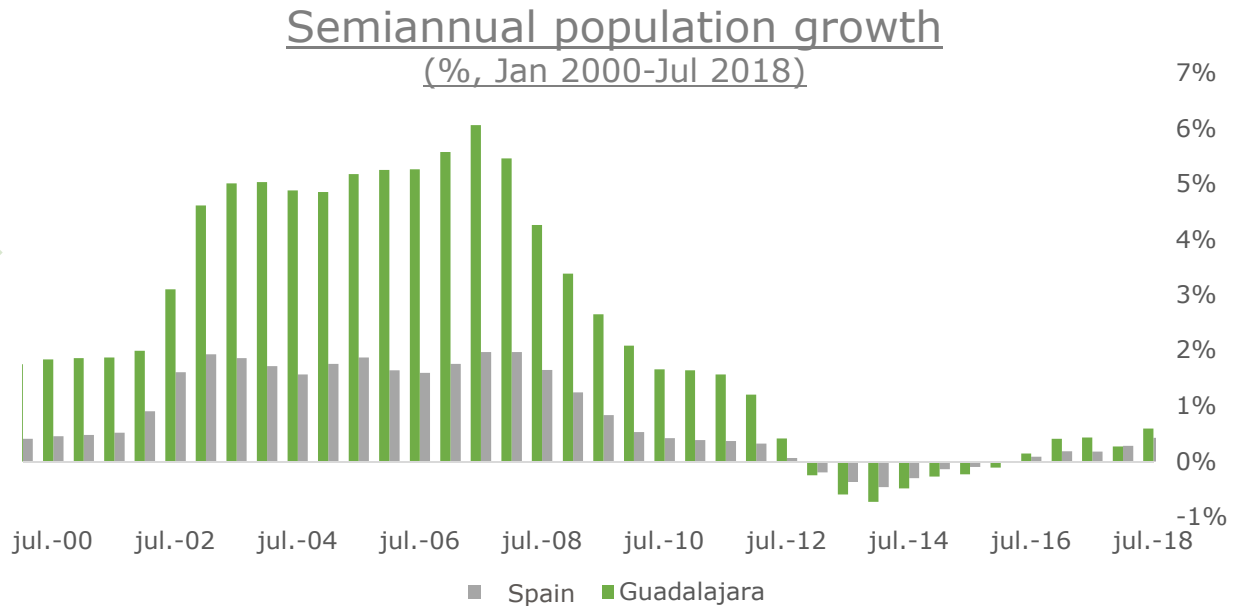
a) Creation of households (1st residency):	Thousand home units	Notes
1. INE (October 2018, 2018-2032e)	119	The creation of households in Growth Demand areas in Spain grows 7% higher (vs. Base scenario Bank of Spain) not included in the 108 thousand homes
2. Bank of Spain (Oct 2015, 2015-2029e) <sup>(1)</sup>	97	
<b>Average</b>	<b>108</b>	
<b>c) 2nd residency: residents and non-residents</b>	<b>29</b>	<b>50%</b> average 1961-2011 secondary residency new construction. INE
<b>b) Housing park replenishment needs (ruinous conservation status or obsolescence)</b>	<b>X</b>	Assuming useful life of 200 years, it would be 125,000 / year given a housing stock of 25M
<b>d) Homes for seasonal rental (tourists/students)</b>	<b>Y</b>	Residual growth



(1) Bank of Spain Report: 50% weight base case scenario and 10% weight 5 of each additional scenarios

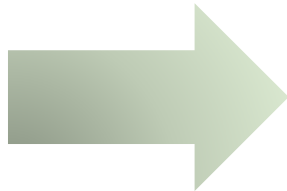
# Corredor del Henares has a huge potential I

Much more attractive demographic trends than the national average...

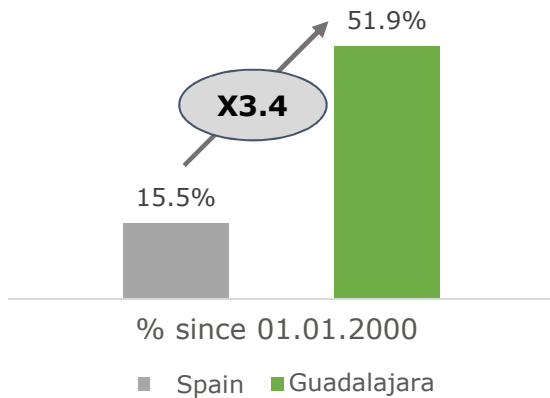


Source: INE

...that has been accentuated during the last decade...

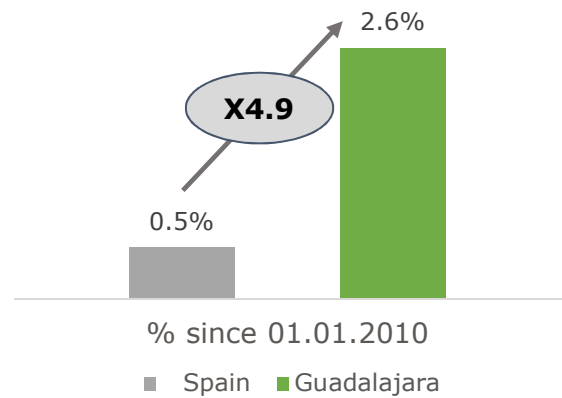


### Population Growth (01.01.2000 to 01.07.2018)



Source: INE

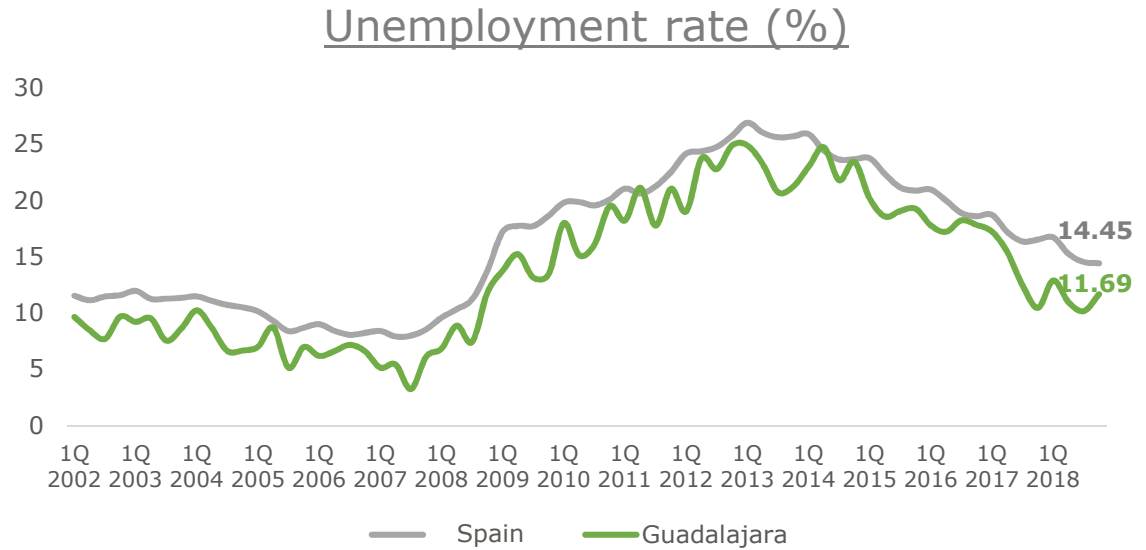
### Population Growth (01.01.2010 to 01.07.2018)





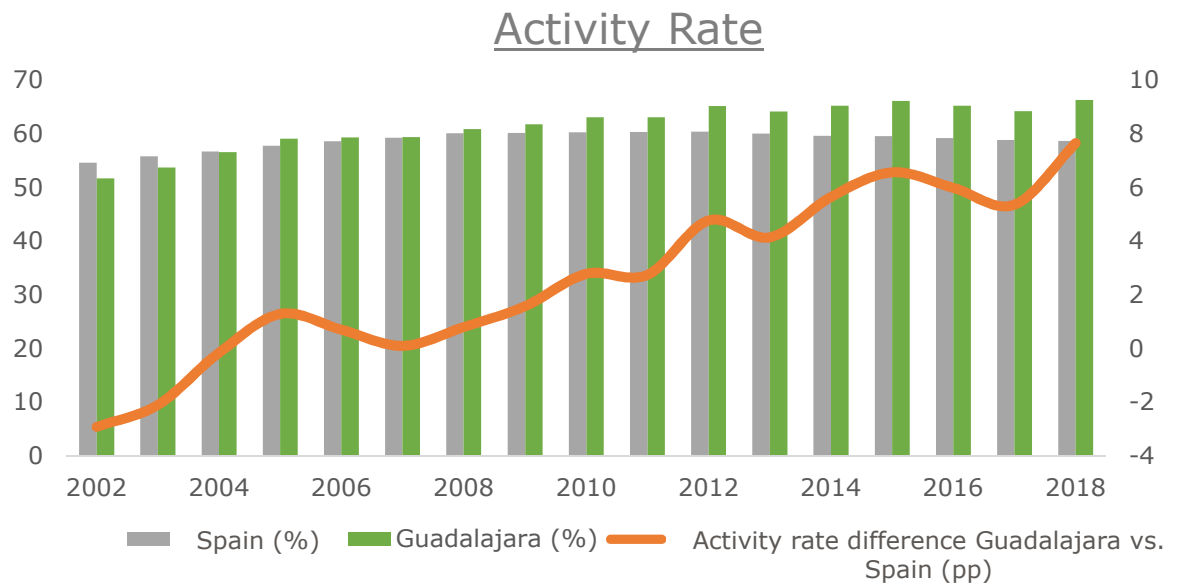
# Corredor del Henares has a huge potential II

...and a lower structural unemployment rate than the national average...



Source: INE

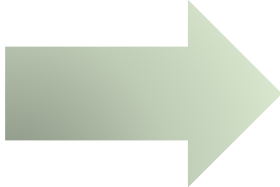
...with a growing differential in the activity rate...



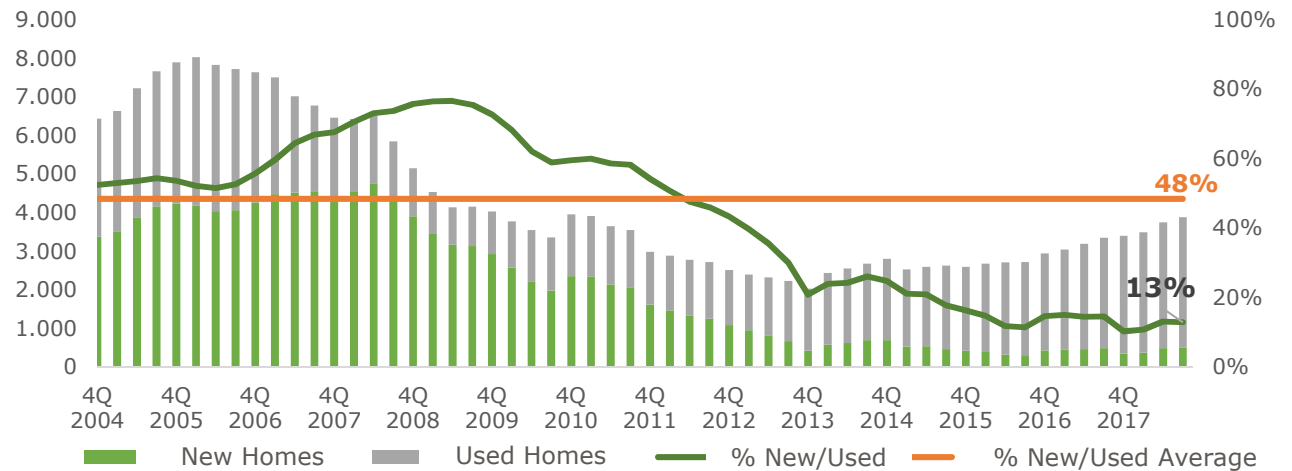
Source: INE

## Corredor del Henares has a huge potential III

...with a proportion of new housing over used (13%) with a wide margin for improvement ...

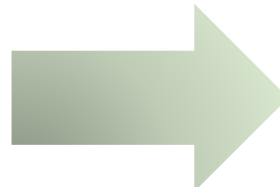


### # New and Second-Hand homes transactions (12m moving average, 4Q 2004 - 3Q 2018)

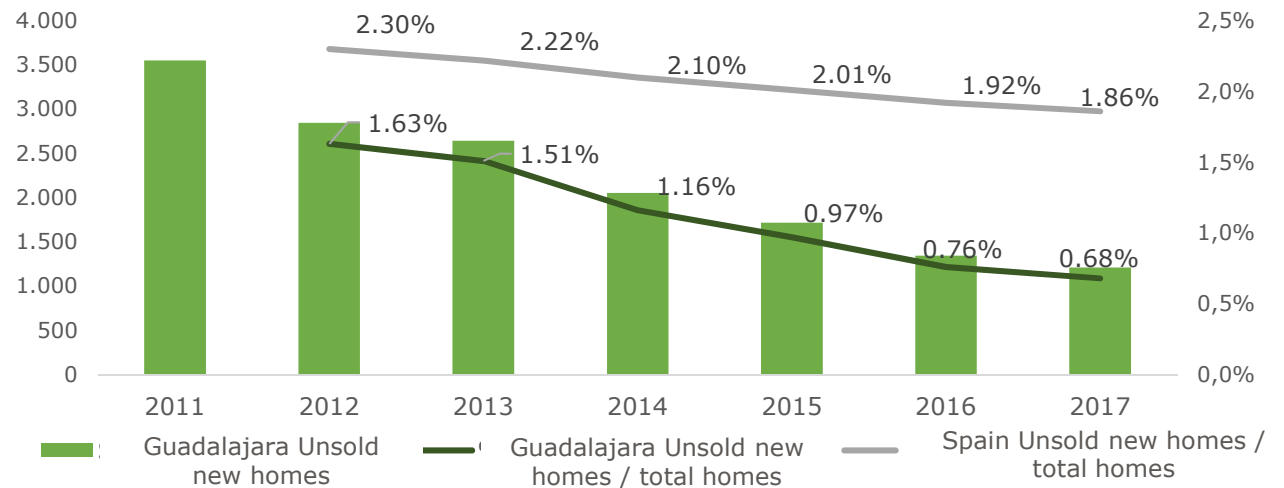


Source: Ministry of Public Works

...and a very low Unsold New Homes level...



### Unsold New Homes Stock Evolution (2011-2017)

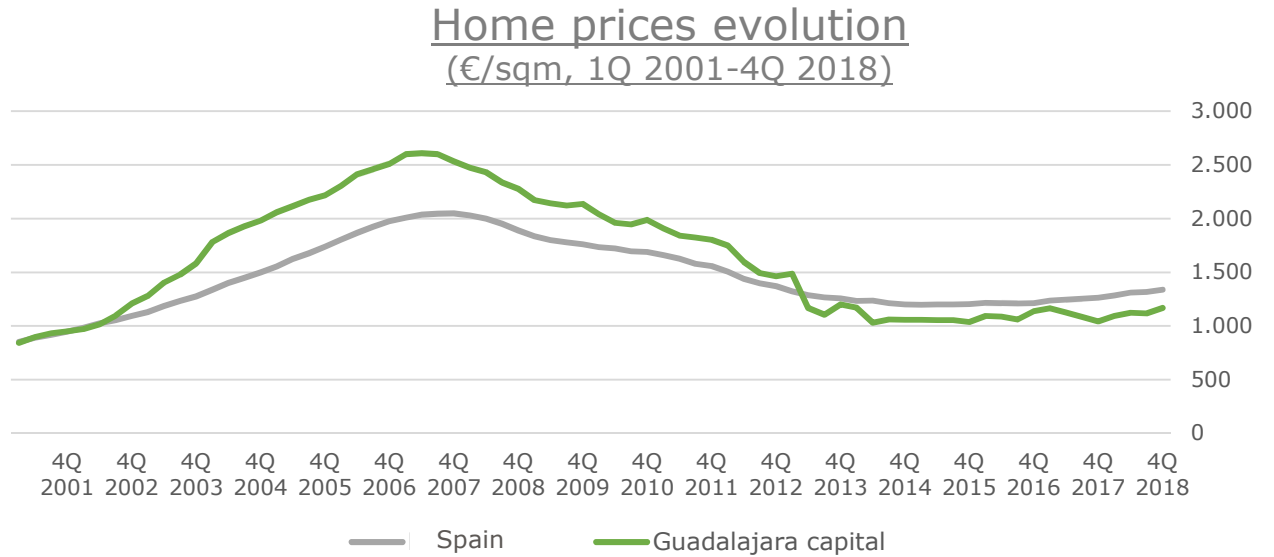
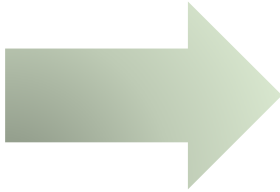


Source: Ministry of Public Works

## Corredor del Henares has a huge potential IV

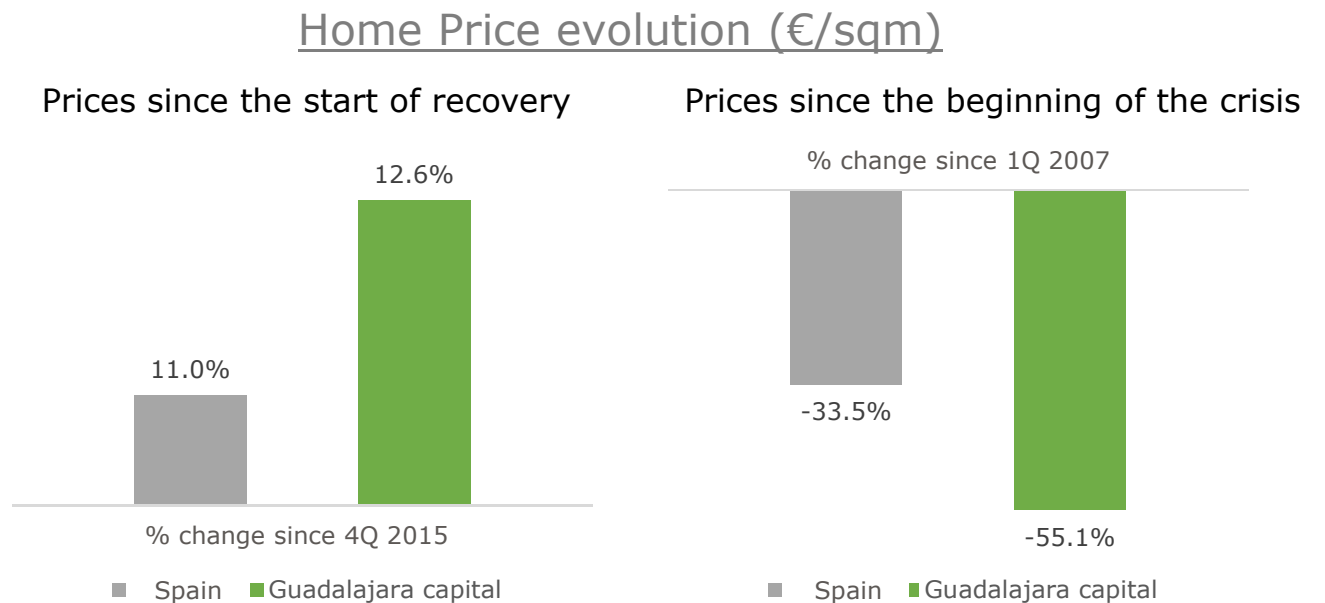
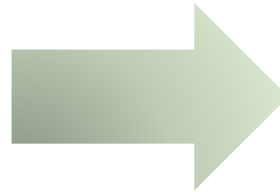
.....and a price level with great room for improvement  
...

Source: TINSA



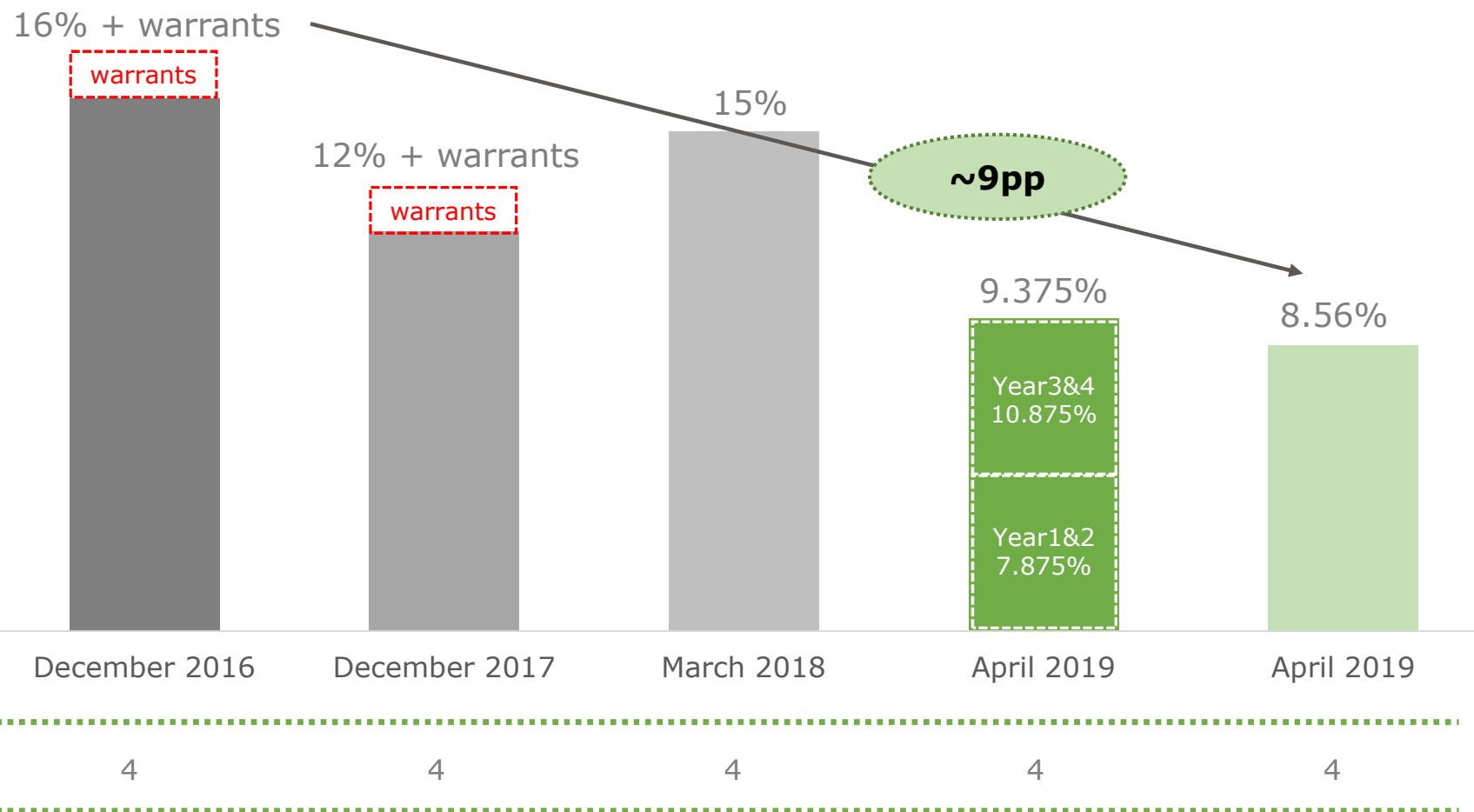
...and begins to show signs of recovering lost ground during the crisis...

Source: Ministry of Public Works



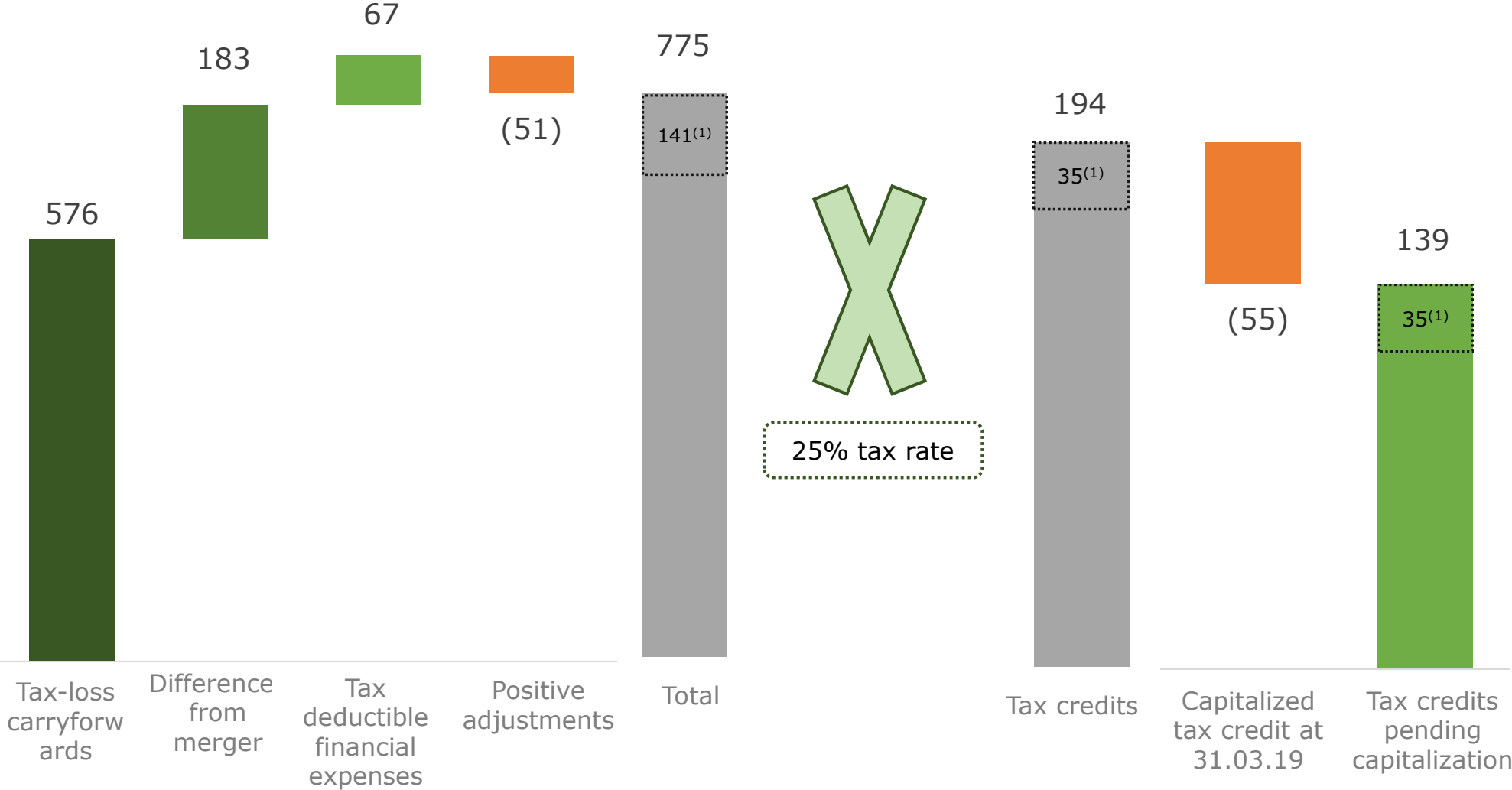
## Financial cost decrease

Debt: financial cost evolution (Dec 2016-Apr 2019)



- Quabit has additional room to continue improving the cost of its external financing
  - 33% of the gross debt of Quabit has a cost of 0% (SAREB)

# Tax credits



(1) Administrative contentious with the Public Treasury could reduce by 141 €M the total tax-loss carryforward, thus Quabit Inmobiliaria S.A. tax credits could be reduce by 35 €M



c/ Poeta Joan Maragall, 1 – pl. 16  
Madrid 28020. Spain  
Tel. +34 91 436 48 98

Web: [www.grupoquabit.com](http://www.grupoquabit.com)  
Las News de Quabit: [www.quabit.es](http://www.quabit.es)