



Quabit 
Inmobiliaria

RESULTS
JANUARY – SEPTEMBER 2017



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

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BUSINESS PERFORMANCE AND GROUP SITUATION

1.1. Key highlights for Q3 2017

INVESTMENTS. LAND PURCHASES

- Up to September 30th, 2017, Grupo Quabit has made land acquisitions for residential use with a buildable area of 467,831 square meter (sqmb), which represents an investment amount of €149.6M.
- Following these operations, the Group manages 935,908 sqmb of buildability as of September 30, 2017 divided into: (1) consolidated land portfolio (530,891 sqmb), (2) works in progress (32,995 sqmb) and (3) land acquisitions operations that will be soon incorporated into the portfolio (372,022 sqmb).
- The houses estimated to be developed in these 935,908 sqmb amounts to 6,720. Of these, 4,700 will be delivered between 2018 and 2021, above the 4,090 foreseen in the 2017-2021 Business Plan.
- Quabit has advanced with another land acquisitions in considered priority areas in the 2017-2021 Business Plan: Madrid, Corredor del Henares and Costa del Sol.

INVESTMENTS. ONGOING PROJECTS

- Up to September 30th of 2017, the Quabit Group is running, in various phases of execution, 18 developments with a total of 1,655 housing units with an estimated billing amount of €347.4M.
- These projects are being developed in both existing lands in the Quabit portfolio at the end of 2016, and in land from those acquired in 2017.
- The pre-sales portfolio (customer commitments through reserves and contracts) is 345 housing units representing a total billing amount of €74.3M.

INVESTMENT FINANCING

The financing of ongoing projects is carried out through a promoter loan. For disbursements associated with land acquisitions, the following financing mechanisms have been articulated:

- Partial application of the capital increase funds made in Q1 2017 with monetary contributions for an amount of €38M. The capital increase was subscribed with an excess of demand and the new shares were quoted on the Stock Exchanges of Madrid and Valencia on March 20, 2017.
- Funds from the financing line for €60M for the purchase of land, signed with funds managed by Avenue Europe International Management, L.P. (Avenue).
- Funds of a new financing line for €40M, for the purchase of land, granted by funds managed by Avenue, whose Terms Sheet was signed in September 2017.
- Capital increase by non-monetary contributions, in which part of the land financed by the 2nd Avenue line will be contributed. Quabit convened an Extraordinary

Shareholders' Meeting for November 15 (second call) to approve these Capital increase.

- Partial application of funds from the €15M line signed with funds managed by Alpin Equities (Alpin) in October 2017.

DEBT EVOLUTION

- Increase in gross debt of 6.6% compared to 31.12.2016.
- On the one hand, the debt has increased due to the utilizations of Avenue funding line and the rest of promoter loans for a total amount of €29.6M. The maturity of this debt will be settling by sales of homes.
- On the other hand, the pre-existing financial debt is being reduced:
 - A payment of €7,182K was made under the SAREB agreement (20% of the net proceeds obtained in the capital increase). This payment resulted in debt relief of €10,041K (sum of principal and accrued interest payable on total debt until the moment of payment). Following this payment, the next maturity of SAREB debt will be for €1,909K due on 31/07/2018.
 - Also, three bank loans were renewed for a total of €4,000K, resulting in a reduction in the interest rate to 1% and extension of the amortization schedule until 31/12/2020 with payments equal to 10% of the debt in each of the first three years and 70% in the fourth year. The first payment of €400K was made in 2017, representing the interest accrued up to the date of the agreement.
 - Cancellation of mortgage loan associated with development following its delivery and payments in kind that resulted in debt relief of €738K.

Q3 ENDED 2017 RESULTS

Key Profit & Loss figures

<i>(Thousands of euros)</i>	30/09/2017	30/09/2016	Variation
Revenue	2,992	25,734	(88.4%)
EBITDA (*)	(3,742)	(6,940)	46.1%
Financial loss	(2,573)	(806)	(219.1%)
Profit/(Loss) before tax	(7,647)	(7,824)	2.3%
Net Profit/(Loss)	(7,647)	(7,824)	2.3%
- Attributable to the Parent Company	(7,644)	(7,794)	1.9%
- Attributable to Minority Interests	(3)	(30)	90.0%

(*) See note on Alternative Performance Measures at the end of this Interim Report.

- Revenues decrease. Having successfully reduced stocks of finished product in prior years (only 19 units remained at 31 December 2016), revenues in 2017 will be generated on selective sales of land and the remaining houses in stock. Revenue in Q3 2016 comprised mainly the proceeds from a voluntary repossession operation entered with a financial institution, which were used to settle the debt.

- A net loss of €7,647K was obtained in Q3 2017 compared to a loss of €7,824K in Q3 2016. This result does not comprise any new developments revenue, as it will be accounted when the housing units are delivered.
- In 2017, the Quabit Group is laying the foundations to generate revenues and operating profits in the coming years:
 - With current execution level of the investment plan, Quabit ensures to have a land portfolio in which can deliver 4,700 houses between 2018-2021 (above the forecasts of the 2017-2021 Business Plan).
 - This investment plan continues and it is planned to make new land purchases in the areas provided in the Plan for the rest of the year.
 - At September 30th of 2017, there are developments at various stages of implementation representing 1,655 housing units, construction works have begun at 5 of these developments (302 units in construction phase).
 - The pre-sales portfolio (reservations and signed contracts) for developments in the marketing stage totaled €74.3M at September 30th of 2017, representing purchase commitments for 345 housing units (343 from new developments and 2 from stock).
- Pending debt relief (€48.5M) and the capitalization of tax credits (€168.2M) offer potential profits both in 2017 and subsequent years.

CORPORATE GOVERNANCE BODIES

- Quabit has published its Annual Corporate Governance Report and Annual Directors' Remuneration Report on its website and on the website of the Spanish National Securities Market Commission (CNMV).
- The auditor's reports on the annual financial statements for 2016 (individual and consolidated) are also available on these websites.
- The Annual General Shareholders Meeting was held on June 28th, 2017. Every proposal presented according to the meeting agenda was approved.
- On November 15th, the Extraordinary Shareholders' Meeting (second call) is scheduled, in which will be voted the capital increases for non-monetary contributions through the issuance of up to 20,894,730 new shares.

SHAREHOLDERS REMUNERATION

- The General Shareholders Meeting held on June 28th of 2017 resolved the shareholders remuneration through a share capital increase with a charge to reserves, in the proportion of one free share for every 20 existing shares.

ORGANISATIONAL STRUCTURE

- The Quabit Group has strengthened its organisational structure during the period, with the purpose of successfully undertaking the qualitative leap forward that this period of growth implies. For this, new delegations have been opened and workers have been incorporated in all areas of activity, with an increase of 42% in the workforce.

1.2. Key figures

Consolidated P&L account

<i>(Thousands of euros)</i>	30/09/2017	30/09/2016	Variation
Revenue	2,992	25,734	(88.4%)
EBITDA (*)	(3,742)	(6,940)	46.1%
Financial loss	(2,573)	(806)	(219.1%)
Profit/(Loss) before tax	(7,647)	(7,824)	2.3%
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- Attributable to the Parent Company	(7,644)	(7,794)	1.9%
- Attributable to Minority Interests	(3)	(30)	90.0%

(*) See note on Alternative Performance Measures at the end of this Interim Report.

Consolidated financial indebtedness

<i>(Thousands of euros)</i>	30/09/2017	31/12/2016	Variation
Non-current bank borrowings	13,530	13,784	(1.8%)
Current bank borrowings	205,780	192,000	7.2%
TOTAL GROSS DEBT (*)	219,310	205,784	6.6%
Cash and cash equivalents	(4,600)	(4,854)	(5.2%)
TOTAL NET DEBT (*)	214,710	200,930	6.9%

(*) See note on Alternative Performance Measures at the end of this Interim Report.

Residential developments

	30/09/2017	30/09/2016	Variation
Pre-sales for the period (units) (1) (2)	188	304	(38.2%)
Deeds for the period (units) (2) (3)	2	216	(99.1%)
Pre-sales portfolio at the end of the period (units) (4)	345	105	228.6%
Stock of finished houses (units) (5)	17	37	(54.1%)

(1) Pre-sales for the period: reservations and contracts (net of cancellations) made in the period.

(2) Pre-sales and deeds at 30/09/2016 included the sale of 150 units to a financial institution.

(3) Conveyances for the period: houses delivered.

(4) Pre-sales portfolio: reservations and contracts for houses to be delivered in the future (finished and marketing stage developments) at a given date.

(5) Stock of finished houses: finished houses (with or without reservation or contract).

Revenues

<i>(Thousands of euros)</i>	30/09/2017	30/09/2016	Variation
Land management	2,242	735	205.0%
Residential developments	464	24,701	(98.1%)
Rented property	286	294	(2.7%)
Other	-	6	(100.0%)
TOTAL	2,992	25,736	(88.4%)

1.3. Financial statements

1.3.1.- Consolidated P&L account for the period ended 30 September 2017

<i>(Thousands of euros)</i>	30/09/2017	30/09/2016	Variation
Revenue	2,992	25,734	(88.4%)
Procurements	(6,841)	(48,907)	(86.0%)
Other operating income	11,012	4,018	174.1%
Change in trade provisions	4,341	19,731	(78.0%)
Personnel expenses	(3,717)	(2,325)	59.9%
Reversals and allowances for impairment	1,268	-	N.A.
Depreciation and amortization	(1,318)	(53)	2,386.8%
Other operating expenses	(7,978)	(5,202)	53.4%
Gains and losses on disposals of non-current assets	-	11	(100.0%)
Valuation of investment property at fair value	(4,819)	-	N.A.
Profit from operations	(5,060)	(6,993)	27.6%
EBITDA (*)	(3,742)	(6,940)	46.1%
Net financial loss	(2,573)	(806)	(219.1%)
Loss from investments in associates	(14)	(25)	44.0%
Profit/(Loss) before tax	(7,647)	(7,824)	2.3%
Taxes	-	-	-
Net Profit/(Loss)	(7,647)	(7,824)	2.3%
Attributable to:			
Shareholders of the Parent Company	(7,644)	(7,794)	1.9%
Minority interests	(3)	(30)	90.0%

(*) See note on Alternative Performance Measures at the end of this Interim Report.

1.3.2.- Consolidated Balance Sheet at 30 September 2017

(Thousands of euros)

ASSETS	30/09/2017	31/12/2016	Variación
NON-CURRENT ASSETS			
Total non-current assets	67,308	72,882	(7.6%)
CURRENT ASSETS			
Inventories	278,396	236,287	17.8%
Other	51,445	46,835	9.8%
Total current assets	329,841	283,122	16.5%
TOTAL ASSETS	397,149	356,004	11.6%
LIABILITIES AND EQUITY	30/09/2017	31/12/2016	Variación
EQUITY			
Equity attributable to shareholders of the Parent Company	140,488	113,258	24.0%
Minority interests	79	83	(4.8%)
Total equity	140,567	113,341	24.0%
NON-CURRENT LIABILITIES			
Bank borrowings	13,530	13,784	(1.8%)
Other	5,446	6,661	(18.2%)
Total non-current liabilities	18,976	20,445	(7.2%)
CURRENT LIABILITIES			
Bank borrowings	205,780	192,000	7.2%
Other	31,826	30,218	5.3%
Total current liabilities	237,606	222,218	6.9%
TOTAL LIABILITIES AND EQUITY	397,149	356,004	11.6%

ASSETS. INVENTORIES

Inventories at September 30th, 2017:

(Thousands of euros)	30/09/2017	31/12/2016	Variation
Land (1)	234,817	222,547	5.5%
Developments in progress (2)	32,415	4,572	609.0%
Finished developments (3)	7,050	8,013	(12.0%)
Advances to suppliers (4)	3,295	336	881.7%
Other	819	819	0.0%
Net Book Value	278,396	236,287	17.8%

- (1) Land increased by 5.5% as a positive net effect between land purchases and sales or transfers to work start-up.
- (2) Developments in progress increased by 609% due to transfers of the cost of development land on the start of works and the incorporation of construction costs related to the 5 promotions in progress: Sant Feliu de Llobregat (Barcelona), C1 of SP04 Las Cañas (Guadalajara), Aguas Vivas (Guadalajara), Las Lomas

(Boadilla del Monte, Madrid) and Casares (Malaga).

- (3) Inventories of finished development is reduced by 12% as a result of sales.
- (4) Advances to suppliers increased by 881.7% due to down payments for land purchases.

ASSETS. OTHERS

- Other assets include cash and cash equivalents totaling €4,600K (€4,854K at December 31st, 2016).

EQUITY

Changes in equity in Q3:

(Thousands of euros)

Balance at December 31st, 2016	113,341
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Total net profit for the period	(7,647)
Capital increase	38,037
Share issue expenses	(1,894)
Treasury share transactions	(1,270)

Balance at September 31st, 2017	140,567
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(1) Share capital increase which generated total cash contributions (nominal value plus share premium) of €38,037K. First two rounds of the increase were oversubscribed, so that it was not necessary to make use of the tranche reserved for discretionary allocations. The new shares issued were listed on the Madrid and Valencia Stock Exchange at March 20th, 2017.

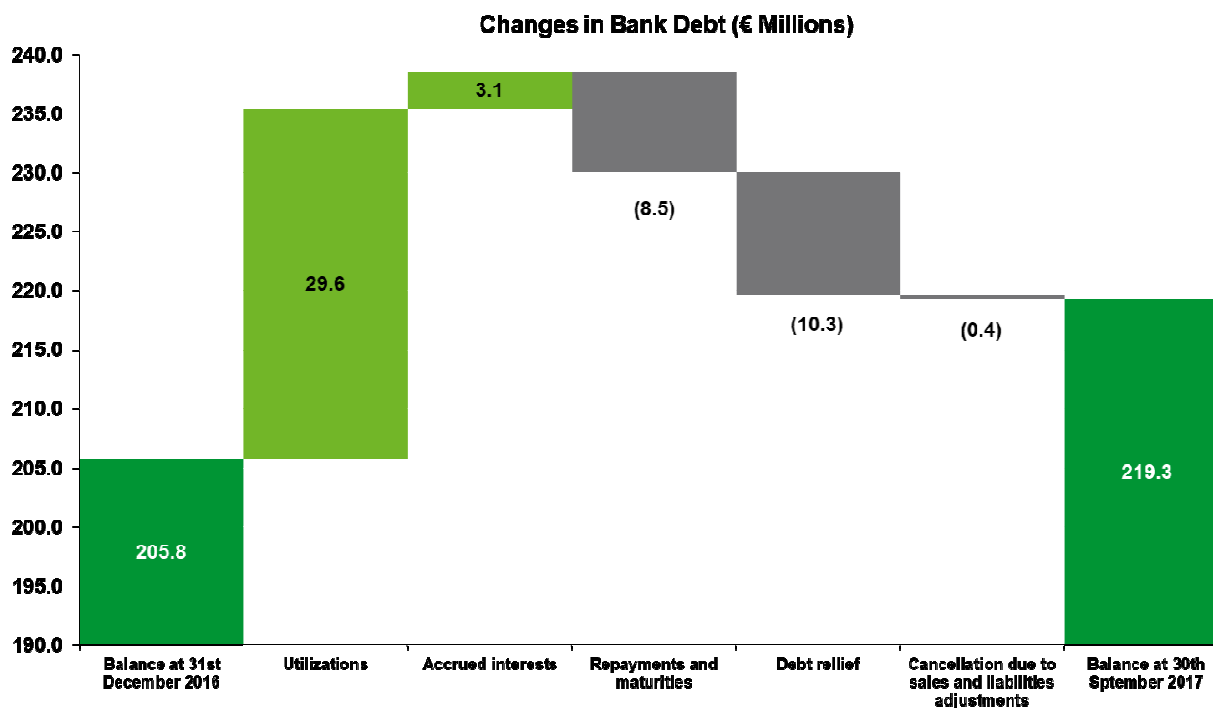
LIABILITIES. BANK DEBT

Structure of bank debt:

<i>(Thousands of euros)</i>	30/09/2017	31/12/2016	Variation
Non-current bank borrowings	13,530	13,784	(1.8%)
Current bank borrowings	205,780	192,000	7.2%
TOTAL GROSS DEBT	219,310	205,784	6.6%
Cash and cash equivalents	(4,600)	(4,854)	(5.2%)
TOTAL NET DEBT (*)	214,710	200,930	6.9%

() See note on Alternative Performance Measures at the end of this Interim Report.*

Changes in bank debt up to September 30th, 2017:



Utilizations

- Utilizations of developer and land loans and the lines of credit granted by funds advised by Avenue. The utilizations of the latter mentioned at September 30th of 2017, came up with a total of €24.2M.

Repayments and maturities

- €7.2M prepayment made to SAREB associated with the capital increase carried out in Q1.
- €0.4M interest payment on novated debt.
- Maturities of €0.9M associated with the financing of a property investment.

Debt relief

- €10.0M of principal and interest by SAREB associated with the prepayment made.
- €0.3M associated with commercial agreements and debt renegotiations.

Cancellation due to sales and liabilities adjustments

- €0.3M of debt associated with the sale of stock and deeds of assignment in payment for cancellation of debt with a financial institution.
- €0.1M associated with liabilities adjustments at fair value.

Accrued interest

- €1.9M in this amount corresponds to interest that will be gradually written off insofar as the payments included in the maturity schedules are produced.

Structure of bank debt at September 30th, 2017

(Thousands of euros)

Year of maturity	2017	2018	2019	2020 and thereafter	Total
Debt with limited recourse	30,595	-	-	-	30,595
Debt relief associated with payments schedule	109	1,227	3,599	43,556	48,491
Debt cancellation on asset sales	4,998	7,953	22,769	4,496	40,216
Debt payable in cash	810	2,620	7,614	88,965	100,009
Total bank debt	36,512	11,800	33,982	137,017	219,311

- *Debt with limited recourse:* Debt which can be cancelled against collateral guarantees (assets with a total net book value of €41,888K).
- *Debt relief associated with payments schedule:* Agreed debt relief which will be recognized in line with scheduled payments.
- *Debt cancellation on asset sales:* Mortgage debt associated with stock and developments in progress, which will be cancelled when the related assets are sold. This amount includes utilizations of the Avenue line in the amount of €24.8M (€24.2M principal + €0.6M interest).
- *Debt payable in cash:* Some €100,009K of the total bank borrowings of €219,311K carried on the balance sheet are payable in cash. Debt payments scheduled for 2020 and thereafter are centred in 2022 (€60,659K). This amount consists mainly of SAREB debt, as shown in the following payments schedule (comparison with December 31st, 2016 after prepayment made in Q1).

Maturity	30/06/2017 (Thousands of euros)	31/12/2016 (Thousands of euros)
31 July 2017	-	500
31 July 2018	1,909	5,000
31 July 2019	7,000	7,000
31 July 2020	10,000	10,000
31 July 2021	15,000	15,000
31 July 2022	60,659	64,250
TOTAL	94,568	101,750

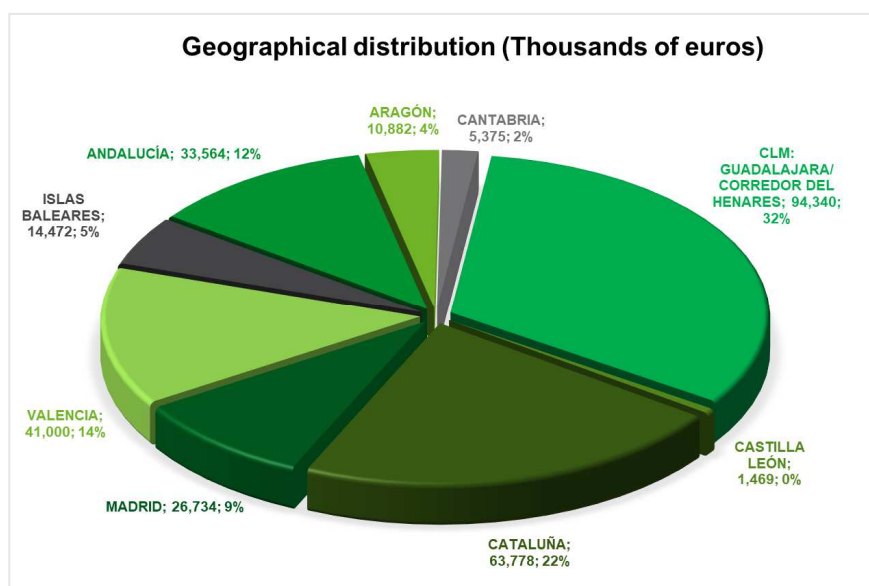
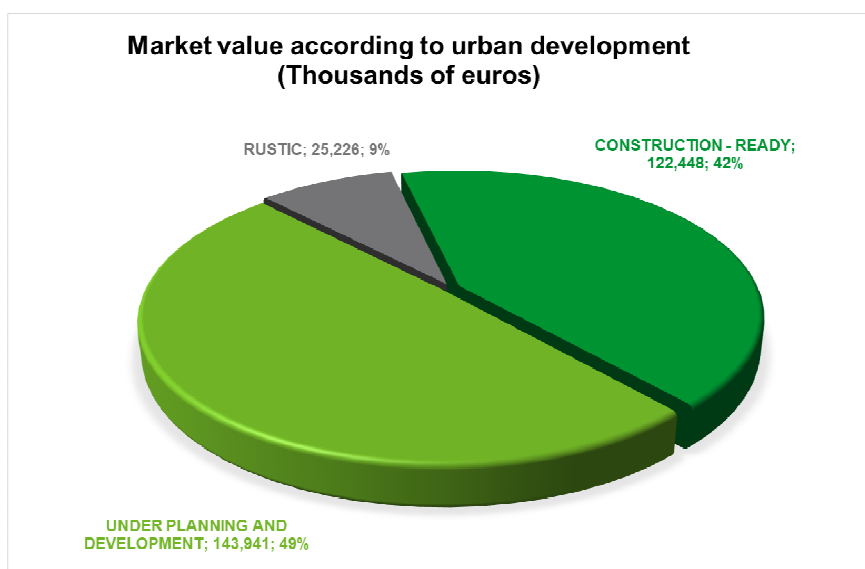
1.4. Business areas

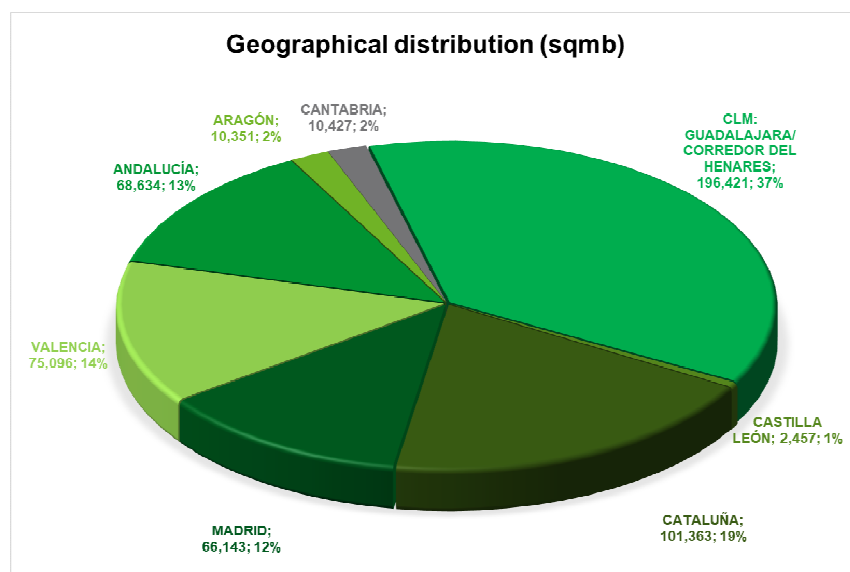
1.4.1.- Land management

Land portfolio

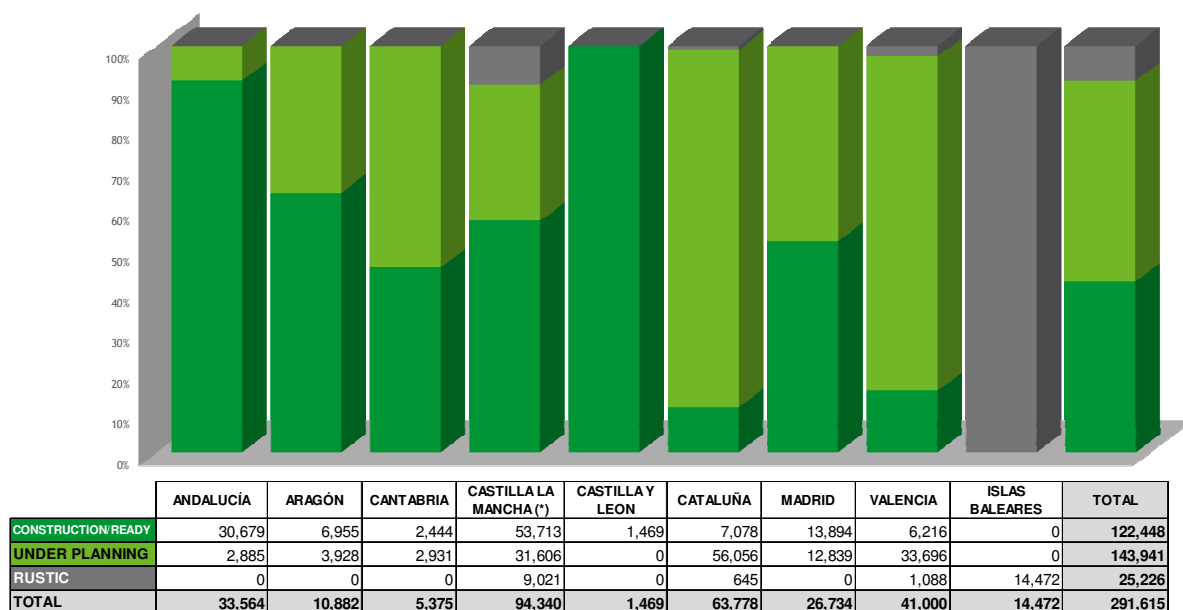
The Group arranges for independent appraisals at least once per year to verify the market value of land. The portfolio of property assets held by Quabit Inmobiliaria, S.A. and its subsidiaries at December 31st, 2016 was valued by BDO Auditores S.L.P. (“BDO”).

Measuring assets owned by affiliates in terms of both square meters and monetary value based on the percentage interests held in each of the investee entities concerned, the land portfolio held by the Company and its group at September 30th, 2017 totaled 0.53 million sqmb land plus 5.3 million square meters of undeveloped land with a total value of €291.62M based on the aforementioned BDO appraisal at December 31st, 2016. For the new incorporations to this portfolio during 2017, acquisition price was considered as market value. As shown in the following charts, the land portfolio is diversified in terms of geographical location, and it is largely made up of planning and development land and developed land:





**Land portfolio by geographical distribution and urban development
(Thousands of euros)**

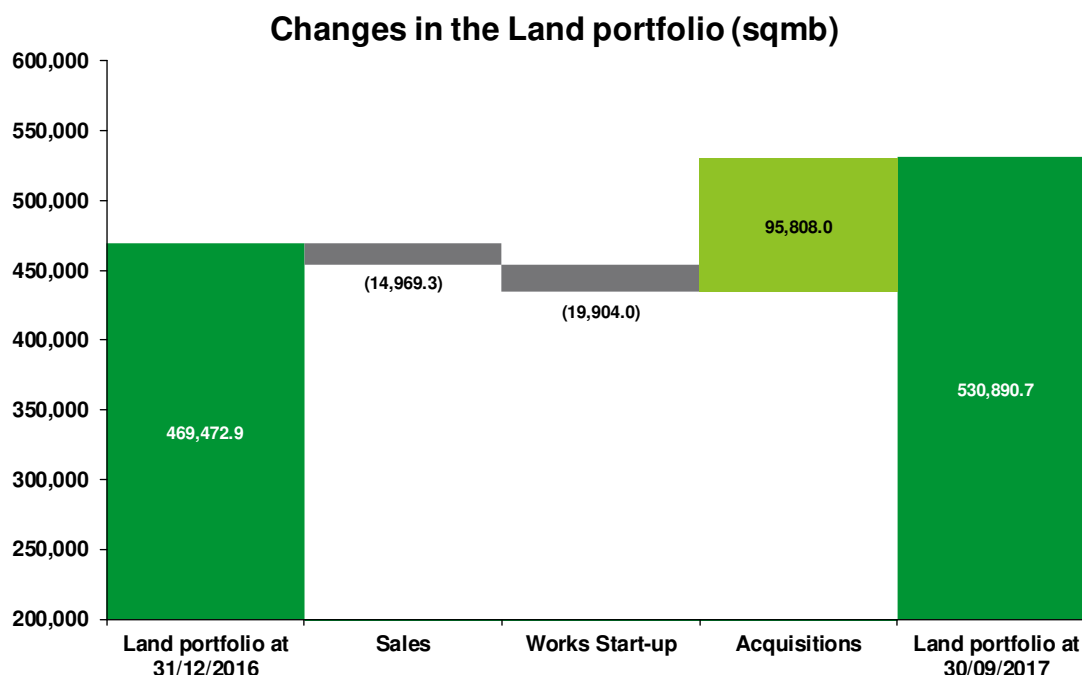


(*) Guadalajara y Corredor del Henares

In addition to the portfolio of landholdings, the Group also holds rights over land at different stages of the planning process. The following table summarizes the situation and market value of these land rights at September 30th, 2017:

Ítem	(Millions of euros)
Land mortgaged to the Company or Group entities to secure debts	39.7
Unassigned planning rights	3.7
Use rights in exchange for development works	11.5
Total land rights	54.9

Changes in the land portfolio



Sales

Quabit sold industrial building land plots located in the Llevant Sector of Polinyà, Barcelona, comprised of 11,242 sqmb; and made a repossession operation entered with a financial institution for a residential use plot situated in the SNP Sector of Remate las Cañas, Guadalajara, comprised of 2,689 sqmb. Additionally, the Quabit Group sold 2.4% of its shares in the company Mediterranea de Actuaciones Integradas, S.L. The combination of these operations represents a decrease of €7.0M from the land portfolio market value.

Works start-up

During the year 2017, work licenses were awarded for construction at the following land plots: Sant Feliu de Llobregat (Barcelona), the C1 SP04 Las Cañas (Guadalajara), Las Lomas (Boadilla del Monte. Madrid) and Casares (Malaga). Construction work has begun on these four developments, as a result of which the lands' market value of €19.9M have been transferred to work in progress and the plot has been removed from the portfolio of developed land.

Investments. Land acquisitions

Up to September 30th, 2017, the Quabit Group has concluded agreements for land purchases in Madrid, Corredor del Henares, Guadalajara, Baleares and Costa del sol.

Total investment costs for these land plots are €149,6M. The situation of these plots is detailed in the following table, distinguishing those already deeded, and therefore included in the land portfolio reflected in the above charts, and those only having a private purchase agreement signed and a deposit paid, and therefore not included in said portfolio.

Town (Province)	Building land (sqmb)	Estimated number of houses (units)	Estimated revenue (€ M)	Situation
Guadalajara (Guadalajara)	7,898	64	12.7	Deeded/In portfolio
Guadalajara (Guadalajara)	23,400	199	29.7	Deeded/In portfolio
Alovera (Guadalajara)	9,665	76	14.7	Deeded/In portfolio
Alovera (Guadalajara)	4,680	24	5.8	Deeded/In portfolio
Málaga (Málaga)	25,894	251	46.8	Deeded/In portfolio
Estepona (Málaga)	12,991	119	16.2	Deeded/In portfolio
Benahavis (Málaga)	11,281	75	27.0	Deeded/In portfolio
Guadalajara (Guadalajara)	7,278	70	9.0	Private agreement
Estepona (Málaga)	2,500	25	14.0	Private agreement
Madrid (Madrid)	32,490	281	61.4	Private agreement
Casares (Málaga)	7,614	49	13.1	Private agreement
Málaga (Málaga)	3,651	36	7.5	Private agreement
Málaga (Málaga)	13,638	130	24.5	Private agreement
Málaga (Málaga)	3,770	28	6.9	Private agreement
Mijas (Málaga)	9,556	77	15.1	Private agreement
Marbella (Málaga)	5,977	42	26.0	Private agreement
Estepona (Málaga)	5,616	62	13.2	Private agreement
Mijas (Málaga)	79,318	672	140.3	Private agreement
Es Mercadal (Menorca)	69,340	277	113.2	Private agreement
Alovera (Guadalajara)	131,274	970	182.8	Private agreement
Total	467,831	3,527	779.8	

Lands that are pending of their deed and integration in the land portfolio amounts a total of 372,022 sqmb.

1.4.2.- Residential developments

Changes in the stock of finished houses

The process of liquidating the Group's stock of finished houses continued apace in 2016, when a total of 234 units were delivered, resulting in a stock of finished product comprising 19 houses at December 31st, 2016.

Two houses were delivered up to September 30th, 2017, resulting in a stock of 17 units at this date. Two of those 17 units has purchase agreements signed.

Ongoing developments

Development	House units		Pre-sold housing units at 30/09/2017 (1)	Pre-sales revenues (€ K) (2)	Total development revenue (€ K)	Situation
	Total development	In Marketing				
Quabit Las Lomas MADRID	12	12	10	12,201	14,749	Works started
Quabit Sant Feliu BARCELONA	63	63	55	15,702	18,525	Works started
Quabit Casares Golf Fases 1 y 2 MÁLAGA	87	58	32	7,462	23,792	Works started Phase 1
Quabit Las Cañas GUADALAJARA	24	24	19	4,970	6,447	Works started
Quabit Aguas Vivas Fase 1 V.P. GUADALAJARA	116	116	104	12,918	15,321	Works started
Quabit Torrejón V.P. Fases 1, 2 y 3 MADRID	114	51	24	2,820	16,528	Commercialization Phases 1 & 2
Quabit La Peñuela Fases 1, 2 y 3 MADRID	93	11	6	1,140	18,355	Commercialization Phases 1 & 2
Los Caprichos de Quabit Las Suertes CORREDOR DEL HENARES	24	8	2	487	5,850	Commercialization
Parque Residencial de Quabit Las Suertes CORREDOR DEL HENARES	76	39	11	1,758	14,025	Commercialization
Quabit Style GUADALAJARA	64	64	11	2,534	12,716	Commercialization
Quabit Aguas Vivas Fase 2 V.P. GUADALAJARA	200	100	47	6,495	29,520	Commercialization
Quabit Altair MALAGA	33	-	-	-	8,726	Commercialization just started
Quabit Hacienda de la Torre Fases 1, 2 y 3 MALAGA	209	118	6	1,168	38,140	Commercialization Phase 1
Quabit Los pedregales Fases 1, 2 y 3 MALAGA	144	144	-	-	25,357	Commercialization just started Phase 1
Quabit El Cañaveral V.P. Fases 1, 2 y 3 MADRID	208	102	8	1,781	39,800	Commercialization Phase 1
Quabit Las Quintas del Cañaveral V.P. Fases 1, 2 y 3 MADRID	77	34	-	-	21,630	Commercialization just started Phase 1
Quabit Riverside MALAGA	75	15	7	2,159	27,074	Commercialization
Quabit Collection ZARAGOZA	36	36	1	223	10,875	Commercialization
TOTAL	1,655	995	343	73,818	347,430	

(1) Pre-sales = Reservations + purchase agreements
(2) Total sale price of pre-sold units

The Quabit Group placed 5 residential housing developments comprising 302 units on the market in 2016.

These new developments are: Quabit Aguas Vivas (subsidized housing in Guadalajara); Quabit Las Lomas (luxury detached family homes in Boadilla del Monte, Madrid); Quabit Las Cañas (terraced family homes in Guadalajara); Quabit Sant Feliu (apartments in Sant Feliu de Llobregat, Barcelona) and Quabit Casares Golf (apartments in two phases Casares Green golf course in Casares, Malaga).

During the year 2016, Grupo Quabit put on the market 5 promotions of residential housing that add up to a total of 302 units.

These new promotions are: Quabit Aguas Vivas (subsidized housing in Guadalajara), Quabit Las Lomas ((luxury detached family homes in Boadilla del Monte, Madrid), Quabit Las Cañas (terraced family homes in Guadalajara), Quabit Sant Feliu (apartments in Sant Feliu de Llobregat, Barcelona) and Quabit Casares Golf (apartments in two phases Casares Green golf course in Casares, Malaga).

During last quarter of 2016 and the elapsed of 2017 the construction works of these five developments have begun.

Throughout 2017, the Quabit Group placed 13 new developments on the market, totalling 1,353 units with an estimated revenue of €268.6M. These new developments are: Quabit Torrejón V.P. (subsidized housing in Torrejón de Velasco, Madrid), Quabit La Peñuela (terraced family homes in Torrejón de Velasco, Madrid), Quabit Los Caprichos (terraced family homes Alovera, Guadalajara), Quabit Parque Residencial (subsidized apartments in Alovera, Guadalajara), Quabit Style, (luxury apartments in Guadalajara), Quabit Aguas Vivas V.P. 2 (subsidized housing in Guadalajara, second phase of Quabit Aguas Vivas V.P.), Quabit Altair (family homes in Puerto De La Torre, Malaga), Quabit Hacienda De La Torre (block housing in Puerto De La Torre, Malaga), Quabit Los Pedregales (block housing in Estepona), Quabit El Cañaveral VP (subsidized block housing in El Cañaveral, Madrid), Quabit Las Quintas of El Cañaveral (subsidized family homes in El Cañaveral, Madrid), Quabit Collection (lofts and block housing in Zaragoza) and Quabit Riverside (housing in Benahavís, Málaga).

Product typology includes housing from €89K to €1.3M; from protected housing to luxury residences; and from first residence in Madrid, Guadalajara, Corredor del Henares or Barcelona, to houses in Costa del Sol. All of them has agreements to finance costs of developments.

With this, the Quabit Group's development portfolio, at the date of publication of this statement, comprises a total of 1,655 units with an estimated revenue of €347.4M, that will be reflected on P&L account as the housing units are sold.

Pre-sales portfolio

The Quabit Group's pre-sales portfolio (total reservations and purchase agreements for homes marketing at a given date), comprising both stocks of finished product and new developments, changed as follows in Q3 2017.

Pre-sales portfolio at 31 December 2016	159
Net pre-sales for the period	188
Deeds for the period	(2)
Pre-sales portfolio at 30 September 2017	345

Finished Q3 period, 343 of the 345 house purchase commitments existing at September 30th, 2017 refer to developments placed on market during 2016 and 2017, while the 2 units remaining belong to the finished products stock.

The total sale price of these pre-sold 345 units is €74,262K, which 172 are reserved and 173 with a signed contract.



Quabit Las Lomas. Boadilla del Monte, Madrid - 12 luxury family houses



Quabit Las Cañas. Guadalajara - 24 family houses



Quabit Aguas Vivas 1. Guadalajara - 116 units



Quabit Sant Feliu. Barcelona - 63 units



Quabit Casares Golf. Casares, Málaga - 87 units



Los Caprichos. Guadalajara - 24 family homes



Quabit Collection. Zaragoza - 36 units

1.4.3.- Rented property

All revenues earned by the Group on assets in operation consist of rents obtained on the lease of an apartment building in Guadalajara containing 86 residential units and 3 business units. The occupancy rates for residential units was 100% at September 30th, 2017.

1.5. Other information

1.5.1.- Share price

The following table shows key stock performance parameters for the period:

Stock market indices	30/09/2017	30/12/2016	Var. %
Ibex 35	10,381.50	9,352.10	11.01 %
Financial and Property Services	660.46	561.08	17.71 %
Ibex Small Cap	5,718.20	5,006.20	14.22 %

Source: Infobolsa

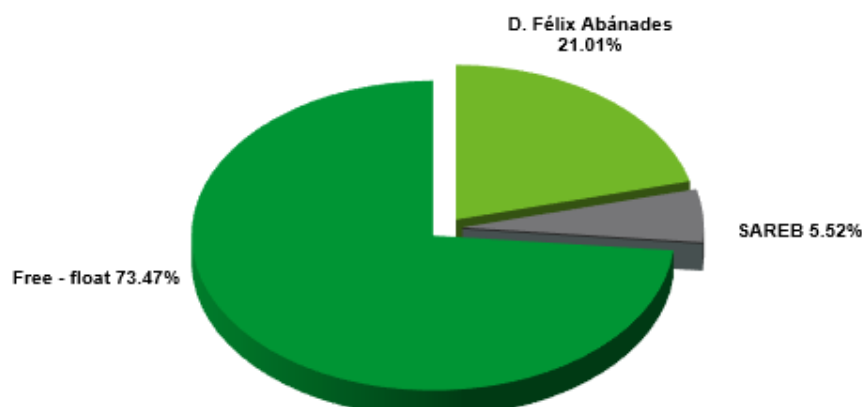
Stock market performance – 30/12/2016 to 30/09/2017	
Closing price at 30/12/2016 (€/share)	1.930
Closing price at 30/06/2017 (€/share)	1.618
% Change	(16.17%)
Closing market capitalization at 30/06/2017 (€)	125,038,521
Max. closing price (€/share)	2.8410
Min. closing price (€/share)	1.6180
Weighted average price (€/share)	2.2460
Average daily trading volume (shares)	745,976
Total shares traded in the period	143,227,401
Average daily trading volume (€)	1,675,816
Total cash trades in the period (€)	321,756,661
Total number of shares at 30/06/2017	77,279,679

The Company's shares are currently listed on the Madrid and Valencia Stock Exchanges.

Source: BME

1.5.2.- Shareholders

The following chart shows the shareholder structure at the date of publication of this interim report:



The percentage shareholdings reflected in the above chart were calculated based on the voting rights held according to the public notices issued by the CNMV Registry of Significant Shareholdings up to the date of publication of this Interim Statement and the total number of voting rights in Quabit Inmobiliaria, S.A. at said date (77,279,679).

Corporate governance bodies

There were no changes in the governing bodies in 2017.

Membership of the governing bodies at September 30th, 2017 was as follows:

Name	Board of Directors	Audit Committee	Appointments and Remuneration Committee
D. Félix Abánades López	Chairman and Chief executive officer	n/a	n/a
D. Jorge Calvet Spinatsch	Vice-chairman and Independent director	Chairman	Member Independent
D. Alberto Pérez Lejonagoitia	Dominical Director	Member Proprietary	Member Proprietary
Dña. Claudia Pickholz	Independent Director	Member Independent	Chairman
D. Miguel Angel Melero Bowen	Secretary (Non- Director)	Secretary (Non- Director)	Secretary (Non- Director)
Dña. Nuria Díaz Sanz	Vice-secretary (Non - Director)	Vice-secretary (Non - Director)	Vice-secretary (Non - Director)

2. EVENTS AFTER THE REPORTING PERIOD

In October 2017, an agreement was signed with one of the entities with which there are resource limitation agreements. With this, debt recorded in Balance Sheet as of September 30th of 2017 for an amount of €12,681K was paid with the delivery of assets valued with the same amount.

NOTE ON ALTERNATIVE PERFORMANCE MEASURES

In addition to the financial information presented, which was prepared in accordance with applicable International Financial Reporting Standards, this Interim Statement also includes certain Alternative Performance Measures (APMs) as defined in the guidelines for Alternative Performance Measures published by the European Securities Markets Authority on 5 October 2015 (ESMA/2015/1057) (the “ESMA Guidelines”), which took effect on 3 July 2016.

The ESMA Guidelines define an APM as “a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.”

The Quabit Group uses certain APMs, which have not been audited, to improve understanding of the Company’s financial performance. The APMs should be read as additional information together with the latest audited financial statements, but they should not under any circumstances be treated as replacing for the financial information prepared under International Financial Reporting Standards. APMs may differ, in terms either of their definition or calculation, from other similar measures calculated by other companies and, therefore, they may not be comparable.

The Company understands that it has properly followed and complied with ESMA recommendations concerning APMs. Following the recommendations contained in the Guidelines, a detail of the APMs used and the reconciliation of certain management indicators with the information presented in the Financial Statements are as follows:

Financial structure ratios		Reconciliation with consolidated financial statements		
		Description	(Thousands of euros)	
			30/09/2017	30/09/2016
EBITDA	Profit/(loss) from operations plus depreciation and amortization	Profit/(loss) from operations	(5,060)	(6,993)
		Depreciation and amortization	1318	53
		EBITDA	(3,742)	(6,940)
Gross debt	Current and non-current bank borrowings		30/09/2017	31/12/2016
		Non-current bank borrowings	13,530	13,784
		Current bank borrowings	205,780	192,000
	Gross debt	219,310	205,784	
Net financial Debt	Gross financial debt minus cash and cash equivalents		30/09/2017	31/12/2016
		Gross debt	219,310	205,784
		Cash and cash equivalents	(4,600)	(4,854)
	Net financial Debt	214,710	200,930	