

COMISIÓN NACIONAL DEL MERCADO DE VALORES

C/ Edison, nº 4
28006 – Madrid

Madrid, February 28, 2020

QUABIT INMOBILIARIA, S.A. (“**Quabit**” or the “**Company**”), in compliance with what is established in the Spanish Stock Market regulation, makes public the following:

INSIDE INFORMATION

In compliance with the provisions of article 17.8 of Regulation (UE) 596/2014 of the European Parliament and of the Council of 16 April 2014, as regards the publication of its results corresponding to the 2019 financial year filed today before market opening, the company publishes simultaneously the presentation to investors attached, which contains inside information for the purposes of article 226 of the Spanish Securities Act (Ley de Mercado de Valores).

The presentation of the company results is attached.

Sincerely,

Miguel Ángel Melero Bowen
Secretary of the Board of Directors



FY 2019 RESULTS

February 28th 2020

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- 1 Highlights
- 2 Macro & Industry Outlook
- 3 Residential Development
- 4 Land Portfolio & Land Management
- 5 Quabit Construcción
- 6 Style Cooperativas
- 7 Financial Statements and Debt
- 8 Valuation & GAV
- 9 Final Remarks
- 10 Annexes

Sales slowdown in 2019 with positive outlook for the new housing market in the medium / long term

883 new home units under WIP during 2019

914 €M est. turnover in home units under development (31.12.19)

2019 Pre-sales: 150 €M. Pre-sales Book at 31.12.19: 334 €M

Sales coverage: 2020 (89%) & 2021 (20%)

2019 FCC⁽¹⁾: 687 units & 2019 FOP⁽¹⁾: 299 units

2019 deliveries: 157 units vs. 500 (low range 2019 target)

Selective land investments: 18 €M⁽²⁾

Internalization of construction activity

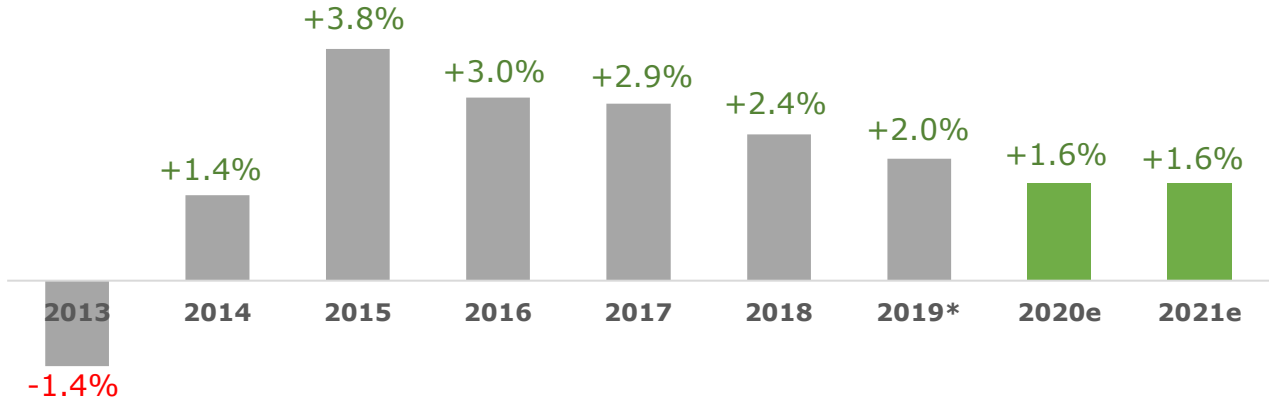
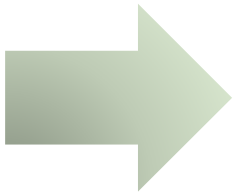
Real Estate Cooperative new business line launched: Style Cooperativas

(1) FCC: Final Construction Certificate. FOP: First Occupancy permit

(2) Includes private contracts pending notarized public deed

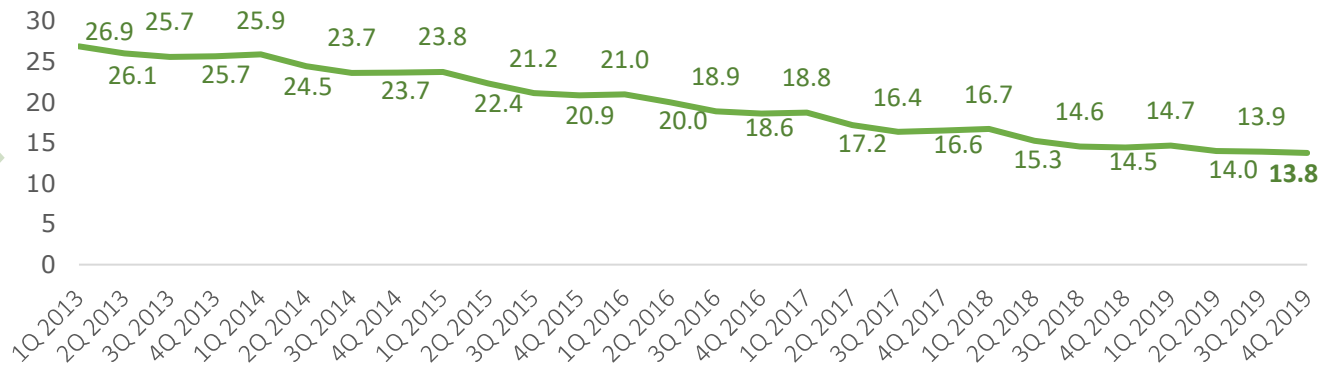
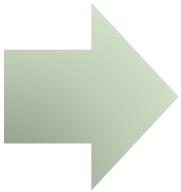
Spain: GDP & employment growth

Spain GDP will grow above 1.5% during next years



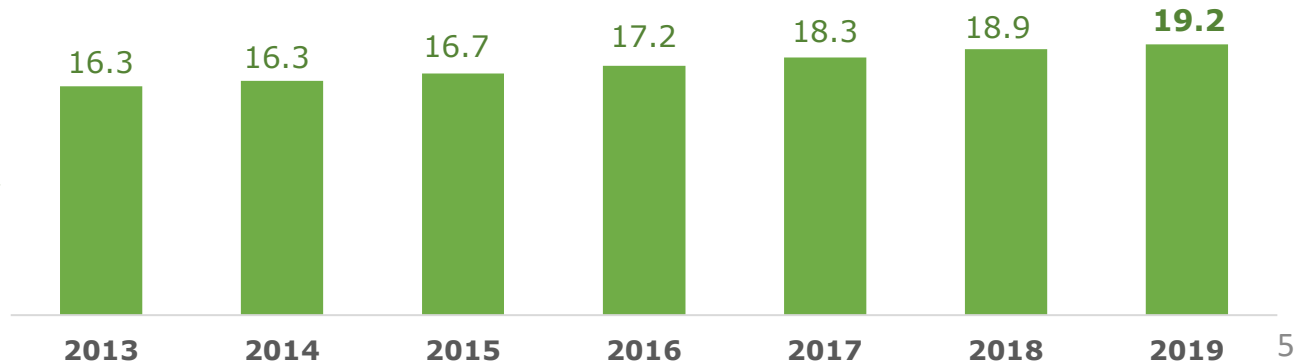
Source: INE (2019 preliminary data) & IMF WEO January 2020 (2020e & 2021e)

Unemployment rate below 14% for first time in 11 years



Source: INE

The number of the Social Security contributors > 19 million (historical maximum at year-end)

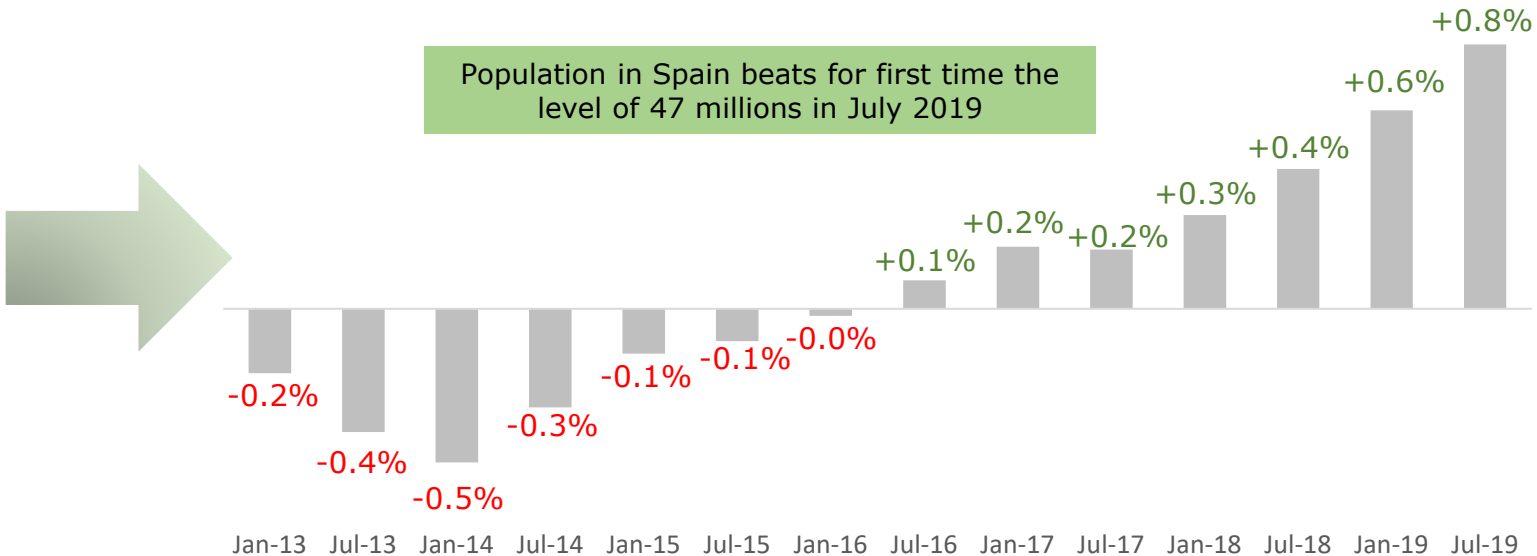


Source: Social Security. Data in millions

Spain: population growth accelerates

Population Growth Rate (12m Jan 2013-Jul 2019)

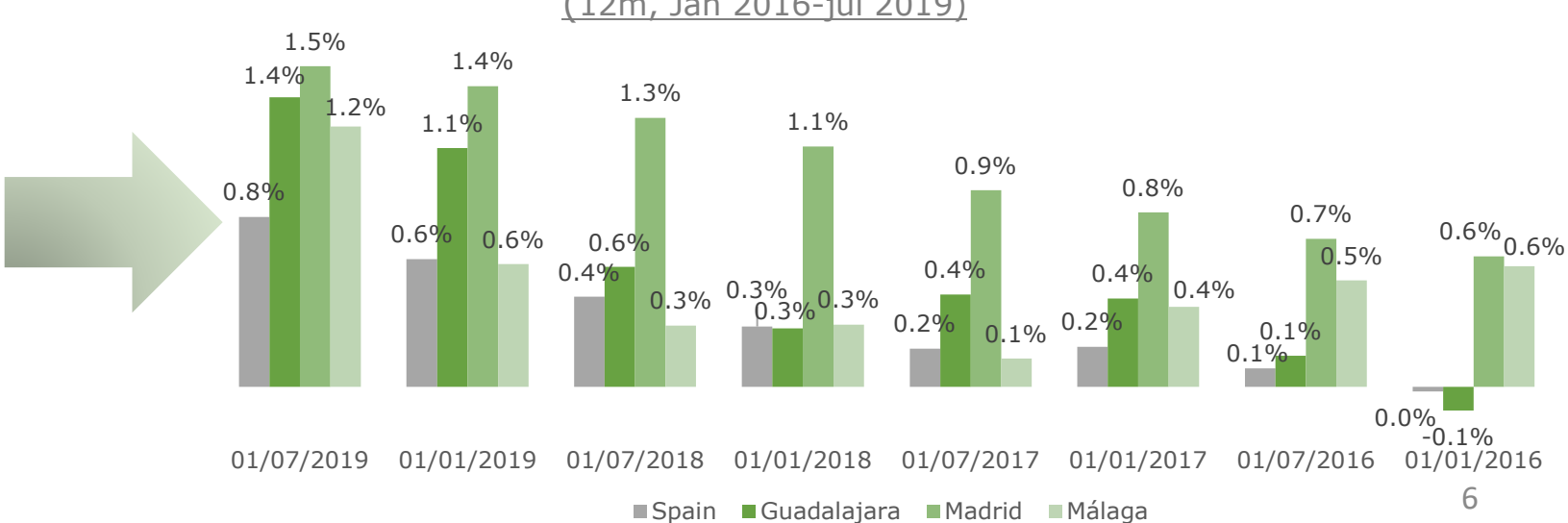
The population grows at the highest rate in 10 years and stands at historical highs...



Source: INE

Population growth rate Spain vs. Quabit main areas (12m, Jan 2016-jul 2019)

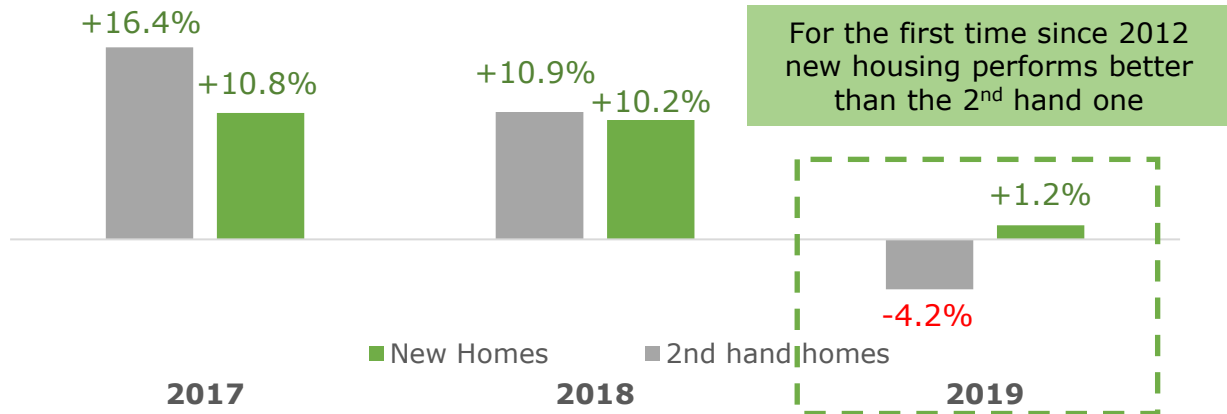
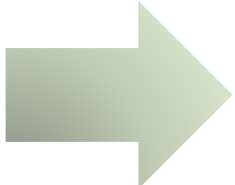
... and the demographic dynamic is clearly better in the main areas of Quabit than in Spain



Source: INE

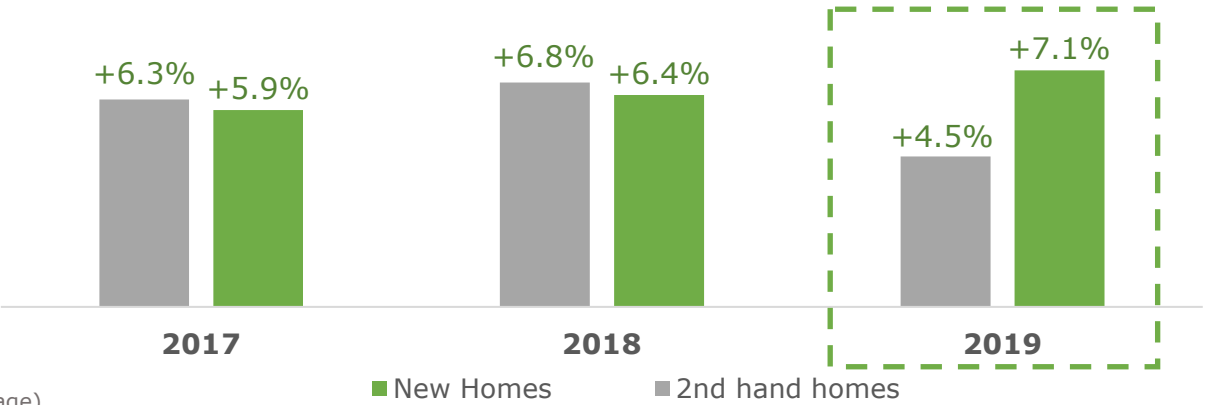
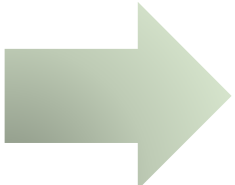
Industry: growth without bubble signals

New home transactions performs better than second-hand transactions...



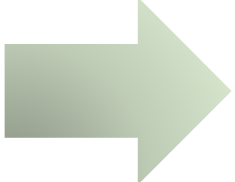
Source: INE

...and prices of new housing grow more than second-hand homes...



Source: INE, average 4 Quarters per year (2019 1,2 & 3Q average)

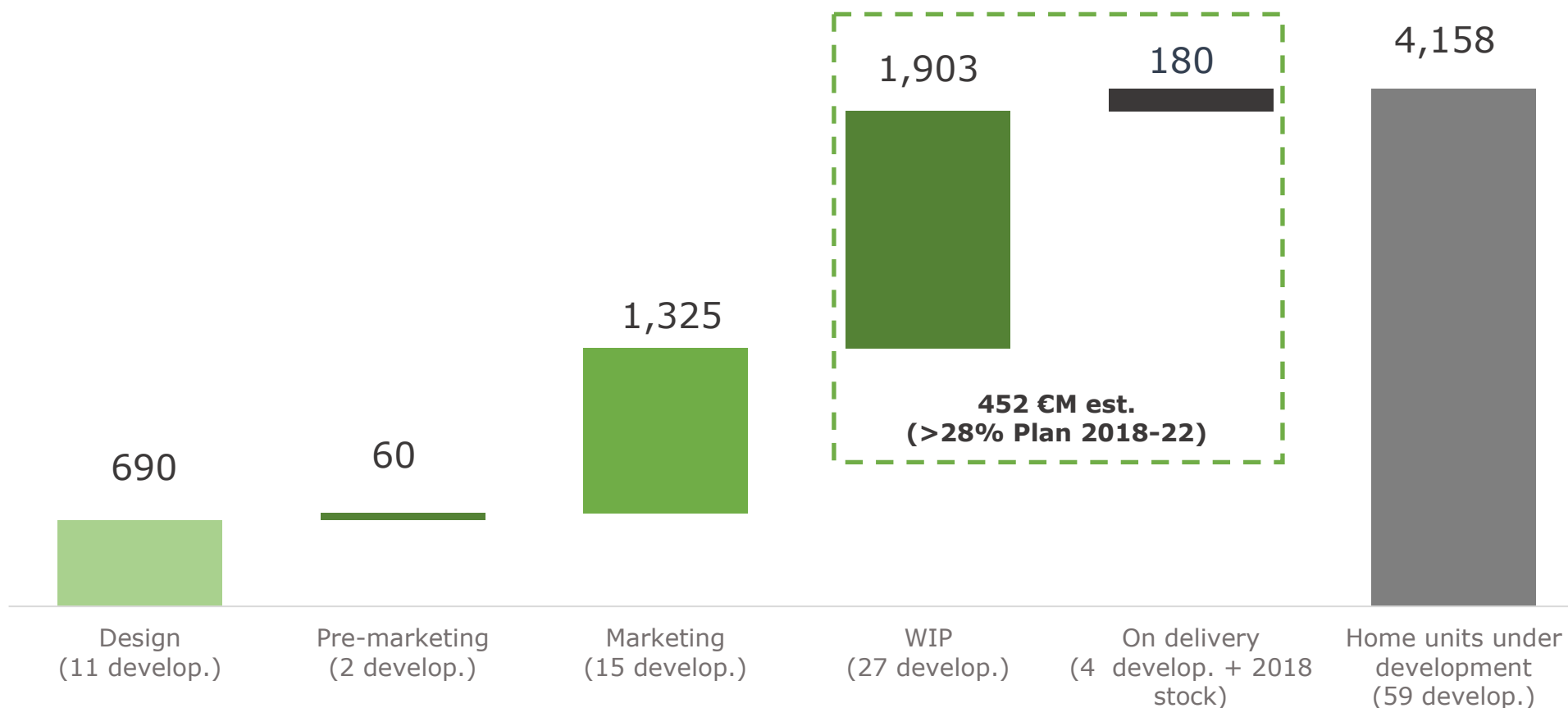
...and the financial effort of families remains at very reasonable levels



Source: Bank of Spain. % gross family income used for the purchase of housing

~ 2,100 WIP / On delivery home units

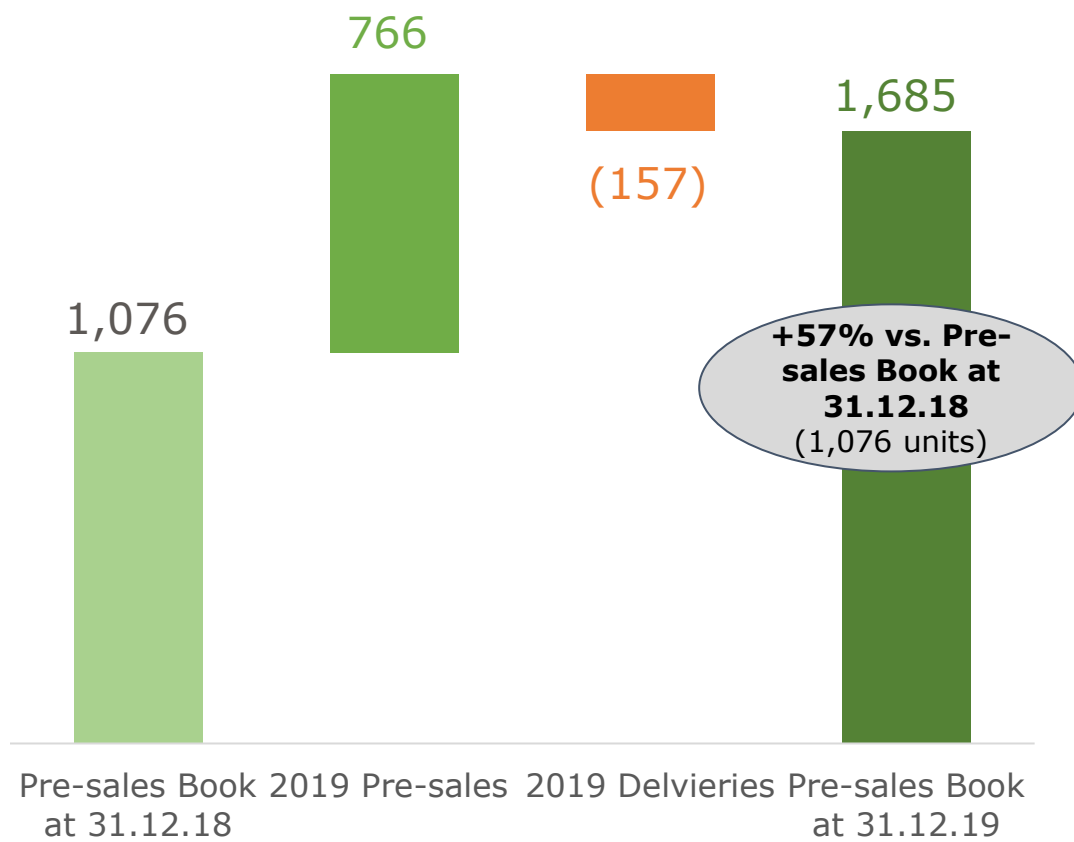
Home units under development by stage at 31.12.19



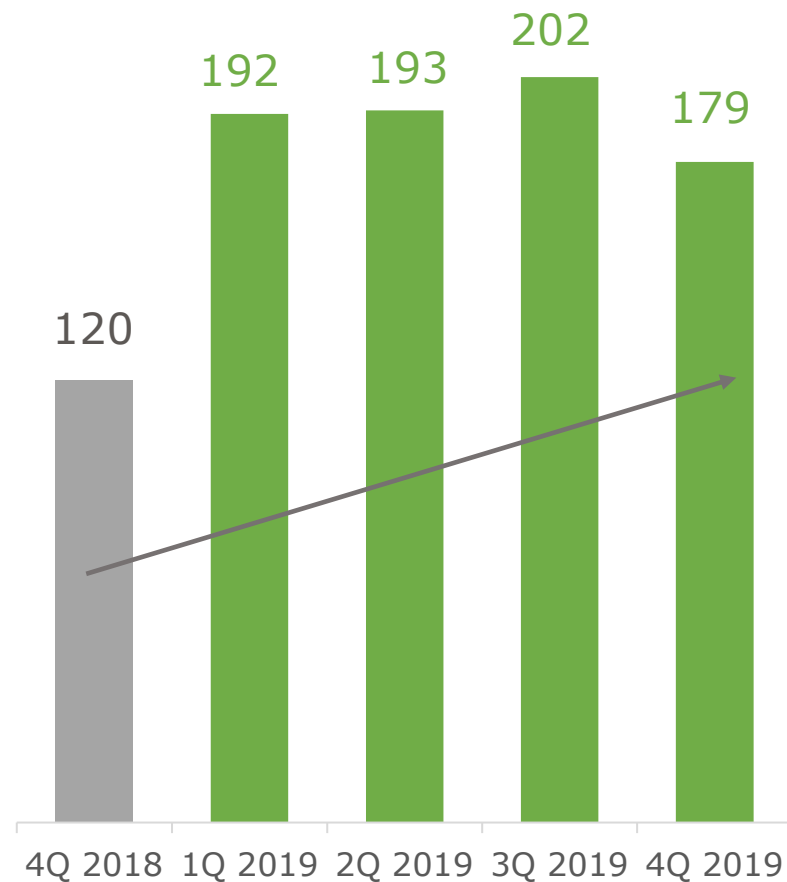
- 883 new home units on WIP during 2019
- 4,158 Home units under development: 914 €M est. turnover

Pre-sales Book: 334 €M & 1,685 home units

Pre-sales Book evolution 2019
(home units)

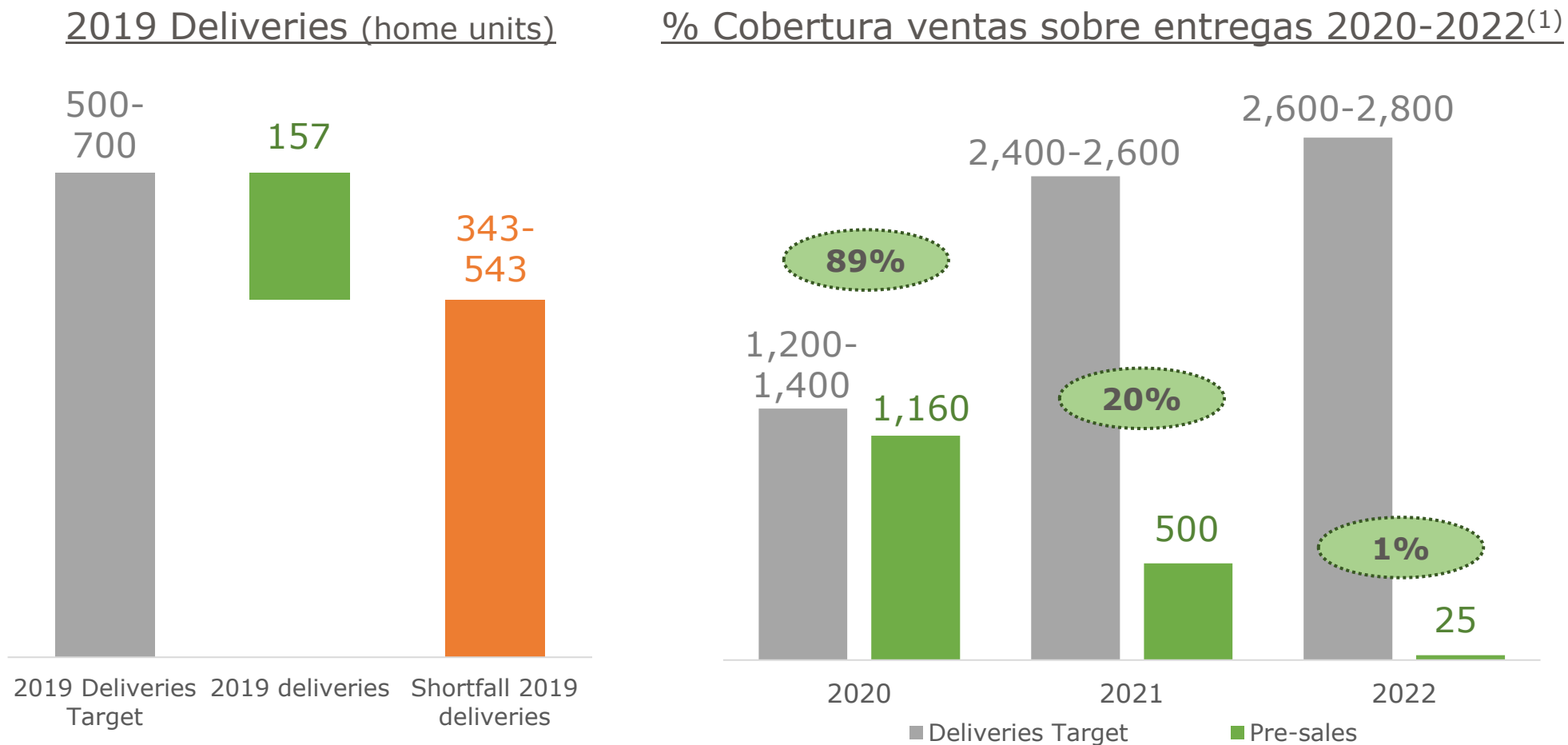


Pre-sales by quarter
(home units)



- Stable pre-sales levels throughout 2019

2019 Deliveries and 2020-2022 Sales Coverage



- 157 homes delivered during 2019, 343 below the low target range, due to the delay in obtaining FOPs and the entry into force of the new mortgage law

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

Next developments to be delivered

Construction progress at 31.12.19

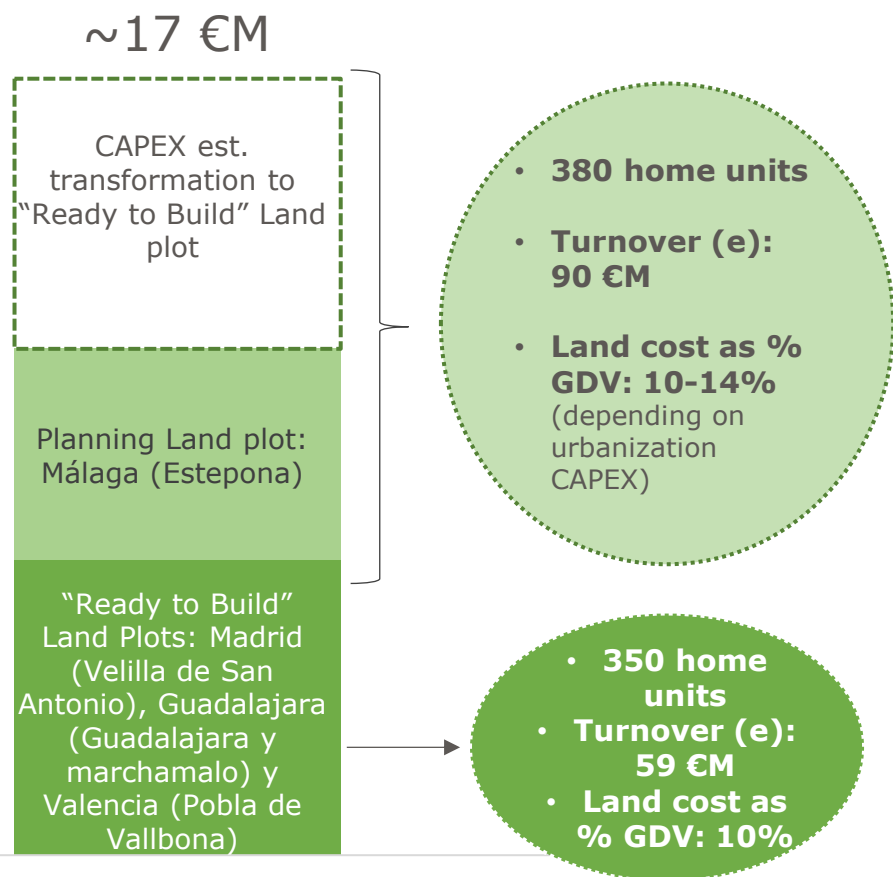
On Delivery	Location	Home units	2019 Deliveries	On Delivery
2018 Stock	Madrid/Barcelona/Corredor del Henares	38	37	1
Casares Golf Fase 1	Málaga (Casares)	29	28	1
Quabit Style	Corredor del Henares (Guadalajara)	64	57	7
Aguas Vivas Fase 2.1	Corredor del Henares (Guadalajara)	130	19	111
Las Suertes Fase 1	Corredor del Henares (Guadalajara)	76	16	60
Total		337	157	180

Pending FCC ⁽¹⁾ &/or FOP ⁽²⁾	Location	Home units	Construction Progress ⁽³⁾	FCC
Torrejón de Velasco Fase 1	Madrid (Torrejón de Velasco)	51	100%	Aug-19
Casares Golf Fase 2	Málaga (Casares)	29	100%	Oct-19
Torrejón de Velasco Fase 2	Madrid (Torrejón de Velasco)	45	100%	Oct-19
Hacienda de la Torre Fase 1	Málaga (Málaga)	50	100%	Oct-19
Quabit Altair	Málaga (Málaga)	32	100%	Oct-19
Casares Golf Fase 3	Málaga (Casares)	29	100%	Nov-19
Aguas Vivas Fase 2.2	Corredor del Henares (Guadalajara)	66	100%	Dec-19
Hacienda de la Torre Fase 2	Málaga (Málaga)	20	100%	Dec-19
Riverside Fase 1	Málaga (Benahavis)	42	100%	Dec-19
Quabit Collection Fase 1	Zaragoza	24	100%	Dec-19
Riverside Fase 2	Málaga (Benahavis)	33	92%	
Hacienda de la Torre Fase 3	Málaga (Málaga)	40	85%	
Los Pedregales 1	Málaga (Estepona)	63	85%	
Quabit Collection Fase 2	Zaragoza	12	84%	
El Lagar	Málaga (Mijas)	79	75%	
Style 2	Corredor del Henares (Guadalajara)	38	58%	
XXI	Corredor del Henares (Guadalajara)	86	48%	
Total		739		

(1) FCC: Final Construction Certificate. (2) FOP: First Occupancy Permit. (3) Construction Progress %: construction progress over expected Final Construction Certificate date. 11

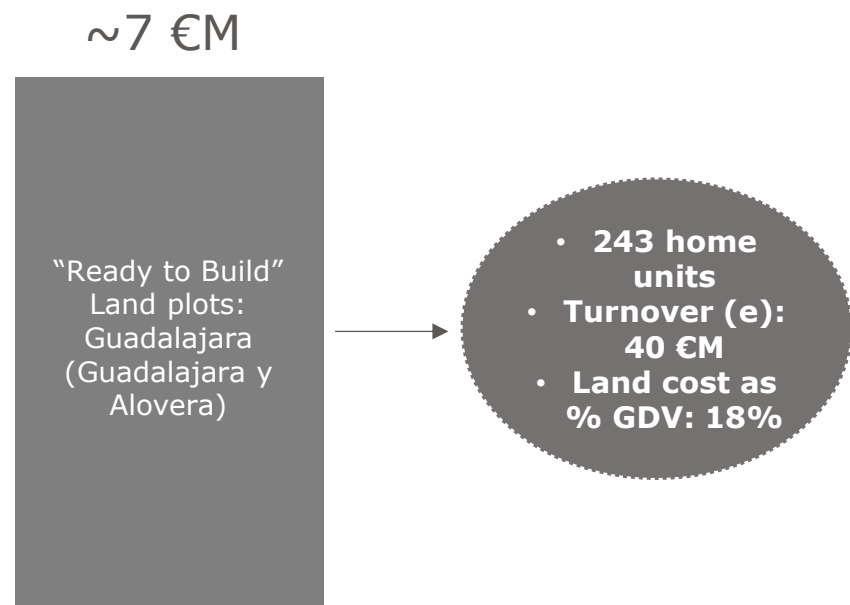
Selective & cautious 2019 land investments

2019 investments with notarized public deed
80,301 bsqm



2019 investments with private contract
25,992 bsqm

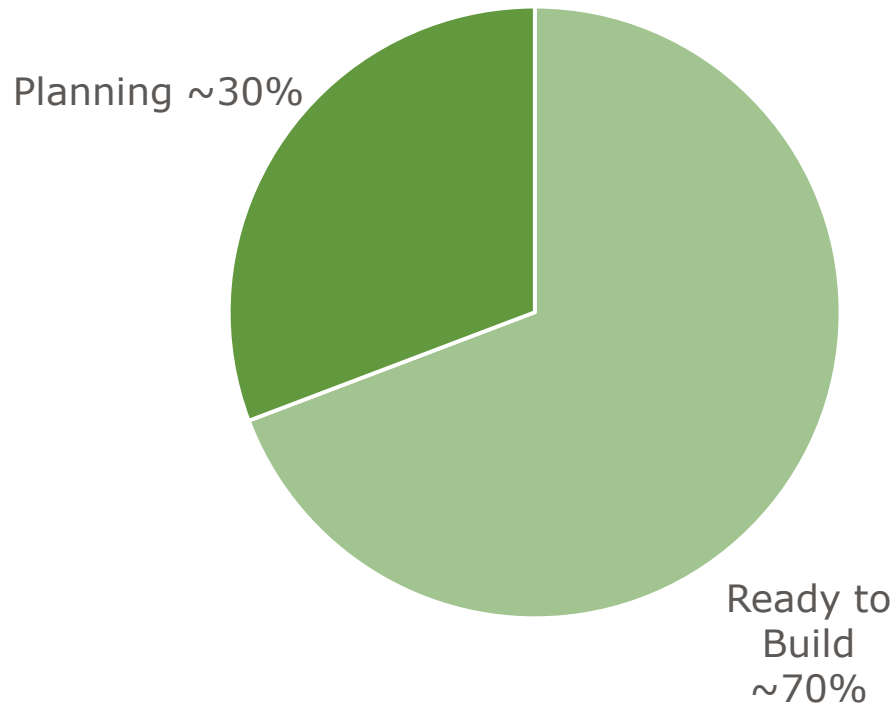
An advance payment of 3.4 €M has been paid in 2019



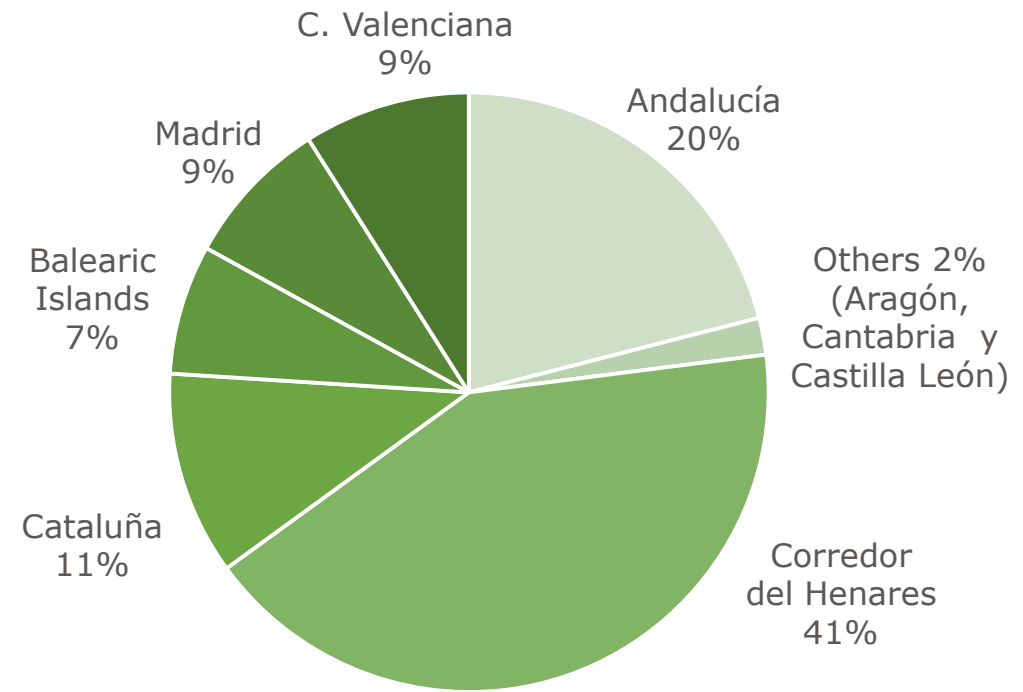
• Additionally, Quabit has bought a building to be refurbished in Guadalajara (60 home units, 10 €M estimated turnover and estimated margin > 20%)

Attractive and diversified Land Portfolio

Land Portfolio⁽¹⁾ status at 31.12.19
808,269 bsqm



Land Portfolio⁽¹⁾ geographic breakdown at 31.12.19
808,269 bsqm



• The land in planning allows its development to obtain "Ready to Build" Land in very competitive conditions

(1) Does not include 62,934 bsqm of land mortgaged as security for Quabit nor 240,372 bsqm WIP nor 25,992 bsqm of private contracts pending notarized public deed nor 5.4 million sqm non buildable land

Internalization of construction activity

Since last October 7th, Quabit Construcción (former Rayet Construcción) has been consolidated in the accounts of the Quabit Group

Main magnitudes Quabit Construction
(individual accounts, from 07.10 to 31.12.19)



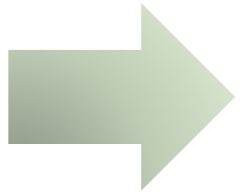
The Order-Book portfolio at 31.12.19 amounts to 55.3 €M

		Euro millions
Gross Margin	→	1.972
Structural Costs	→	0.417
EBIT	→	1.552
Net Income	→	1.415

- At a consolidated level 1.381 €M of the gross margin is blocked until the delivery of the home units

Launch of Style Cooperatives

Last October Quabit launched a new business line focused on the management of Real Estate Cooperatives through Style Cooperatives

- 
- Target: manage 500 home units annually within 3 years
 - Target customer: medium-high purchasing power
 - Management fee: 6-8%



Geographic areas

- North-Madrid (San Sebastián de los Reyes)
- West-Madrid (Boadilla del Monte)
- South-Madrid (Alcorcón, Móstoles y Getafe)
- East-Madrid (Alcalá de Henares, Rivas, Coslada y Torrejón de Ardoz)



Proven experience

- Grupo Rayet and the chairman of Quabit have delivered more than 2,500 home units in a cooperative regime

Style Cooperativas Progress

- > 4,000 registered contacts (until 02.15.2020)
- Launched the first recruitment project for a cooperative (Móstoles)

PyG: Like-for-Like operating growth

Thousand Euros	2019	2018	Change	Like-for-Like change
Turnover	45,128	39,676	14%	14% ↑
Adjusted EBITDA	(16,696)	(19,537)	15%	15% ↑
+ Debt relief + Valuation correction ⁽¹⁾	5,427	(5,769)	193%	
EBITDA	(11,269)	(25,306)	56%	
Financial Results	(5,273)	38,099	(114%)	
Earnings before tax	(18,019)	12,593	(243%)	6% ↑
Net Income	(9,231)	6,779	(236%)	6% ↑
Attributable to the Parent Company	(9,139)	6,815	(234%)	6% ↑
Attributable to Minority Interests	(92)	(36)	(156%)	

- Turnover increase (+14%) due to high price deliveries (Las Lomas: 9 houses in Boadilla del Monte, Madrid: 11 €M)
 - Like-for-Like growth at EBITDA and Net Income level

(1) Adjusted for the debt write-off recorded (2019: 0.5 €M vs. 2018: 10.2 €M), changes in operating provisions (2019: +4.9 €M vs. 2018: -16 €M) and capitalization of tax credits (2019: 8.5 €M vs. 2018: -5.8 €M)

Balance Sheet: debt increase due to higher inventories

Thousand Euros

	31.12.19	31.12.18	Change
Non-Current Assets	94,183	73,349	28%
Current Assets	637,775	507,427	26%
Inventories	551,580	426,525	29%
Others	60,795	56,782	11%
Cash & Other liquid assets	25,400	24,120	5%
Total Assets	731,958	580,776	26%
Equity	285,874	295,818	(3%)
Attributable to the Parent Company	281,071	291,794	(4%)
Attributable to Minority Interests	4,803	4,024	19%
Non-Current Liabilities	29,776	18,218	63%
Financial Debt	13,007	5,945	119%
Others	16,769	12,273	37%
Current Liabilities	416,308	266,740	56%
Financial Debt	311,389	211,749	47%
Others	104,919	54,991	91%
Total Liabilities & Equity	731,958	580,776	26%

Inventories:

- Increase due to investments in Land plots and WIP developments

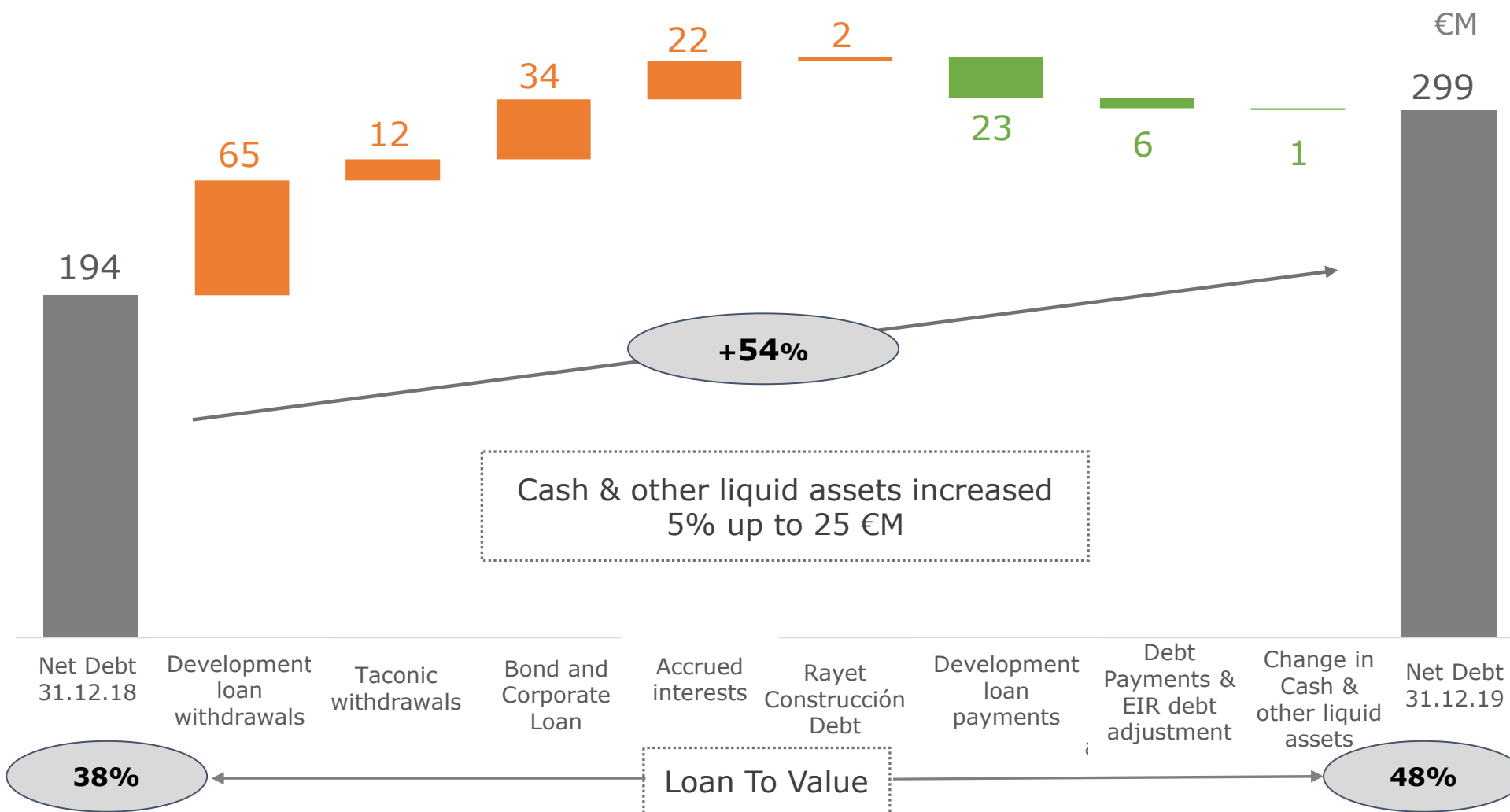
Cash & Other liquid assets:

- Without major changes due to new financing transactions

Financial Debt:

- Increase due to investments in Land plots, development loans withdrawals, capitalization of accrued interest and housing deliveries delays

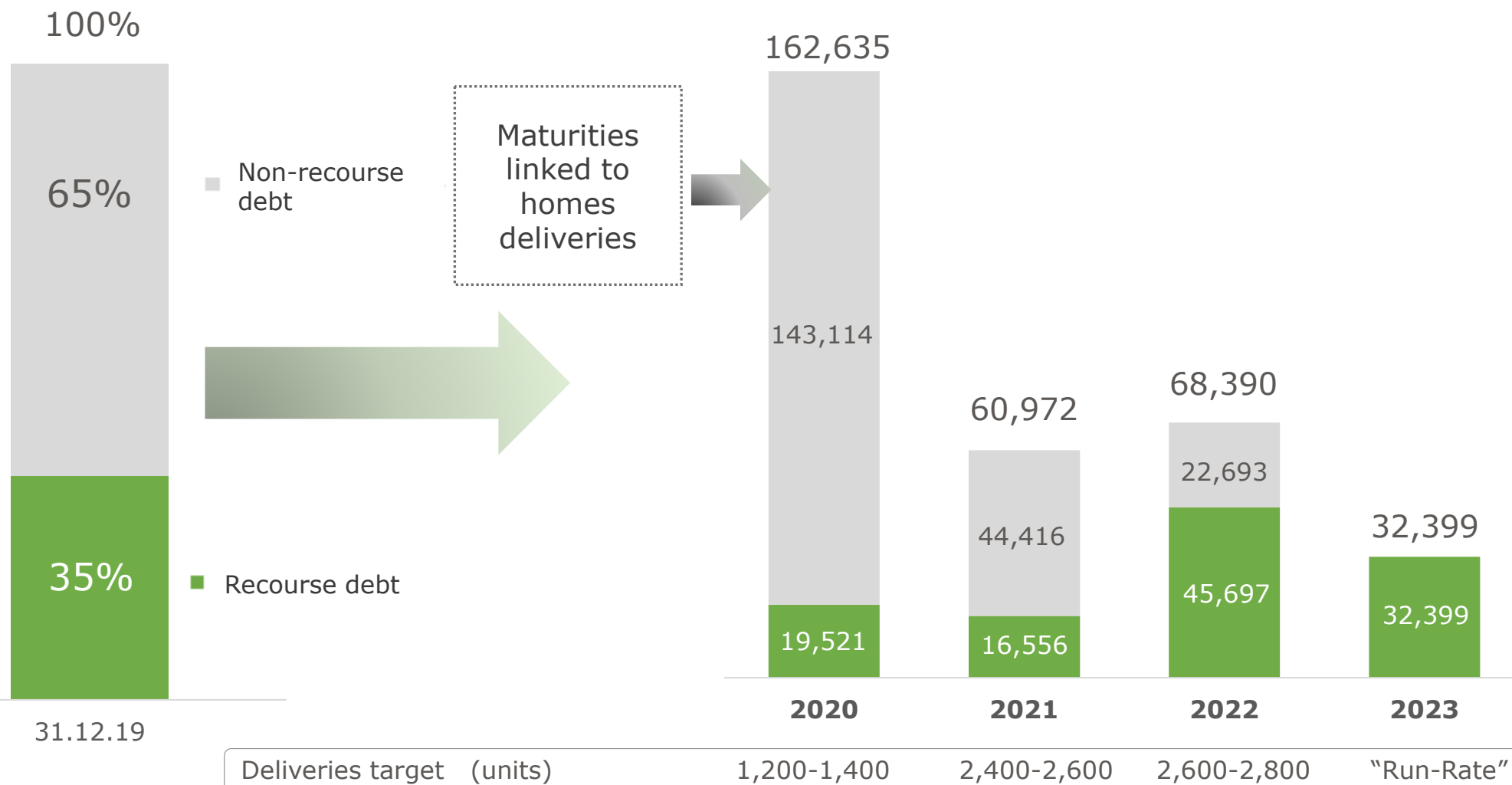
Net Debt: increase due to investment effort and delays in housing deliveries



- 54% net debt increase due to Land&WIP investments & delays in housing deliveries
- LTV will be reduced in 2020 with the beginning of a relevant volume of deliveries

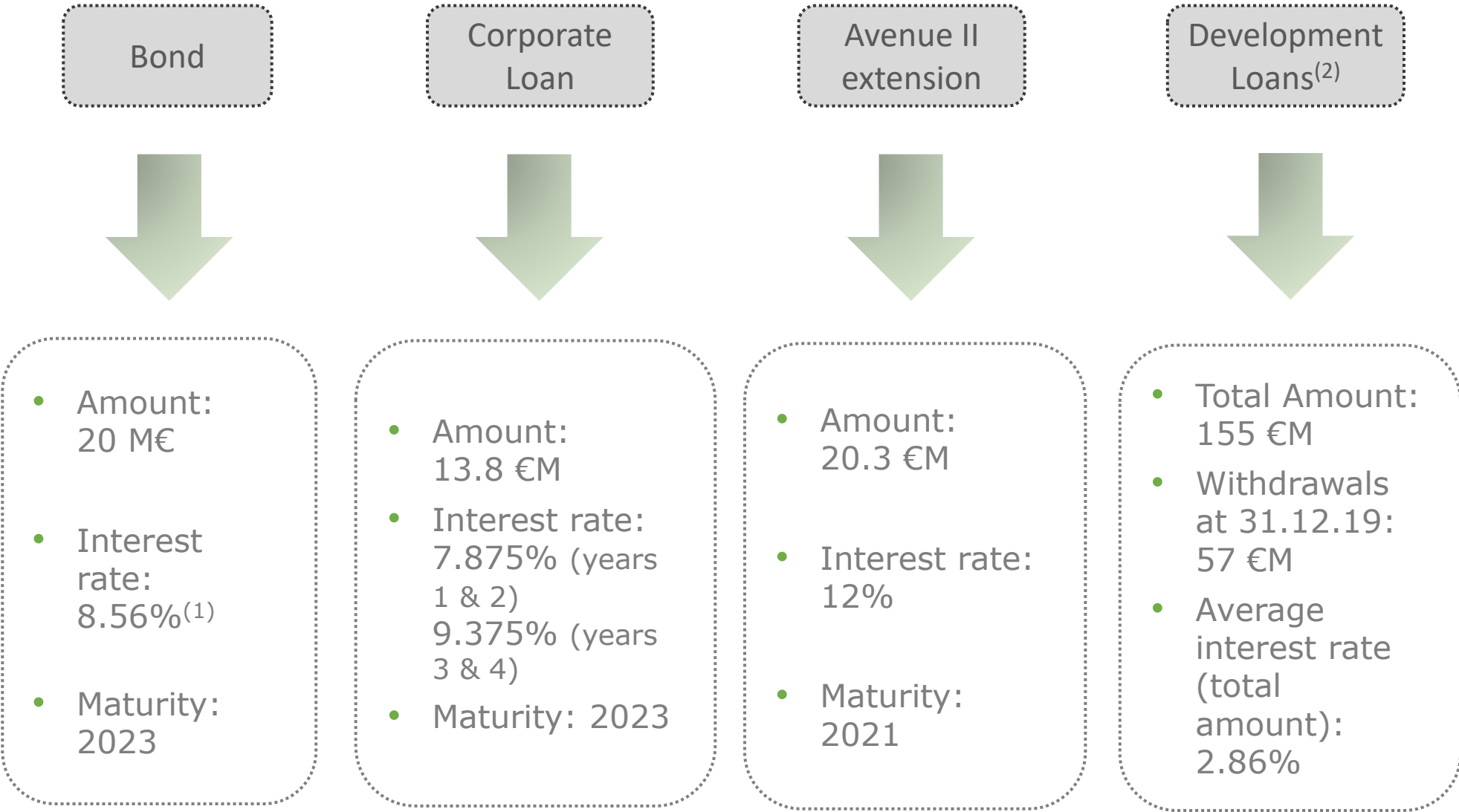
Recourse debt maturities aligned with cash flows generation

Thousand Euros



- 65% gross debt is non-recourse debt
- There are not relevant recourse debt maturities until 2022

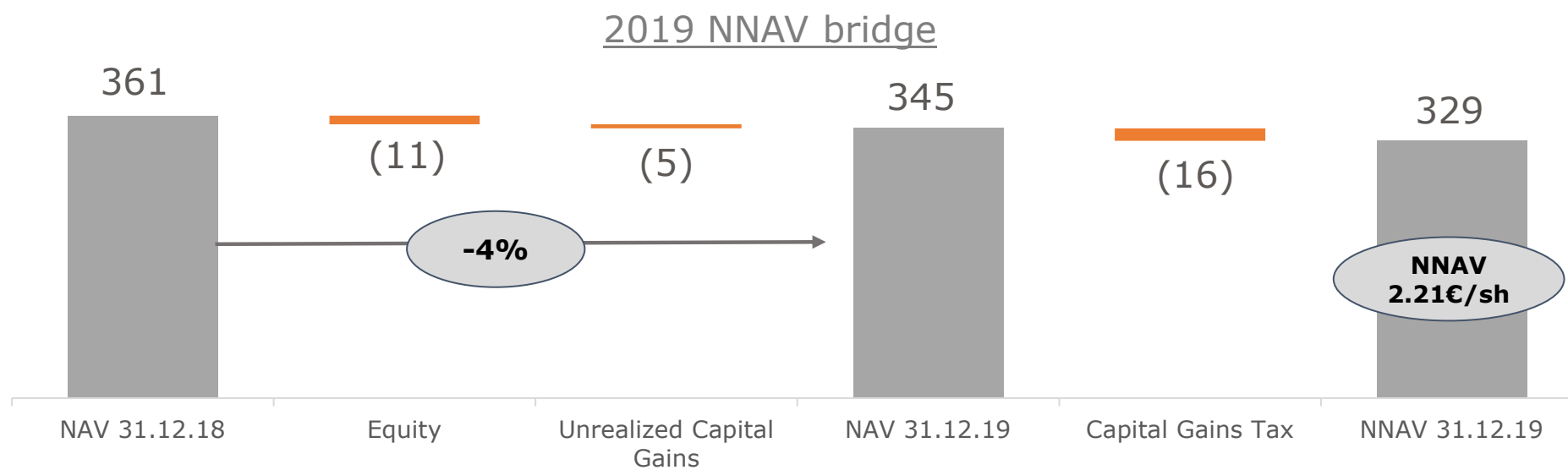
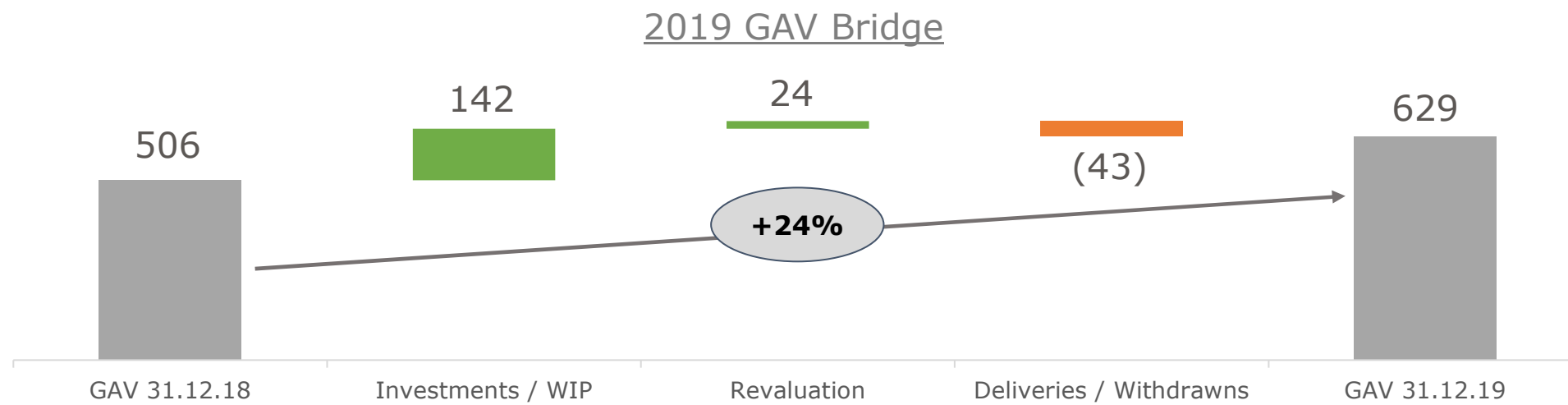
2019 Financing Operations



(1) Bond issued at 99% (annual coupon 8.25%).

(2) Includes total amount of development credit facilities in force at 31.12.19 (not only the facilities signed during 2019).

Attractive valuation: GAV & NNAV at 31.12.19⁽¹⁾

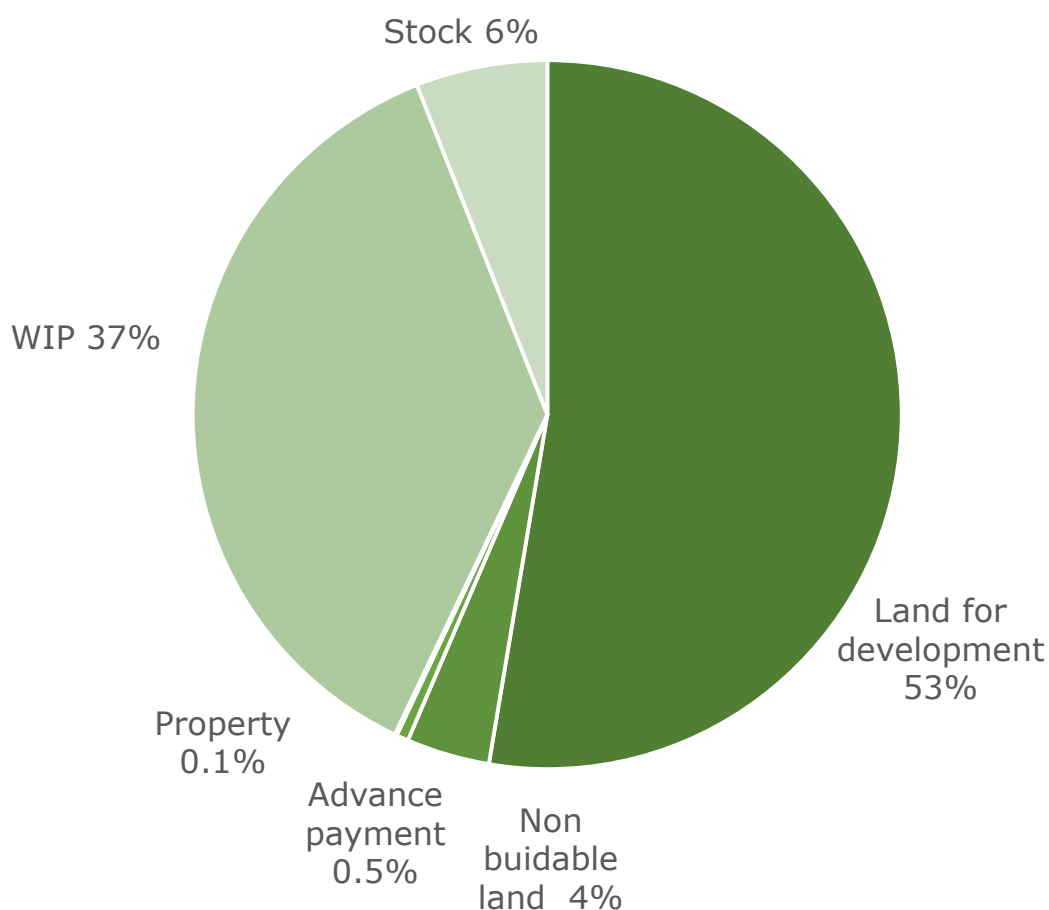


• The stock of Quabit is trading at a discount of more than 55% of its NNAV

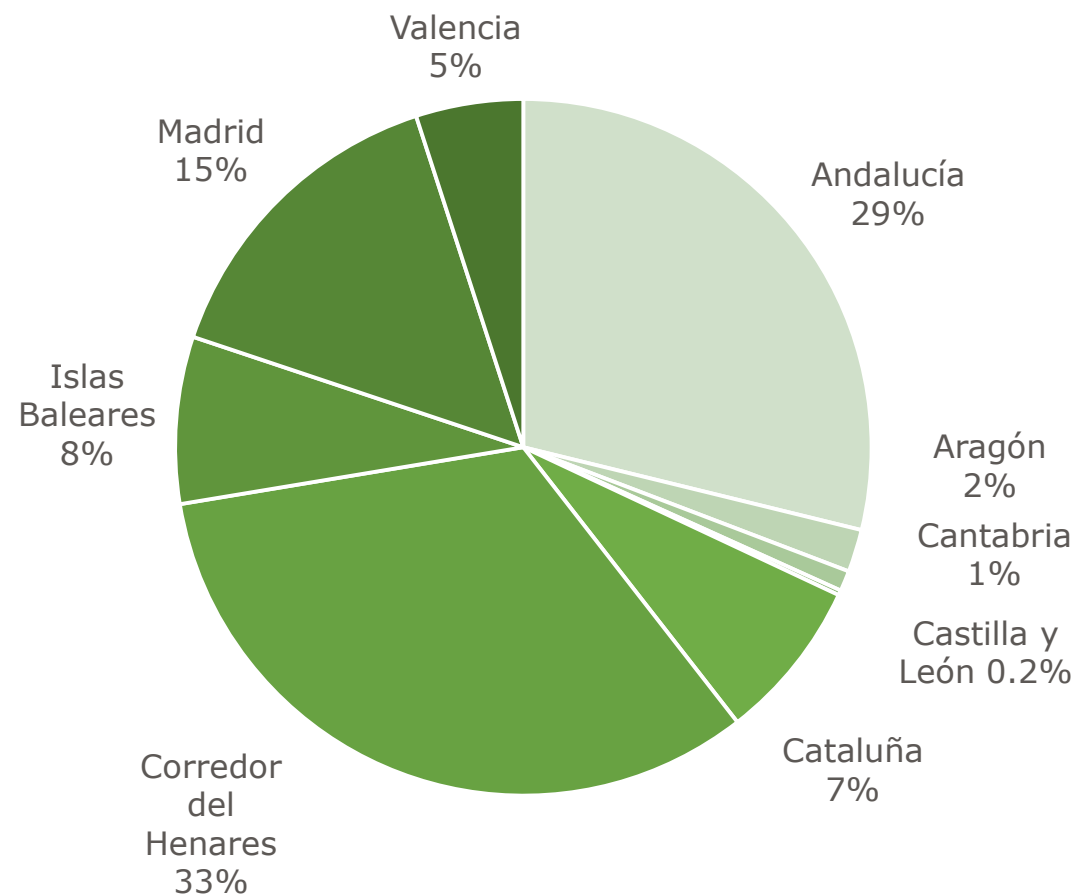
(1) RICs independent valuation by BDO at 31.12.19. Share Price at 26.02.20 (0.906€/sh)

GAV breakdown by asset class & by geography

GAV by asset class (629 €M) at 31.12.19



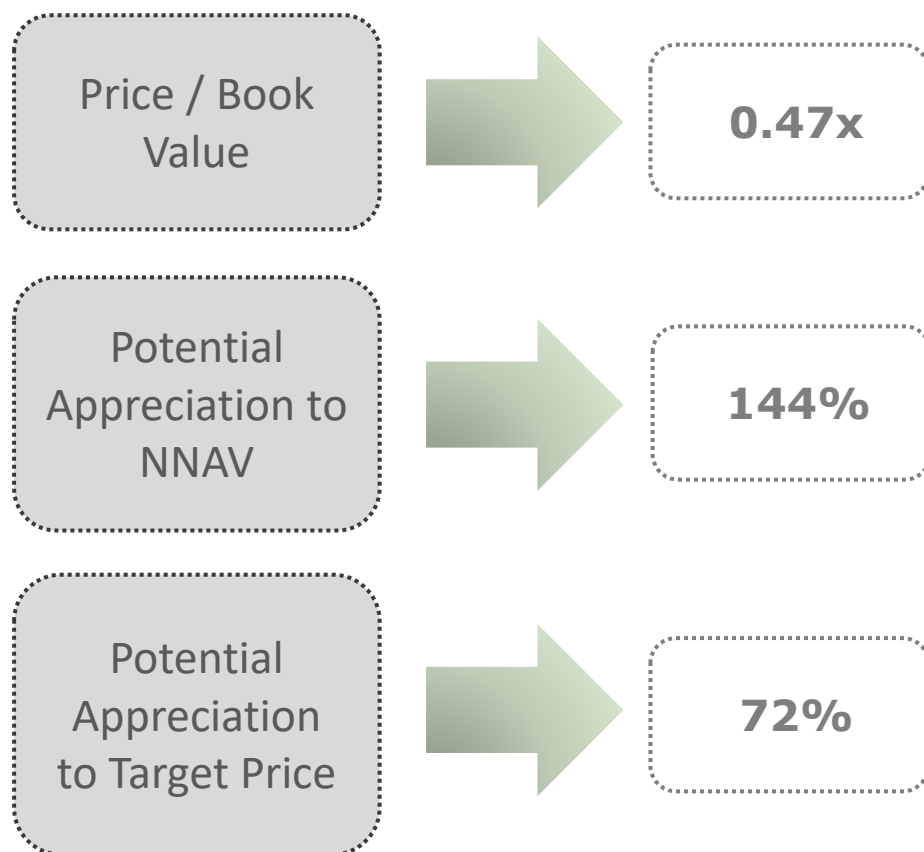
GAV by geography (629 €M) at 31.12.19



• Diversified GAV in the main growth areas of Spain

The stock price has an important upside potential

Attractive valuation multiples⁽¹⁾ in terms of P/BV, appreciation to NNAV & appreciation to Target Price



2 new reference shareholders⁽²⁾

1

- **Gescooperativo S.A., S.G.I.I.C.** has acquired a **3.519%** (23.09.19)

2

- **Inversora de Carso S.A. de C.V.** has acquired a **3.006%** (24.12.19)

(1) Book Value & NNAV at 31.12.19. Analyst consensus average target Price at 26.02.20 (1.56 €/sh) & stock Price at 26.02.20 (0.906€/sh)

(2) Source: CNMV

Delivery target has not been achieved due to the delay in obtaining First Occupancy Permits and the entry into force of the new mortgage law

Positive outlook for the new housing market (demography, economic growth and employment)

Selective land investments in 2019

Internalization of construction activity

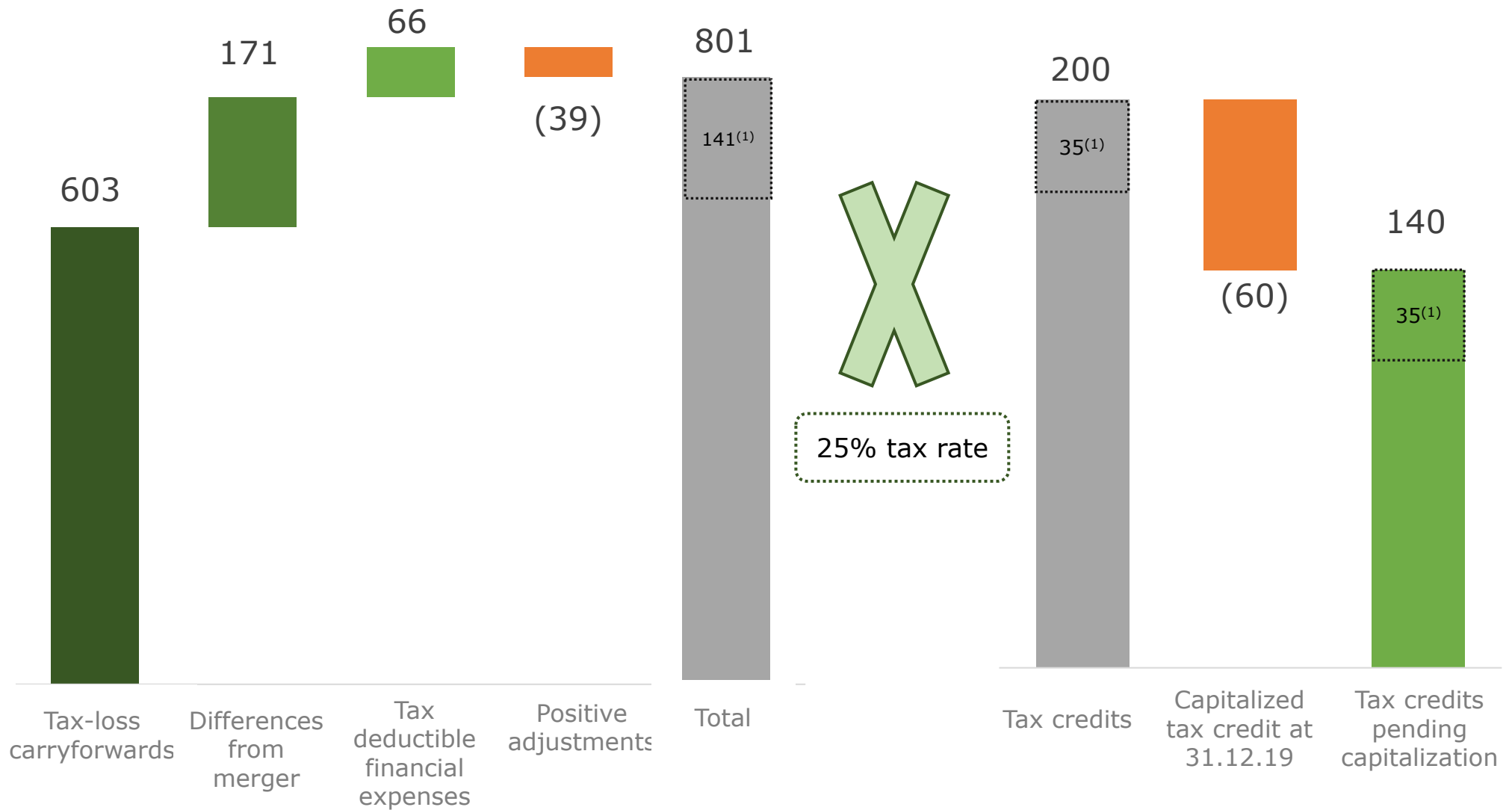
Bet on the Real Estate Cooperative segment

Rethinking the medium-term delivery targets

Q&A

ANNEXES

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 reduced by 35 €M

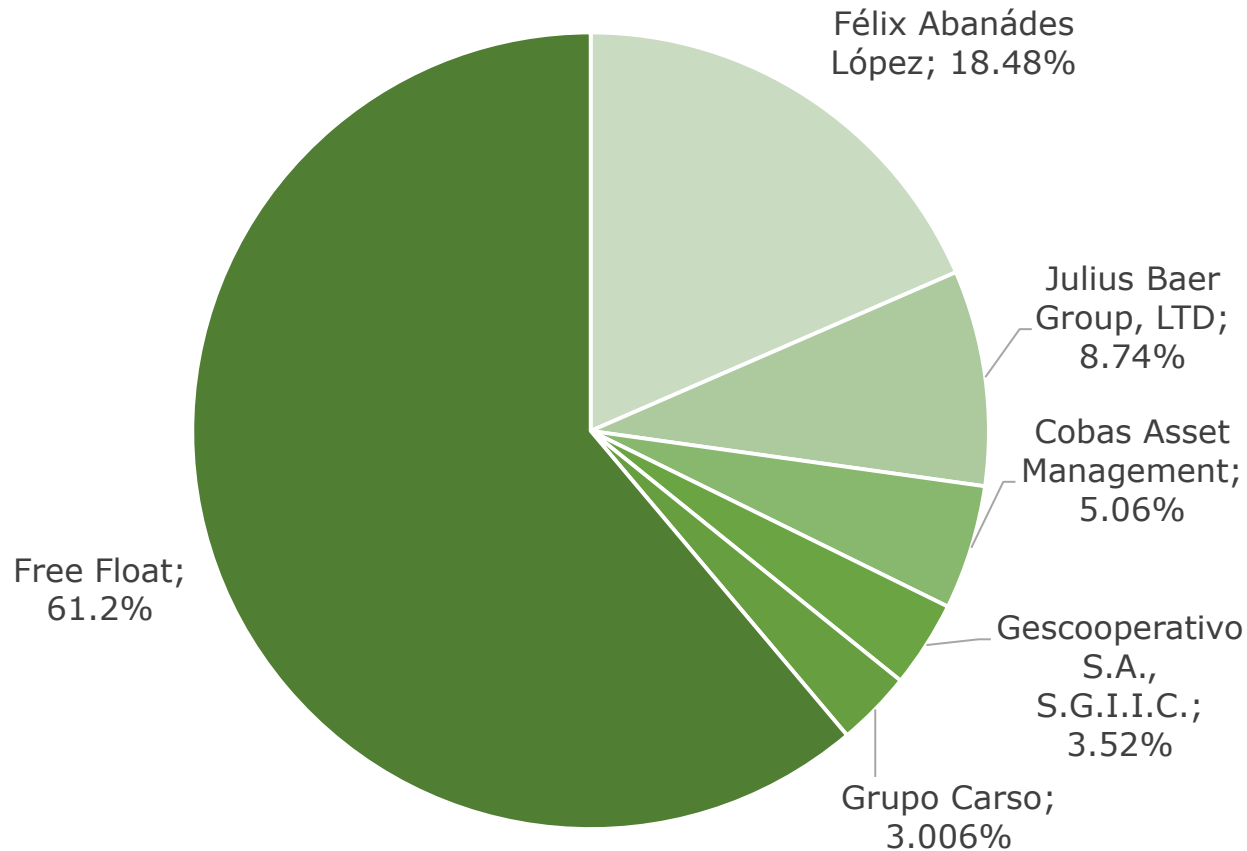
Cash Flow Statement

Thousand Euros

	2019	2018	Change
Net Cash Flow from operating activities	(71,494)	(84,565)	15%
Inventories	(142,016)	(134,303)	6%
Other cash flow	70,522	49,737	42%
Net Cash Flow from investing activities	(4,657)	(4,110)	(13%)
Net Cash Flow from financing activities	77,996	72,651	7%
Increase / Decrease Cash & Other liquid assets	1,846	(16,024)	112%

- The net cash flow from operating activities are negative as a result of the investment effort (land investments & works in progress)
- The net cash flow of the investment activities correspond to the cash payment for the acquisition of Rayet Construction and plant & equipment investments
- The net cash flow of financing activities reflect the effect of development loans withdrawals and new financing operations

Shareholders at 26.02.20



Source: CNMV

- Félix Abánades (Chairman and CEO) is the largest shareholder with 18.5%⁽¹⁾
- 4 large Institutional Investors (Julius Baer, Cobas AM, Gescooperativo & Grupo Carso) with high prestige owns 20%
- Attractive free-float

(1) Félix Abánades owns additional 1.8% through financial instruments (0.99% Incentive Plan to be exercised in 2023 & 0.84% REPO to be exercised on 2022)



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