

COMISIÓN NACIONAL DEL MERCADO DE VALORES

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28006 – Madrid

Madrid, June 16, 2020

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

INSIDE INFORMATION

In compliance with the provisions of article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council, of April 16, 2014, on market abuse, and article 226 of the Securities Market Law, the Company hereby informs that it has just published the results corresponding to the first quarter of the financial year 2020.

Sincerely,

Miguel Ángel Melero Bowen
Secretary of the Board of Directors

Quabit
Inmobiliaria

1Q 2020 Results



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- 1 Situation review
- 2 Measures taken COVID-19
- 3 Residential Development
- 4 Financial Statements & debt
- 5 Final Remarks
- 6 Annexes

Relevant impact generated by COVID-19

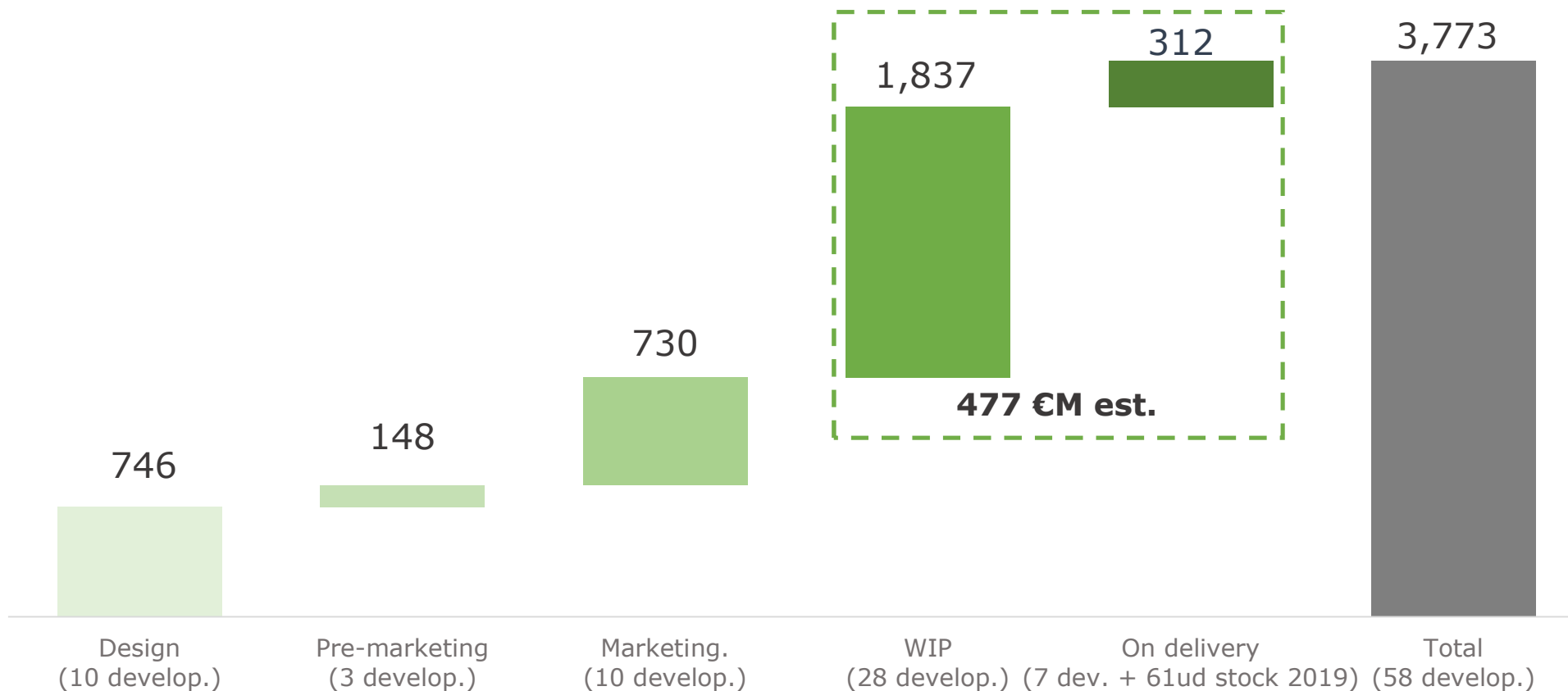
- Good start of the year in terms of deliveries and sales cut short since early March due to Covid-19
- Relevant impact during the state of alert declaration:
 - Semi-standstill in sales
 - Delays in administrative approvals (work licences and FOPs)
 - Significant drop in formalization of deliveries
- Strong recession for Spanish economy in 2020
- Uncertainty in the market for the coming months with a clear contraction in housing demand
- In positive terms:
 - 98% of the public deeds of delivery are completed
 - Absence of cancellations of private contracts
 - Sales experiencing a favorable tendency in the last weeks since authorization of mobility

Fast reaction by the Company

- Cost reductions (Temporary lay-offs, Directors compensation, operational expenses)
- Standstill of new launches and certain developments with low levels of pre-sales
- Quabit Construcción has taken over 5 ongoing construction works (experiencing problems with outsourced construction companies)
- Freeze of further investments in land
- Impairment of the portfolio of land in urban planning (37.6 M€)
- Work in progress: adequating debt maturity to the new circumstances
- Work in progress: review of the Business Plan

> 2,100 WIP / On delivery home units

Home units under development by stage at 31.03.20

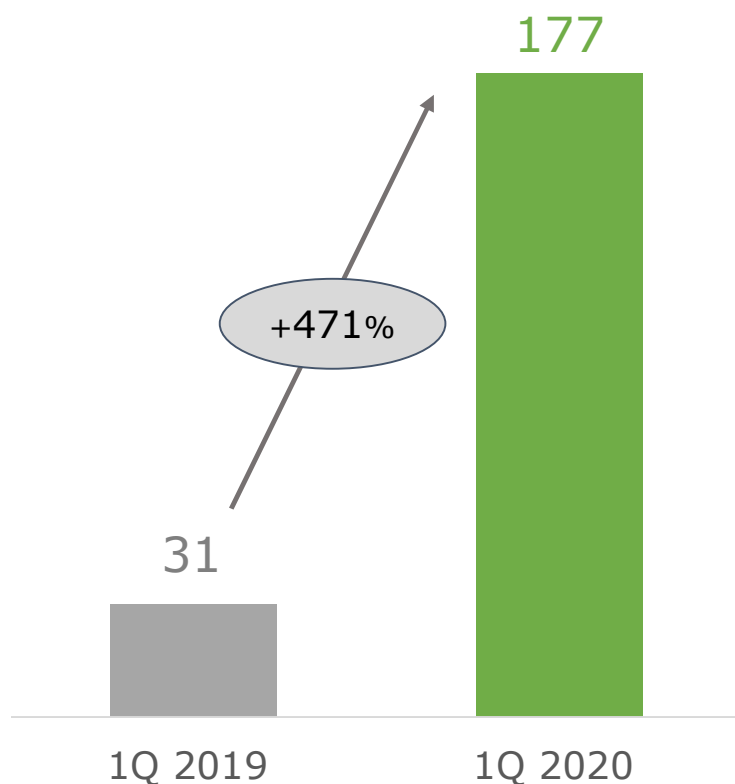


- 243 new home units on WIP (4 developments) during 1Q 2020
- FCC⁽¹⁾ 1Q 2020 138 home units & FOP⁽²⁾ 1Q 2020 309 home units

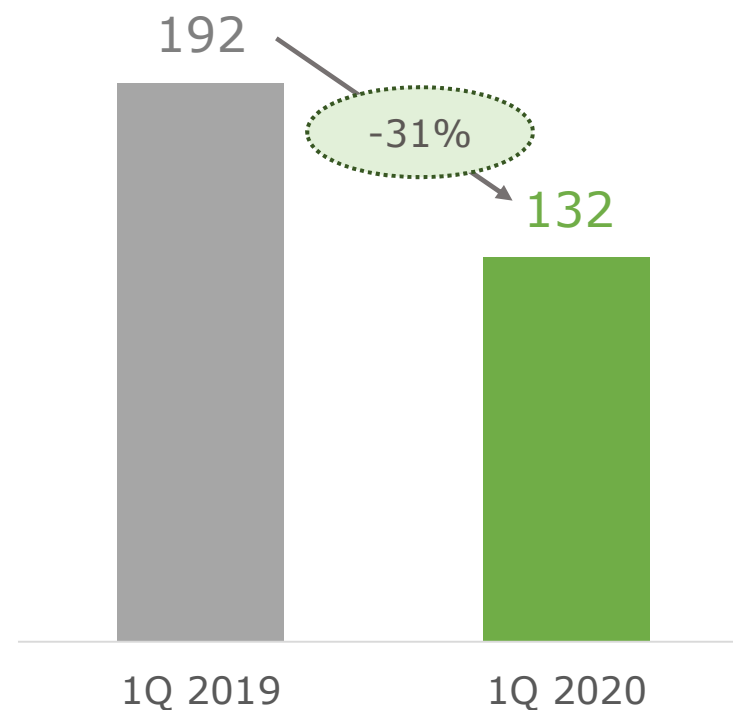
(1) FCC: Final Construction Certificate. (2) FOP: First Occupancy Permit.

Deliveries and Presales evolution

1Q 2020 Deliveries (home units)



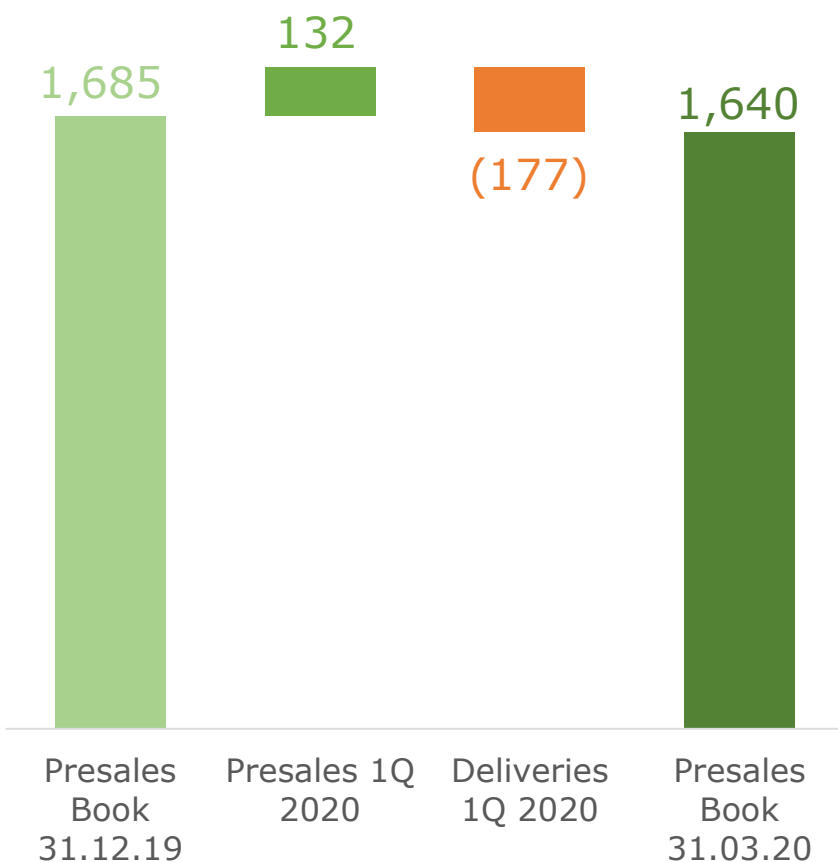
1Q 2020 Presales (home units)



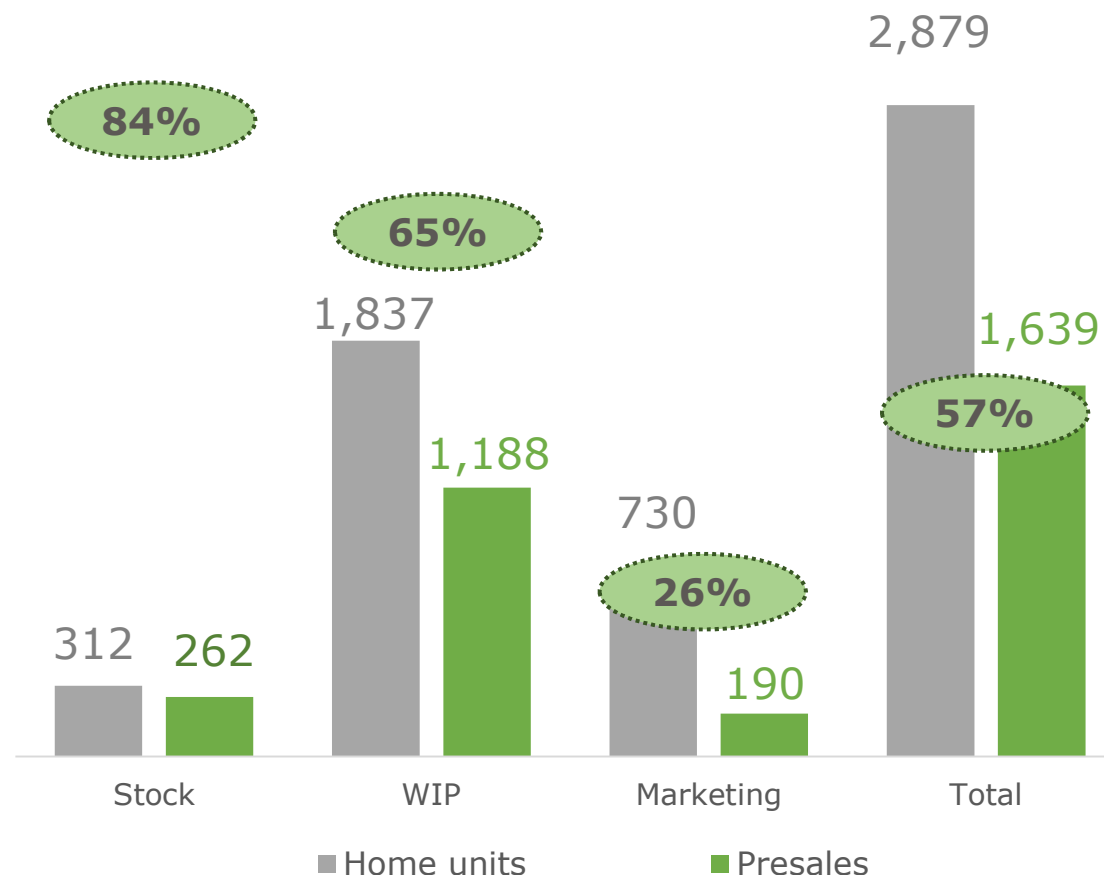
- Average deliveries price much lower than 1Q 2019 (151 €Th 1Q 2020 vs. 548 €Th 1Q 2019) due to the delivery of Las Lomas (9 units ~1.2 €M/unit)
- The positive trend of presales in the first 2 months (+ 6%) was reversed in March (-74%) due to COVID-19 & compulsory shut down of commercial offices

Presales book and coverage

Pre-sales Book evolution 1Q 2020
(home units)



Presales coverage by development stage at
31.03.20 (home units)



- Presales Book (31.03.20) 1,639 units (33+% vs. 1Q 2019)
- Presales Book (31.03.20) 335 €M (+36% vs. 1Q 2019)
- 57% Commercial Portfolio already sold at 31.03.20

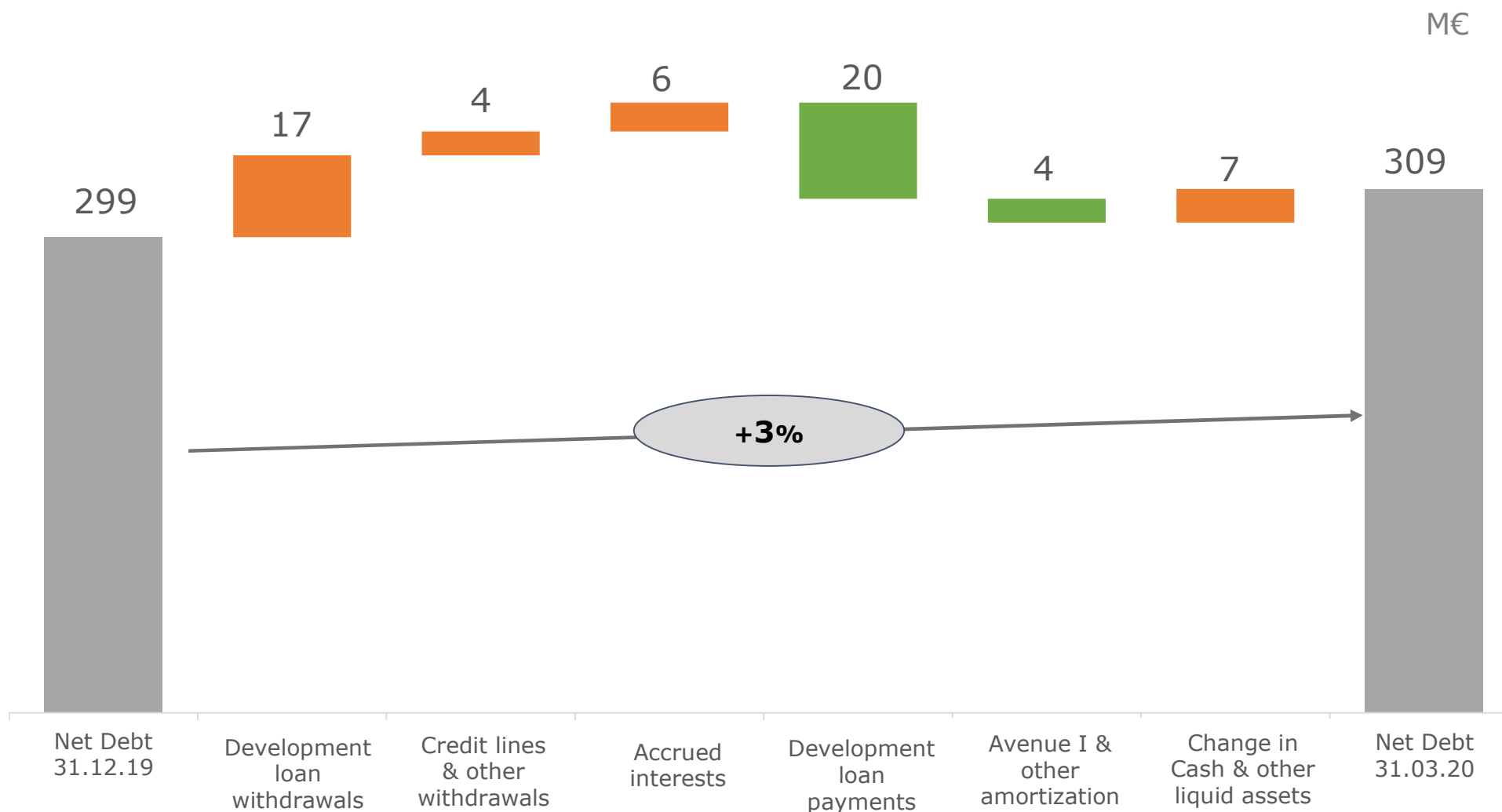
P&L: slight improvement in operating results and net result affected by the impairment of assets due to COVID-19

Thousand Euros	1Q 2020	1Q 2019	Change
Turnover	28,729	16,983	69%
EBITDA	(1,005)	(1,028)	2%
Impairment of assets due to COVID-19	(37,600)	0	na
Amortization	(502)	(289)	(73%)
EBIT	(39,107)	(1,317)	(2,869%)
Financial Results	(1,682)	(199)	(745%)
Earnings before tax	(40,800)	(1,517)	(2,590%)
Net Income	(40,937)	983	(4,265%)

- Increase in revenues due to the higher number of deliveries and the contribution of Quabit Construcción (€ 2.1 million⁽¹⁾), which was not within the Group as of 03.31.19
- Financial Result worsens due to the higher cost and volume of non-capitalizable debt in inventories (Corporate Loan 13,750 €M) and the extraordinary positive effect of 0.756 €M due to an operation of payment in kind for debt cancellation in 1Q 2019.
- Quabit Construction Margin blocked at consolidated level (1,693 €M intragroup margin)

(1) Revenues with third parties

Net Financial Debt Stabilization



- Net debt begins to stabilize and will be reduced throughout 2020

Positive residential development performance until COVID-19

Start of a relevant number of home units delivered
(1Q 2020 best quarter in deeds of the last years)

Sales coverage of 80% in developments with construction
Progress > 75% (974 home units)

COVID-19: Relevant impact on the economy and on real estate
Work in Progress for impact appraisal and measures to take

Quabit's good positioning against potential changes
on the demand

Competitive advantage thanks to internalization of
construction activity

Q&A

ANNEXES

Balance Sheet: Equity & Inventories decrease due to land portfolio impairment

Thousand Euros	31.03.20	31.12.19	Change
Non-Current Assets	93,639	94,183	(1%)
Current Assets	598,024	637,775	(6%)
Inventories	521,130	551,580	(6%)
Others	55,445	56,782	(4%)
Cash & Other liquid assets	18,429	25,400	(27%)
Total Assets	691,663	731,958	(6%)
Equity	244,934	285,874	(14%)
Attributable to the Parent Company	240,240	281,071	(15%)
Attributable to Minority Interests	4,694	4,803	(2%)
Non-Current Liabilities	29,928	29,776	1%
Financial Debt	13,063	13,007	0%
Others	16,865	16,769	1%
Current Liabilities	416,801	416,308	0%
Financial Debt	314,530	311,389	1%
Others	102,271	104,919	(3%)
Total Liabilities & Equity	691,663	731,958	(6%)

Inventories:

- Decrease due to land portfolio impairment, which is not compensated by WIP investments

Cash & Other liquid assets:

- Decrease due to working capital improvement and higher loan development payments than withdrawals

Financial Debt:

- Stable due to Start of relevant volume of deliveries

Cash Flow Statement

Thousand Euros

	1Q 2020	1Q 2019	Change
Net Cash Flow from operating activities	(4,763)	(544)	(775%)
Inventories	(24,550)	(19,925)	23%
Other cash flow	19,787	19,380	2%
Net Cash Flow from investing activities	2,576	4,050	36%
Net Cash Flow from financing activities	(4,188)	(5,968)	(30%)
Cash & Equivalents at the beginning of the period	22,978	21,132	9%
Cash & Equivalents at the end of the period	16,602	18,670	(11%)
Increase / Decrease Cash & Other liquid assets	(6,376)	(2,462)	(359%)

- The net cash flow from operating activities are negative as a result of WIP investments and other operating expenses
- The net cash flow of the investment activities correspond to unblocked restricted cash linked to deliveries
- The net cash flow of financing activities reflect the effect of higher debt amortization than withdrawals (Development Loans & Avenue I)



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