

**COMISIÓN NACIONAL DEL MERCADO DE VALORES**

C/ Edison, nº 4  
28006 – Madrid

Madrid, December 4, 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:

**OTHER RELEVANT INFORMATION**

The Company hereby informs that it has published the results corresponding to the third quarter of fiscal year 2020.

Sincerely,

---

Miguel Ángel Melero Bowen  
Secretary of the Board of Directors

04 / DECEMBER  
**2020**

**9M2020  
RESULTS**

# 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,

# Summary

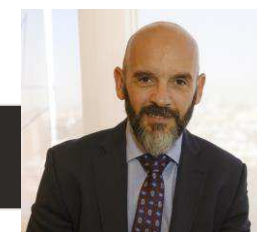
- 1 General overview
- 2 Executive summary
- 3 Key figures review
- 4 Residential Development
- 5 Financial Statements & debt
- 6 Final Remarks
- 7 Q&A



## Speakers



**Félix Abánades**  
PRESIDENT and CEO



**Alberto Pérez**  
CFO

# 1 General overview



# 1 General overview

## Covid 2nd wave impact:

- Generalized confinements have not been required, but selective ones
- But confidence deteriorates, affecting consumption and investments
- Cumulative GDP fall: -8.7% year on year basis rate (rise of 16.7% in 3rd quarter)
- 2020 forecasts: GDP fall by -13% and unemployment rate by 17.2% (1)

## Reasons for optimism:

- Vaccination campaign imminent start in Europe
- Vaccination capacity of 60% of the population until May (Ministry of Health)
- The 2021 summer tourism campaign could be largely saved
- European Recovery Fund will begin to arrive in 2021: 27,000 M Euros
- Possible improvement over initial estimates 2021: GDP: + 9.8% (initial forecast + 7.2%); Unemployment: 16.3% (initial forecast 16.9%) (1)
- Significant increase in family savings: 60,000 M euros in 2Q (+ 31% of disposable income)

(1) Ministry of economy spanish government

# 1 General overview

## Residential real estate in Spain: strong fundamentals for recovery

- Price stability. There have been no significant price decrease in new construction (still 25% below maximums)
- Historical low financing costs
- Mortgage effort ratio is very reasonable (~ 30% of household income)
- There is demand for housing not served due to the low rate of production
- The house acts as haven investment. There is the possibility that a large part of the savings will be invested in housing
- The US, China, Germany, the UK and the Netherlands have experienced a very strong recovery in real estate

# 2 Executive summary





# 2 Executive summary

## OPERATIVE PERFORMANCE



- High volumen of deliveries despite of difficulties



- Low level of pre-sales in the year-to-date 2020. The months lost at the commercial level are not recovered



- The projects under construction and the level of pre-sales allow to foresee an increase in the level of deliveries in 2021



- The commercial portfolio decreases as no new developments have been launched. Impact on the Business Plan in the Short- and medium-term



- The accumulated delay in production is consolidated (~ 30% over expected)



- Commercial activity recovers during the summer but falls again with the 2nd wave. The 2nd residence continues at a minimum



- Low visibility in the land for sale market



# 2 Executive summary

## COMERCIAL PERFORMANCE

¿Te comprarías una casa si te financiaran hasta el 90%\*?

Con QUABIT sí puedes

Casas Quabit  
#AhoraMásQueNunca

### QUABIT HELP PURCHASE FIRST HOME PLAN

- In a selection of developments in the Corredor del Henares
- Once the bank financing is obtained, the client only has to pay 10% until the writing date
- Deferral of the other 10% ZERO- INTEREST for 10 YEARS



#### QUABIT FAMILY INSURANCE

- Free payment protection insurance



#### ONLINE PURCHASE PROGRAM

- Virtual visits, 360° Tours, Video calls, Online Pre-Reservations



#### DIGITAL SIGNATURE

- Between Mar-Oct 2020: more than 80% of reservations and contracts signed

# 2 Executive summary

## FINANCIAL PERFORMANCE



- Significant billing even though affected by accumulated delays in works and deed process



- Current conditions do not allow land sales projected



- Residential developments margins are affected by deviations in costs resulting from the extension of deadlines



- Impairment provision on planning land assets (37.6 M€)



- Active management of cost reduction (ERTES, directors' compensation, operating expenses)



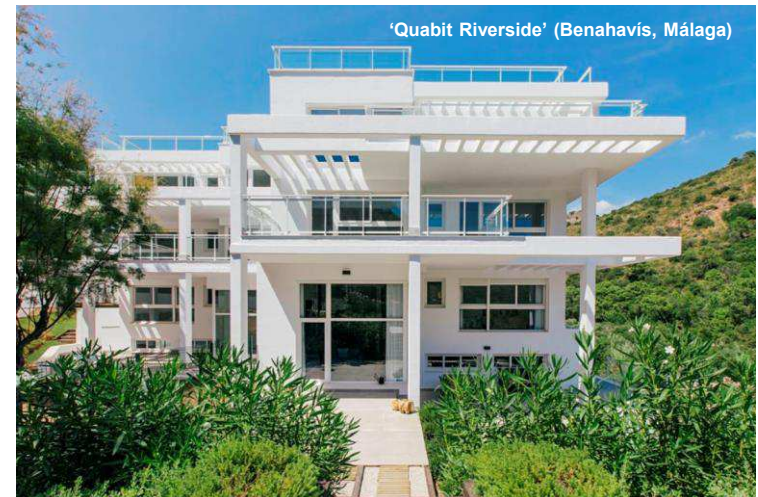
- Significant reduction in financial debt due to the cash generated in the developments delivered



- Freezing new land investments



- The Business Plan is no longer valid



# 3 Key figures review



# 3 Key figures 9M 2020 review

## OPERATIVE PERFORMANCE

### Residential development



- 52 active developments (3,471 home units)
- 32 developments on WIP or in delivery (1,794 home units)
- 1,447 home units presaled (57% commercial portfolio)
- 575 home units delivered

### Construction activity



- Orderbook 98 M euros (64% Quabit)
- 8 works contracted in the year (57 M euros)
- 1,124 home units in 16 works in progress up to date (89% Quabit)
- Deviation in certification on budget (30%) corresponds to the months of lock down (Mar-Jun)



# 3 Key figures 9M 2020 review

## FINANCIAL PERFORMANCE

### Residential development

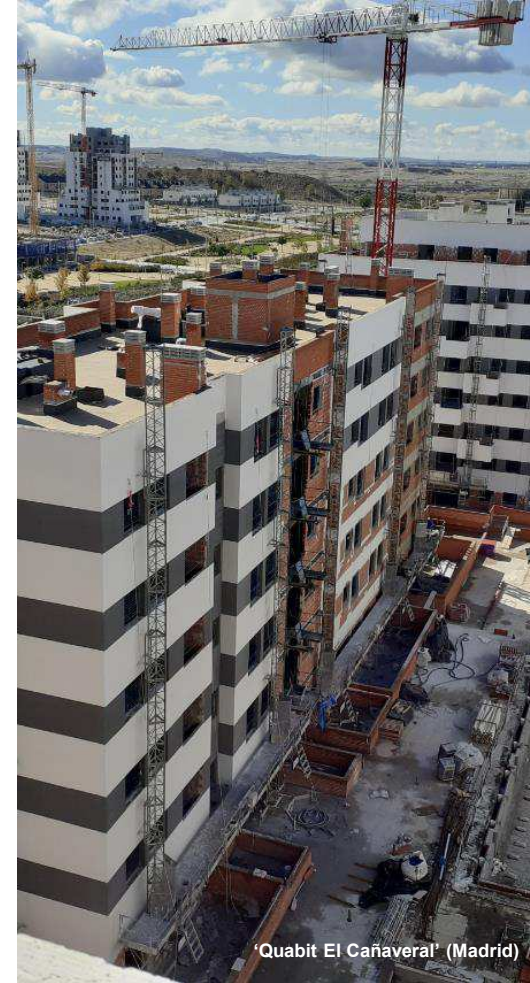


- € 123.7 M billing (84% correspond to home deliveries)
- Margins affected by strains on construction costs, higher financial costs and loss in land sales
- Savings in overhead costs (€ 2.3 M on budget to date)
- Profit before tax affected by impairment provision of land portfolio of € 37.6 M and other provisions of € 2.7 M

### Construction activity



- Accumulated certification of € 31.5 M in the year (€ 6.9 M with third parties)
- Operating income affected by production delays
- "blocked" Margins of internal billing pending to be recognized in results for € 3.1 million



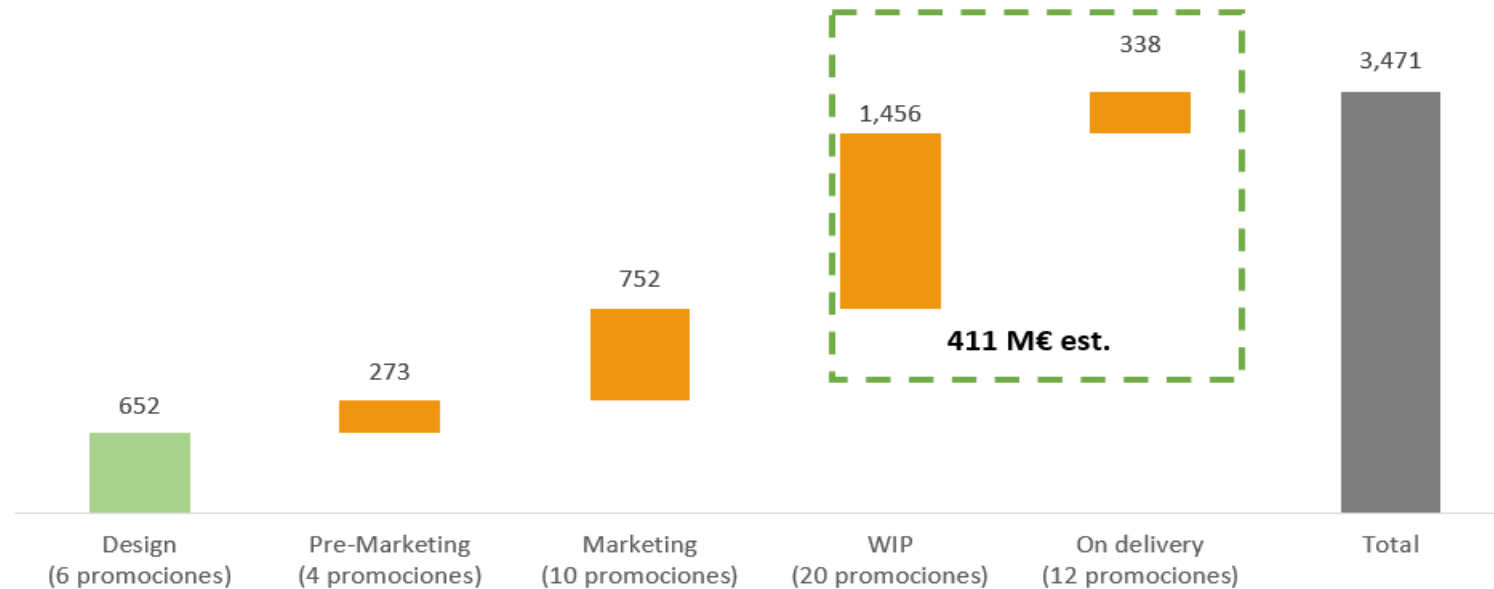
# 4 Residential Development



# 4 Residential development

## Developments portfolio at 30.09.2020

Home units under development by stage at 30.09.20 (units)



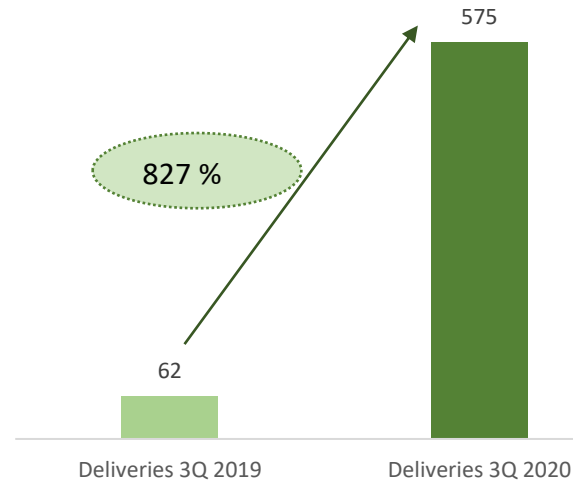
- 1,794 home units on WIP or on delivery
- 4 developments with works stopped (185 homes and € 8M turnover), until reaching a higher level of pre-sales
- 286 new home units (5 developments) on WIP in 9M 2020



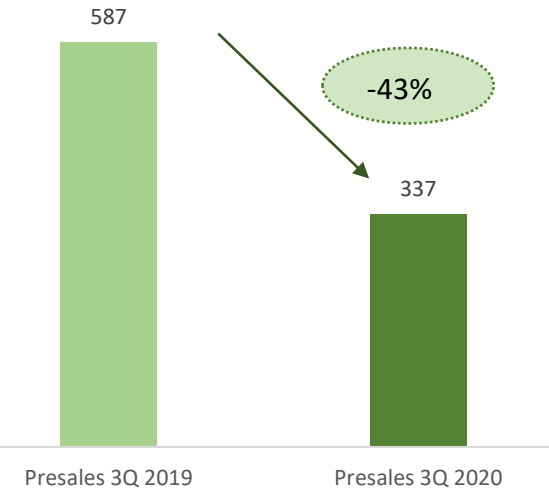
# 4 Residential development

## Deliveries and Presales evolution

Deliveries 2020 (units)



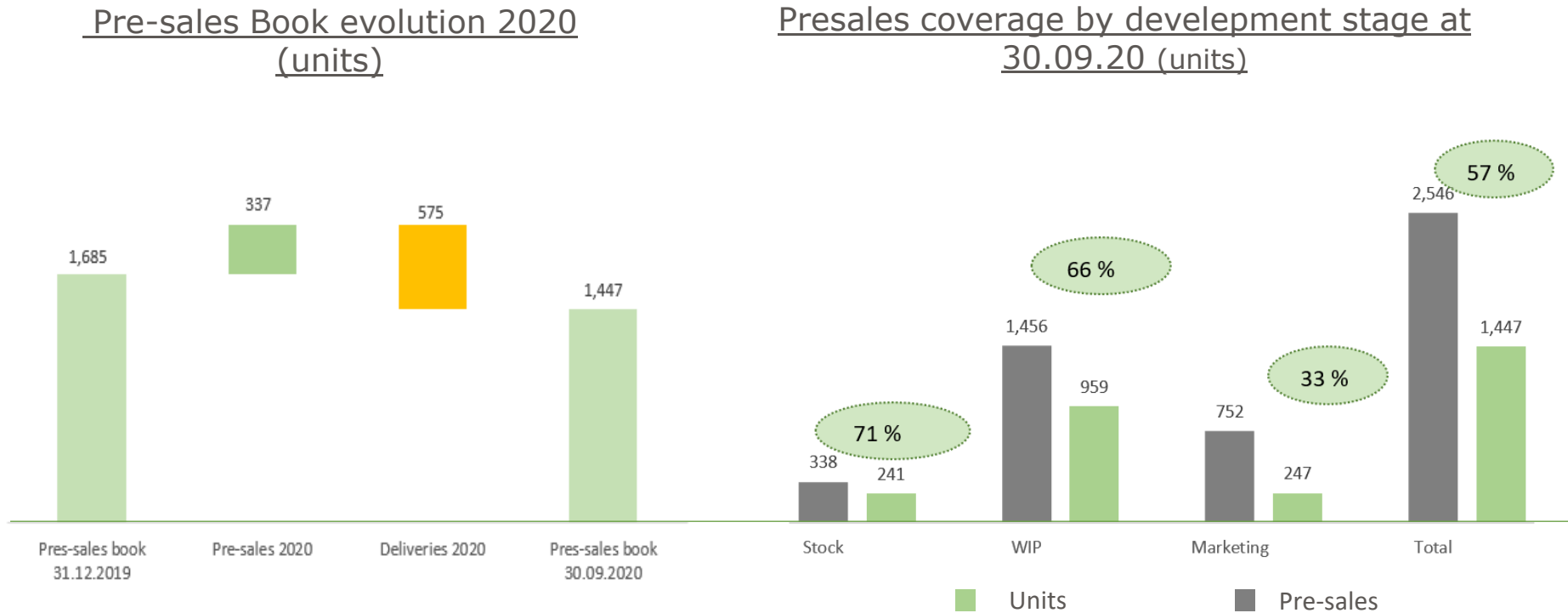
Pre-sales 2020 (units)



- Despite the situation caused by the pandemic, Quabit has managed to deliver 575 homes in the first 9 months of 2020.
- The positive trend of presales in the first 2 months (+ 6%) was reversed abruptly in March with the closure of commercial offices and restrictions on mobility due to the COVID-19 crisis, not having fully recovered to date.

# 4 Residential Development

## Presales book and coverage



- Presales book (30.09.20) 1,447 units (-10% vs. 30.09.19)
- Presales book (30.09.20) € 300 M (-6% vs. 30.09.19)
- 57% Commercial Portfolio already sold at 30.09.20

5 Financial statements and debt



# 5 Financial statements and debt

## P&L account

(in thousands of euros)	3Q 2020	3Q 2019	Variation
<b>Turnover</b>	<b>130.728</b>	<b>24.939</b>	<b>424,2%</b>
<b>EBITDA</b>	<b>(10.630)</b>	<b>(9.926)</b>	<b>(7,1%)</b>
Impairment of assets due to COVID-19	(37.600)	-	na
Amortization	(1.471)	(898)	63,7%
<b>Operating Results</b>	<b>(49.701)</b>	<b>(10.824)</b>	<b>(359,2%)</b>
<b>Financial Results</b>	<b>(7.450)</b>	<b>(3.384)</b>	<b>(120,2%)</b>
<b>Earnings before tax</b>	<b>(57.160)</b>	<b>(14.213)</b>	<b>(302,2%)</b>
<b>Net Income</b>	<b>(57.460)</b>	<b>(5.713)</b>	<b>(905,8%)</b>

- Increase in income due to the higher number of deliveries (575), a land sale operation for payment in kind and the contribution of Quabit Construcción (€ 6.9 M (1))
- EBITDA is affected by the loss in the sale of land (c. € 3 M) and the effect on gross margins of the extension of deadlines, the strains in construction costs and the associated financial costs
- The financial result worsens due to the greater weight of corporate debt and the record of impairment provision on financial assets of € 2.0 M
- Blocked Margins at the consolidated level Quabit Construcción € 3.1 M (intra-group margin)

(1) Revenues with third parties

# 5 Financial statements and debt

## Balance sheet

(in thousands of euros)	30.09.2020	31.12.2019	Variation
<b>Non Current Assets</b>	<b>91.438</b>	<b>94.183</b>	<b>(2,9%)</b>
<b>Current Assets</b>	<b>552.721</b>	<b>637.775</b>	<b>(13,3%)</b>
Stock	473.106	551.580	(14,2%)
Others	57.506	60.795	(5,4%)
Cash and other liquid assets	22.109	25.400	(13,0%)
<b>Total Assets</b>	<b>644.159</b>	<b>731.958</b>	<b>(12,0%)</b>
<b>Total Net Equity</b>	<b>224.499</b>	<b>285.874</b>	<b>(21,5%)</b>
Total equity attributable to the shareholders of the Parent Company	223.853	281.071	(20,4%)
Minority interest	646	4.803	(86,6%)
<b>Non Current Liabilities</b>	<b>56.551</b>	<b>29.776</b>	<b>89,9%</b>
Financial debt	24.475	13.007	88,2%
Others	32.076	16.769	91,3%
<b>Current Liabilities</b>	<b>363.109</b>	<b>416.308</b>	<b>(12,8%)</b>
Financial debt	267.584	311.389	(14,1%)
Others	95.525	104.919	(9,0%)
<b>Total Liabilities and Net Equity</b>	<b>644.159</b>	<b>731.958</b>	<b>(12,0%)</b>

### Stock

The decrease is mainly due to:

- the derecognition for deliveries that is not compensated by the increase in work in progress
- Impairment provision on planning lands

### Net Equity

Negative impact due to the results of the period and decrease due to the acquisition of minority interests

### Financial Debt

Debt reduction due to loan cancellations on deliveries

# 5 Financial statements and debt

## Cash Flow Statement

(in thousands of euros)

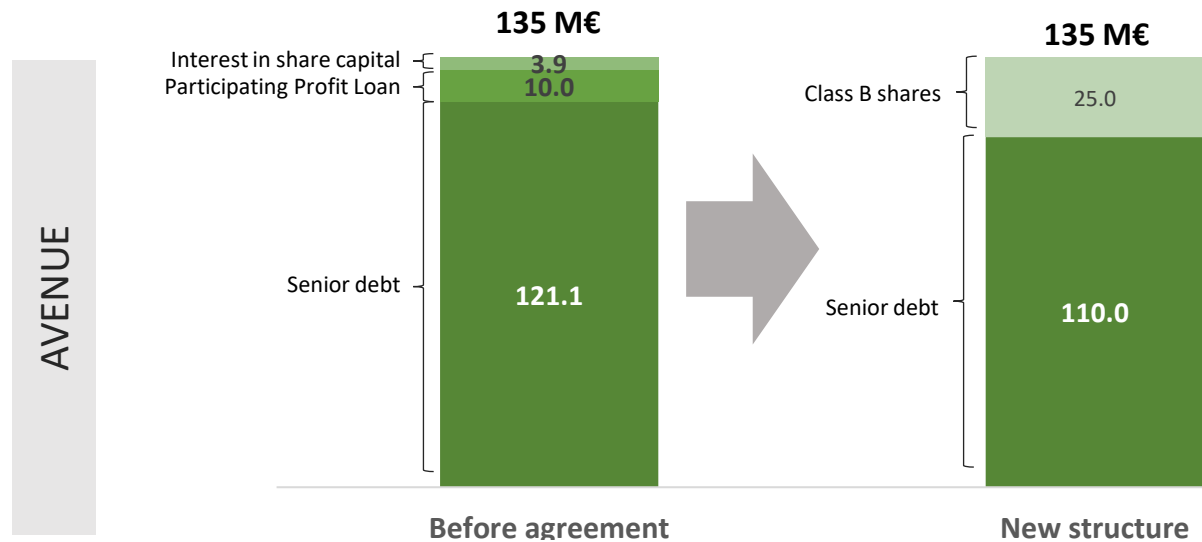
	3Q 2020	3Q 2019	Variation
<b>Operating cash flows</b>	<b>39.127</b>	<b>(53.180)</b>	<b>173,6%</b>
Investment in inventories	(64.404)	(95.138)	(32,3%)
Other operating cash flows	103.531	41.958	146,7%
<b>Investment cash flows</b>	<b>(253)</b>	<b>(3.562)</b>	<b>92,9%</b>
<b>Financing cash flows</b>	<b>(41.548)</b>	<b>63.584</b>	<b>(165,3%)</b>
Cash and equivalents at the beginning of the period	22.978	21.132	8,7%
Cash and equivalents at the end of the period	20.304	27.974	(27,4%)
<b>Increase / (Decrease) Cash and Equivalents for the period</b>	<b>(2.674)</b>	<b>6.842</b>	<b>(139,1%)</b>

- Significant net cash flows from operating activities as a result of the relevant increase in home deliveries
- Net cash flows from financing activities reflect the effect of developer loan cancellations (higher than the new withdrawals) and funds cancellations

# 5 Financial statements and debt

## Debt

- Renegotiation of agreements with funds managed by Avenue ("AVENUE") and with SAREB that reduce debt maturities in 2020 and 2021 by € 80.8 M
- The agreements were subject to suspensive conditions that were met and are currently in full force



**AVENUE**  
Rescheduling of maturities for an amount of € 60.8 M according to a new home deliveries scenario, decreasing the average cost of debt by 4.5 p.p

The table shows the impact of renegotiated agreements with SAREB on the payment schedule. The total amount to be paid is reduced from 76.8 M€ to 56.8 M€.

Payments schedule at 30.06.2020		Payments Schedule after agreements	
Maturity	Amount (M€)	Maturity	Amount (M€)
31/07/2020	10.0	31/07/2020	-
31/07/2021	15.0	31/07/2021	5.0
31/07/2022	51.8	31/07/2022	51.8
<b>Total</b>	<b>76.8</b>	<b>Total</b>	<b>56.8</b>

**SAREB**  
Debt with recourse Cancellation amounting to € 19.9M that reduces payments for 2020 and 2021

# 6 Final remarks





## 6 Final remarks

Good level of deliveries despite the difficulties generated by the pandemic

Results affected by the impact of the pandemic (impairment of assets, deviations in margins due to delays, higher financial expenses and loss in land sale operation for payment in kind)

Important cash flows generation and debt reduction thanks to the deliveries

Significant impact on the company's forecasts due to the crisis generated by COVID-19. The Business Plan must be reviewed in early 2021

The Company is actively working on different formulas to overcome the effects of the crisis

Hope of getting the pandemic under control in the coming months and a significant economic recovery in 2021 that could boost the real estate market

7 Q&A





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)