



# 1H2021 Results Presentation

July 29<sup>th</sup>, 2021



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# Rationale behind the use of the proportionate method

Grupo INSUR (Insur) , whose parent company is Inmobiliaria del Sur, S.A., develops two main activities, housing development and rental.

The rental activity is carried out by Insur Patrimonial, S.L.U. (IPAT), fully owned by Insur, as well as by other companies which are also fully owned by IPA (except for IDS Madrid Manzanares, S.A. where Insur has a 90% stake)

The housing development activity is conducted through a company fully owned by Insur, Insur Promoción Integral, S.L.U., (IPI), which in turn holds shares in different companies. In order to increase the activity and also to diversify the risks, a significant part of this business is carried out through joint ventures in companies where Grupo Insur has a significant stake (usually 50%). With a view of increasing the quality of the houses, obtaining better customization options and a stricter control on the works, the Group develops the construction activity both for its fully owned developments and for the JV's. This instrumental activity is carried out by IDS Construcción y Desarrollos, S.A.U, which is fully owned by IPI.

As the Group does not have the control over the JVs, in the sense that it cannot decide unilaterally the financial and activity policies, but it shares these decisions with the rest of the partners, these JVs are consolidated by the **equity method** as established in the IFRS 11. Accordingly, the consolidated financial statements do not include the proportional part of the Group in the assets, liabilities, incomes and expenditures of such JVs. The Group is fully involved in the management of these JVs which consolidate by the equity method, not just because it holds at least the 50% of the equity, but because it carries the operating management based on the management, construction and marketing contracts undersigned, as these JVs lack from human and material resources.

Therefore, since the activities of these companies are monitored internally on a proportional basis, based on the percentage of ownership in each one, the Parent's directors consider that for a better understanding and analysis of its consolidated business and, above all, of the true magnitude of its activities, the volume of assets managed and the size of its financial and human resources, it is more appropriate to present this information using the **proportional consolidation method**.

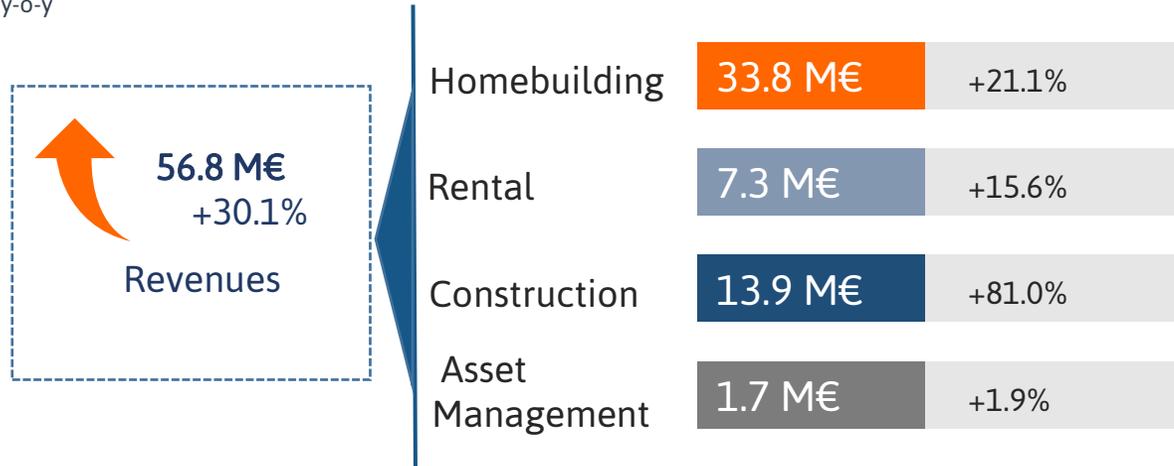
At the end of this presentation can be found a **conciliation between the financial statements consolidated by both methods**.

# Executive Summary. 1H 2021 Highlights

Figures by proportionate method

M€ = Million Euros

Var % y-o-y



Net Financial Debt **224.5 M€** +7.5% vs FY20

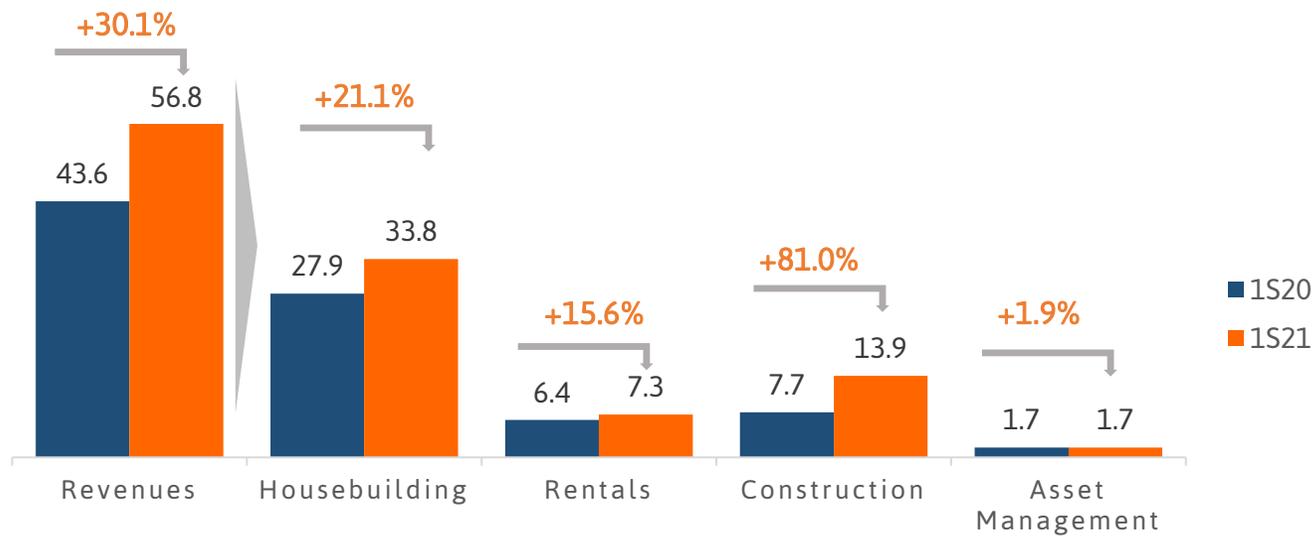
- **High volume of deliveries.** In the first half of 2021, the homebuilding branch delivered units for a value of 44.1 M€ (33.8M€ adjusted by the stake % in the JV).
- **Excellent commercial performance.** Total presales signed in 1H 2021 amounted to 86.4 M€ (50.7 M€ adjusted for the Group's stake), 93.3% higher than that registered in 1H20 and + 79.3% vs 1H19.
- **Good performance of the rental activity.** The turnover has increased by 15.6% compared to the same period of the previous year and new areas have been rented for 6,125.9 sqm.
- **Great investment effort** in the rental activity. **Capex of 6.8 M€ during 1H21** for the reconversion and remodeling of our buildings for lease.
- **Total investment in land in 1H21 of 30.5 M€** (18.6M€ adjusted by our stake %).
- **Investment in tertiary land in Malaga (Ágora Project) of 8.9 M€** (4.5 M€ adjusted by our stake %).
- Ability to obtain both bank financing and through MARF with new issues.

\* Does not have into account assets turnover, excluding stock impairments

# Executive Summary. 1H 2021 Results

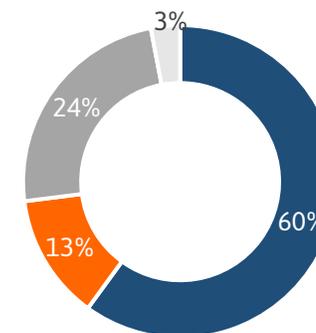
M€

All figures by proportionate method

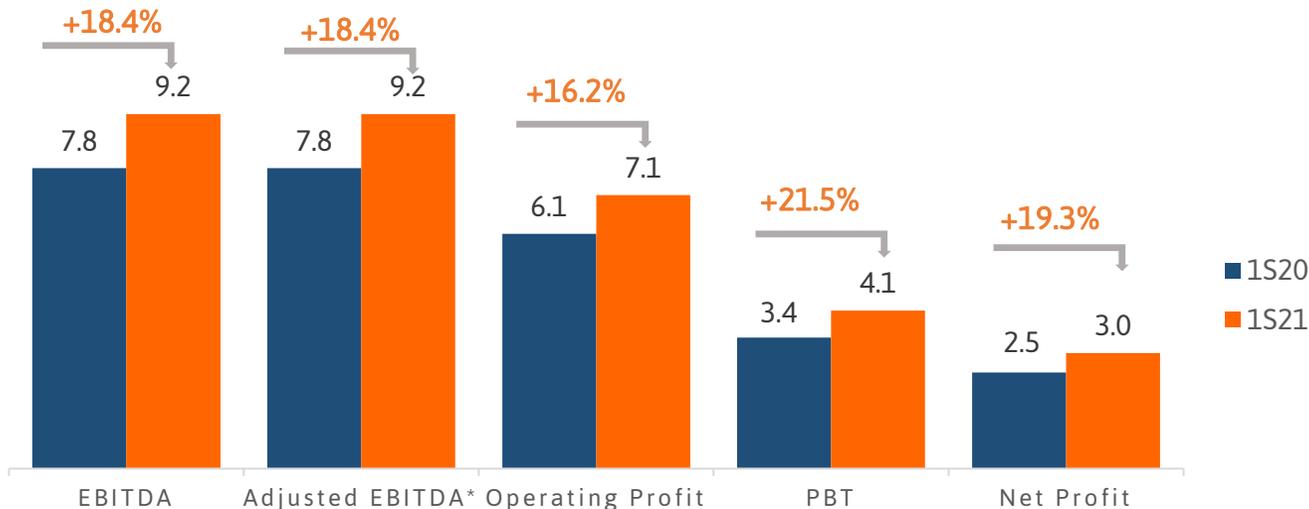


## REVENUE BREAKDOWN

- Housebuilding
- Construction
- Rentals
- Asset Management



M€

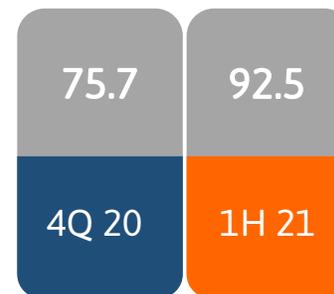


\* Does not have into account assets turnover, excluding stock impairments

## ACCUMULATED PRESALES

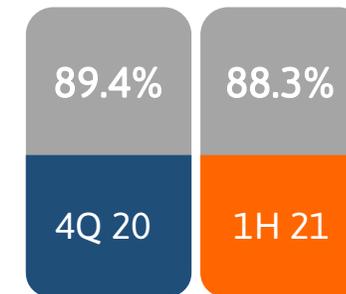
100% Owned and JVs in their participation %

M€



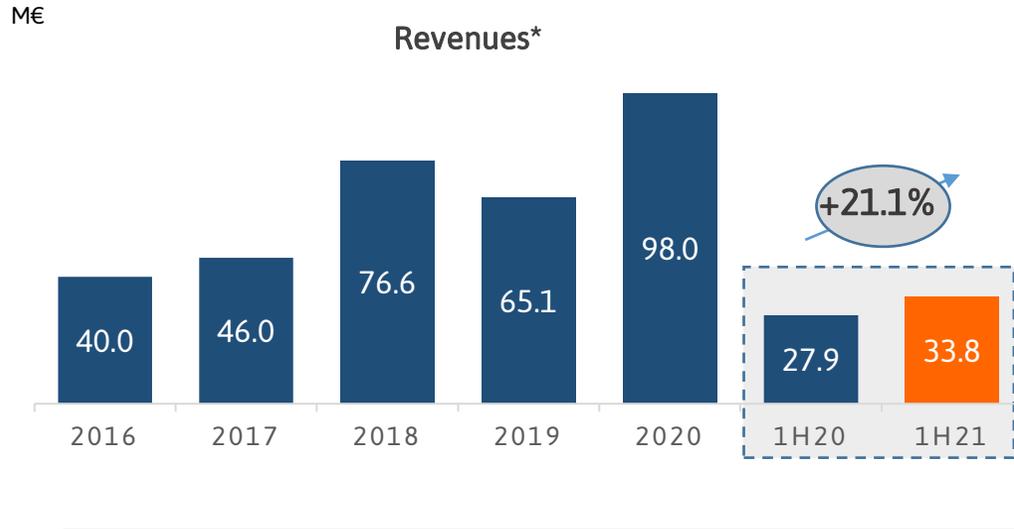
+22.2%

## RATE OCCUPANCY

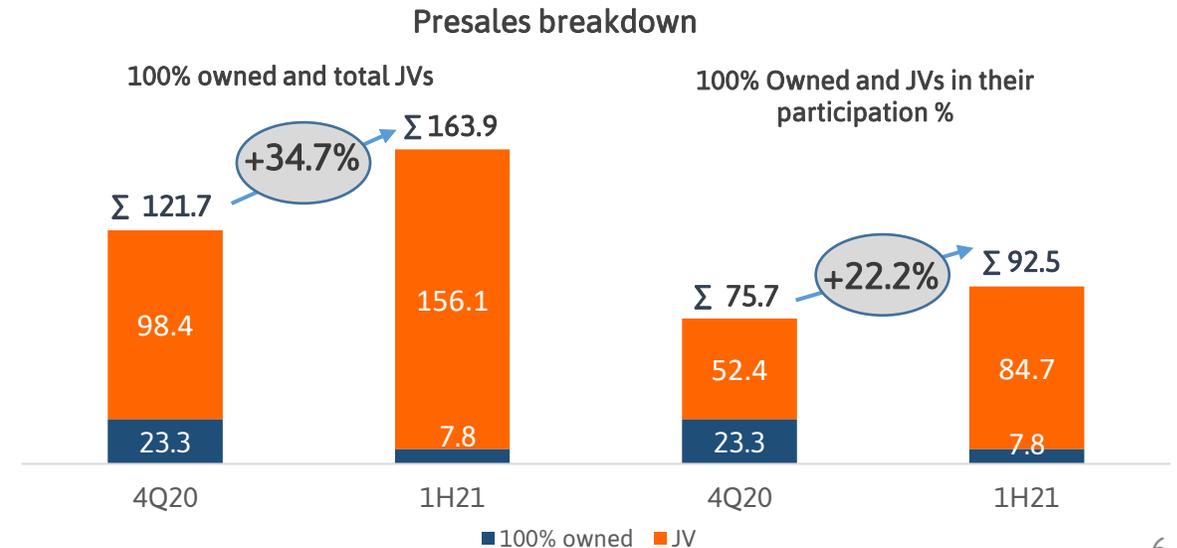


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# Housebuilding



- In 1H 21, a total of **182 homes were delivered**, a number much higher than the 140 homes and 2 business premises delivered in 1H 20.
- The Group currently has **2,523 homes** under development, of which 757 are already under construction, 91 completed and 600 sold.
- **Total presales made in 1H 21 amounted to 86.4 M€**, (€ 50.7M in proportionate), + 93.3% compared to 1H20 and reflecting the good commercial performance of the semester.
- Grupo Insur currently has **accumulated presales amounting to 163.9 M€** (92.5 M€ adjusted) vs 121.7 M€ (75.7 M€ adjusted) in 4Q20, + 34.7%.
- At the end of 1H21, the Group had **units sold and completed** (therefore, ready to be delivered) for an amount of 34.9 M€ (28.1 M€ in proportionate).
- Likewise, **the Group has presales for the amount of 58.7M€** (33.2 M€ adjusted) whose delivery is expected in the second half of the year.



\* Proportional method  
 \*\* Owned developments and total JVs

# Ongoing developments and land portfolio



## Ongoing Developments

2,523 ongoing units

- 91 housing units completed of which 17 are pending to be delivered and 74 pending to be sold.
- 39 ongoing developments (24 in West Andalucía, 5 in Costa del Sol, 7 in Madrid, 1 in Cáceres and 2 in Granada) totaling 2,432 units:
  - 196 housing units underway directly by Insur with a development potential of 24,553 sqm.
  - 2,236\* housing units underway through JVs (with Insur holding 50% and 70% stakes), with a development potential of 273,500 sqm\*.
- 9,500 sqm office development in Málaga capital (Ágora project).

\* 327 optioned housing units included with a building potential of 35,139 sqm

## Land Portfolio

2,113 units and 38,238 sqm buildable in comercial assets

- 87,706 sqm of buildable plots for residential use, 816 units
- 30,000 sqm of buildable plots for hotel use.
- 8,238 sqm of buildable plots for tertiary use.
- Long-term purchase options on 8 plots with a building potential of 150,011 sqm (1,297 housing units).

Ongoing developments  Land portfolio

**TOTAL OF  
4,636 UNITS**

# Finished developments

Figures as of June, 30<sup>th</sup>, 2021

## 100% owned developments

| Development                | Location                          | Total units developed | Sold units       | Units pending to be sold | Sold units pending to be delivered |
|----------------------------|-----------------------------------|-----------------------|------------------|--------------------------|------------------------------------|
| Altos Castilleja 7ª fase   | Castilleja de la Cuesta (Sevilla) | 34                    | 33               | 1                        |                                    |
| Antonio Mairena            | Castilleja de la Cuesta (Sevilla) | 32                    | 31               | 1                        | 1                                  |
| Conde de Zamora            | Córdoba                           | 81                    | 75               | 6                        | 4                                  |
| Plaza del Teatro           | Málaga                            | 57                    | 51               | 6                        | 1                                  |
| Altos del Retiro           | Churriana (Málaga)                | 35                    | 35               | 0                        | 1                                  |
| Residencial 75 Aniversario | Sevilla                           | 48                    | 33               | 15                       | 1                                  |
|                            |                                   | <b>287</b>            | <b>258 (90%)</b> | <b>29</b>                | <b>8</b>                           |

## JV developments

| Development     | Location                    | Total units developed | Sold units       | Units pending to be sold | Sold units pending to be delivered |
|-----------------|-----------------------------|-----------------------|------------------|--------------------------|------------------------------------|
| Pineda Parque I | Sevilla                     | 102                   | 100              | 2                        |                                    |
| Alminar         | Marbella (Málaga)           | 44                    | 31               | 13                       |                                    |
| Boadilla Garden | Boadilla del Monte (Madrid) | 74                    | 71               | 3                        |                                    |
| Santa Ana III   | Dos Hermanas (Sevilla)      | 35                    | 35               | 0                        | 2                                  |
| Selecta Hermes  | Dos Hermanas (Sevilla)      | 116                   | 114              | 2                        | 7                                  |
| Elements Fase I | Marbella (Málaga)           | 52                    | 27               | 25                       |                                    |
|                 |                             | <b>423</b>            | <b>378 (89%)</b> | <b>45</b>                | <b>9</b>                           |
| <b>TOTAL</b>    |                             | <b>710</b>            | <b>636 (90%)</b> | <b>74</b>                | <b>17</b>                          |

# Developments under construction

Figures as of June, 30<sup>th</sup>, 2021

## JV developments

| Development                   | Location                      | Units      | Sales volume (M€) | Estimated delivery | Sold units       |
|-------------------------------|-------------------------------|------------|-------------------|--------------------|------------------|
| Selecta Salobreña Fase 1      | Salobreña (Granada)           | 55         | 9.8               | 2021               | 50               |
| Selecta Salobreña Fase 2      | Salobreña (Granada)           | 55         | 9.8               | 2022               | 33               |
| Selecta Ares I                | Dos Hermanas (Sevilla)        | 76         | 17.8              | 2021               | 75               |
| Mirador del Olivar            | Valdemoro (Madrid)            | 53         | 13.7              | 2021               | 53               |
| Pineda Parque II              | Sevilla                       | 80         | 26.8              | 2021/2022          | 42               |
| Selecta Extremadura Cáceres   | Cáceres                       | 80         | 19.4              | 2022               | 66               |
| Selecta Mykonos               | Dos Hermanas (Sevilla)        | 24         | 9.2               | 2022               | 21               |
| Selecta Apolo 1 <sup>af</sup> | Dos Hermanas (Sevilla)        | 37         | 8.1               | 2022               | 28               |
| Selecta Apolo 2 <sup>af</sup> | Dos Hermanas (Sevilla)        | 33         | 7.5               | 2022               | 21               |
| Selecta Apolo 3 <sup>af</sup> | Dos Hermanas (Sevilla)        | 38         | 8.1               | 2022               | 13               |
| Terrazas de Santa Rosa I a    | Córdoba                       | 46         | 10.7              | 2022               | 26               |
| Terrazas de Santa Rosa I b    | Córdoba                       | 46         | 10.7              | 2022               | 13               |
| Monte de la Villa Unique I    | Villaviciosa de Odón (Madrid) | 22         | 12.2              | 2022               | 12               |
| Monte de la Villa Unique II   | Villaviciosa de Odón (Madrid) | 36         | 20.8              | 2022               | 18               |
| Selecta Ares II               | Dos Hermanas (Sevilla)        | 76         | 18.9              | 2022               | 63               |
|                               |                               | <b>757</b> | <b>203.4</b>      |                    | <b>534 (71%)</b> |

# Projects under development

Figures as of June, 30<sup>th</sup>, 2021

\* Under commercialization  
\*\* Optioned plot

## 100% owned developments

| Development                     | Location               | Units      | Estimated construction start date | Sold units |
|---------------------------------|------------------------|------------|-----------------------------------|------------|
| Santa Aurelia 1 <sup>a</sup> f* | Sevilla                | 52         | 2021                              | 23         |
| Santa Aurelia 2 <sup>a</sup> f* | Sevilla                | 52         | 2021                              | 9          |
| Ares III                        | Dos Hermanas (Sevilla) | 92         | 2021                              |            |
|                                 |                        | <b>196</b> |                                   | <b>32</b>  |

## JV developments

| Development                  | Location                      | Units        | Estimated construction start date | Sold units |
|------------------------------|-------------------------------|--------------|-----------------------------------|------------|
| Boadilla Essences II*        | Boadilla del Monte (Madrid)   | 17           | 2021                              | 9          |
| Selecta Bermes               | Sevilla                       | 42           | 2021                              |            |
| Selecta Creta                | Dos Hermanas (Sevilla)        | 44           | 2021                              |            |
| Jardines del Olivar I*       | Valdemoro (Madrid)            | 36           | 2021                              | 2          |
| Jardines del Olivar II       | Valdemoro (Madrid)            | 36           | 2021                              |            |
| QuintEssence I*              | Marbella (Málaga)             | 24           | 2022                              |            |
| QuintEssence II              | Marbella (Málaga)             | 56           | 2022                              |            |
| Elements Fase II*            | Marbella (Málaga)             | 66           | 2022                              | 3          |
| Monte de la Villa Exclusive* | Villaviciosa de Odón (Madrid) | 32           | 2022                              | 3          |
| Terrazas de Santa Rosa II    | Córdoba                       | 95           | 2022                              |            |
| BC-10 1 <sup>a</sup> f**     | Dos Hermanas (Sevilla)        | 215          | 2022                              |            |
| BC-10 2 <sup>a</sup> f**     | Dos Hermanas (Sevilla)        | 112          | 2022                              |            |
| Parque Aljarafe I            | Tomares (Sevilla)             | 100          | 2022                              |            |
| Parque Aljarafe II           | Tomares (Sevilla)             | 100          | 2022                              |            |
| BA-8                         | Dos Hermanas (Sevilla)        | 102          | 2023                              |            |
| QuintEssence III             | Marbella (Málaga)             | 48           | 2023                              |            |
| Elements Fase III            | Marbella (Málaga)             | 34           | 2023                              |            |
| Calle Juglar                 | Sevilla                       | 56           | 2023                              |            |
| Parque Aljarafe III          | Tomares (Sevilla)             | 100          | 2023                              |            |
| Parque Aljarafe IV           | Tomares (Sevilla)             | 100          | 2024                              |            |
| Parque Aljarafe V            | Tomares (Sevilla)             | 64           | 2024                              |            |
|                              |                               | <b>1,479</b> |                                   | <b>17</b>  |
| <b>TOTAL</b>                 |                               | <b>1,675</b> |                                   | <b>49</b>  |

# Parque Aljarafe: real estate development in Tomares (Seville)

- **New real estate development in Tomares (Seville)** that will become a benchmark for clients seeking tranquility and comfort, design and efficiency.
- Unique and sustainable urban project that gives continuity to other previous developments in this town (Hacienda La Cartuja, with more than 600 homes already delivered).
- **Located in the SUS-1 Sector of Tomares, a prime municipality, with a high per capita income, which has a market of constant residential demand in the metropolitan area.**
- An environment where **indigenous nature prevails, the high endowment of commercial areas, services and public facilities**, which are projected with a terraced configuration that enhances its unbeatable views of the capital of Seville and the green spaces in which the promotions are integrated.
- **54,133 sqm of residential, 17,430 sqm of tertiary and 3,375 sqm of commercial** on the ground floor.
- **464 high-rise multi-family homes** equipped with large community and commercial leisure areas integrated into a development with educational, sports and leisure areas.
- **First phase of 200 homes** designed by the Eddea architecture studio



- **Commercial launch 4Q21. Start of construction works 1H2022.**
- **Total investment planned 93 M€**
- **Project promoted by IDS Parque Aljarafe Residencial, S.A. (JV constituted 50% with private investors).**
- **Generation of 2,400 jobs.**

# Jardines del Olivar: new project in Valdemoro (Madrid)



- New development in Valdemoro (Madrid) aimed at meeting the demand already contrasted in the Mirador del Olivar development (53 units) which has been a commercial success and whose delivery is scheduled for 4Q2021.
- Located in El Restón, just 300 meters from Mirador del Olivar.
- 11,232 sqm for 72 two-story single-family homes with the possibility of custom design.
- Closed urbanization with access control and more than 2,000 sqm of common areas with a saline swimming pool for adults and children, paddle tennis and a games area.
- Promotion with Flexible Plan Insur.
- In commercialization with the first units already sold. Start of construction works 4Q21.
- Planned investment 20.0 M€.
- Promotion developed by IDS Montevilla Residencial S.A. (JV at 70%).

# Ares III: new project in Dos Hermanas (Seville)



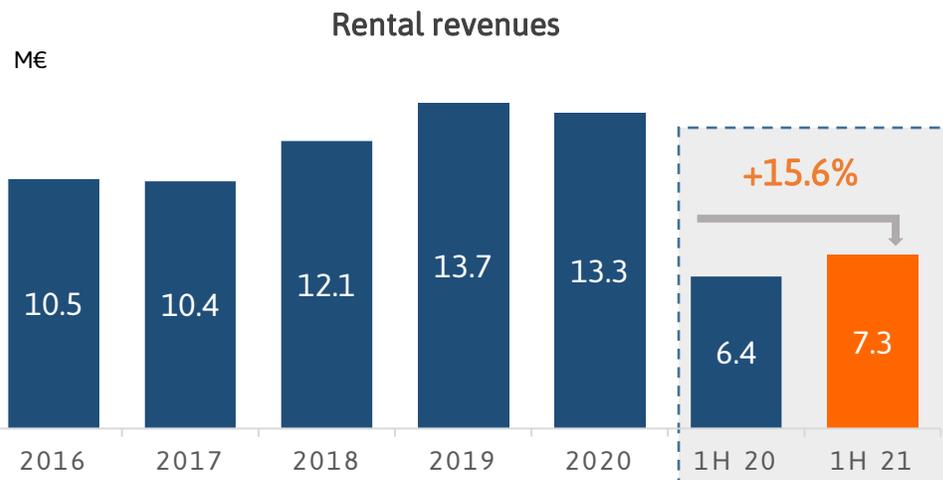
- **New promotion in Entrenúcleos (Dos Hermanas, Seville)** aimed at satisfying the demand already contrasted in the Ares I and Ares II promotions that have been a commercial success and whose delivery is scheduled for 4Q2020 and 2021.
- **12,259 sqm for 92 two-story single-family homes** with porch and private garden.
- Promotion that will have **common areas, swimming pools, gardens and a social lounge.**
- **Currently in commercialization.**
- **Start of construction works in 1Q22**
- **Expected delivery 1Q24**
- **Planned investment €20.0 M**
- Promotion developed by **Insur Promoción Integral, S.L.U.** (100% Inmobiliaria del Sur).

# Rentals

- During 1H 21, **6,125.9 sqm** have been sold and there have been contract terminations of 6,890 sqm.
- **Occupancy rate stood at 88.3%**, -1.1 p.p. vs the rate in 2020 year end, although it rose +2.4 p.p. compared to 1Q 21. The hotel in Avda. República Argentina (Seville) with a surface of 8,068.0 sqm was delivered to Hotusa Group in July.
- The **annualized rental income** of the contracts in force on 30<sup>th</sup> June 2021 stood at **17.2 M€** vs 17.7 M€ in 4Q20.
- **Great investment effort in the rental business** with Capex amounting **6.8 M€** for the conversion and remodeling of some buildings.

**GAV of the assets aimed both at rental and own use amounts to 367.3 M€**  
*(valuation at 31/06/21 estimated from CBRE valuation at 31/12/20 and revised with additions at cost value)*

**134,578 sqm office and commercial premises portfolio and more than 3,000 parking spots**



# Ágora: new office project in Málaga



- Project promoted by **IDS Pacífico Patrimonial, S.A.**, a 50% owned company between Grupo Insur and a private investor. **Work is scheduled to begin in 2022.**
- **Unbeatable location**, Paseo Marítimo de Poniente de Málaga, surrounded by services and good communications.
- Unique construction with **9,500 sqm** of offices and modular spaces with panoramic terraces overlooking the Mediterranean.
- Ground floor for a public square open to the promenade and surrounded by green areas and 6 office floors. **Underground car park**, with 180 spaces and electric charging points.
- **Smart building** with a bioclimatic facade and large gardens, digitally capable of satisfying the technological demands of the tenants (**Wired Score**).
- Energy efficient (**Breem Very Well** certification) and healthy (**Well Gold** certification).
- **Planned investment of 29 million Euros. 8.9 M€ investment made in land** (4.5 M€ adjusted by the stake % in the JV).
- Generation of 300 direct and indirect jobs.

# Construction and Project Management

CONSTRUCTION REVENUES: 13.9 M€ (+81.0% y-o-y)

MANAGEMENT REVENUES: 1.7 M€ (+1.9% y-o-y)

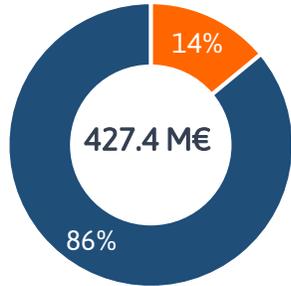
## Main projects currently managed

|  |   |  |
|--|---|--|
| DESARROLLOS METROPOLITANOS DEL SUR, S.L. | <ul style="list-style-type: none"> <li>Selecta Entrenúcleos (Sevilla), 2,503 units</li> <li>Selecta Salobreña (Granada), 110 units</li> <li>Selecta Cáceres (Cáceres), 80 units</li> <li>Selecta Avenida Jerez (Sevilla), 44 units</li> </ul> | <p><b>FOC (116 units):</b><br/>Selecta Hermes: 116 units (107 delivered)</p> <p><b>UNDER CONSTRUCTION (474 units):</b><br/>Selecta Ares I: 76 units<br/>Selecta Cáceres: 80 units<br/>Selecta Salobreña Fase I: 55 units<br/>Selecta Salobreña Fase II: 55 units<br/>Selecta Mykonos: 24 units<br/>Selecta Apolo Fase I: 37 units<br/>Selecta Apolo Fase II: 33 units<br/>Selecta Apolo Fase III: 38 units<br/>Selecta Ares II: 76 units</p> |
| IDS RESIDENCIAL LOS MONTEROS, S.A.       | <ul style="list-style-type: none"> <li>Los Monteros (Marbella), 276 units</li> </ul>  | <p><b>FOC (52 units):</b><br/>Elements I: 52 units (27 delivered)</p> <p><b>UNDER CONSTRUCTION (80 units):</b><br/>2ª FASE: Bloques 4 y 5: 80 units</p>  |
| IDS PALMERA RESIDENCIAL, S.A.            | <ul style="list-style-type: none"> <li>Pineda Parque (Sevilla), 80 units</li> </ul>   | <p><b>Start on 2021</b></p>  |
| IDS BOADILLA GARDEN RESIDENCIAL, S.A.    | <ul style="list-style-type: none"> <li>Boadilla Essences (Boadilla del Monte, Madrid), 16 units</li> </ul>  | <p><b>UNDER CONSTRUCTION (92 units)</b><br/>Terrazas Sta Rosa Fase I a (46 units)<br/>Terrazas Sta Rosa Fase I b (46 units)</p>  |
| IDS MEDINA AZAHARA RESIDENCIAL, S.A.     | <ul style="list-style-type: none"> <li>Terrazas de Santa Rosa (Córdoba), 187 units</li> </ul>   | <p><b>UNDER CONSTRUCTION (58 units)</b><br/>Monte de la Villa Unique I (22 units)<br/>Monte de la Villa Unique II (36 units)</p>   |
| IDS MONTEVILLA RESIDENCIAL, S.A.         | <ul style="list-style-type: none"> <li>Monte de la Villa (Villaviciosa de Odón, Madrid), 58 units</li> <li>Jardines del Olivar (Valdemoro, Madrid), 72 units</li> </ul>   | <p><b>UNDER CONSTRUCTION (53 units)</b><br/>Mirador del Olivar: 53 units</p>   |
| HACIENDA LA CARTUJA, S.L.                | <ul style="list-style-type: none"> <li>Monte de la Villa (Villaviciosa de Odón, Madrid), 32 units</li> <li>Mirador del Olivar (Valdemoro), 53 units</li> </ul>  | <p><b>Start from 2022</b></p>  |
| IDS PARQUE ALJARAFE RESIDENCIAL, S.A.    | <ul style="list-style-type: none"> <li>Tomares (Sevilla), 464 units</li> </ul>  | <p><b>Start in 2022</b></p>  |
| IDS PACÍFICO PATRIMONIAL, S.A.           | <ul style="list-style-type: none"> <li>Málaga, 9,500 sqm office</li> </ul>  | <p><b>Start in 2022</b></p>  |

FOC: First Occupation Certificate obtained

# GAV, NAV, LTV & debt

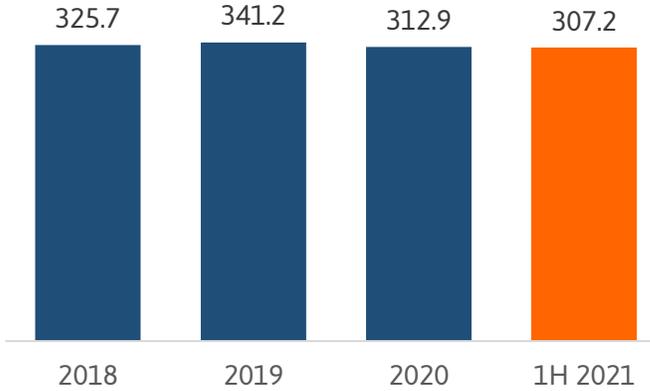
INSUR GAV\*



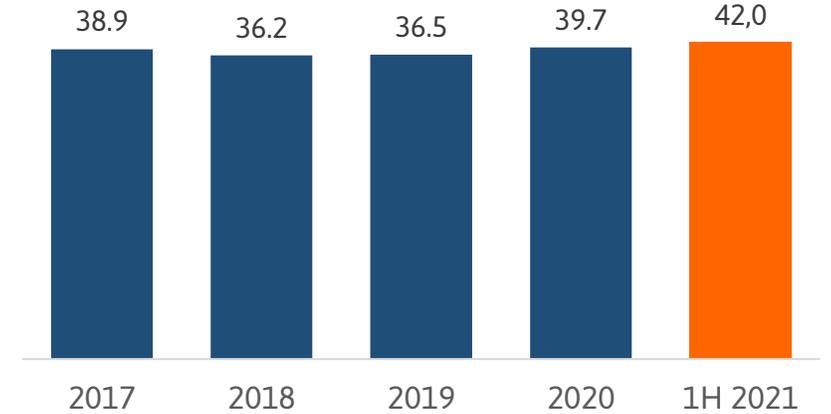
Real Estate development    Rental

\* valuation at 30/06/21 estimated from CBRE valuation at 31/12/20 and revised with disposals due to deliveries and additions at cost value.

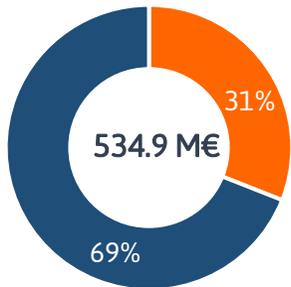
INSUR NAV\*\*



LTV evolution %\*\*



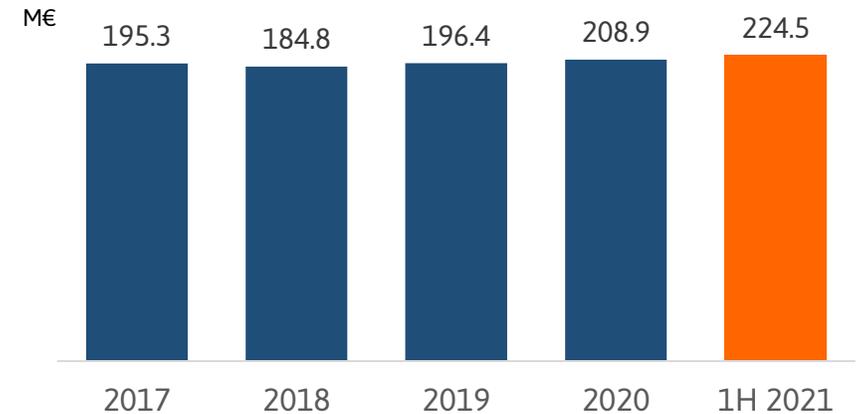
INSUR GAV\*\*



Real Estate development    Rental

Net Financial Debt increase is explained by the **outstanding investments made in the 1S21**. Capex (6.8 M€) and 18.6 M€ in the purchase of plots.

Net Financial Debt evolution\*\*



\*\* Proportionate method

# Share Price evolution

## Share Price performance 1H 2021

In the 1H 21 the share Price (ISUR) decreased by 4.9%. In that same period, the Ibex 35 grew by 9.3% and the Ibex Small Caps increased by 8.8%.

The share closed at 7.72 € which implies a market cap of 144.1\* M€ at the 30<sup>th</sup> June, 2021.



\* Including the new shares from the latest capital increase that are trading since July, the 7<sup>th</sup>

| Market Cap June 2021* | NAV June 2021 | Discount vs NAV* |
|-----------------------|---------------|------------------|
| 144.1 M€              | 307.2 M€      | 53%              |

# Conciliation between equity method and proportionate method

## Consolidated P&L M€

|  | 1H2021        |             |               | 1H2020        |             |               |
|--|---------------|-------------|---------------|---------------|-------------|---------------|
|  | Equity method | Adjustments | Proportionate | Equity method | Adjustments | Proportionate |
| <b>a</b> Revenues                              | 55.1          | 1.7         | 56.8          | 35.4          | 7.9         | 43.3          |
| Housebuilding                                  | 23.5          | 10.3        | 33.8          | 12.4          | 15.6        | 27.9          |
| Rental   | 7.3           | 0.1         | 7.3           | 6.3           | 0.1         | 6.4           |
| <b>b</b> Construction                          | 22.2          | (8.3)       | 13.9          | 15.0          | (7.4)       | 7.7           |
| Asset management                               | 2.1           | (0.3)       | 1.7           | 1.7           | (0.4)       | 1.3           |
| Result of entities valued by the equity method | 0.6           | (0.6)       | (0.0)         | 2.0           | (2.0)       | (0.0)         |
| <b>c</b> EBITDA                                | 8.8           | 0.4         | 9.2           | 6.8           | 1.0         | 7.8           |
| Result on the sale of investment property      | -             | -           | -             | -             | -           | -             |
| Adjusted EBITDA                                | 8.8           | 0.4         | 9.2           | 6.8           | 1.0         | 7.8           |
| Operating profit                               | 6.7           | 0.4         | 7.1           | 5.2           | 1.0         | 6.1           |
| Financial result                               | (2.8)         | (0.2)       | (3.0)         | (2.4)         | (0.3)       | (2.7)         |
| Profit before tax                              | 3.9           | 0.2         | 4.1           | 2.7           | 0.7         | 3.4           |
| Profit attributable to parent company          | 3.0           | -           | 3.0           | 2.5           | 0.0         | 2.5           |
| Profit attributable to minority interest       | 0.036         | -           | 0.036         | -             | -           | -             |

### Main adjustments:

a) Housebuilding revenues: it increases as it adds the revenue figure of the JVs in the proportion in which Grupo Insur participates in them

b) Construction revenue: this figure is composed by the incomes generated by the works in the JV developments. When consolidating by the proportionate method, the incomes corresponding to the % of the participation of the Group in these companies are eliminated.

c) EBITDA: the results of companies valued by the equity method in the EU-IFRS income statement are integrated net of income tax expense and include the financial results of joint ventures. In the consolidated P&L under the proportional method, the financial results of the joint ventures are not part of the operating result (and therefore not part of the EBITDA) and the operating result does not include the income tax expense corresponding to the results of the joint ventures

## Conciliation between equity method and proportionate method

### Consolidated balance sheet M€

|  | 30.06.21      |             |               | 31.12.20      |             |               |
|--|---------------|-------------|---------------|---------------|-------------|---------------|
|  | Equity method | Adjustments | Proportionate | Equity method | Adjustments | Proportionate |
| Property, Plant and Equipment          | 223.1         | 0.1         | 223.2         | 216.0         | 0.1         | 216.1         |
| a) Financial investments in JVs        | 40.0          | (38.7)      | 1.2           | 38.4          | (37.2)      | 1.2           |
| b) Inventory                           | 58.0          | 91.2        | 149.2         | 72.6          | 72.0        | 144.6         |
| Debtors and other receivables          | 18.5          | (2.7)       | 15.9          | 17.8          | (3.8)       | 14.0          |
| Other assets                           | 55.8          | (5.8)       | 50.0          | 44.5          | (6.2)       | 38.3          |
| Cash and equivalents                   | 36.0          | 10.2        | 46.1          | 44.4          | 11.5        | 55.9          |
| <b>TOTAL ASSETS</b>                    | <b>431.4</b>  | <b>54.2</b> | <b>485.6</b>  | <b>433.7</b>  | <b>36.3</b> | <b>470.0</b>  |
| Net equity                             | 122.0         | -           | 122.0         | 122.3         | -           | 122.3         |
| Minority interests                     | 3.2           | -           | 3.2           | 3.2           | -           | 3.2           |
| c) Amounts owed to credit institutions | 234.7         | 24.0        | 258.7         | 239.0         | 20.2        | 259.2         |
| Other financial liabilities            | 11.9          | -           | 11.9          | 5.6           | -           | 5.6           |
| d) Trade and other payables            | 32.7          | 5.8         | 38.5          | 29.6          | (0.8)       | 28.7          |
| Other liabilities                      | 26.8          | 24.4        | 51.2          | 34.0          | 17.0        | 51.0          |
| <b>TOTAL EQUITY AND LIABILITIES</b>    | <b>431.4</b>  | <b>54.2</b> | <b>485.6</b>  | <b>433.7</b>  | <b>36.3</b> | <b>470.0</b>  |

### Main adjustments:

- Financial investments in JVs: the cost of the financial investments in JVs on the assets of the consolidated balance according to the equity method is replaced by the assets and liabilities that these JVs incorporate in the proportionate balance sheet, in the participation held by the Group in them.
- Inventory: the proportionate method of consolidating the JVs implies the incorporation of the inventory figure in the proportion in which the Group participates in these companies.
- Amounts owed to credit institutions: the proportionate method of consolidating the JVs implies the incorporation of the debt figure in the proportion in which the Group participates in these companies
- Trade and other payables : the integration of the JVs implies the incorporation of their accounts payable in the proportion in which the Group participates in these companies



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