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RESULTS PRESENTATION

JULY 27, 2023



Insur Las Tablas (Madrid)

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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 IFRS 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**.



Edificio Insur (Sevilla)



Main highlights

1H23

- ▶ **Revenues** driven by increases in homebuilding (+36.4%) and rental (+3.1%) activities.
- ▶ **Ebitda** has increased by 115.4% due to the strong contribution of the result from asset turnover.
- ▶ **Operating Income and Net Profit for 1H23** show falls of 13.6% and 38.5%, respectively, due to the result of the takeover of DMS registered in 1H22.
- ▶ **Good performance of the commercial activity despite the macroeconomic environment that allows exceeding thresholds for the start of new promotions.** Pre-sales formalized in 1H23 for €63.3m (€47.8m proportionally) that allow for the recording of a global amount of accumulated pre-sales at the end of June of €228.6m, 13.1% more than at the end of 2022 (+11.0% proportionally). The volume of pre-sales corresponding to promotions whose delivery is scheduled for 2H23 amounts to €81.8m (€71.3m proportionally).
- ▶ **Building permit obtained for the tertiary project in Las Tablas (Madrid).**
- ▶ **Sale of the Capitolio building for €11.7m** within the Group's asset turnover objective, which has generated a gross result of €8.5m.
- ▶ **Solid performance of the rental activity** whose turnover has increased by 3.1% despite the rotation of assets and the resolutions of 2Q23.
- ▶ **Relevant investment effort in the semester (€55.7m in proportional).** €13.5m investment in land for 353 homes, €40.6m investment in works execution and €1.7m in adapting assets from property activities.



Executive summary 1H23

Main highlights

Figures by proportionate method
 €m = million Euros
 Var % y-o-y

Datos financieros

	Revenues				
	▶	€45,7m	+9,5%		
	EBITDA (1)(2)				
	▶	€17,3m	+115,4%		
	Adjusted EBITDA (1)(3)				
	▶	€8,6m	+26,8%		
	EBIT (2)(4)				
	▶	€12,8m	-13,6%		
	Net Profit (2)(4)				
	▶	€7,1m	-38,5%		
	NFD				
	▶	€243,9m	(+2,9% vs FY22)		
	Total Investment				
	▶	€55,7m	(Plots €13,5m + Capex €1,7m + €40.6m in works execution)		
	Homebuilding				
	▶	€29,7m	+36,4%		
	Rentals				
	▶	€9,1m	+3,1%		
	Construction				
	▶	€5,3m	-44,0%		
	Services				
	▶	€1,7m	-0,9%		

Homebuilding operating data

	Deliveries	
	▶	142 units
	Pre-sales 1H23	
	▶	204 units
	Accumulated pre-sales	
	▶	742 units
	Total units	
	▶	3.727 units

Rental operating data

	Occupancy rate	
	▶	86,9% (-3,2 p.p. vs 1Q23)
	In portfolio	
	▶	128,000 sqm y +3.000 parking spots

(1) Eliminating from the cost of sales for 1H23 the effect (€2.1m) of the revaluation of assets recorded in 1H22 due to the takeover of DMS.

(2) Includes €8.7m of gross profit from the sale of real estate investments (€8.5m from Capitolio building).

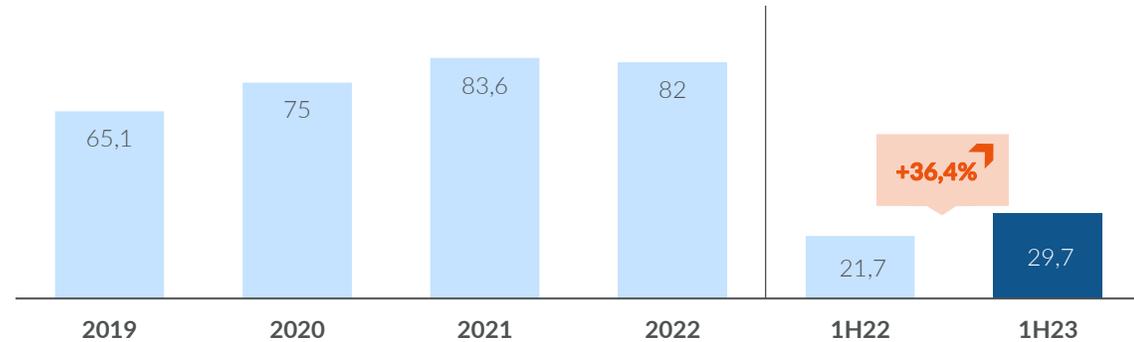
(3) Does not have into account assets turnover, excluding stock impairments

(4) Y-o-y variation impacted by the result of the takeover of DMS in 1H22 (€12.5m before tax and €9.4m after tax)

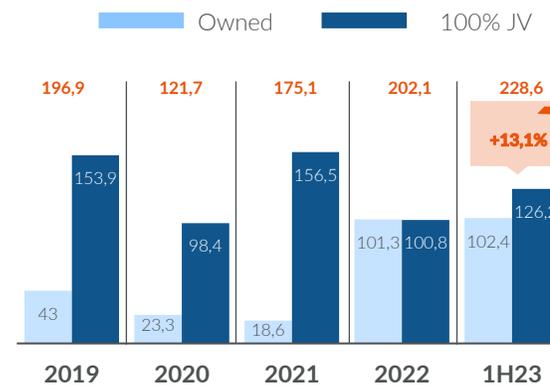
Homebuilding

- ▶ In 1H23 a total of 142 homes were delivered with an ASP⁽¹⁾ of €258,846 (89 owned and 53 through JV), +36,5% compared to 104 homes delivered in 1H22 (9 owned and 95 through JV) with an ASP⁽¹⁾ of €343,807. ⁽¹⁾ Average sale price
- ▶ Revenues stood at €29,7m, +36,4% vs 1H22
- ▶ 204 units sold in 1H23 (105 in 2Q23 and 99 in 1Q23) amounting to €63.3m (€47.8m proportionally).
- ▶ Pre-sales portfolio of 742 units for an amount of €228.6m (€182.8m proportionally), +13.1% vs 4Q22 (+11,0% proportionally).
- ▶ Pre-sales coverage for 2023 and 2024 of 95% and 44%, respectively.
- ▶ The volume of pre-sales corresponding to promotions whose delivery is scheduled for 2H23 amounts to €81.8m (€71.3m proportionally).
- ▶ €40.6m (proportionally) of investment in work executions in 1H23.
- ▶ Investment in land of €13.5 M in 1H23 for 353 housing units.
- ▶ Expected start of construction of 247 homes in 2H23.

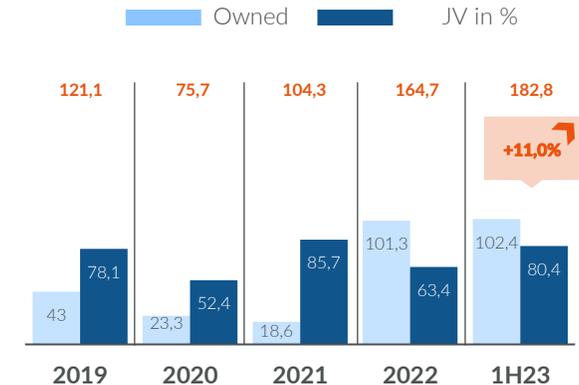
Homebuilding revenues



Pre-sales portfolio (€m)



Pre-sales portfolio (€m proportionate)



3,727 UNITS

▶ 1,564 units in active promotions

Under construction

15 promotions
1,160 units
(707 owned; 453 JVs)

Under development

5 promotions
404 units
(65 owned; 339 JVs)

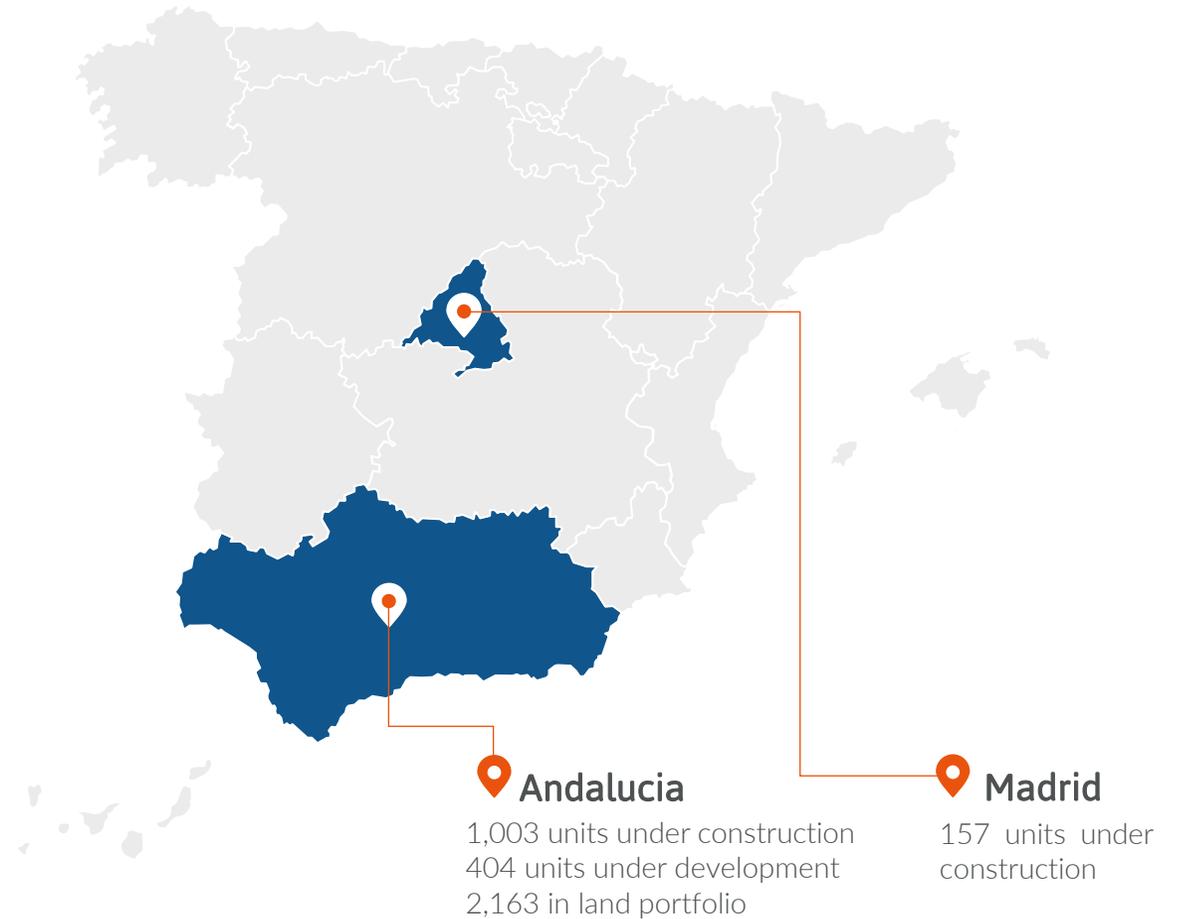
▶ 2,163 units in land portfolio

(1,899 owned; 264 JVs)

1,435
units
in
commercialization*

(51.6% sold)

*Includes 38 units
pending to be delivered
from finished projects



P&L: Homebuilding

€m (proportionate)	30.06.2023	30.06.2022	Var %
Homebuilding revenues	29,7	21,7	36,4%
Cost of sales*	(22,9)	(16,9)	35,6%
Gross Margin	6,8	4,9	39,0%
% Gross Margin	22,8%	22,4%	+0,4 p.p.
Net Margin	3,8	2,4	59,6%
% Net Margin	12,9%	11,0%	+1,9 p.p.
Ebitda	3,7	1,6	134,0%
% Ebitda Margin	12,5%	7,3%	+5,2 p.p.
Takeover result after tax	-	6,8	n.m.
Profit before tax	1,8	10,2	-82,7%
Net Profit	1,3	7,6	-82,7%

* In order to reflect the true image of the profitability of the development business, the effect (€2.1 M) of the revaluation of assets recorded in 1H22 due to the takeover of DMS is not included in the cost of sales for 1H23.

Tertiary promotion. Ongoing projects

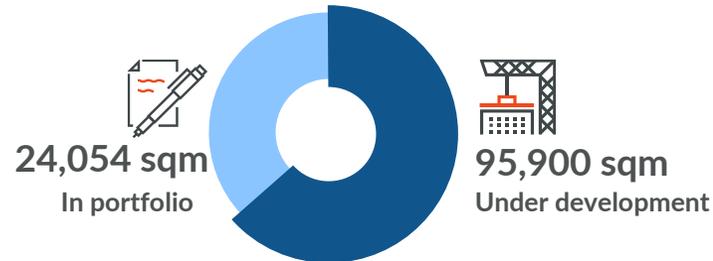
Fulfilling the objective established for 2021-2025:

To grow in terms of tertiary offices developments in Madrid and Málaga



119,954 sqm

Total



Ágora project-Málaga capital

9,500 sqm of offices
Planned investment €37m
Construction works started in 1Q23
In commercialization



Martiricos project-Málaga capital

10,900 sqm of offices
Planned investment €37m
Estimated construction start in 4Q23
In commercialization



Hotel Project in Atlanterra - Tarifa (Cádiz)

30,000 sqm buildable
Planned investment €85m



Project in Las Tablas Madrid Nuevo Norte - Madrid

9,000 sqm of offices
Planned investment €39m
Building license obtained in 2Q23
Estimated construction start in 4Q23



Business Campus in Valdebebas - Madrid

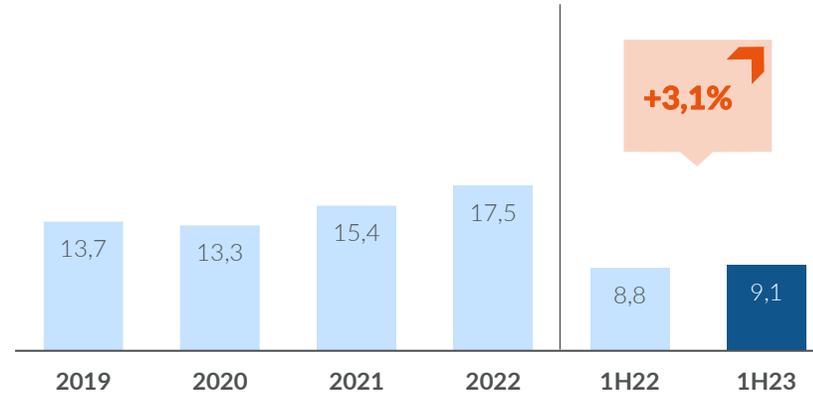
36,500 sqm of offices
Planned investment €95m
In commercialization for various tertiary uses



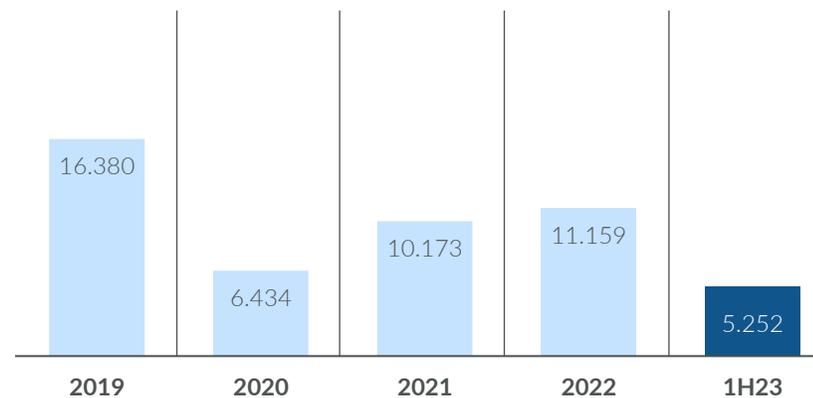
Rentals

- ▶ In 1H23, new areas were sold for a total of 5,252 sqm (2,672 sqm in Q2) and there have been contract terminations of 9,733 sqm (5,431 sqm in Q2 mainly due to the vacancy of the Suecia building on Isla de la Cartuja in Seville).
- ▶ This has led the occupancy rate to stand at 86.9% (-3.2 p.p. compared to the closing rate for 1Q23).
- ▶ Sale in 2Q23 of the Capitolio building for €11.7m with a discount of 6.5% on CBRE's valuation at 12.31.22, which has reported a gross profit of €8.5m.
- ▶ The annualized rental income of the contracts in force on 30th June 2023 stood at €18.1m vs €18.9m at the end of 2022 due to asset turnover and contract terminations during the quarter.
- ▶ Investment in 1H23 of €1.7m allocated to the reform and remodeling of buildings.
- ▶ 128,000 sqm of offices, hotels and commercial premises portfolio and more than 3,000 parking spots.

Rental revenues



Squares meters sold



Edificio Republica Argentina 23 (Sevilla)

P&L: Rentals

€m (proportionate)	30.06.2023	30.06.2022	Var %
Rental revenues	9,1	8,8	3,1%
Operating expenses	(1,5)	(1,7)	-10,7%
Result on the sale of investment property	8,7	1,1	n.m.
Ebitda	15,8	7,9	101,1%
Adjusted Ebitda*	7,1	6,7	5,9%
% Adjusted Ebitda margin	78,6%	76,5%	+2,1 p.p.
Profit before tax	12,2	8,0	53,3%
Net Profit	9,1	5,9	53,6%

*Does not include the result on the sales of investment properties

- ▶ Positive behavior of revenues as a result of the increase in rental prices and the recovery of revenues from car parks and business centers.
- ▶ **Asset turnover:** result impacted by the sale in 2Q23 of the Capitolio building, which has reported a gross profit of €8.5m.



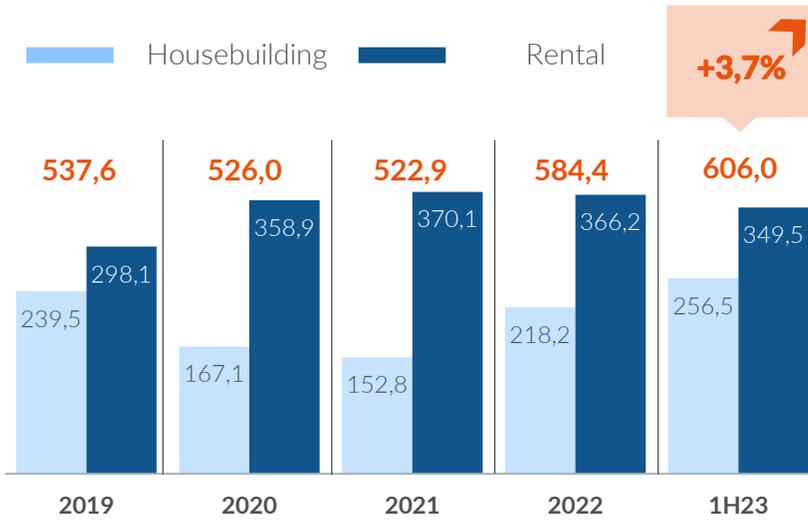
1H23 RESULTS PRESENTATION

GAV

All figures in proportionate

GAV INSUR*

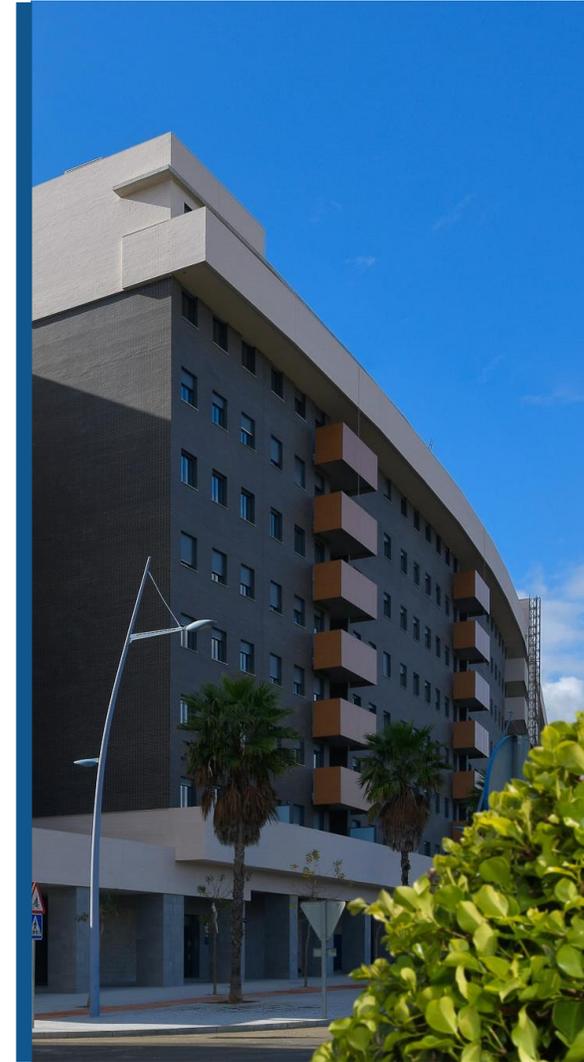
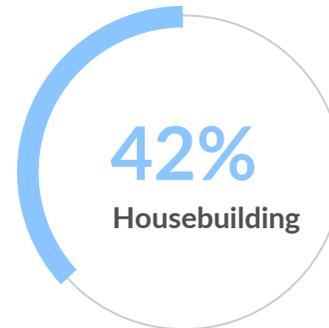
€m



*CBRE valuation at 30.06.23



€606,0m
Total



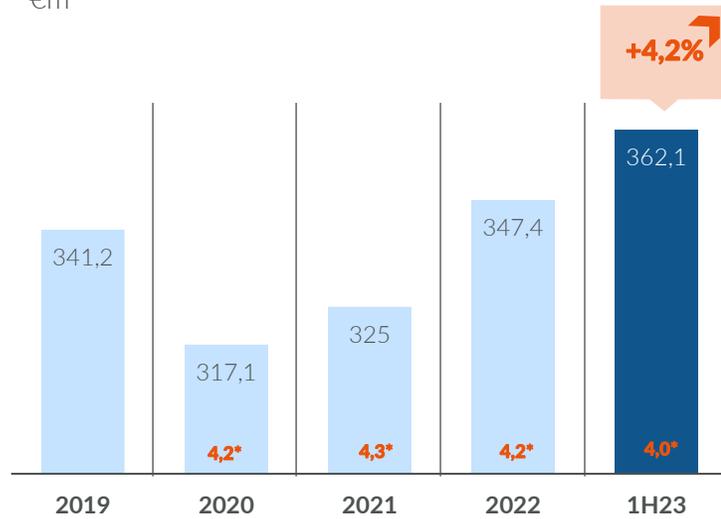
Selecta Hermes (Dos Hermanas - Sevilla)

NAV, LTV and debt

All figures in proportionate

NAV Insur

€m



*€m of NAV corresponding to minority interests

The increase in the NFD vs. the end of 2022 is mainly explained by the investments of the semester (€55,7m) and will present a reduction at the end of the year as a result of the significant volume of deliveries scheduled for the second semester.



NAV per share

▶ €19,4

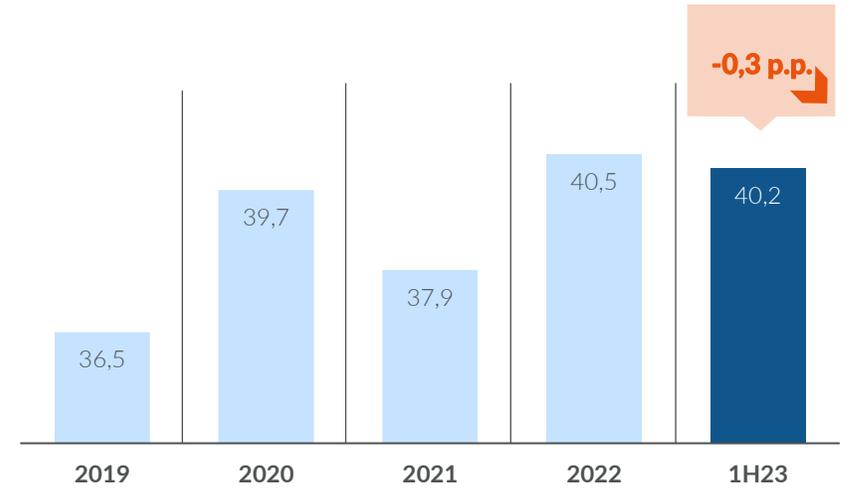


Discount vs NAV*

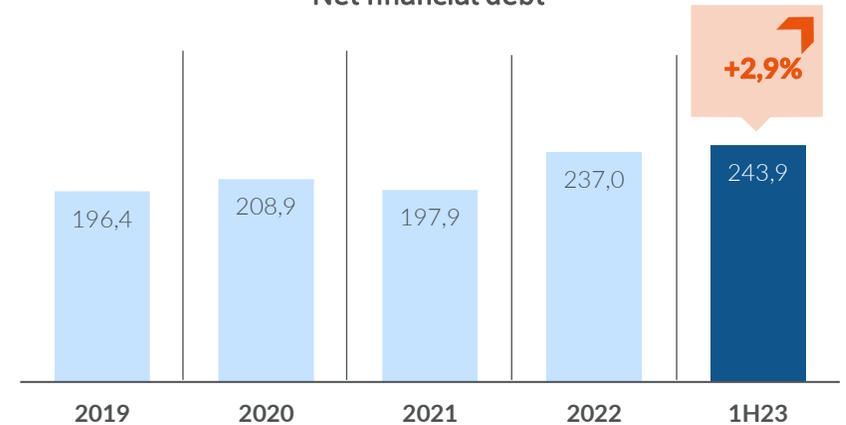
▶ 61,9%

• vs stock price as of 30.06.23

LTV%



Net financial debt



Financing formalized in 1H23

Financing capacity of projects for the promotion and obtaining/renewal of working lines

€m

- | | |
|--|---------------|
| ▶ Global amount developer mortgage loans formalized for residential projects | €96,0m |
| ▶ Formalization of long-term financing (17 years) for the Agora tertiary project in Malaga | €20,8m |
| ▶ Formalization/Renewal of credit policies (Limit) | €12,3m |
| ▶ MARF Bond investment in acquisition of plots | €9,4m |

Additionally, in July 2023, the MARF promissory note program has been renewed under the same conditions as the previous one and with a limit of €50m.

Conciliation between equity and proportionate method:

Consolidated P&L (€m)	1H23			1H22			Var %
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate	Proportionate
Revenues	49,0	(3,2)	45,7	39,5	2,2	41,8	9,5%
Housebuilding	22,5	7,1	29,7	7,4	14,3	21,7	36,4%
Rental	9,1	-	9,1	8,8	-	8,8	3,1%
Construction	15,2	(9,9)	5,3	21,3	(11,8)	9,5	-44,0%
Asset management	2,1	(0,5)	1,7	2,0	(0,3)	1,7	-0,9%
Result of entities valued by the equity method	0,4	(0,4)	0,0	1,1	(1,1)	(0,0)	-263,2%
EBITDA*	16,9	0,4	17,3	7,5	0,5	8,0	115,4%
Result on the sale of investment property	8,7	-	8,7	1,3	-	1,3	n.s.
Adjusted EBITDA	8,2	0,4	8,6	6,2	0,5	6,8	26,8%
Operating profit	12,4	0,4	12,8	14,3	0,5	14,8	-13,6%
Financial result	(3,0)	(0,4)	(3,4)	(2,3)	(0,2)	(2,4)	41,2%
Profit before tax	9,4	(0,0)	9,4	12,0	0,4	12,4	-24,3%
Net profit	7,1	-	7,1	11,5	-	11,5	-38,5%
Profit attributable to parent company	7,0	-	7,0	11,5	-	11,5	-38,7%
Profit attributable to minority interest	0,051	-	0,051	0,044	-	0,044	15,9%

*In order to reflect a true picture of the profitability of the development business, EBITDA has been adjusted by €2.1M (€0.4M in 1H22) due to the difference between fair value and cost at Desarrollos Metropolitanos del Sur, S.L. of homes delivered by this company in 1H23.

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 and proportionate method:

Consolidated balance sheet €m	30.06.23			31.12.22		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Property, Plant and Equipment	214,3	0,0	214,3	216,3	0,0	216,3
Financial investments in JVs	24,2	(23,9)	0,3	25,4	(25,1)	0,3
Inventory	133,8	90,7	224,5	116,5	82,1	198,6
Debtors and other receivables	26,8	(5,3)	21,5	21,7	(3,7)	18,0
Other assets	71,7	(32,9)	38,7	67,1	(33,6)	33,5
Restricted cash MARF bond	7,7	0,0	7,7	17,2	0,0	17,2
Cash and equivalents	22,2	7,4	29,6	32,9	6,3	39,2
TOTAL ASSETS	500,6	36,0	536,6	497,1	25,9	523,0
Net equity	141,2	0,0	141,2	137,3	0,0	137,3
Minority interests	3,1	0,0	3,1	3,1	0,0	3,1
Amounts owed to credit institutions	222,1	21,8	244,0	241,1	16,1	257,3
Other financial liabilities	39,2	0,0	39,2	39,0	0,0	39,0
Trade and other payables	61,7	12,9	74,6	50,5	(8,7)	41,9
Other liabilities	33,2	1,3	34,5	25,9	18,4	44,4
TOTAL EQUITY AND LIABILITIES	500,6	36,0	536,6	497,1	25,9	523,0

Main adjustments:

(a) **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.

(b) **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.

(c) **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.

(d) **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. Includes customer advances.



Strategic Sustainability Plan 2023-2025

Following our commitment to ESG criteria, Grupo Insur has recently approved its 2023-2025 Strategic Sustainability Plan, with the following strategic lines:

Environmental:

- Neutrality and climate adaptation
- Sustainability of developments and office buildings
- Industrialization of promotion and construction
- Best Practices in Environmental Management

Social:

- Maintain a strong commitment to economic sustainability
- Extension of sustainability to suppliers and contractors
- Healthy offices for clients
- The safety and health of employees and collaborators at the center of our priorities
- Satisfied customers
- Positive impact and social progress

Governance:

- ESG reputation and leadership
- Best practices in Corporate Governance and Business Ethics

All the established strategic objectives are detailed in the document available in the SUSTAINABILITY section of the Grupo Insur website <https://grupoinsur.com/>





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