

# RESULTS PRESENTATION

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04 MAY 2023

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Insur building (Sevilla)

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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.

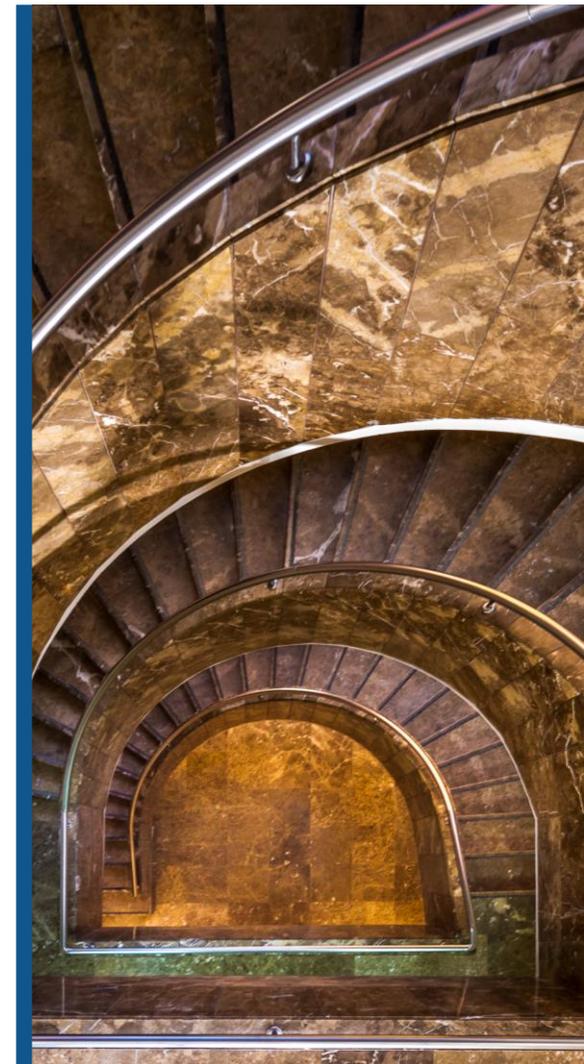
The rental activity is carried out by Insur Patrimonial, S.L.U. (IPAT), fully owned by Insur, as well as by other companies which are also fully owned by IPA (except for IDS Madrid Manzanares, S.A. where Insur has a 90% stake)

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**.



República Argentina 21 building (Sevilla)

# Main highlights

## 1Q23

- ▶ **Good commercial performance.** Pre-sales formalized in the quarter for €28.0m, which allows recording a global amount of accumulated pre-sales at the end of 1Q23 of €215.8m, 6.8% more than at the end of 2022.
- ▶ **Start of work on 649 homes and the Ágora project in the quarter.**
- ▶ **Relevant investment effort:** €13.5m investment in land in 1Q23 for 353 homes.
- ▶ **Solid performance of the property activity,** maintaining an occupancy rate of 90.1%.
- ▶ **Turnover** mainly affected by lower home deliveries in 1Q23 and lower turnover from construction activity, a situation that will be corrected in the coming quarters. The volume of pre-sales corresponding to promotions whose delivery is scheduled for the year amounts to €86.1m (proportionally).
- ▶ **The performance of Ebitda, Operating Income and Net Profit for 1Q23** reflect the impact of the sale of real estate investments in 1Q22 of €4.8m, which generated a result before taxes of €1.2m.



# Executive summary 1Q23.

## Main highlights

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

### Datos financieros

	<b>Revenues</b>			<b>Homebuilding</b>	
	▶ €16,3m	-14,2%		▶ €8,9m	-3,9%
	<b>EBITDA (1)</b>			<b>Rentals</b>	
	▶ €3,6m	-25,4%		▶ €4,5m	+3,3%
	<b>Adjusted EBITDA (1)(2)</b>			<b>Construction</b>	
	▶ €3,6m	+1,8%		▶ €2,1m	-54,6%
	<b>EBIT</b>			<b>Services</b>	
	▶ €1,9m	-48,6%		▶ €0,9m	+8,7%
	<b>Net Profit</b>				
	▶ €0,2m	-88,5%			
	<b>NFD</b>				
	▶ €261,3m	(+10,3% vs FY22)			
	<b>Total Investment</b>				
	▶ €14,2m	(Plots €13,5m + Capex €0,7m)			

### Homebuilding operating data

	<b>Deliveries</b>
	▶ 57 units
	<b>Pre-sales 1Q23</b>
	▶ 99 units
	<b>Accumulated pre-sales</b>
	▶ 722 units
	<b>Total units</b>
	▶ 3.803 units

### Rental operating data

	<b>Occupancy rate</b>
	▶ 90,1% (-0,3 p.p.)
	<b>In portfolio</b>
	▶ 132.796,8 sqm y +3.000 parking spots

(1) Excluding the effect of the revaluation of DMS assets registered in 2022 due to the takeover of this company. The deliveries made in 1Q23 of these assets has a higher cost of €0.2m

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

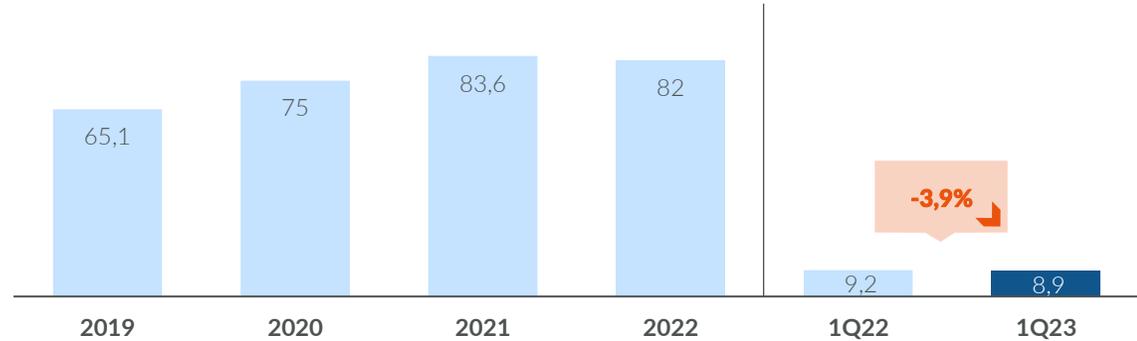
# Homebuilding

- ▶ In 1Q23 a total of 57 homes were delivered with an ASP<sup>(1)</sup> of €251,802 (14 owned and 43 through JV), compared to 60 homes delivered in 1Q22 (4 owned and 56 through JV) with an ASP<sup>(1)</sup> of €272,000.
- ▶ Revenues stood at €8,9m, -3.9% vs 1Q22
- ▶ 99 units sold in 1Q23 (120 in 1Q22 and 96 in 4Q22) amounting to €28.0m (€21.5m proportionally).
- ▶ At the end of 1Q23, Grupo Insur had a pre-sales portfolio of 722 units for an amount of €215.8m (€177.4m proportionally), +6.8% vs 2022 year end (+7.7% proportionally).
- ▶ Pre-sales coverage for 2023 and 2024 of 92% and 39%, respectively.
- ▶ Investment in land of €13.5m in 1Q23 for 353 housing units.
- ▶ Construction start of 649 homes in 1Q23

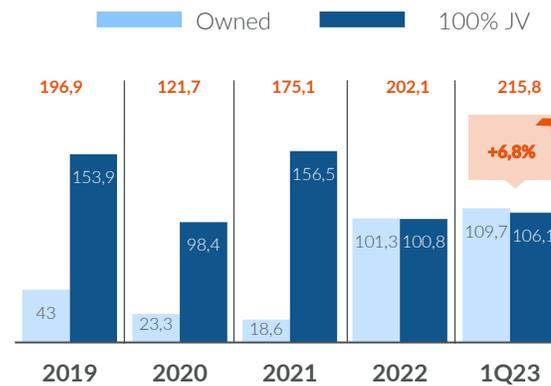
(1) Average sale price



Homebuilding revenues



Pre-sales portfolio (€m)



Pre-sales portfolio (€m proportionate)



# 3,803 UNITS

## ▶ 1,640 units in active promotions

### Under construction

16 promotions  
1,236 units  
(783 owned; 453 JVs)

### Under development

5 promotions  
404 units  
(65 owned; 339 JVs)

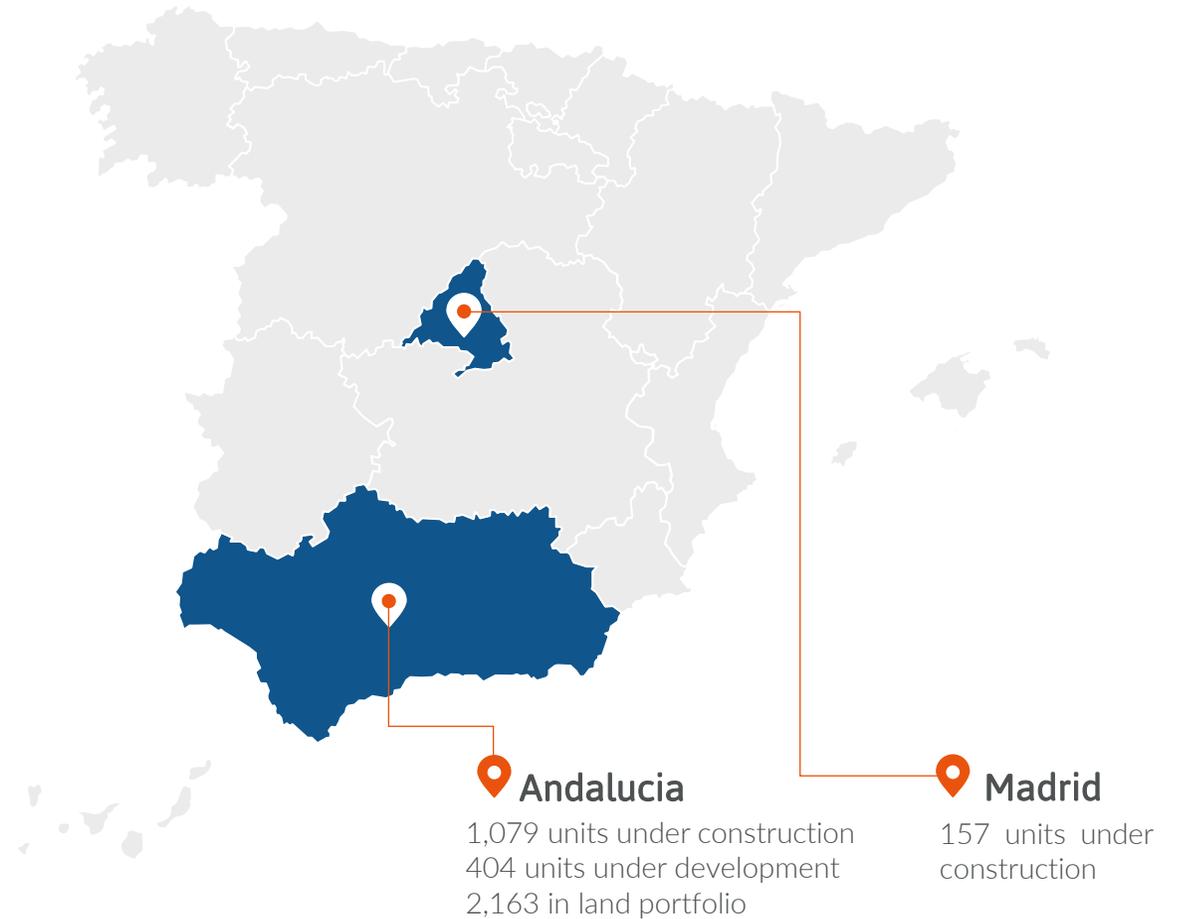
## ▶ 2,163 units in land portfolio

(1,899 owned; 264 JVs)

**1,520**  
units  
in  
commercialization\*

(47.4% sold)

\*Includes units pending  
to be delivered from  
finished projects



# P&L: Homebuilding

€m (proportionate)	31.03.2023	31.03.2022	Var %
Homebuilding revenues	8,9	9,2	-3,9%
Cost of sales*	(6,9)	(7,2)	-4,8%
Gross Margin	2,0	2,0	-0,5%
% Gross Margin	22,6%	21,8%	+0,8 p.p.
Net Margin	1,1	1,4	-21,0%
% Net Margin	12,4%	15,1%	-2,7 p.p.
Ebitda	0,9	1,1	-14,8%
% Ebitda Margin	10,4%	11,8%	-1,3 p.p.
Profit before tax	0,0	0,3	-90,9%
<b>Net Profit</b>	<b>0,0</b>	<b>0,3</b>	<b>-90,9%</b>

\* Excluding the effect of the revaluation of DMS assets registered in 2022 due to the takeover of this company. The deliveries made in 1Q23 of these assets has a higher cost of €0.2m.



# Tertiary promotion. Ongoing projects

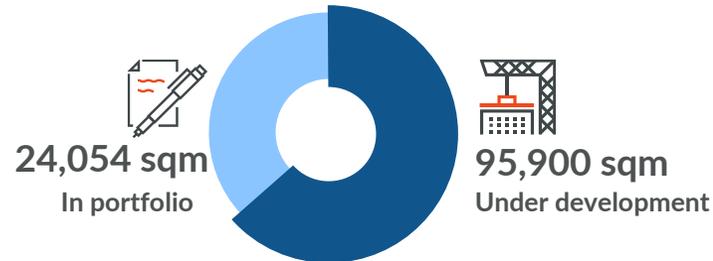
## Fulfilling the objective established for 2021-2025:

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 3Q23  
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  
License obtained in 2Q23  
Previous works on the ground started in 1Q23



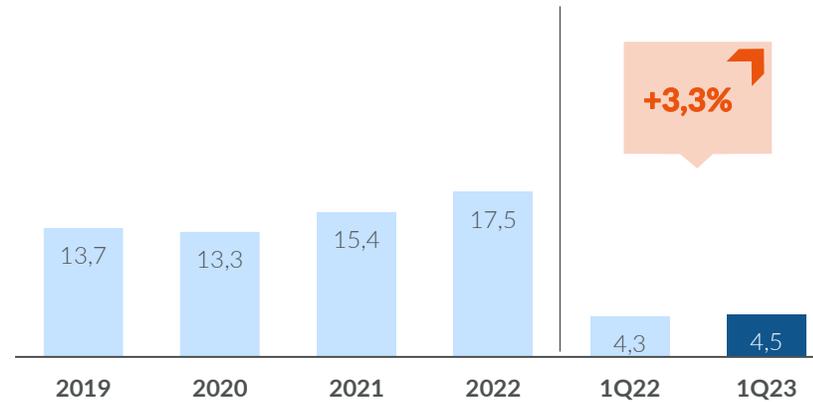
### Business Campus in Valdebebas - Madrid

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

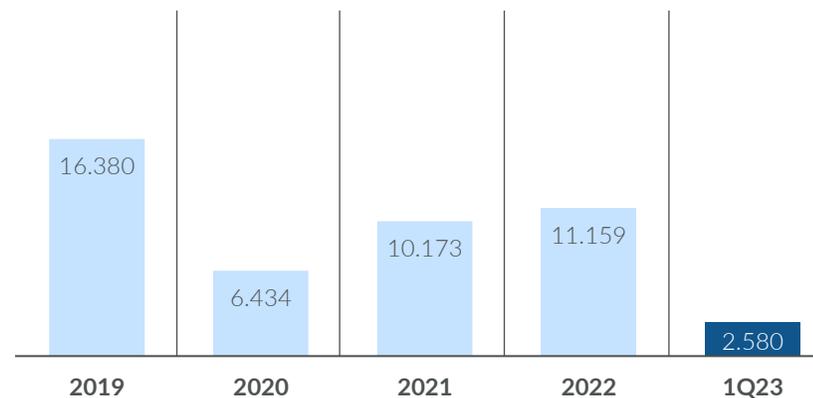
# Rentals

- ▶ In 1Q23, new areas were sold for a total of 2,579.9 sqm and there have been contract terminations of 4,301.9 sqm.
- ▶ Occupancy rate reached 90.1%, stable vs the rate in 2022 year end (-0.3 p.p.)
- ▶ The annualized rental income of the contracts in force on 31st March 2023 stood at €19.1m vs €18.9m at the end of 2022 due to the increase in rental prices.
- ▶ Investment in 1Q23 of €0.7m allocated to the reform and remodeling of buildings.
- ▶ 132,796.8 sqm of offices, hotels and commercial premises portfolio and more than 3,000 parking spots.

### Rental revenues



### Square meters sold



# P&L: Rentals

€m (proportionate)	31.03.2023	31.03.2022	Var %
Rental revenues	4,5	4,3	3,3%
Operating expenses	(0,7)	(0,7)	11,8%
Result on the sale of investment property	0,0	1,2	n.m.
<b>Ebitda</b>	<b>3,5</b>	<b>4,6</b>	<b>-24,1%</b>
Adjusted Ebitda	3,5	3,5	1,4%
% Adjusted Ebitda margin	78,4%	80,0%	-1,5 p.p.
Profit before tax	1,6	3,2	-48,5%
<b>Net Profit</b>	<b>1,2</b>	<b>2,3</b>	<b>-49,0%</b>

- ▶ Positive revenue performance as a result of higher lease prices.
- ▶ Results impacted by the sale in 1Q22 of real estate investments for €4.8m, which generated a pre-tax result of €1.2m. Excluding this effect, Adjusted Ebitda increased 1.4%.

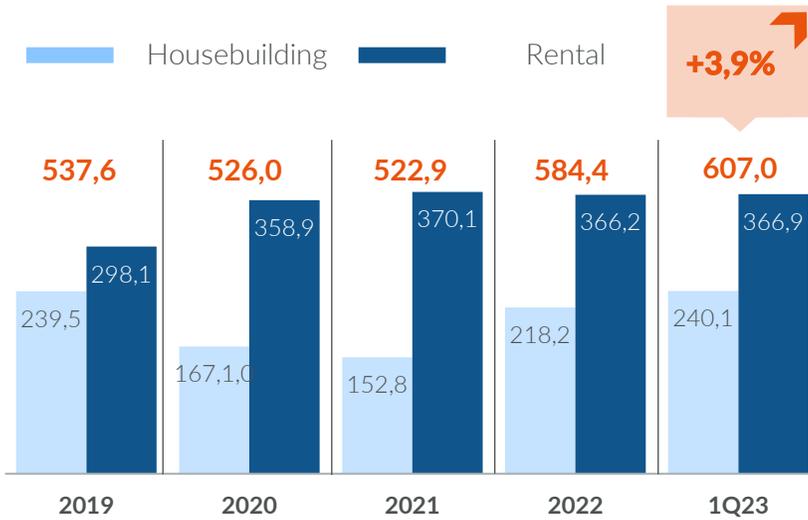


# GAV

All figures in proportionate

## GAV INSUR\*

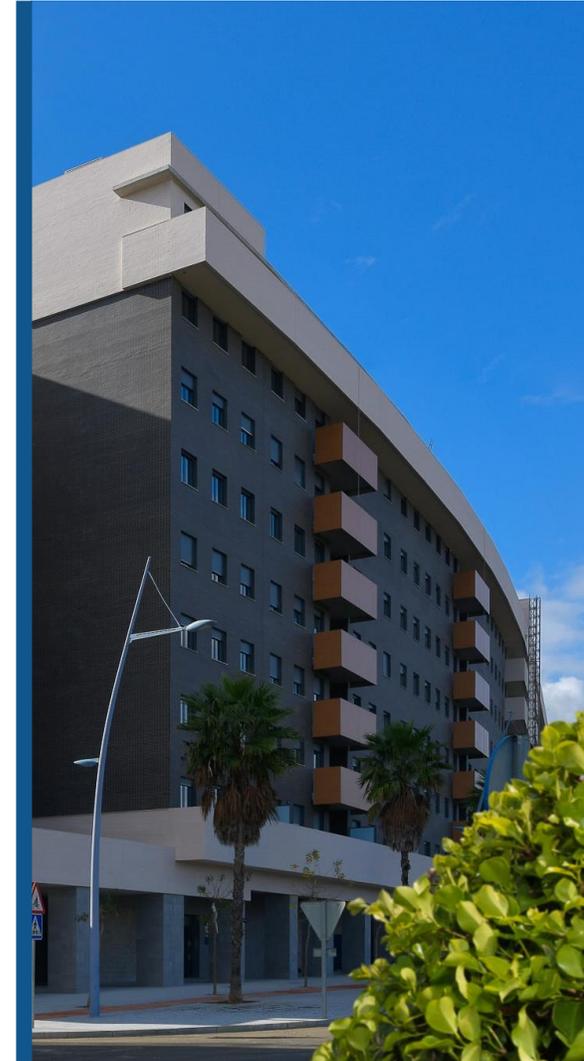
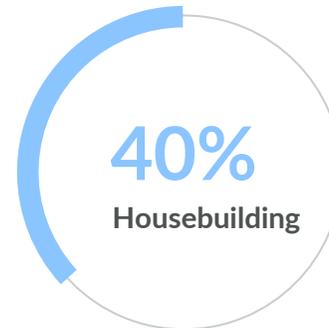
€m



\* valuation at 31/03/23 estimated from CBRE valuation at 31/12/22 and revised with additions at cost value and disposals due to deliveries



€607,0m  
Total



Selecta Hermes (Dos Hermanas - Sevilla)

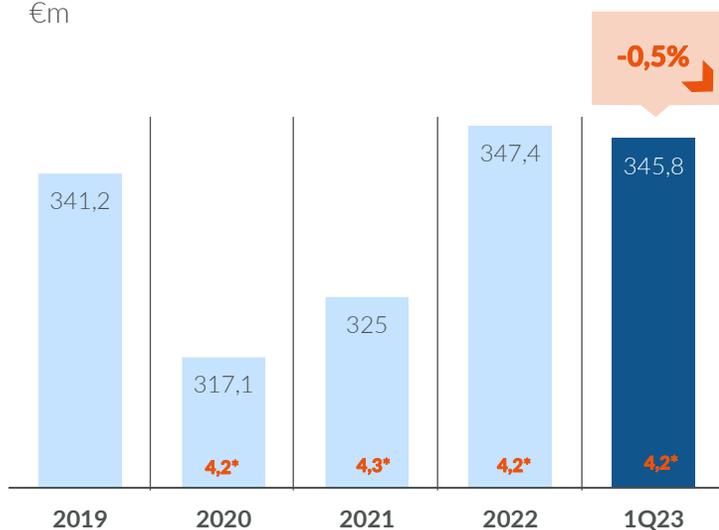


## NAV, LTV and debt

All figures in proportionate

### NAV Insur

€m



\*€m of NAV corresponding to minority interests

The increase in the NFD vs 2022 closing figure is mainly explained by the investments made in the purchase of plots (€13,5m), the boost of the construction process in multiple projects and a lower volume of deliveries in the first quarter that will be corrected throughout the year.



### NAV per share

▶ € 18,5

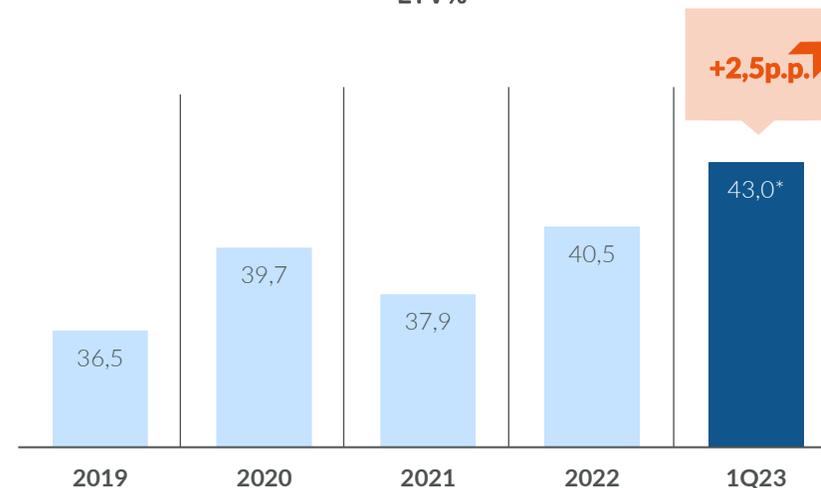


### Discount vs NAV\*

▶ 61,6%

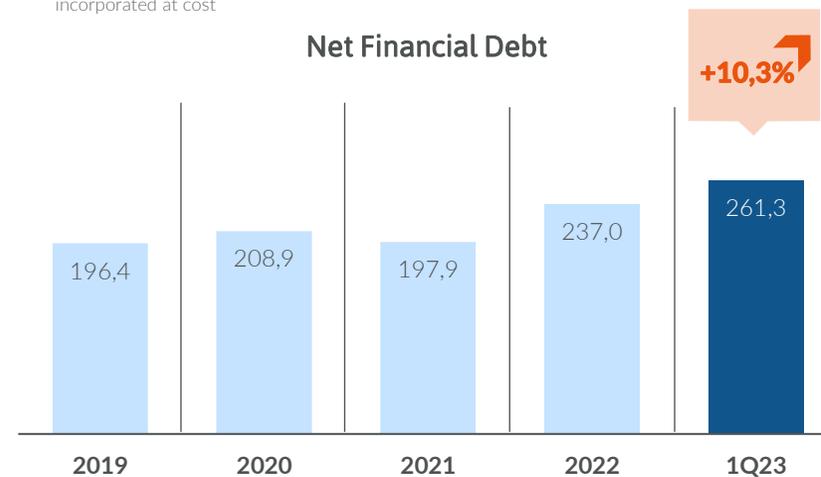
\* vs stock price as of 31.03.23

### LTV%



\*The market value of 1Q23 production has not been taken into account, which has been incorporated at cost

### Net Financial Debt



# Conciliation between equity and proportionate method:

## Consolidated P&L €m

	1Q23			1Q22			Var %
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate	Proportionate
Revenues	15,5	0,8	16,3	17,1	1,9	19,0	-14,2%
Homebuilding	3,4	5,5	8,9	1,8	7,4	9,2	-3,9%
Rentals	4,5	0,0	4,5	4,3	0,0	4,3	3,3%
Construction	6,4	(4,3)	2,1	10,0	(5,3)	4,7	-54,6%
Services	1,2	(0,4)	0,9	1,0	(0,2)	0,8	8,7%
Result of entities valued by the equity method	0,5	(0,5)	(0,0)	0,7	(0,7)	(0,0)	n.m.
EBITDA*	3,4	0,2	3,6	4,4	0,4	4,8	-25,4%
Result on the sale of investment property	0,0	-	0,0	1,3	-	1,3	n.m.
Adjusted EBITDA*	3,4	0,2	3,6	3,1	0,4	3,5	2,1%
Operating profit	1,7	0,2	1,9	3,3	0,3	3,7	-48,2%
Financial result	(1,6)	(0,1)	(1,7)	(1,1)	(0,1)	(1,2)	42,4%
Profit before tax	0,2	0,1	0,2	2,2	0,3	2,5	-91,0%
Net profit	0,2	-	0,2	1,8	-	1,8	-88,5%
Profit attributable to parent company	0,2	-	0,2	1,8	-	1,8	-88,5%
Profit attributable to minority interest	0,003	-	0,003	0,024	-	0,024	-89,6%

\* Excluding the effect of the revaluation of DMS assets registered in 2022 due to the takeover of this company. The deliveries made in 1Q23 of these assets has a higher cost of €0.2m.

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

	31.03.23			31.12.22		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Property, Plant and Equipment	216,9	0,0	216,9	216,3	0,0	216,3
Financial investments in JVs	24,2	(23,9)	0,3	25,4	(25,1)	0,3
Inventory	137,9	83,9	221,8	116,5	82,1	198,6
Debtors and other receivables	24,8	8,4	33,2	21,7	(3,7)	18,0
Other assets	74,3	(47,6)	26,8	67,1	(33,6)	33,5
Restricted cash MARF bond	10,4	0,0	10,4	17,2	0,0	17,2
Cash and equivalents	19,4	9,0	28,5	32,9	6,3	39,2
<b>TOTAL ASSETS</b>	<b>508,0</b>	<b>29,9</b>	<b>538,0</b>	<b>497,1</b>	<b>25,9</b>	<b>523,0</b>
Net equity	137,8	0,0	137,8	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	241,6	18,1	259,7	241,1	16,1	257,3
Other financial liabilities	43,5	0,0	43,5	39,0	0,0	39,0
Trade and other payables	63,8	12,4	76,2	50,5	(8,7)	41,9
Other liabilities	18,3	(0,6)	17,7	25,9	18,4	44,4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>508,0</b>	<b>29,9</b>	<b>538,0</b>	<b>497,1</b>	<b>25,9</b>	<b>523,0</b>

### 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.





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