



insur
GRUPO

FY 2020 Results Presentation

26th February 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.

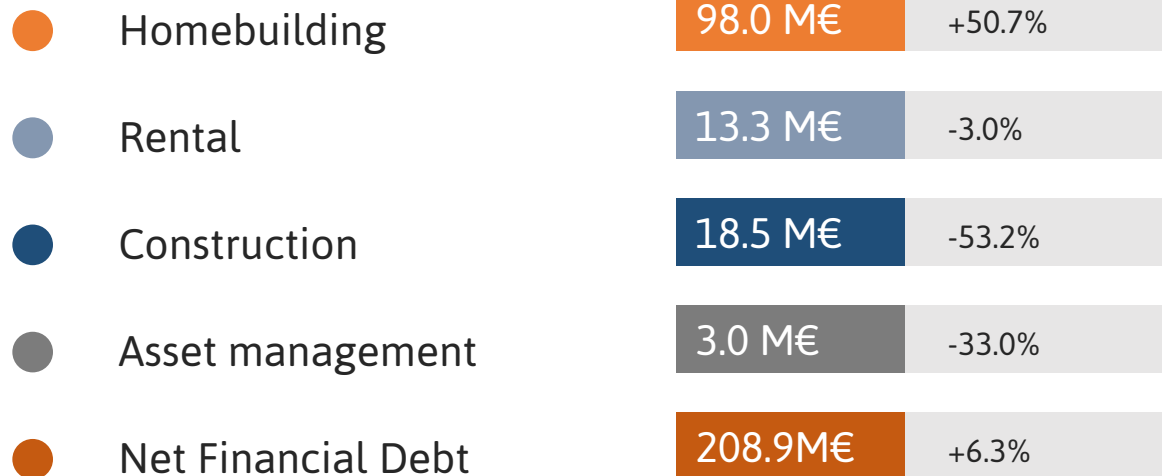
Therefore, since the activities of these companies are monitored internally on a proportional basis, based on the percentage of ownership in each one, the Parent's directors consider that for a better understanding and analysis of its consolidated business and, above all, of the true magnitude of its 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. FY 2020 Highlights

Figures by proportionate method

M€ = Million Euros



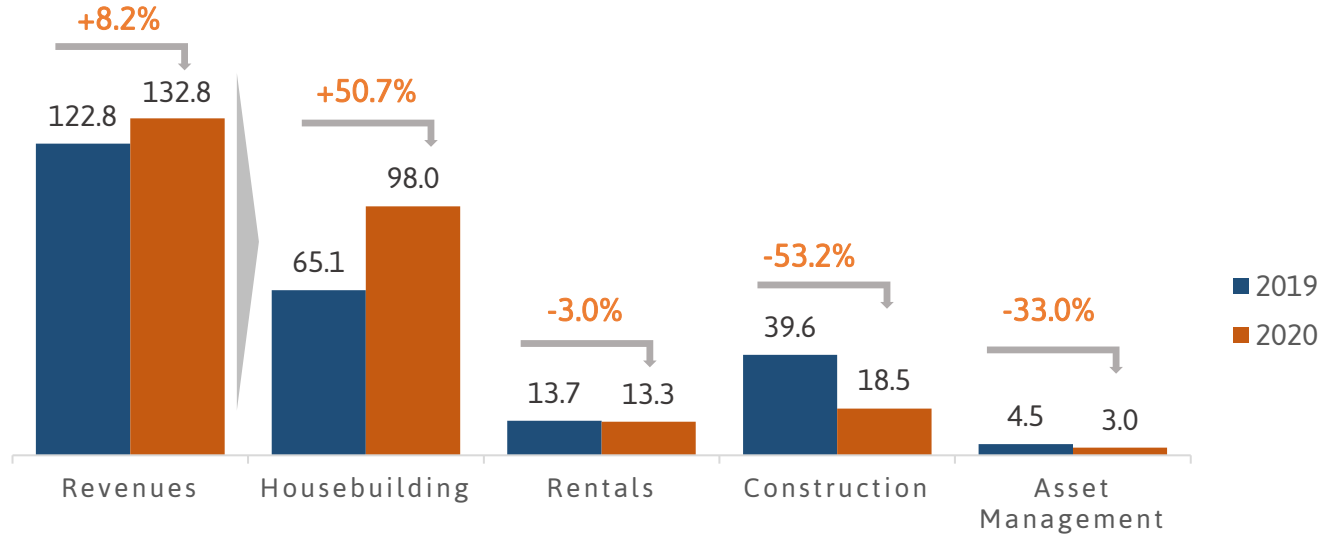
- **Great number of deliveries;** the homebuilding branch has delivered units amounting 161.3 M€ (98.0 M€ adjusted by the stake % in the JV) during the year.
- **Good commercial performance, despite the extraordinary and unprecedented situation caused by the pandemic.** Total presales totaled 86.2 M€ (52.6 M€ adjusted by the stake % in the JV). At the end of the year presales stayed at 121.7 M€ (75.7 M€ adjusted by the stake % in the JV), which shows the capacity to generate results in the incoming years.
- **Resiliency of the asset management** branch, which has only dropped by 3%, despite the Covid-19 restrictions and the impact in car parks.
- **Great investor effort** in asset management; to highlight the termination and delivery of Madrid Río 55 Business Park and investment capex to reconvert and renovate rental buildings.
- **Strengthening of the financial structure;** important reduction of the short-term debt. Capacity to finance working capital through new emissions at MARF.

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

Executive Summary. FY 2020 Results

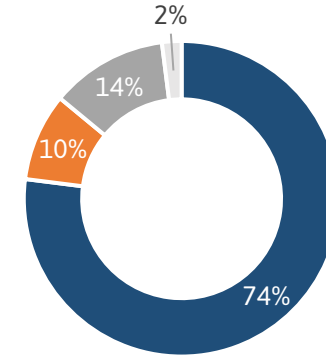
M€

All figures by proportionate method



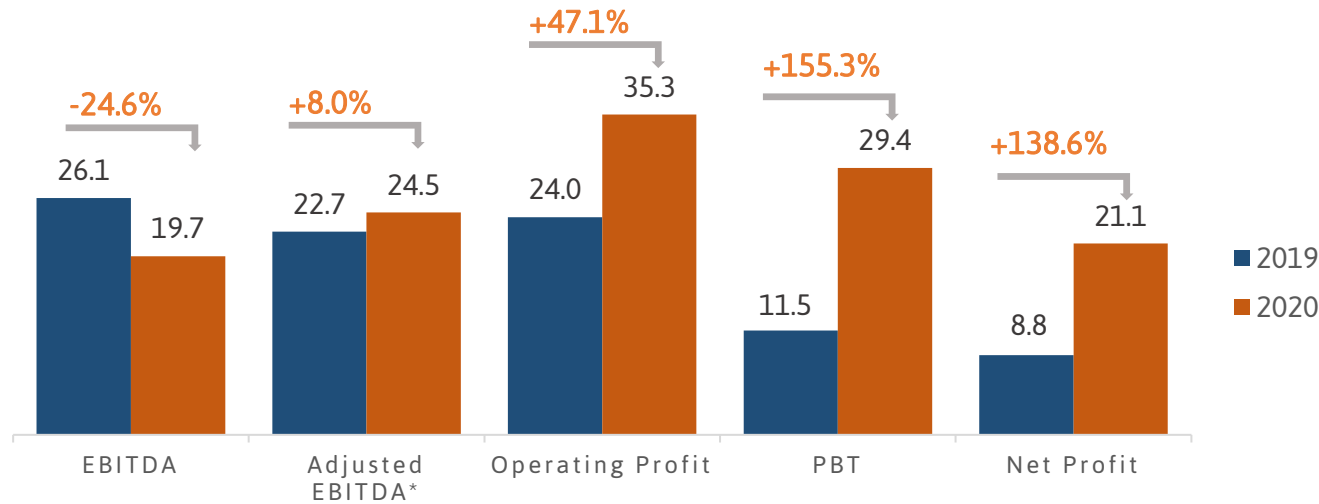
REVENUE BREAKDOWN

- Housebuilding
- Construction
- Rentals
- Asset Management



■ 2019
■ 2020

M€



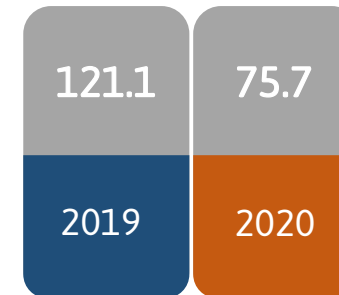
■ 2019
■ 2020



PRESALES

100% Owned and JVs in their participation %

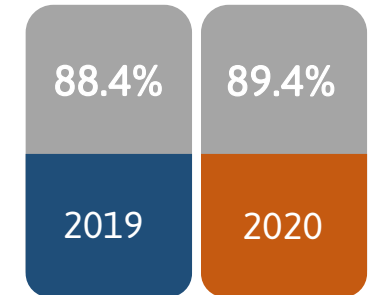
M€



-37.5%



OCCUPANCY RATE



+1p.p.

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

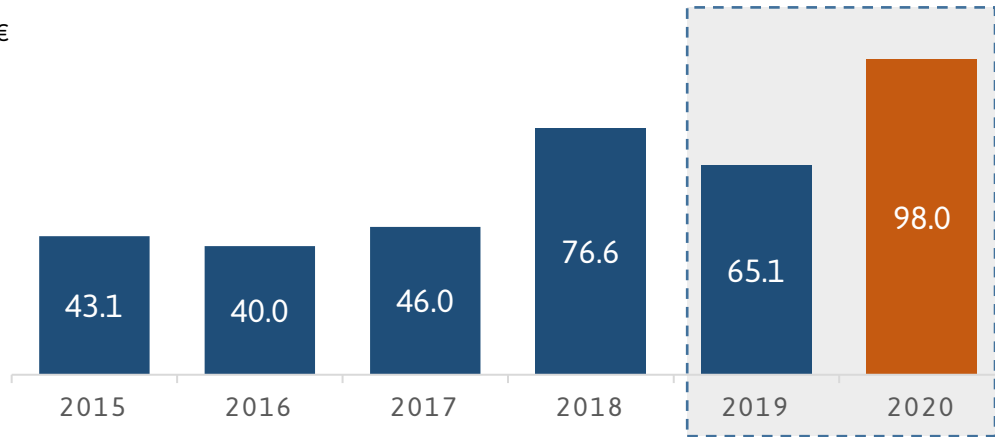
Housebuilding

* Proportional method

** Owned developments and total JVs

Revenues*

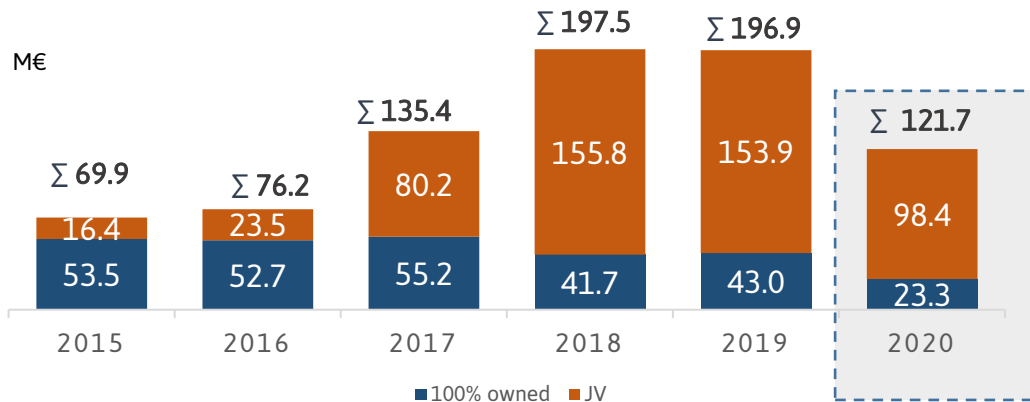
M€



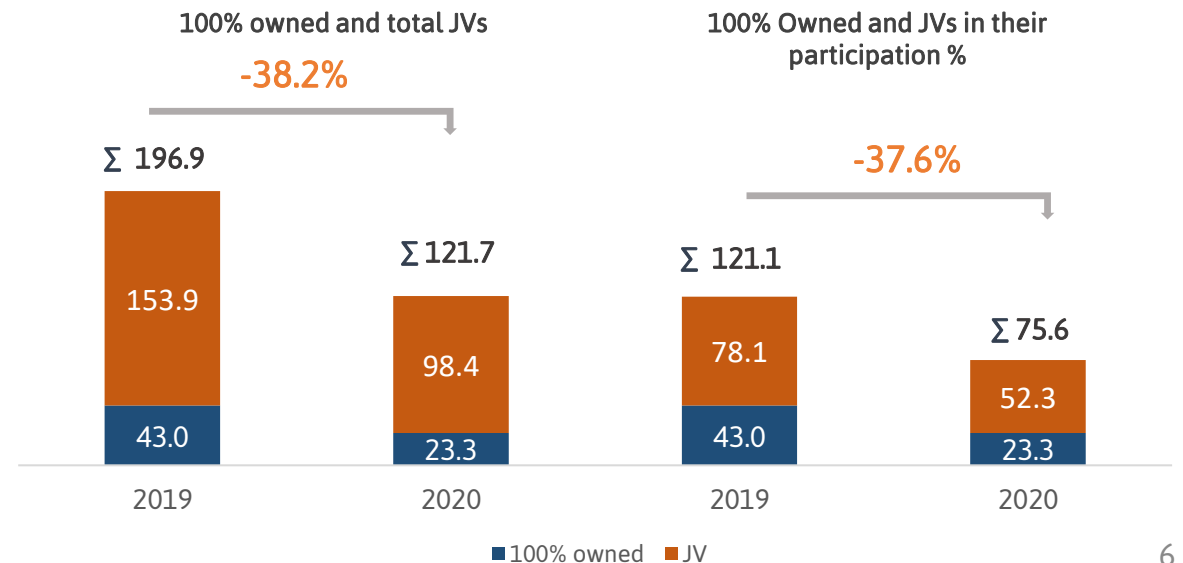
- 355 houses have been delivered during 2020 (105 through own developments and 250 through JVs).
- **2020 commercial sales** reached 86.2 M€ (52.6 M€ adjusted by percentage of participation)
- The Group currently has **2,027** houses under development of which 451 are under construction, 224 are completed and 430 are already sold.
- **Presales amount to 121.7 M€** (75.6 M€ adjusted by the % of participation). The fall in the presales figure comes from the large volume of deliveries made within the year.
- At the end of December, the Group had **units sold, completed and with first occupation licenses** (therefore, ready to be delivered) amounting 32.4 M€.

Presales**

M€



Presales breakdown



Ongoing developments and land portfolio

Ongoing Developments

2,027 ongoing units

- 224 housing units completed of which 115 are pending to be delivered and 109 pending to be sold.
- 33 ongoing developments (18 in West Andalucía, 5 in Costa del Sol, 7 in Madrid, 1 in Cáceres and 2 in Granada) totaling 1,803 units:
- 104 housing units underway directly by Insur with a development potential of 12,294 sqm.
- 1,699 housing units underway through JVs (with Insur holding a 50% share), with a development potential of 216,108 sqm.

Land Portfolio

2,159 units

- 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 9 plots with a building potential of 155,951 sqm (1,343 housing units).

Ongoing developments  Land portfolio

**TOTAL OF
4,186 UNITS**



Finished developments

Figures as of December 31st

100% owned developments

Development	Location	Units	Sold units
Altos Castilleja 7ª fase	Castilleja de la Cuesta (Sevilla)	1	
Antonio Mairena	Castilleja de la Cuesta (Sevilla)	3	1
Conde de Zamora	Córdoba	17	2
Plaza del Teatro	Málaga	7	2
Altos del Retiro	Churriana (Málaga)	10	4
Residencial 75 Aniversario	Sevilla	47	30

JV developments

Development	Location	Units	Sold units
Pineda Parque I	Sevilla	8	2
Alminar	Marbella (Málaga)	13	
Boadilla Garden	Boadilla del Monte (Madrid)	6	3
Boadilla Essences I	Boadilla del Monte (Madrid)	1	1
Santa Ana III	Dos Hermanas (Sevilla)	2	2
Selecta Hermes	Dos Hermanas (Sevilla)	72	58
Elements I	Marbella (Málaga)	37	10
		139	76 (55%)

TOTAL

224

115 (51%)

Developments under construction

Figures as of December 31st

JV developments

Development	Location	Units	Sales Volume (M€)	Estimated delivery	Sold units
Selecta Salobreña I	Salobreña (Granada)	55	9.8	2021	31
Selecta Ares I	Dos Hermanas (Sevilla)	76	17.8	2021	72
Mirador del Olivar	Valdemoro (Madrid)	53	13.7	2021	39
Pineda Parque II	Sevilla	80	26.8	2021/2022	28
Selecta Extremadura Cáceres	Cáceres	80	19.4	2021/2022	55
Selecta Mykonos	Dos Hermanas (Sevilla)	24	9.2	2022	10
Selecta Apolo I	Dos Hermanas (Sevilla)	37	8.1	2022	20
Terrazas Santa Rosa I	Córdoba	46	19.3	2022	21
		451	124.1		276 (61%)

Projects under development

Figures as of December 31st

100% owned developments

* Under commercialization

** Optioned plot

Development	Location	Units	Estimated construction start date	Sold units
Santa Aurelia I*	Sevilla	52	2020	9
Santa Aurelia II	Sevilla	52	2021	
JV Developments		104		9 (9%)

Development	Location	Units	Estimated construction start date	Sold units
Selecta Salobreña Fase 2	Granada	55	2021	
Boadilla Essences II	Boadilla del Monte (Madrid)	16	2021	
Selecta Apolo 2 ^{af}	Dos Hermanas (Sevilla)	33	2021	
Selecta Apolo 3 ^{af}	Dos Hermanas (Sevilla)	38	2021	
Selecta Ares II*	Dos Hermanas (Sevilla)	76	2021	16
Monte de la Villa Unique I a*	Villaviciosa de Odón (Madrid)	10	2021	7
Monte de la Villa Unique II a*	Villaviciosa de Odón (Madrid)	16	2021	3
Terrazas de Santa Rosa 1b	Córdoba	46	2021	
Selecta Bermes	Sevilla	42	2021	
Selecta Creta	Dos Hermanas (Sevilla)	44	2021	
Monte de la Villa Unique I b	Villaviciosa de Odón (Madrid)	12	2021	
Monte de la Villa Unique II b	Villaviciosa de Odón (Madrid)	20	2021	
QuintEssence I*	Marbella (Málaga)	24	2022	
QuintEssence II	Marbella (Málaga)	56	2022	
Elements Fase II*	Marbella (Málaga)	66	2022	4
Monte de la Villa Exclusive	Villaviciosa de Odón (Madrid)	32	2022	
Calle Juglar	Sevilla	56	2022	
Terrazas de Santa Rosa II	Córdoba	95	2022	
BC-10 1 ^{af**}	Dos Hermanas (Sevilla)	215	2022	
BC-10 2 ^{af**}	Dos Hermanas (Sevilla)	112	2022	
BA-8	Dos Hermanas (Sevilla)	102	2023	
QuintEssence III	Marbella (Málaga)	48	2023	
Elements Fase III	Marbella (Málaga)	34	2023	
TOTAL		1,248		30 (2%)
		1,352		39 (3%)

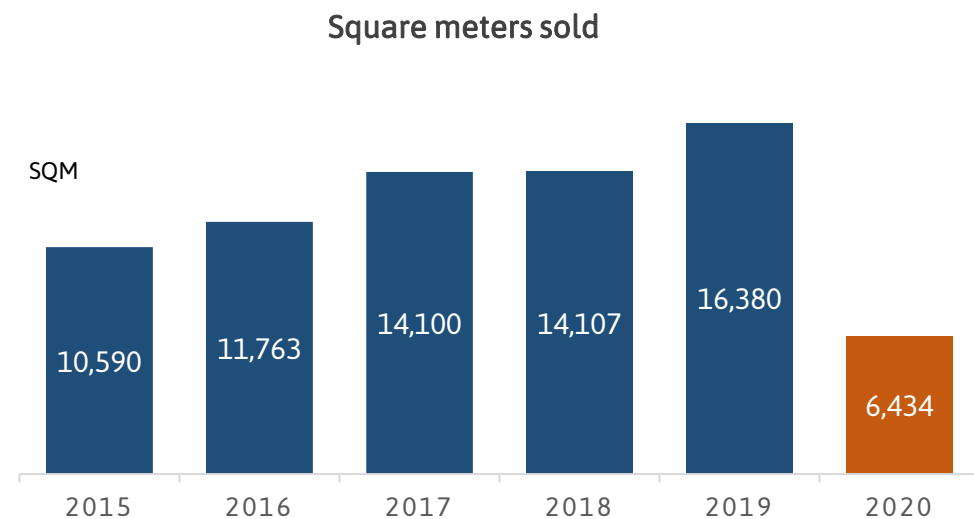
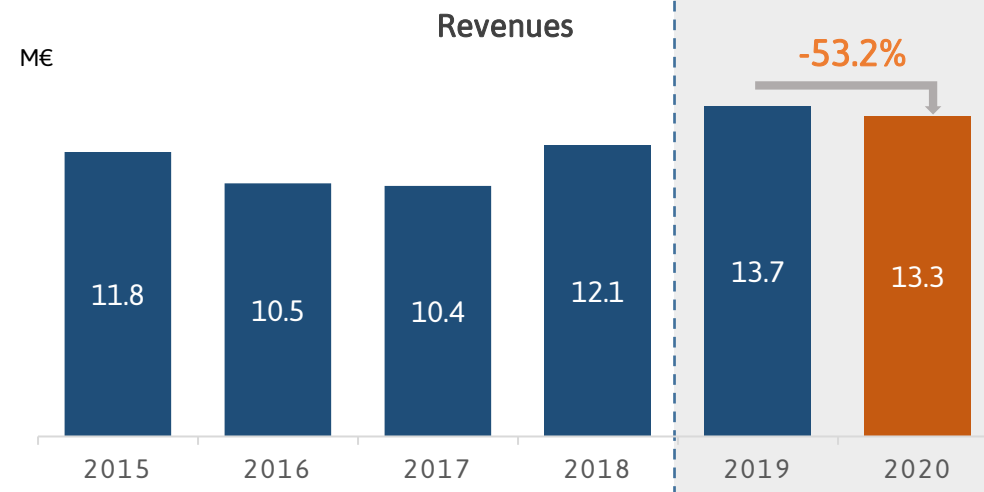
Rentals



- During 2020, 6,434 sqm have been sold and there have been contract terminations of 5,269 sqm.
- **Occupancy rate** rises to **89.4%**.
- The **annualized rental income** of the contracts in force on 31st December 2020 (including incomes derived from the parking activity, the contract of the hotel at Av. Rep Argentina 23 in Seville and the 90% of the rental of the North Building at Río 55 in Madrid) amounts to **17.7M€**
- The **License of First Occupation** for Río 55 at Madrid was granted on July 15th.
- Río 55 Madrid Business Park was awarded the certifications **BREEAM (very well) and WELL (gold)**.
- The acquisition of the additional 40% of the stake in IDS Madrid Manzanares S.A. (owner of the Río 55 North Building) took place on October the 28th.
- **Great investor effort** in asset management; to highlight the termination and delivery of Madrid Río 55 Business Park and investment capex to reconvert and renovate rental buildings. This effort has resulted in an **increase of 62.7 M€** in the book value of property investments.

GAV of the assets aimed both at rental and own use amounts to **358.9M€**
(31/12/20 CBRE valuation)

135,243 sqm office and commercial premises portfolio and more than 2,000 parking spots



Construction and Project Management

18.5 M€ CONSTRUCTION REVENUES
-53.2% DECREASE

3.0 M€ MANAGEMENT REVENUES
-33.0% DECREASE

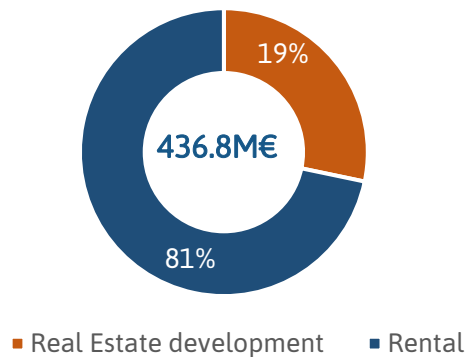
Main projects currently managed:

DESARROLLOS METROPOLITANOS DEL SUR, S.L.	<ul style="list-style-type: none"> Selecta Entrenúcleos (Sevilla), 2.100 units Selecta Conil (Conil de la Frontera), 73 units Selecta Salobreña (Granada), 110 units Selecta Cáceres (Cáceres), 80 units Selecta Avenida Jerez (Sevilla): 44 units 	<p>FOC: (73 units):</p> <ul style="list-style-type: none"> Selecta Hermes: 116 units (44 already delivered) <p>UNDER CONSTRUCTION (348 units):</p> <ul style="list-style-type: none"> Selecta Ares I: 76 units Selecta Cáceres: 80 units Selecta Salobreña I: 55 units Selecta Mykonos: 24 units Selecta Apolo I: 37 units Selecta Ares II: 76 units (starts on the 1Q 2021)
IDS RESIDENCIAL LOS MONTEROS, S.A.	<ul style="list-style-type: none"> Los Monteros (Marbella): 276 units 	<p>FOC (52 units):</p> <ul style="list-style-type: none"> Elements I: 52 units (15 already delivered)
IDS PALMERA RESIDENCIAL, S.A.	<ul style="list-style-type: none"> Pineda Parque (Sevilla): 80 units 	<p>UNDER CONSTRUCTION (80 units):</p> <ul style="list-style-type: none"> Phase II: Block 4 and 5: 80 units
IDS BOADILLA GARDEN RESIDENCIAL, S.A.	<ul style="list-style-type: none"> Boadilla Essences (Boadilla del Monte, Madrid), 48 units 	<p>FOC (32 units):</p> <ul style="list-style-type: none"> Boadilla Essences I: 32 units (31 already delivered)
IDS MEDINA AZAHARA RESIDENCIAL, S.A.	<ul style="list-style-type: none"> Terrazas de Santa Rosa (Córdoba), 187 units 	<p>UNDER CONSTRUCTION (46 UNITS)</p> <ul style="list-style-type: none"> Terrazas de Sta. Rosa I (46 units)
IDS MONTEVILLA RESIDENCIAL, S.A.	<ul style="list-style-type: none"> Monte de la Villa (Villaviciosa de Odón, Madrid), 58 units 	<p>UNDER DEVELOPMENT</p>
HACIENDA LA CARTUJA, S.L.	<ul style="list-style-type: none"> Monte de la Villa (Villaviciosa de Odón, Madrid), 32 units Mirador del Olivar (Valdemoro), 53 units 	<p>UNDER CONSTRUCTION (53 UNITS)</p> <ul style="list-style-type: none"> Mirador del Olivar: 53 units

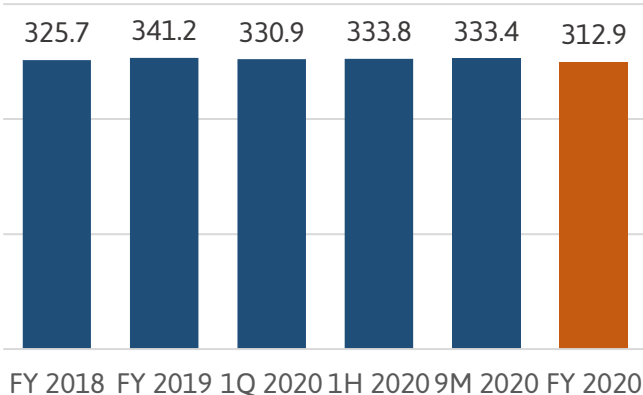
FOC: First Occupation Certificate

NAV, GAV, LTV & debt

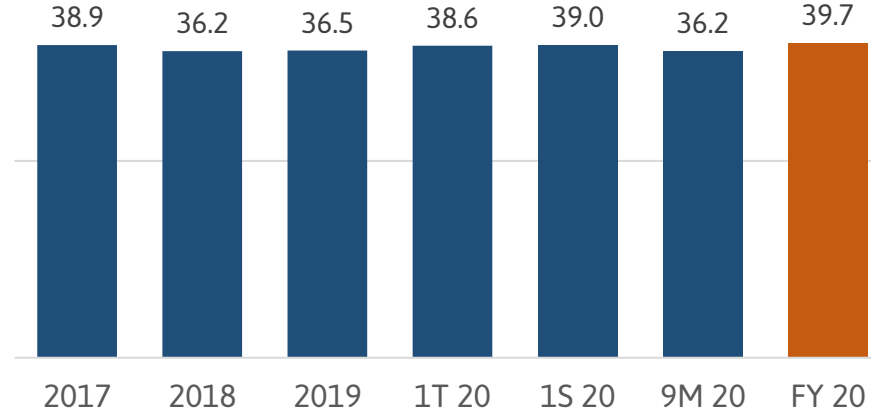
INSUR GAV *



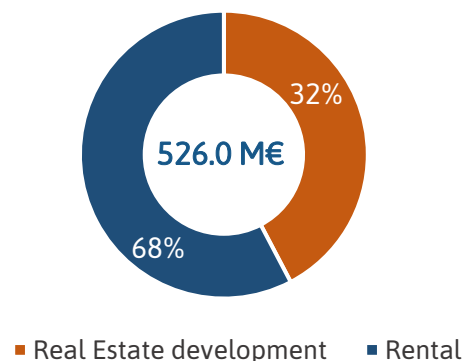
INSUR NAV **



LTV evolution %**

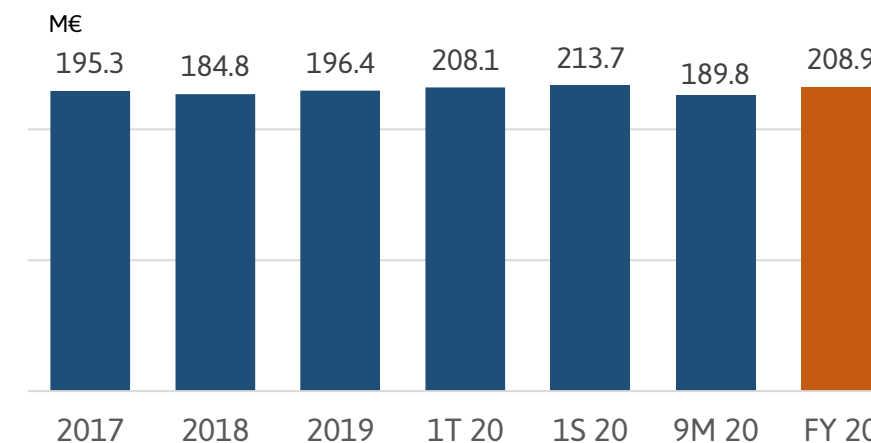


INSUR GAV**



The NAV decrease is explained mainly by the correction in the reasonable value of the assets (-14.3 M€) due to the pandemic effects

Net financial debt evolution**



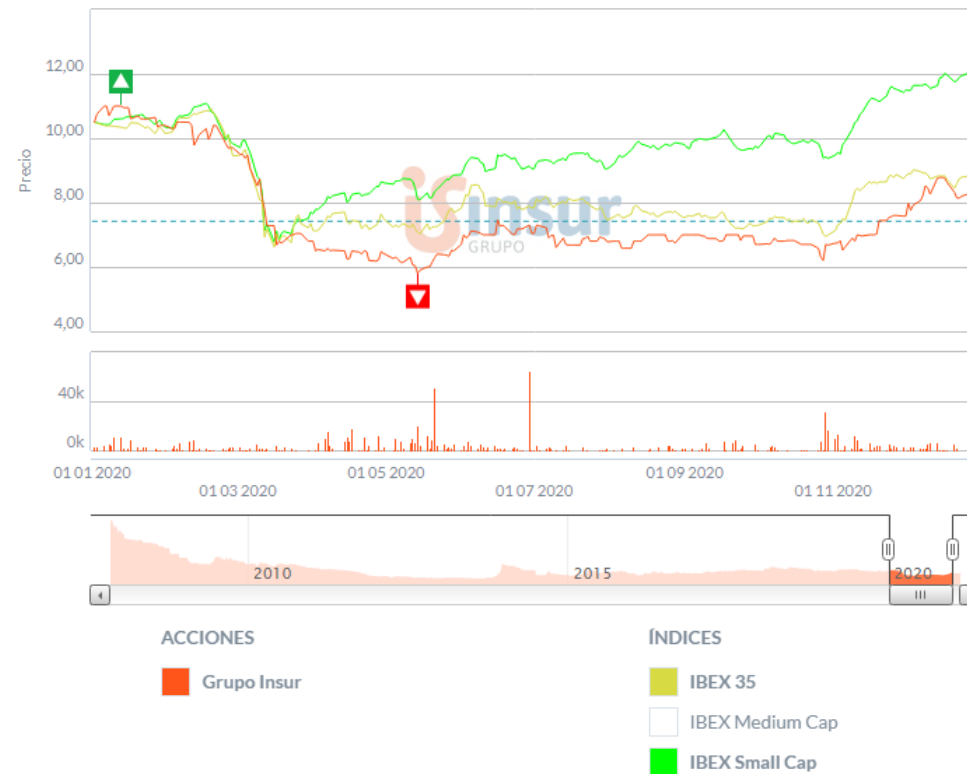
* valuation at 31/12/20 from CBRE

** Proportionate method

Share evolution

Share Price 2020

In 2020 the share Price (ISUR) decreased by 23%. In that same period, the Ibex 35 dropped by 17% and the Ibex Small Caps grew by 16%. The share closed at 8.12 € which implies a market cap of 137.8 M€ at the 31st December 2020.



Market Cap December 2020

137.8 M€

NAV December 2020

312.9 M€

Discount vs NAV

56%

Conciliation between equity method and proportionate method

Consolidated P&L M €	2020			2019		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Revenues	87.7	45.2	132.8	121.6	1.2	122.8
a <i>Housebuilding</i>	34.3	63.7	98.0	23.1	42.0	65.1
<i>Rentals</i>	12.8	0.5	13.3	13.6	0.1	13.7
b <i>Construction</i>	35.4	(16.9)	18.5	77.4	(37.9)	39.6
<i>Asset Management</i>	5.1	(2.1)	3.0	7.5	(3.1)	4.5
c EBITDA	15.8	3.9	19.7	24.6	1.9	26.5
Result on the sale of investment property	0.3	-	0.3	4.1	-	4.1
Adjusted EBITDA	15.5	3.9	19.4	20.5	1.9	22.4
Operating profit	31.5	3.8	35.3	22.2	1.8	24.0
Financial result	(5.3)	(0.6)	(5.9)	(12.0)	(0.5)	(12.5)
Profit before tax	26.2	3.2	29.4	10.1	1.3	11.5
Adjusted net profit	21.1	-	21.1	8.8	-	8.8
Net profit	0.026	-	0.026	-	-	-

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: 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 €	2020			2019		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Property, Plant and Equipment	216.0	0.066	216.1	146.6	0.1	146.7
a Financial investments in JVs	38.4	(37.2)	1.2	42.8	(41.0)	1.8
b Inventory	72.6	72.0	144.6	100.5	100.8	201.3
Debtors and other receivables	17.8	(3.8)	14.0	29.5	(8.3)	21.2
Other assets	45.5	(6.2)	39.3	43.1	(2.1)	41.0
Cash and equivalents	44.4	11.5	55.9	33.7	16.3	50.0
TOTAL ASSETS	434.7	36.3	471.0	396.3	65.8	462.1
Net equity	122.3	-	122.3	107.2	-	107.2
Minority interests	3.2	-	3.2	-	-	-
c Amounts owed to credit institutions	239.0	21.2	260.2	179.1	40.6	219.7
Other financial liabilities	5.6	-	5.6	26.7	-	26.7
d Trade and other payables	29.6	(0.8)	28.7	43.5	15.0	58.5
Other liabilities	35.0	16.0	51.0	39.7	10.2	50.0
TOTAL EQUITY AND LIABILITIES	434.7	36.3	471.0	396.3	65.8	462.1

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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