

1H24 RESULTS PRESENTATION



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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. 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**.

Main Highlights



- ▶ Strong increase in **turnover**, increasing by 53.3% vs 1H23, reaching €70.1M, mainly due to increases in promotion activities (+54.1%) and construction (+148.0%).
- ▶ **Extraordinary commercial performance in promotional activity in 2Q24 registering the best quarter in history** with 173 homes sold (+64.8% vs 2Q23) for an amount of €60m (€38.8m proportionally). 268 homes sold in 1H24 vs 204 in 1H23 for an amount of €92.9m (€62.1m proportionally) with an increase of 46.8 % (+30.0% proportionally).
- ▶ **Significant increase in the accumulated pre-sales volume**, standing at €272.4m (€188.1m proportionally), +15.6% (+9.5% proportionally) vs. closing of 2023, despite the significant volume of deliveries in 1H24.
- ▶ **High operational capacity.** Activity level at historical highs, with a total of 1,225 homes and three tertiary office buildings under construction with a total buildable area of 29,400 sqm of roof.
- ▶ **Solid performance of the property activity**, whose turnover has been maintained despite the **asset rotation** carried out in 1H24 for an amount of €10.7m, which have generated a gross profit of €6.2m, with a discount on value valuation at the end of 2023 of 1.3%.
- ▶ **Relevant increase in the capacity to generate resources.** Increase of 6.7% year-on-year in EBITDA to reach €18.4m. Adjusted EBITDA has increased by 42.6%, reaching €12.2m. Net profit stood at €9.7 million, (+36.9% year-on-year).
- ▶ **Notable growth of net profit (+36.9% year-on-year)** to reach €9.7m.
The significant volume of deliveries scheduled for the second half (€97.5m and €81.2m proportionally) allows us to estimate a significant increase in EBITDA and net profit in the second half of the year.
- ▶ **Significant reduction in net financial debt** by 7.2% (-€17.3m), compared to the end of 2023, which has allowed the LTV to be reduced to 37.8% from 40.6%.

Executive summary 1H24

Figures by proportionate method
 €m = million Euros
 Var % y-o-y
 ASP= Average sale price

Financial data

Revenues

▶ €70.1m +53.3%

EBITDA (1)

▶ €18.4m +6.7%

Adjusted EBITDA (1)(2)

▶ €12.2m +42.6%

EBIT

▶ €16.2m +26.8%

Net Profit

▶ €9.7m +36,9%

NFD

▶ €223.2m (-7.2% vs 4Q23)

Total investment

▶ €49.8m (Capex €0.6m and €49.3m in works execution)

Homebuilding

▶ €45.7m +54.1%

Rentals

▶ €9.0m -0.4%

Construction

▶ €13.2m +148.0%

Services

▶ €2.2m +30.0%

Homebuilding operating data

Deliveries

▶ 129 units / ASP €436k

Pre-sales

▶ 268 units / ASP €347k

Accumulated pre-sales

▶ 860 units / ASP €317k

Total units

▶ 3,757 units

Rental operating data

Occupancy rate

▶ 91.2% (+2.5 p.p vs 1Q24)

In portfolio

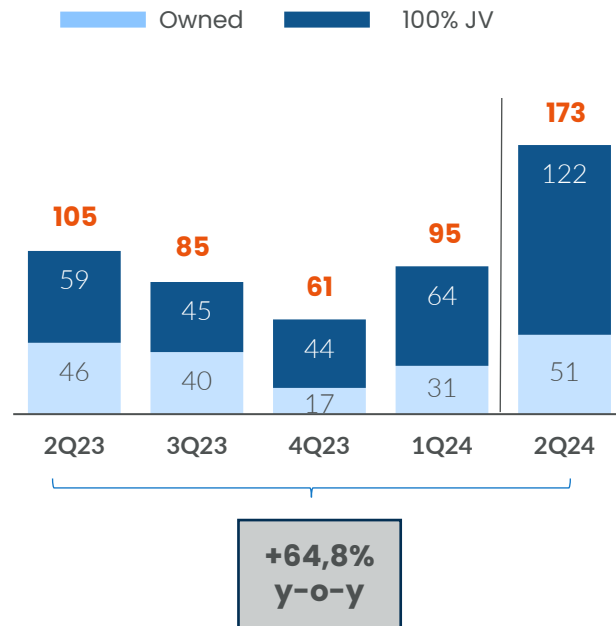
▶ 119,000 sqm and 3,000 parking spots

(1) In order to reflect a true image of the profitability of the development business, EBITDA has been adjusted by €0.05m (€2.1m in 1H23) due to the difference between the fair value and the cost in Desarrollos Metropolitanos del Sur, S.L. of the homes delivered by this company in each period.

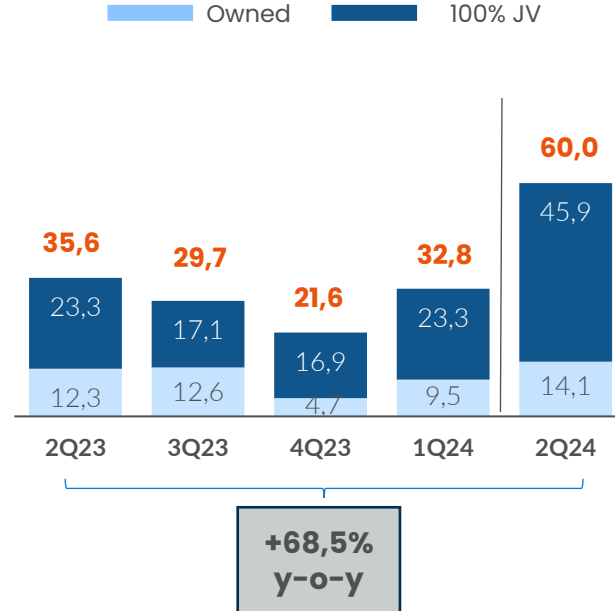
(2) Does not have into account assets turnover.

Homebuilding. Pre-sales

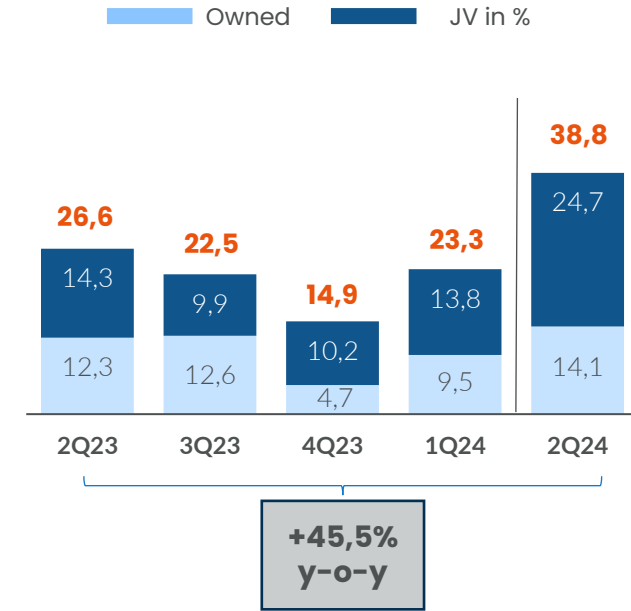
Pre-sales by quarter (units)



Pre-sales by quarter (€m)



Pre-sales by quarter (€m proportionate)



1H24

268 units

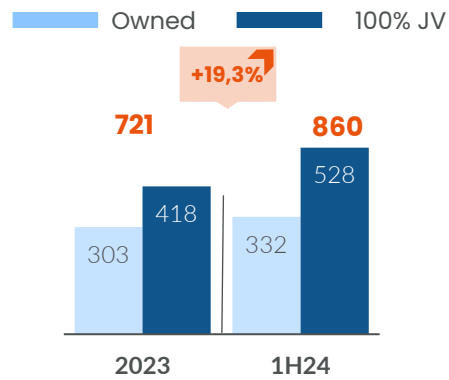
€92.8m (€62.1m in proportionate)

82 units fully owned, ASP of €288k

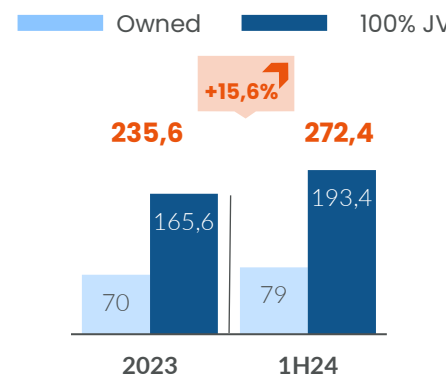
ASP €347k

Homebuilding. Accumulated pre-sales

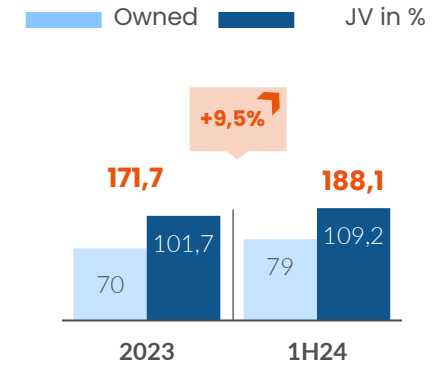
Accumulated pre-sales (units)



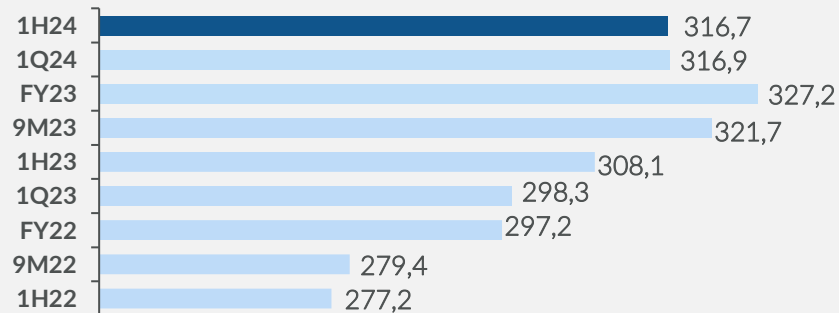
Accumulated pre-sales (€m global)



Accumulated pre-sales (€m proportionate)

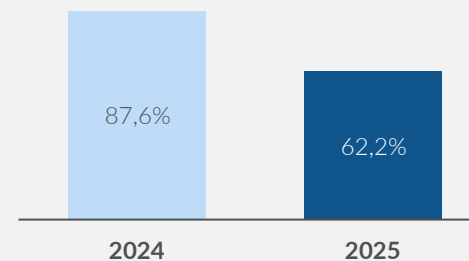


Accumulated pre-sales ASP (€k)



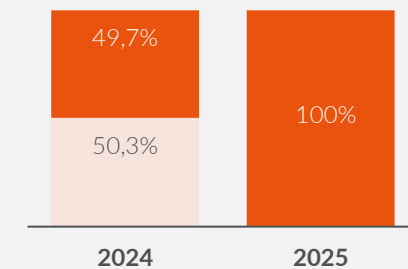
Pre-sales coverage 2024E-2025E

(% over estimated deliveries)



Construction progress

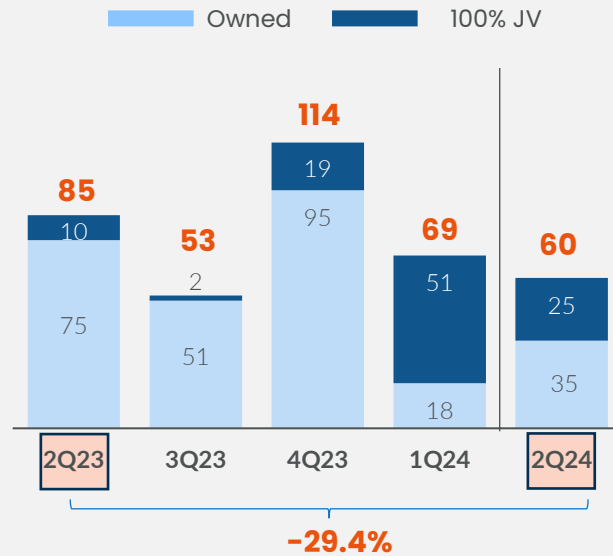
(% over pre-sales coverage)



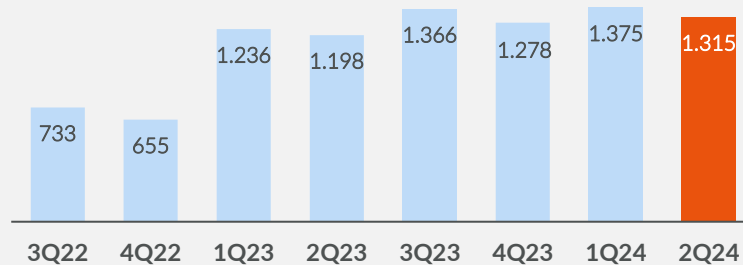
Under construction
Completed

Homebuilding. Deliveries

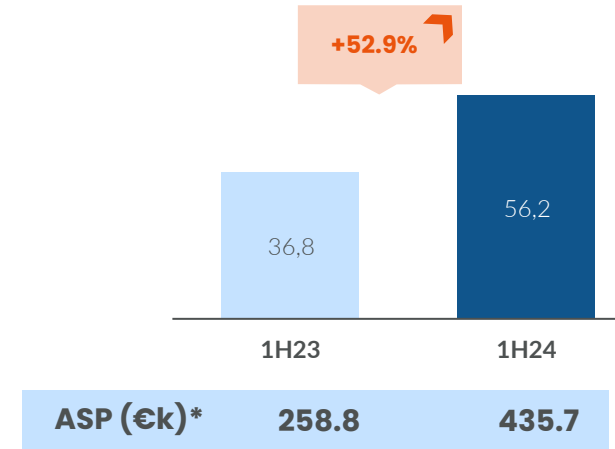
Deliveries by quarter (units)



Quarterly evolution of WIP and completed units

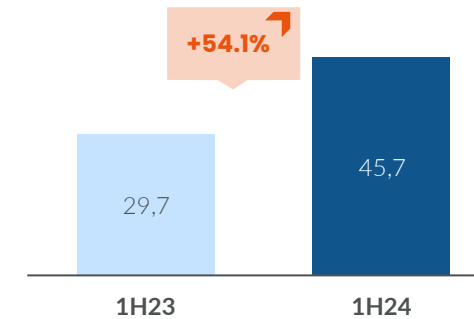


Homebuilding revenues (€m global)

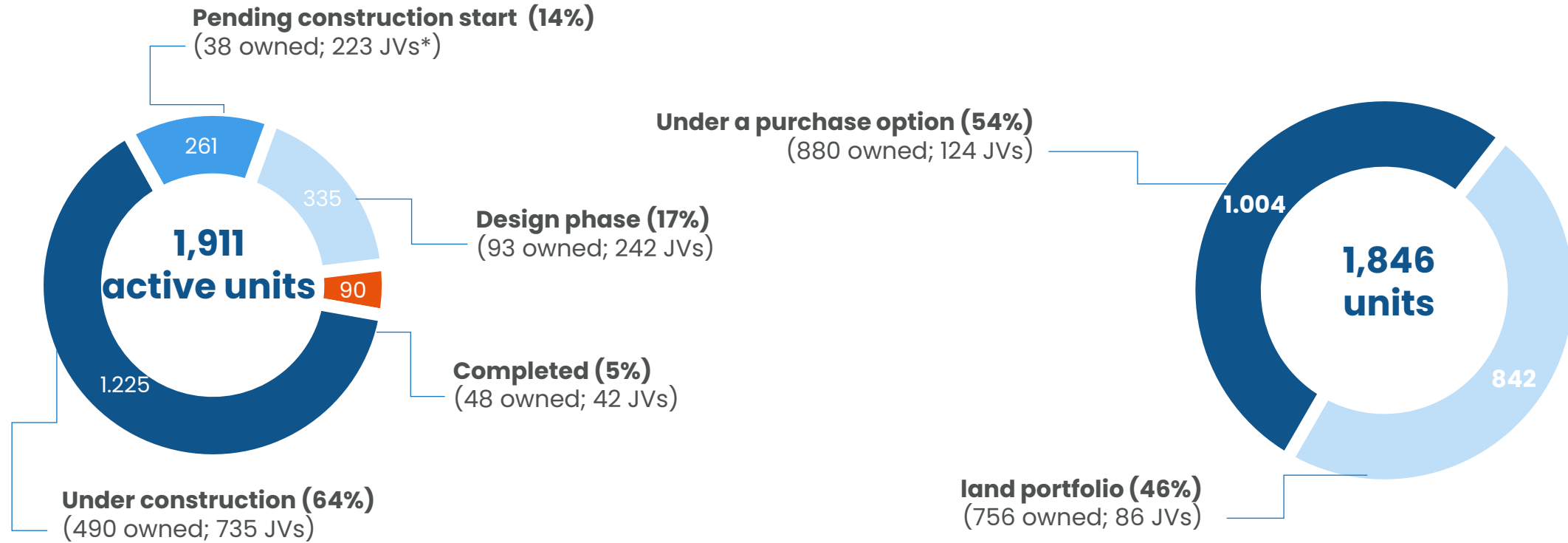


*ASP includes the delivery in the first half of housing developments in Madrid with a higher sales price.

Homebuilding revenues (€m proportionate)



Residential land bank of 3,757 units



* Includes 77 units from a joint account

MARKETING (1): 1,576 units
(54.6% sold)

- Start of construction in 1H24 of 166 homes
- Construction of 388 additional homes planned to begin in 2024

(1) units under construction + pending construction start + completed

Residential activity. Geographic breakdown

Andalucia

1.176 units under construction

261 units pending construction start

335 in design phase

51 units completed

1.846 in land portfolio and under a purchase option

Madrid

49 units under construction

39 units completed



P&L: Homebuilding

€m (proportionate)	06.30.24	06.30.23	Var %
Homebuilding revenues	45,7	29,7	54,1%
Cost of sales	(37,1)	(22,9)	62,0%
Gross Margin	8,6	6,8	27,3%
% Gross Margin*	18,8%	22,8%	-4,0 p.p.
Net Margin	6,5	3,8	69,2%
% Net Margin	14,2%	12,9%	+1,3 p.p.
Ebitda⁽¹⁾	7,2	3,7	94,8%
% Ebitda margin ⁽¹⁾	15,8%	12,5%	+3,3 p.p.
Profit before tax	5,0	1,8	184,9%
Net Profit	3,8	1,3	184,9%

*Gross margin is affected by 79 b.p. due to the delivery in 1Q24 of a low-margin promotion (Santa Aurelia).

(1) In order to reflect a true image of the profitability of the development business, EBITDA has been adjusted by €0.05m (€2.1m in 1H23) due to the difference between the fair value and the cost in Desarrollos Metropolitanos del Sur, S.L. of the homes delivered by this company in each period.

Tertiary promotion Ongoing projects

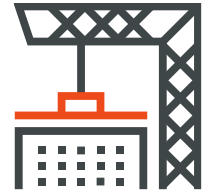
Fulfilling the objective established for 2021-2025:

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



128,619 sqm

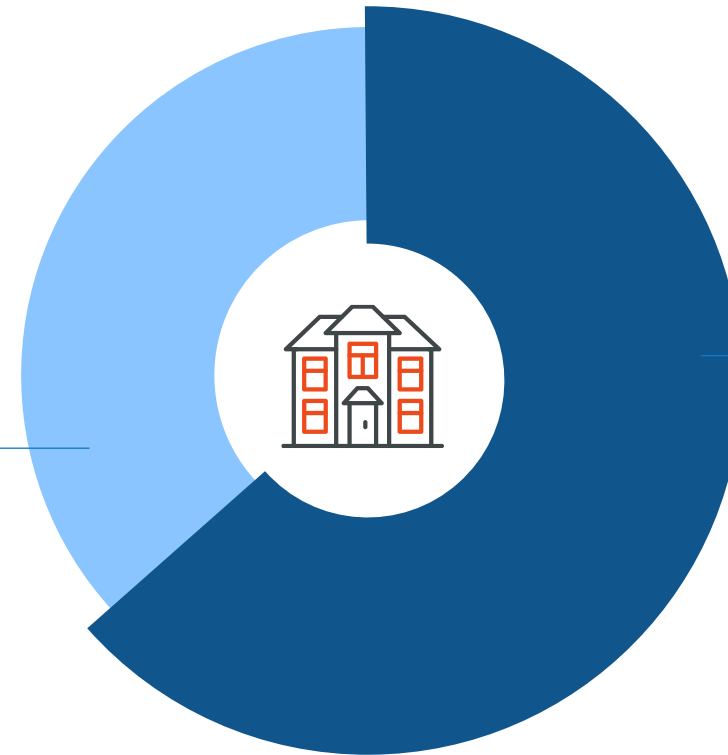
Total



104,565 sqm
Under development



24,054 sqm
In portfolio

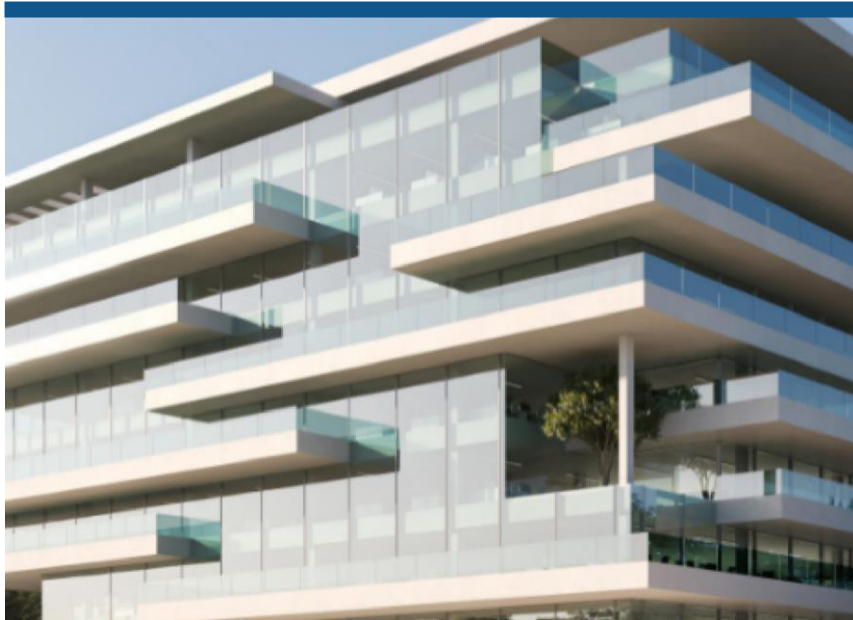


Tertiary promotion. Ongoing projects. Malaga



Agora building (Malaga capital)

9,500 sqm of offices
Investment⁽¹⁾: **€ 37m**
Under construction since
1Q23
In commercialization



Noa Building (Malaga capital)

10,900 sqm of offices
Investment⁽¹⁾: **€37m**
Under construction since 1Q24
In commercialization

(1) Planned investment

Tertiary promotion. Ongoing projects. Madrid



Elever building (Las Tablas- Madrid Nuevo Norte)

9,000 sqm of offices
Investment⁽¹⁾: **€ 39m**
Under construction since
4Q23



Valdebebas

36,500 sqm of tertiary use
Investment⁽¹⁾: **€ 95m**
In commercialization for various tertiary
uses

(1) Planned investment

Tertiary promotion. Ongoing projects. Sevilla

IDS Nervion

8,665 sqm of tourist tertiary use.
Planned investment: €39m



Tertiary promotion. Ongoing projects. Cadiz

Hotel Project in Atlanterra (Tarifa)

30,000 sqm buildable
Planned investment: **€85m**



Rentals

119,000 sqm y 3,000 parking spots

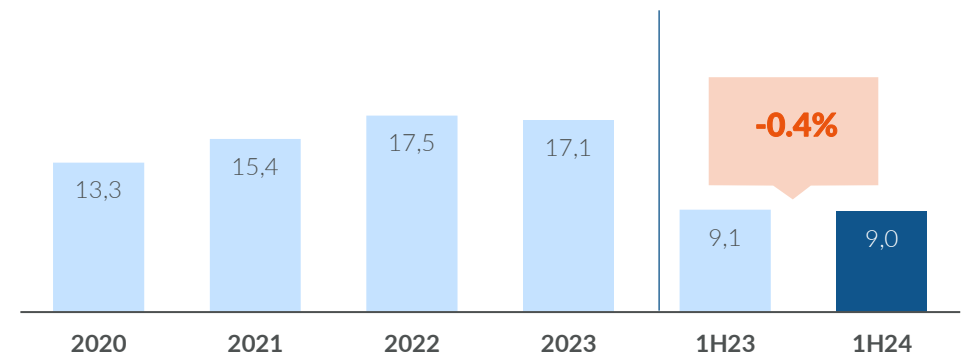
The annualized income* of the contracts in force as of 06/30/24 stands at €18.5m stable vs 1Q24 in line with that registered in 1Q24 as new contracts and the increase in lease prices are offset by the effect of the rotation of assets.

*Calculated as 12 months of income from leases of formalized contracts without considering the start date of rent accrual



Insur Huelva building (Huelva)

Rental revenues



€10.7m of asset sales
(-1.3% vs valuation of CBRE)

- **Suecia building (Seville) for €10.0m in 2Q24** (-2.3% vs CBRE's valuation as of 12.31.23)
- **2 local premises and 1 office (Seville and Malaga) for €0.7m in 1H24** (+16.1% vs CBRE's valuation as of 12.31.23)

Rentals

Comercial activity

1H24 sqm	Contract				Release spread
	Contracted	New contracts	terminations	Renewals	
Offices	4.680	2.868	1.097	1.811	7,0%
Hotels	-	-	-	-	-
Commercial premises	1.719	563	424	1.156	8,5%
TOTAL	6.398	3.431	1.521	2.967	7,6%
Seville	5.894	2.926	1.253	2.967	7,6%
Madrid	-	-	-	-	-
Cordoba	-	-	-	-	-
Huelva	505	505	267	-	-
TOTAL	6.398	3.431	1.521	2.967	7,6%

- ▶ **New contracts in 1H** of 3,431 sqm and contract resolutions for an area of 1,521 sqm.
- ▶ **Occupancy rate** stood at 91.2% +2.5 p.p. vs 1Q24.



P&L: Rentals

€m (proportionate)	06.30.24	06.30.23	Var %
Rental revenues	9,0	9,1	-0,4%
Operating expenses	(1,3)	(1,5)	-10,1%
Result on the sale of investment property	6,2	8,7	-28,6%
Ebitda	13,4	15,8	-15,1%
Adjusted Ebitda*	7,2	7,1	1,4%
% Adjusted Ebitda margin	80,0%	78,6%	+1,4 p.p.
Financial result**	(1,1)	(1,5)	-25,8%
Profit before tax	10,3	12,2	-15,5%
Net Profit (attributable to parent company)	7,7	9,1	-15,5%

*Adjusted Ebitda does not include the results of the sale of real estate investments for an amount of 6.2 million euros.

** The novation in 4Q23 and 1H24 of the financial conditions of certain loans, in application of IFRS 9, has had a positive impact on the 1H24 financial result in the amount of €1.8m.

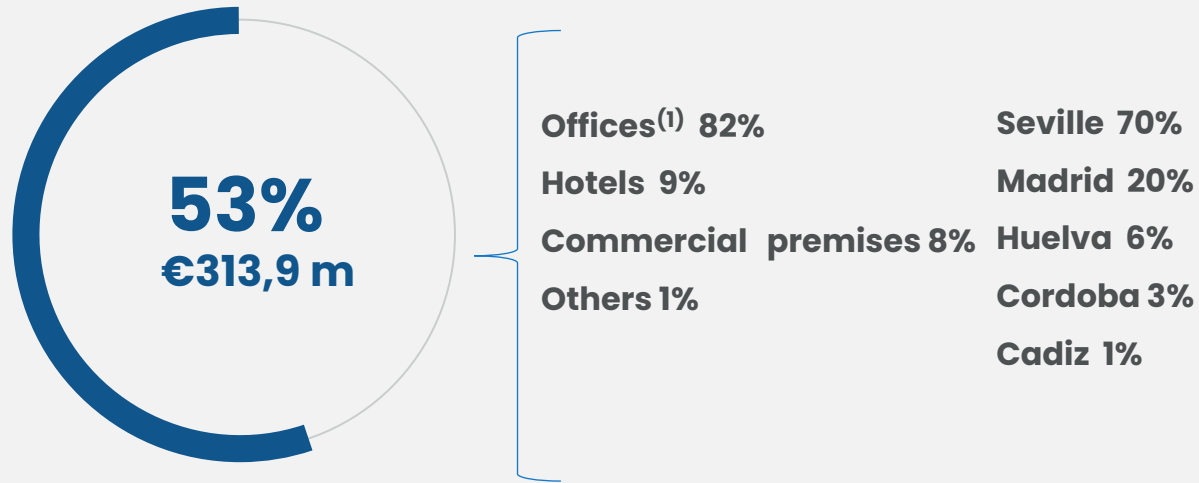
- **Asset rotation:** result mainly impacted by the sale in 2Q24 of the Suecia building (Seville), which has reported a gross profit of €6.0m.
- **Investment of €0,6m** allocated to the maintenance and remodelling of buildings.

GAV

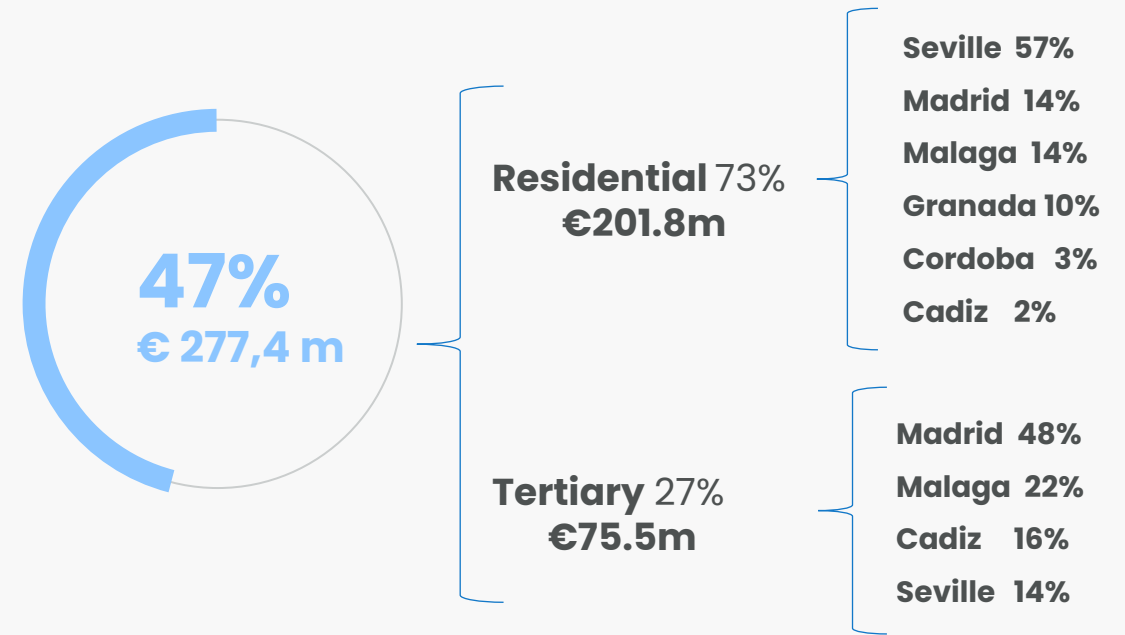
All figures in proportionate

Total €591,3m* -0.6% vs 1Q24

Rentals (-4.6%)



Promotion (+5.2%)



*CBRE valuation as of 06.30.24

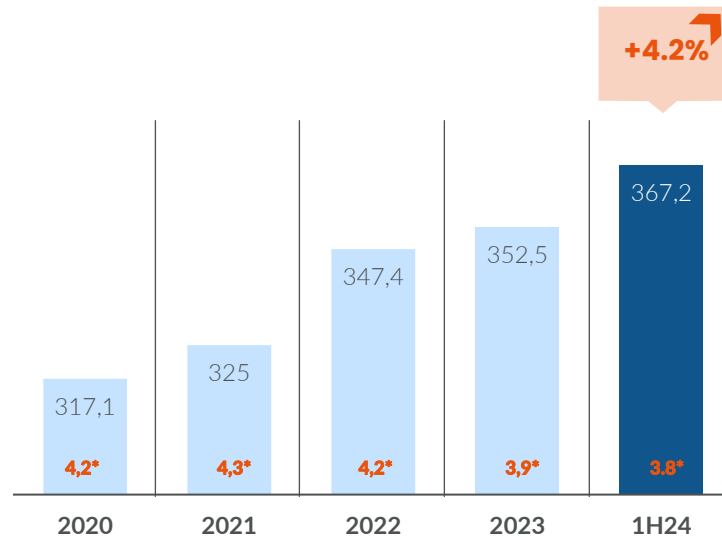
(1) Parking spaces located in office buildings are included.

NAV, LTV and debt

All figures in proportionate

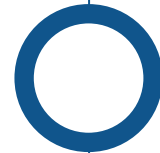
NAV Insur

€m



*€m of NAV corresponding to minority interests

The NFD has decreased by 7.2% compared to the end of 2023 and €13.3m compared to the figure recorded in 1Q24, despite having increased inventories by 7.1% in 1H24 y-o-y.



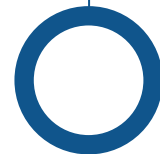
NAV per share

▶ €19.5



Stock Price as of 06.30.24

▶ €8.25

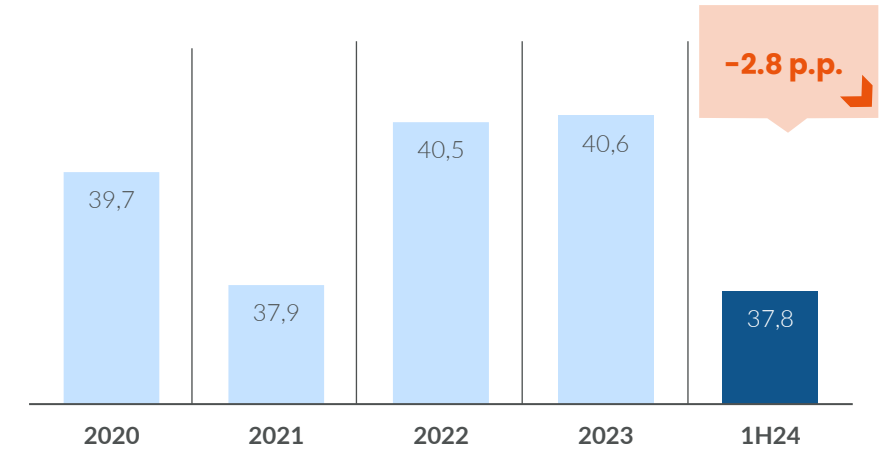


Discount vs NAV*

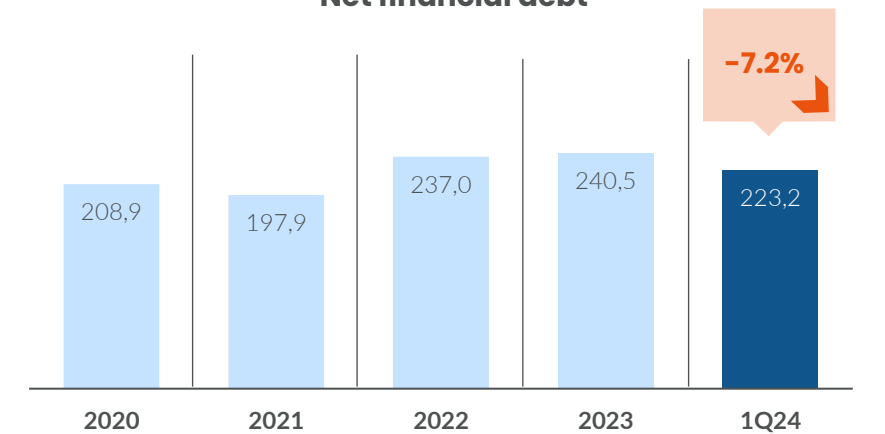
▶ 57.7%

* vs stock price as of 06.30.24

LTV%



Net financial debt



Conciliation between equity and proportionate method:

Consolidated P&L (€m)

	1H24			1H23			Var %
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate	Proportionate
Revenues	57,9	12,2	70,1	49,0	(3,2)	45,7	53,3%
Housebuilding	14,6	31,0	45,7	22,5	7,1	29,7	54,1%
Rental	9,0	0,0	9,0	9,1	0,0	9,1	-0,4%
Construction	30,0	(16,8)	13,2	15,2	(9,9)	5,3	148,0%
Asset management	4,2	(2,0)	2,2	2,1	(0,5)	1,7	29,9%
Result of entities valued by the equity method	1,0	(1,0)	0,0	0,4	(0,4)	0,0	n.s.
EBITDA*	17,4	1,1	18,4	16,9	0,4	17,3	6,7%
Result on the sale of investment property	6,2	-	6,2	8,7	-	8,7	n.s.
Adjusted EBITDA	11,1	1,1	12,2	8,2	0,4	8,6	42,6%
Operating profit	15,2	1,1	16,2	12,4	0,4	12,8	26,8%
Financial result	(2,5)	(0,8)	(3,3)	(3,0)	(0,4)	(3,4)	-4,0%
Profit before tax	12,6	0,3	13,0	9,4	(0,0)	9,4	38,0%
Net profit	9,7	-	9,7	7,1	-	7,1	36,9%
Profit attributable to parent company	9,7	-	9,7	7,0	-	7,0	37,3%
Profit attributable to minority interest	0,0	-	0,0	0,1	-	0,1	-11,8%

*In order to reflect a true image of the profitability of the development business, EBITDA has been adjusted by €0.05m (€2.1m in 1H23) due to the difference between the fair value and the cost in Desarrollos Metropolitanos del Sur, S.L. of the homes delivered by this company in each period.

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 revenues: 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

	30.06.24			31.12.23		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Property, Plant and Equipment	197,1	0,0	197,1	206,6	0,0	206,6
Financial investments in JVs	19,1	(19,1)	0,0	19,2	(19,2)	0,0
Inventory	135,5	105,0	240,5	115,0	109,7	224,6
Debtors and other receivables	33,6	(7,6)	26,1	32,2	(5,6)	26,7
Other assets	71,9	(33,4)	38,5	73,4	(39,5)	33,9
Restricted cash MARF bond	12,1	0,0	12,1	7,7	(0,0)	7,7
Cash and equivalents	38,8	15,4	54,2	29,3	16,1	45,4
TOTAL ASSETS	508,1	60,3	568,4	483,4	61,5	544,9
Net equity	149,3	0,0	149,3	142,5	0,0	142,5
Minority interests	3,2	0,0	3,2	3,2	0,0	3,2
Amounts owed to credit institutions	207,9	33,5	241,4	217,8	38,5	256,3
Other financial liabilities	50,1	0,0	50,1	39,3	0,0	39,3
Trade and other payables	47,5	0,8	48,3	35,3	12,1	47,4
Other liabilities	50,1	26,0	76,1	45,3	10,9	56,2
TOTAL EQUITY AND LIABILITIES	508,1	60,3	568,4	483,4	61,5	544,9

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.

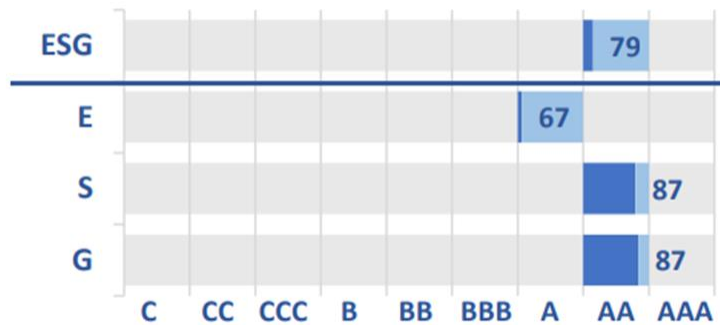
ESG rating 2024

Improved ESG rating by Lighthouse (Spanish Institute of Analysts) due to notable progress in the environmental pillar (E).

2023

AA 79/100 "Very high" performance

ESG rating 2023⁽¹⁾ (by pillar)

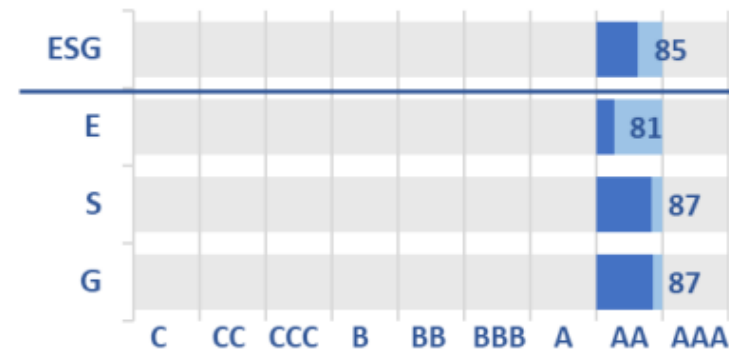


(1) The dark blue area represents the classification achieved by the company in its ESG rating and the light blue area shows the distance until the next level of ESG rating is achieved.

2024

AA 85/100 "Very high" performance

ESG rating 2024⁽¹⁾ (por pilares)

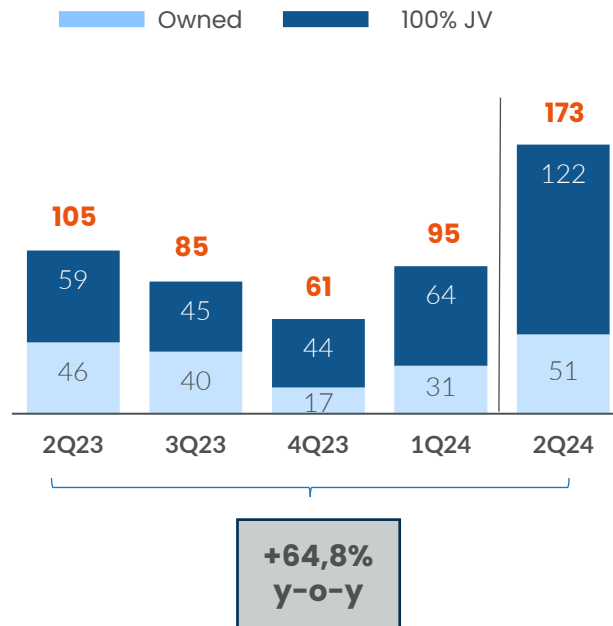


(1) The dark blue area represents the classification achieved by the company in its ESG rating and the light blue area shows the distance until the next level of ESG rating is achieved.

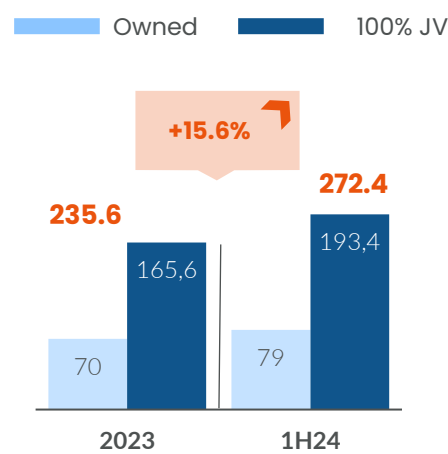
ANNEXES

Figures in global terms 1H24

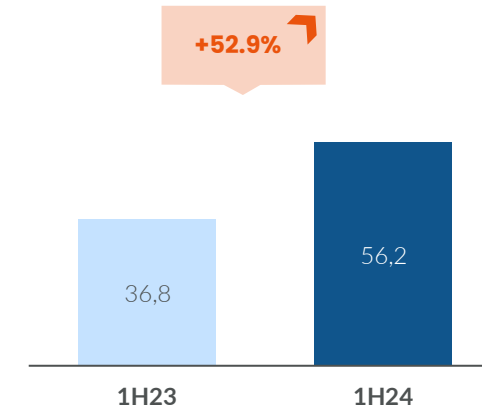
Pre-sales by quarter (units)



Accumulated pre-sales (€m)



Homebuilding revenues (€m)



- Deliveries**
 - ▶ 129 units / ASP €436k
- Pre-sales**
 - ▶ 268 units / ASP €347k
- Accumulated pre-sales**
 - ▶ 860 units / ASP €317k
- Total units**
 - ▶ 3,757 units

- Homebuilding**
 - ▶ €56.2m
- Rentals**
 - ▶ €9.2m
- Construction**
 - ▶ €57.0m
- Services**
 - ▶ €6.8m

In order to increase the volume of promotional activity, as well as diversify risks, a substantial part of this activity is carried out through joint ventures with third parties. The figures reported quarterly by the proportional method include the % of Grupo Insur's participation in the joint businesses, although the figures in global terms reflect the magnitude of what is managed by the Group in its different businesses and justify its structure.



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