

FP1



1Q2021 Results Presentation

April 30, 2021

Diapositiva 1

FP1

Francisco Pumar; 28/04/2021



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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. 1Q 2021 Highlights

Figures by proportionate method

M€ = Million Euros



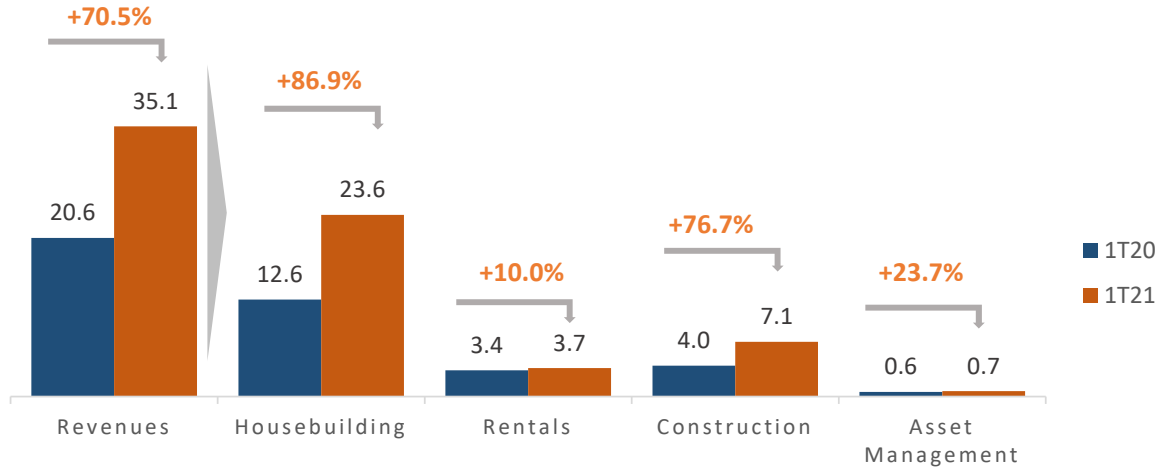
Homebuilding	23. M€	+86.9%
Rental	3.7 M€	+10.0%
Construction	7.1 M€	+76.7%
Asset management	0.7 M€	+23.7%
Net Financial Debt	203.7 M€	-2.5%

- **Great number of deliveries;** the homebuilding branch has delivered units amounting 29.8 M€ (23.6 M€ adjusted by the stake % in the JV).
- **Good commercial performance, despite the extraordinary and unprecedented situation caused by the pandemic. Total presales totaled 45.4 M€** (27.5 M€ adjusted by the stake % in the JV). At 1Q 21 presales stayed at 137.2 M€ (79.6 M€ adjusted by the stake % in the JV), which shows the capacity to generate results in the incoming years.
- **Positive performance of the asset management** branch, which has increased revenues by 10.0%.
- **Great investment effort** in asset management; continuing with important CAPEX for the reconversion and remodeling of some buildings for lease
- Ability to obtain both bank financing and through MARF with new issues

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

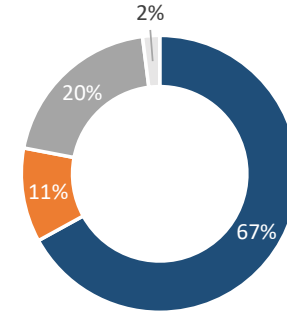
Executive Summary. FY 2020 Results

M€
All figures by proportionate method

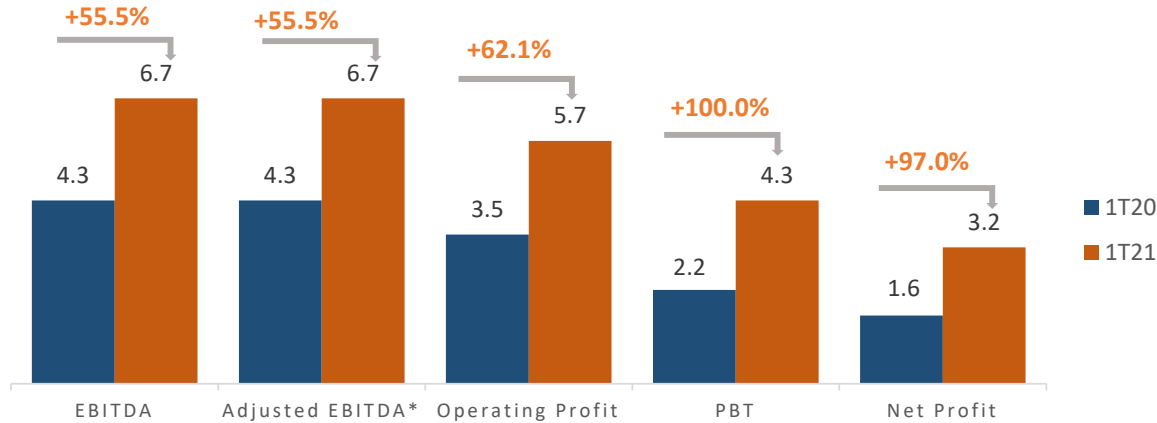


REVENUE BREAKDOWN

■ Housebuilding ■ Rentals ■ Construction ■ Asset Management

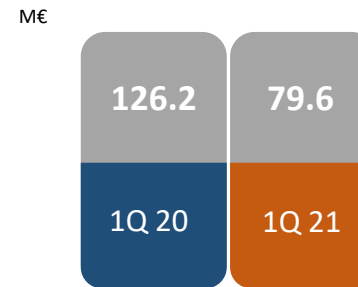


M€



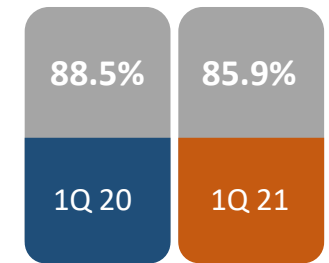
PRESALES

100% Owned and JVs in their participation %



-36.9%

OCCUPANCY RATE

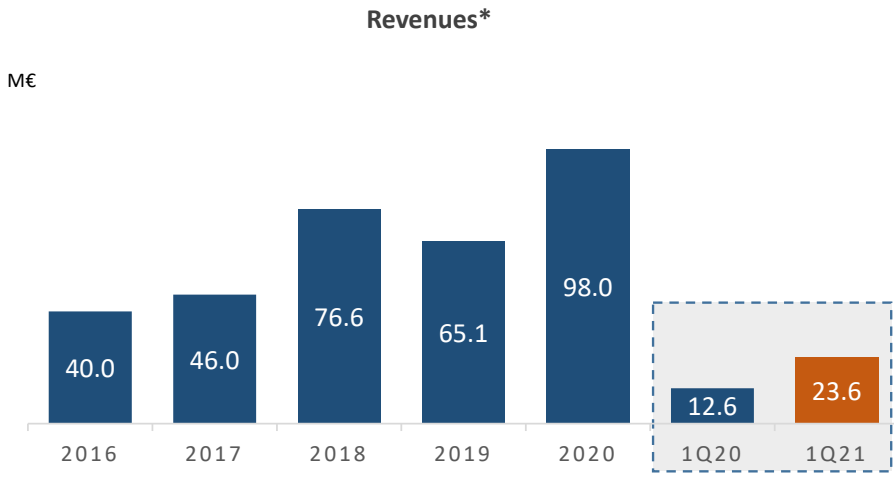


+2.6 p.p.

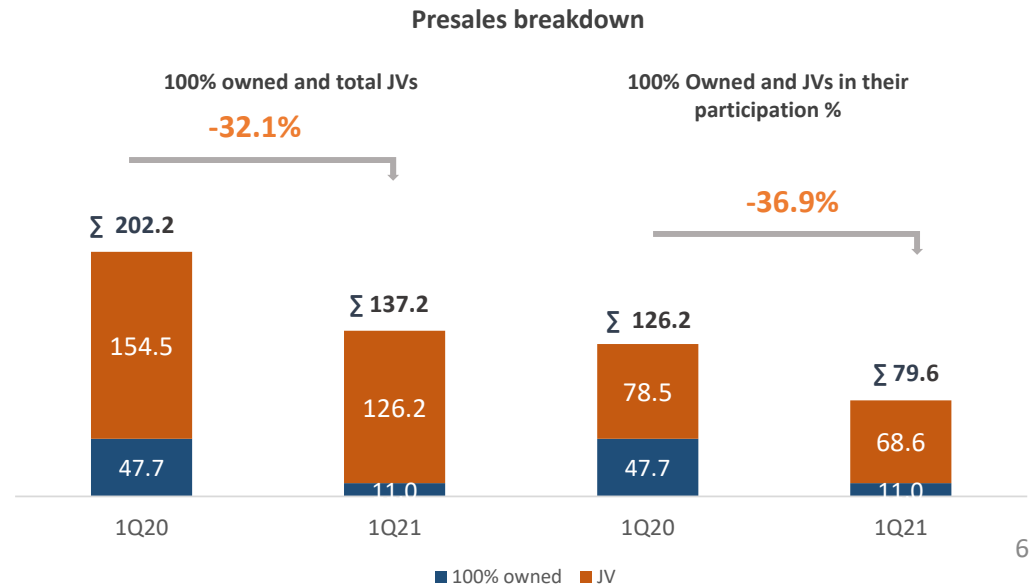
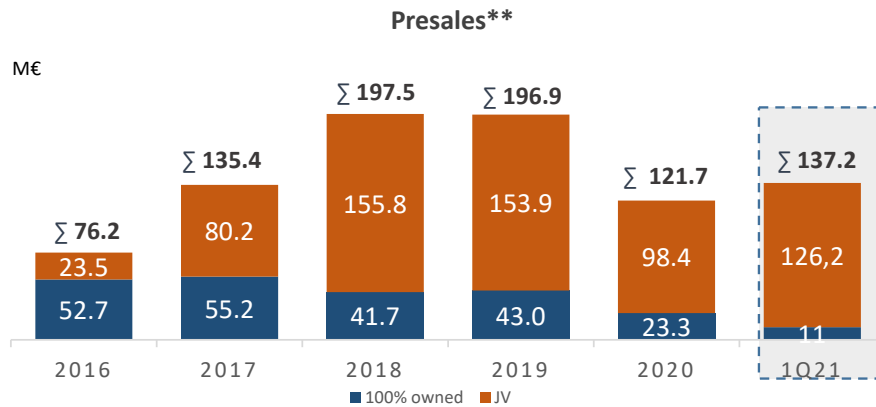
* Does not have into account assets turnover, excluding stock impairments

Housebuilding

* Proportional method
 ** Owned developments and total JVs



- 140 houses have been delivered during 1Q 21 (32 through own developments and 52 through JVs).
- **1Q 21 commercial sales** reached 45.4 M€ (27.5 M€ adjusted by percentage of participation)
- The Group currently has **1,943** houses under development of which 527 are under construction, 140 are completed and 501 are already sold.
- **Presales amount to 137.2 M€** (79.6 M€ adjusted by the % of participation).
- At the end of 1Q 21, the Group had **units sold and completed** (therefore, ready to be delivered) amounting 21.2 M€.
- The decrease in pre-sales compared to 1Q 20 is due to the high volume of deliveries of the last 4Q (135.4 M€), although both the pre-sales made in Q1 and the pre-sales accumulated at the end of the quarter (higher than those of 4Q 20) reflect the good commercial performance in this quarter.



Ongoing developments and land portfolio

Ongoing Developments

1,943 ongoing units

- **2140** housing units completed of which **52** are pending to be delivered and **88** pending to be sold.
- **31 ongoing developments** (18 in West Andalucía, 5 in Costa del Sol, 5 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
4,102 UNITS**

Finished developments

Figures as of March 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	
Conde de Zamora	Córdoba	15	7
Plaza del Teatro	Málaga	7	1
Altos del Retiro	Churriana (Málaga)	5	4
Residencial 75 Aniversario	Sevilla	22	6
		53	18 (34%)

JV developments

Development	Location	Units	Sold units
Pineda Parque I	Sevilla	6	4
Alminar	Marbella (Málaga)	13	
Boadilla Garden	Boadilla del Monte (Madrid)	3	
Santa Ana III	Dos Hermanas (Sevilla)	2	2
Selecta Hermes	Dos Hermanas (Sevilla)	32	22
Elements I	Marbella (Málaga)	31	6
		87	34 (39%)
TOTAL		140	52 (37%)

Developments under construction

Figures as of March 31st

JV developments

Development	Location	Units	Sales Volume (M€)	Estimated delivery	Sold units
Selecta Salobreña I	Salobreña (Granada)	55	9.8	2021	38
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	34
Selecta Extremadura Cáceres	Cáceres	80	19.4	2021/2022	61
Selecta Mykonos	Dos Hermanas (Sevilla)	24	9.2	2022	15
Selecta Apolo I	Dos Hermanas (Sevilla)	37	8.1	2022	24
Terrazas Santa Rosa 1a	Córdoba	46	19.3	2022	23
Selecta Ares II	Dos Hermanas (Sevilla)	73	18.9	2022	41
		527	143.0		364 (69%)

Projects under development

Figures as of March 31st

100% owned developments

* Under commercialization
** Optioned plot

Development	Location	Units	Estimated construction start date	Sold units
Santa Aurelia I*	Sevilla	52	2020	16
Santa Aurelia II*	Sevilla	52	2021	3
JV Developments		104		19 (18%)

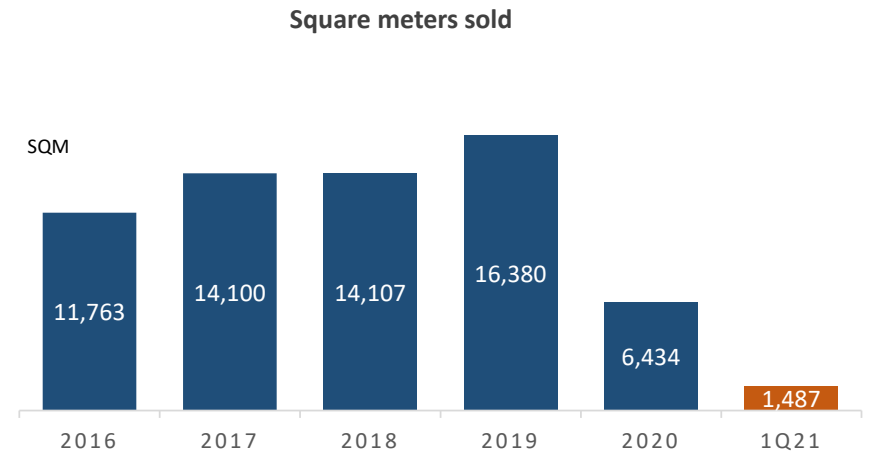
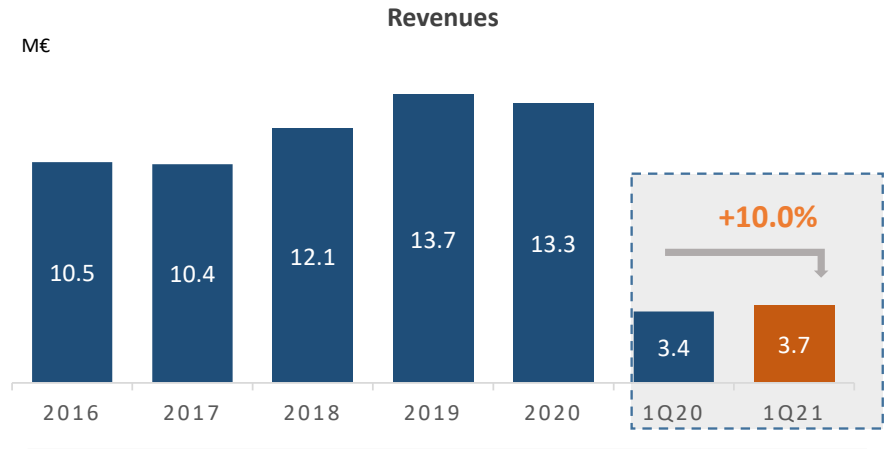
Development	Location	Units	Estimated construction start date	Sold units
Selecta Salobreña Fase 2*	Granada	55	2021	11
Boadilla Essences II*	Boadilla del Monte (Madrid)	16	2021	9
Selecta Apolo 2 ^{af} *	Dos Hermanas (Sevilla)	33	2021	13
Selecta Apolo 3 ^{af}	Dos Hermanas (Sevilla)	38	2021	
Monte de la Villa Unique I*	Villaviciosa de Odón (Madrid)	22	2021	13
Monte de la Villa Unique II*	Villaviciosa de Odón (Madrid)	36	2021	9
Terrazas de Santa Rosa 1b*	Córdoba	46	2021	5
Selecta Creta	Dos Hermanas (Sevilla)	44	2021	
Selecta Bermes	Sevilla	42	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	2
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	
		1,172		66 (6%)
TOTAL		1,276		85 (7%)

Rentals

- During 1Q 21, 1,487 sqm have been sold and there have been contract terminations of 6,173 sqm.
- **Occupancy rate** rises to **85.9%**. The decrease in occupancy compared to 31.12.20 is mainly due to the termination of the contract with Media Markt in the El Mirador, Seville, not motivated by the health crisis of COVID-19.
- The **annualized rental income** of the contracts in force on 31st March 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 Rio 55 in Madrid) amounts to **17.1M€**
- Great investment effort, continuing with important CAPEX for the conversion and remodeling of some buildings intended for lease that has been reflected in an increase of 3.8 M€ in the book value of real estate investments.

GAV of the assets aimed both at rental and own use amounts to 362.7M€
(valuation at 31/03/21 estimated from CBRE valuation at 31/12/20 and revised with additions at cost value and disposals due to deliveries)

135,243 sqm office and commercial premises portfolio and more than 3,000 parking spots



Construction and Project Management

7.1 M€ CONSTRUCTION REVENUES
+76.7% DECREASE

0.7 M€ MANAGEMENT REVENUES
+23.7% DECREASE

Main projects currently managed:

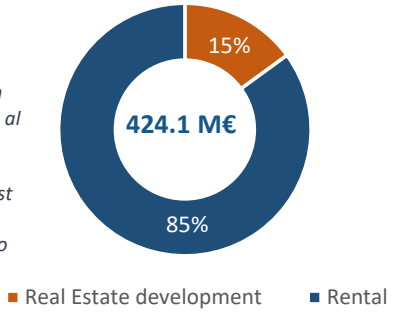
DESARROLLOS METROPOLITANOS DEL SUR, S.L.	<ul style="list-style-type: none"> Selecta Entrenúcleos (Sevilla), 2.100 units Selecta Salobreña (Granada), 110 units Selecta Cáceres (Cáceres), 80 units Selecta Avenida Jerez (Sevilla): 44 units 	<p>FOC: (73 units):</p> <ul style="list-style-type: none"> Selecta Hermes: 116 units (84 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
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 (21 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), 16 units 	Start on 2021
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 	Inminent beginning
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

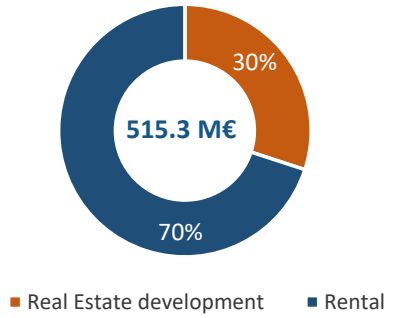
NAV, GAV, LTV & debt

INSUR GAV *

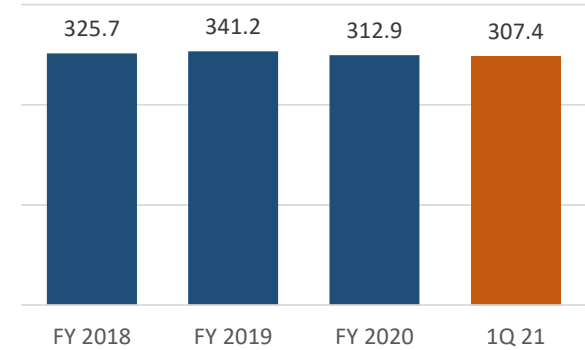
* valuation at 31/03/21 estimated from CBRE valuation at 31/12/20 and revised with additions at cost value and disposals due to deliveries



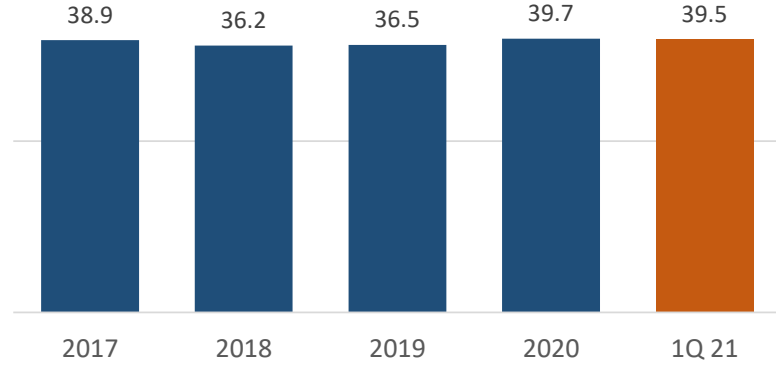
INSUR GAV**



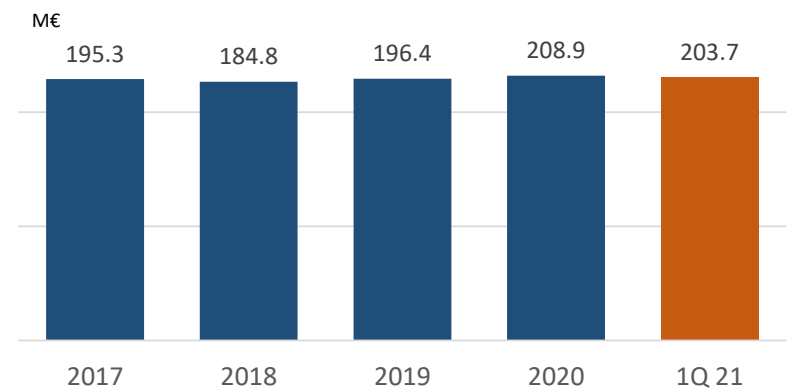
INSUR NAV**



LTV evolution %**



Net financial debt evolution**

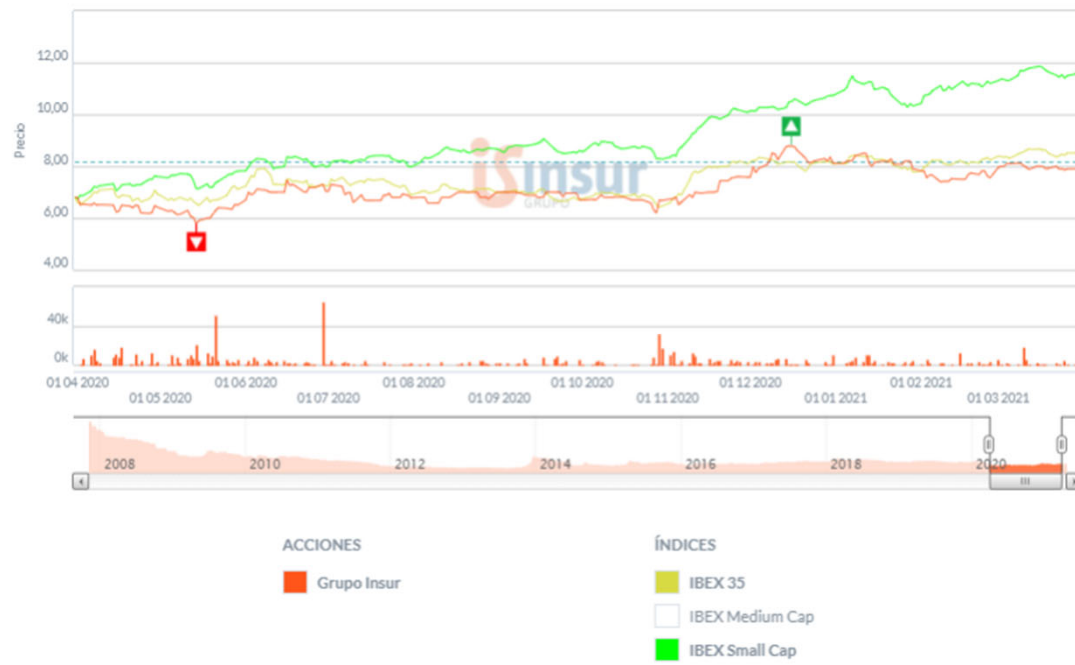


** Proportionate method

Share evolution

Share Price 2020

In 2020 the share Price (ISUR) decreased by 3%. In that same period, the Ibex 35 grew by 6% and the Ibex Small Caps grew by 9%. The share closed at 7.84 € which implies a market cap of 133.1 M€ at the 31st March 2020.



Market Cap March 2021	NAV March 2021	Discount vs NAV
133.1 M€	307.4 M€	57%

Conciliation between equity method and proportionate method

Consolidated P&L M €	1Q 2021			1Q 2020		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Revenues	33.4	1.7	35.1	16.2	4.4	20.6
a) <i>Housebuilding</i>	17.3	6.6	23.6	3.8	8.8	12.6
<i>Rentals</i>	3.7	-	3.7	3.3	-	3.3
b) <i>Construction</i>	11.5	(4.4)	7.1	8.0	(4.0)	4.0
<i>Asset Management</i>	0.9	(0.2)	0.7	1.1	(0.5)	0.6
c) EBITDA	6.4	0.3	6.7	3.8	0.5	4.3
Result on the sale of investment property	-	-	-	-	-	-
Adjusted EBITDA	6.4	0.3	6.7	3.8	0.5	4.3
Operating profit	5.5	0.2	5.7	3.0	0.5	3.5
Financial result	(1.3)	(0.1)	(1.4)	(1.2)	(0.1)	(1.4)
Profit before tax	4.2	0.1	4.3	1.8	0.4	2.2
Profit attributable to parent company	3.2	-	3.2	1.6	-	1.6
Profit attributable to minority interests	0.025	-	0.025	-	-	-

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 €

	31.03.2021			31.12.2020		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Property, Plant and Equipment	219.3	(0.2)	219.1	216.0	0.066	216.1
a Financial investments in JVs	38.2	(36.9)	1.3	38.4	(37.2)	1.2
b Inventory	60.9	73.9	134.8	72.6	72.0	144.6
Debtors and other receivables	20.7	(4.7)	16.0	17.8	(3.8)	14.0
Other assets	42.0	(4.5)	37.5	44.5	(6.2)	38.3
Cash and equivalents	52.0	10.6	62.6	44.4	11.5	55.9
TOTAL ASSETS	433.1	38.2	471.3	433.7	36.3	470.0
Net equity	128.8	-	128.8	122.3	-	122.3
Minority interests	3.2	-	3.2	3.2	-	3.2
c Amounts owed to credit institutions	238.0	20.7	258.7	239.0	20.2	259.2
Other financial liabilities	7.7	-	7.7	5.6	-	5.6
d Trade and other payables	26.8	(9.2)	36.0	29.6	(0.8)	28.7
Other liabilities	28.6	8.3	36.9	34.0	17.0	51.0
TOTAL EQUITY AND LIABILITIES	433.1	38.2	471.3	433.7	36.3	470.0

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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