



FY 2022 Results Presentation

28th February 2023

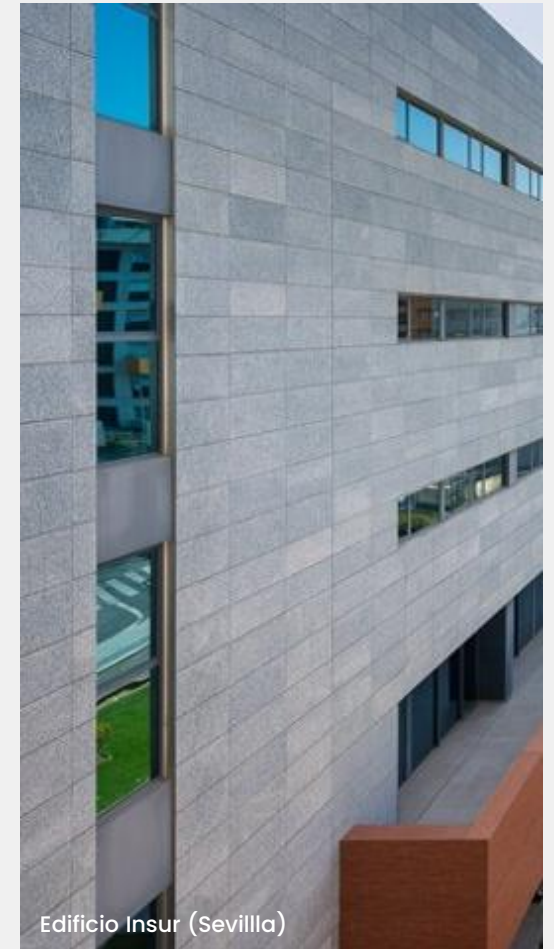
Quintessence (Marbella-Málaga)

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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.

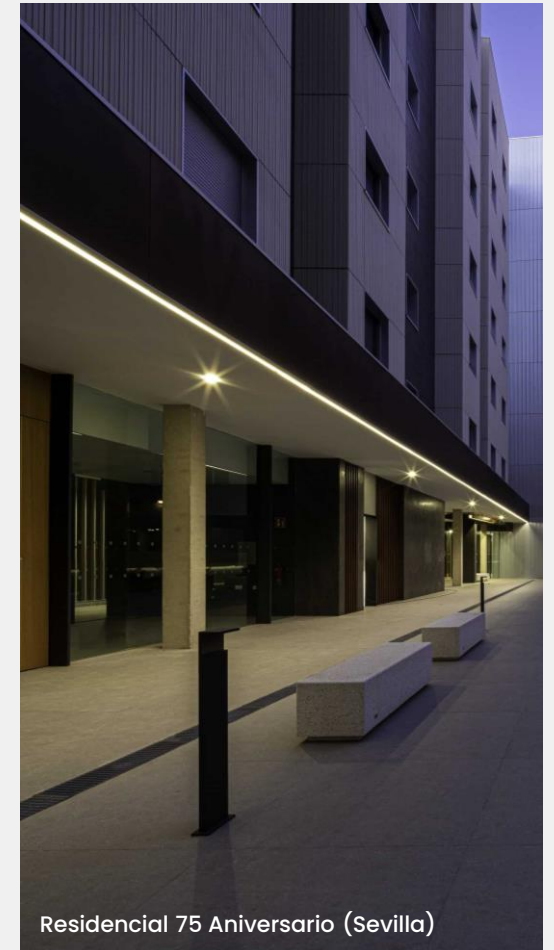
The rental activity is carried out by Insur Patrimonial, S.L.U. (IPAT), fully owned by Insur, as well as by other companies which are also fully owned by IPA (except for IDS Madrid Manzanares, S.A. where Insur has a 90% stake)

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**.



Residencial 75 Aniversario (Sevilla)

2022 MAIN HIGHLIGHTS

➤ **Resilient company** in a turbulent year. **Deliveries 2022 in line with 2021** and a good starting point for 2023.

➤ **Desarrollos Metropolitanos del Sur, S.L. (DMS)** takeover.

➤ **Excellent performance of the rental activity.**

➤ Relevant investment effort for the **promotion of tertiary assets.**

➤ **Ambitious 2021-2025 Strategic Plan** underway.

➤ High commitment to **Sustainability**.
2023-2025 Sustainability Plan under development.

➤ **Commitment to our shareholders.** €0.30/share in dividends distributed in 2022.
Proposal to the AGM of €0.32/share in 2023 (+6.7% vs 2022).

EXECUTIVE SUMMARY FY 2022.

MAIN HIGHLIGHTS

Figures by proportionate method

€m= million Euros

Var % y-o-y

◀ FINANCIAL DATA ▶

REVENUES	➤	€117.9m	-5.9 %
EBITDA	➤	€23.2m	-11.3 %
ADJUSTED EBITDA*	➤	€21.2m	-5.6 %
EBIT**	➤	€22.1m	+0.8 %
NET PROFIT**	➤	€15.1m	+25.0 %
NFD	➤	€237.0m	(+19.8% vs 2021)
TOTAL INVESTMENT	➤	€52.6m	(Plots €36.8m + Capex €2.1m + net investment in DMS €13.7m)



HOMEBUILDING ➤ €82.0m -1.8%



CONSTRUCTION ➤ €15.1m -33.7%



SERVICES ➤ €3.3m -8.6%



RENTAL ➤ €17.5m +13.5%

◀ OPERATING DATA ▶

DELIVERIES ➤ 384 units

PRE-SALES PORTFOLIO ➤ 680 units

IN PORTFOLIO ➤ 2.163 units

OCCUPANCY RATE ➤ 90.4% (+2.7 p.p.)

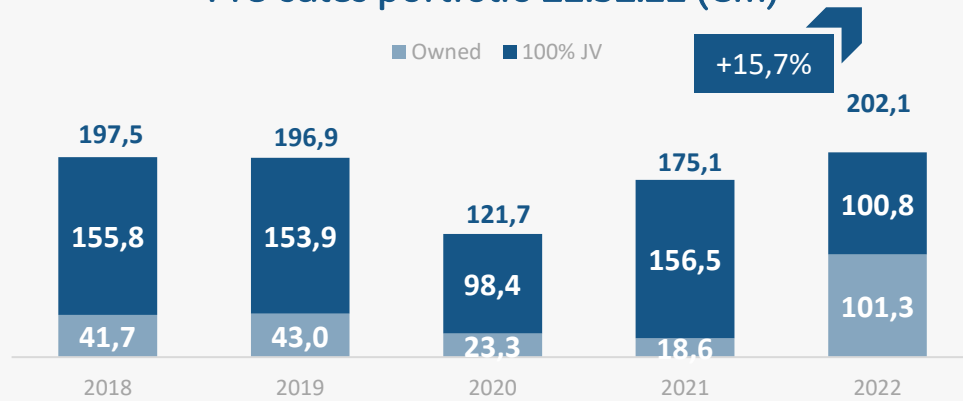
IN PORTFOLIO ➤ 132,868.8 sqm y +3,000 parking spots

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

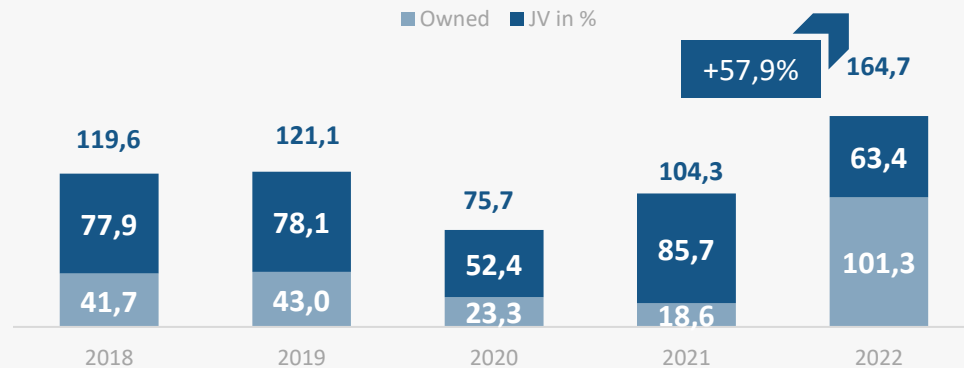
** Includes the result from the takeover of DMS after taxes: €9.4m

HOMEBUILDING

Pre-sales portfolio 12.31.22 (€m)



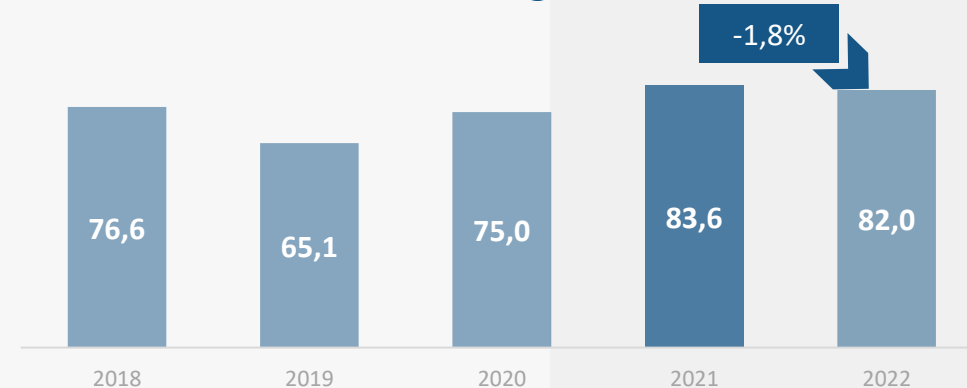
Pre-sales portfolio (€m proportionate) 12.31.22



- In 2022 a total of **384 homes were delivered (195 homes in 4Q22)** with an ASP⁽¹⁾ of €269,352, (239 owned and 145 through JV), compared to 380 homes delivered in 2021 (72 owned and 308 through JV) with an ASP⁽¹⁾ of €320,116.
- Revenues stood at €82.0m, -1.8% vs 2021, year end.
- **434 units sold in 2022 (96 in 4Q22)** amounting to €130.9m (€90.2m proportionally).
- At the end of 2022, Grupo Insur had a **pre-sales portfolio of 680 units** for an amount of €202.1m (€164.7m proportionally), +15.7% vs 2021.
- **Pre-sales coverage** for 2023 and 2024 of 89% and 36%, respectively.
- **Investment in land of €52.5m in 2022** (€36.8m adjusted by our stake %) for 179 housing units and 56,400 sqm floor area of tertiary use.
- **€25.2m (proportionally) of investment in work executions** in 4Q22.
- **Construction start of 722 homes** in 1Q23

(1) Average sale price

Homebuilding revenues



ACTIVE RESIDENTIAL DEVELOPMENTS AND LAND PORTFOLIO

MADRID

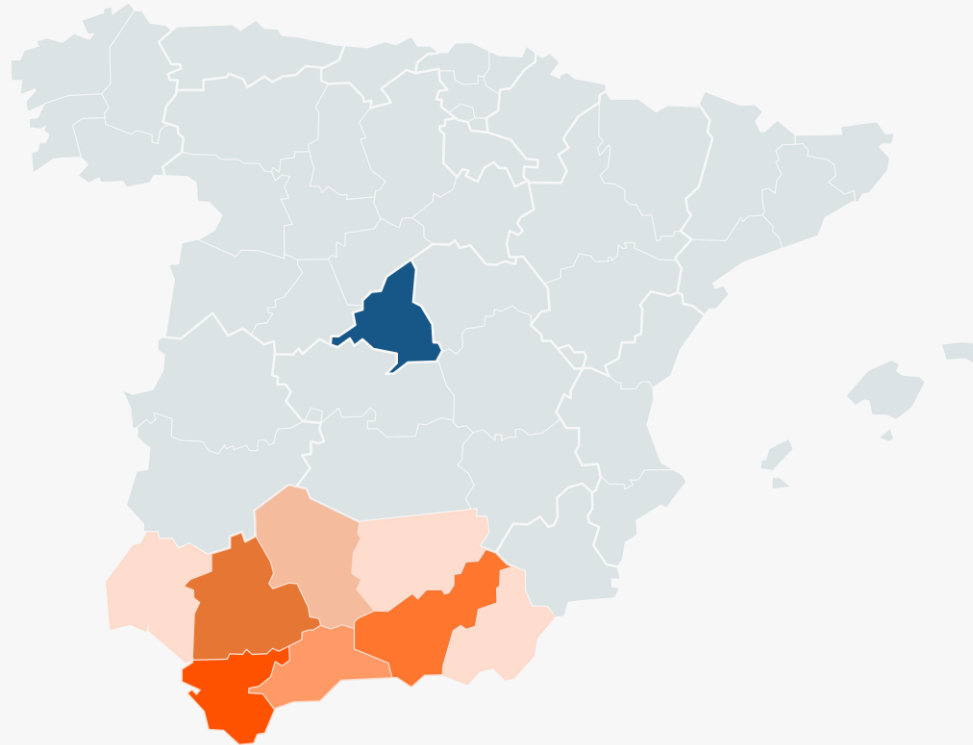
179 units under
construction

ANDALUCÍA

476 units under
construction

1,053 units under
development

2,163 in land portfolio



3,871 units

**UNDER
CONSTRUCTION**

11 projects

655 units

(430 owned; 225 JVs)

UNDER DEVELOPMENT

12 projects

1,053 units

(418 owned; 635 JVs)

LAND PORTFOLIO

2,163 units

(1,899 owned; 264 JVs)

**1,581 units in
commercialization***

(42.9% sold)

* Includes units pending to be delivered from
finished projects

P&L: HOMEBUILDING

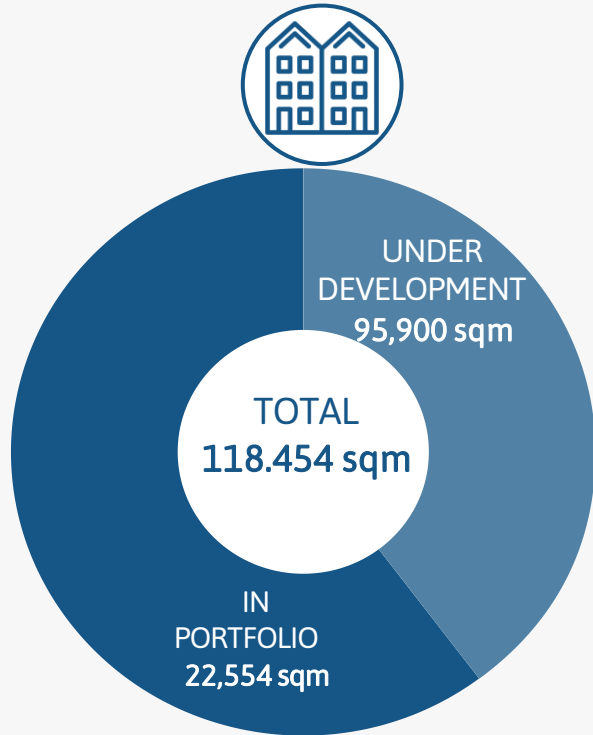
€m (proportionate)	12.31.2022	12.31.2021	Var %
Homebuilding revenues	82,0	83,6	-1,8%
Cost of sales*	(64,3)	(63,8)	0,8%
Gross Margin	17,7	19,8	-10,3%
% Gross Margin	21,6%	23,6%	-2,0 p.p.
Net Margin	11,6	14,4	-19,4%
% Net Margin	14,1%	17,2%	-3,1 p.p.
Ebitda*	11,6	14,7	-21,4%
% Ebitda Margin	14,1%	17,6%	-3,5 p.p.
Takeover result*	3,2	-	n.s.
Profit before tax	12,0	12,2	-1,4%
Net Profit	9,0	9,1	-1,4%

- Reduction of margins of a temporary nature, due to the increase in costs and impact derived from the takeover of DMS.

* In order to reflect a true picture of the profitability of the development business, the result of the takeover of Desarrollos Metropolitanos del Sur, S.L. has been adjusted by €6.0m for the difference between the fair value and the cost in DMS of the homes delivered by this company from the date of taking control (06.16.22) until 12.31.22, amount that is presented as lower cost of sales and higher EBITDA.

TERCIARY PROMOTION

Ongoing projects:



Ágora project – Malaga capital
 9.500 sqm of offices
 Planned investment €37m
 Construction works started in 1Q23



Martiricos project – Malaga capital
 10,900 sqm of offices
 Planned investment €37m
 Estimated construction start in 3Q23



Hotel Project in Atlanterra – Tarifa (Cadiz)
 30,000 sqm buildable
 Planned investment €85m



Fulfilling the objective established for 2021-2025

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

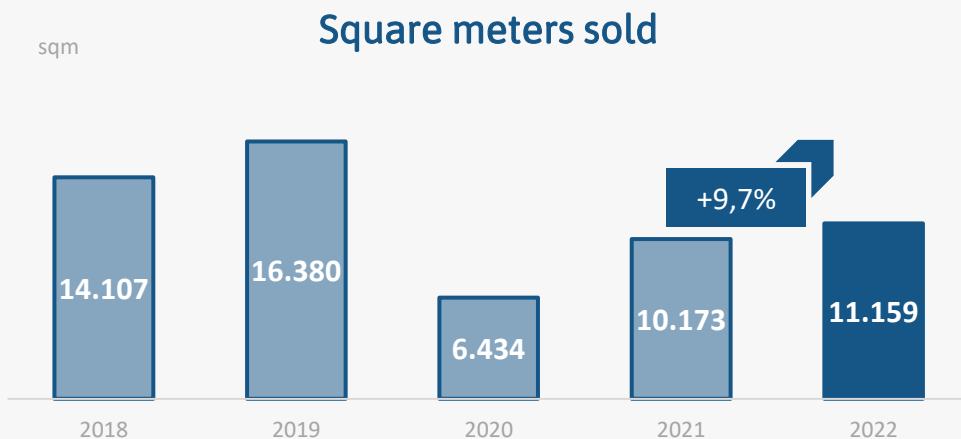
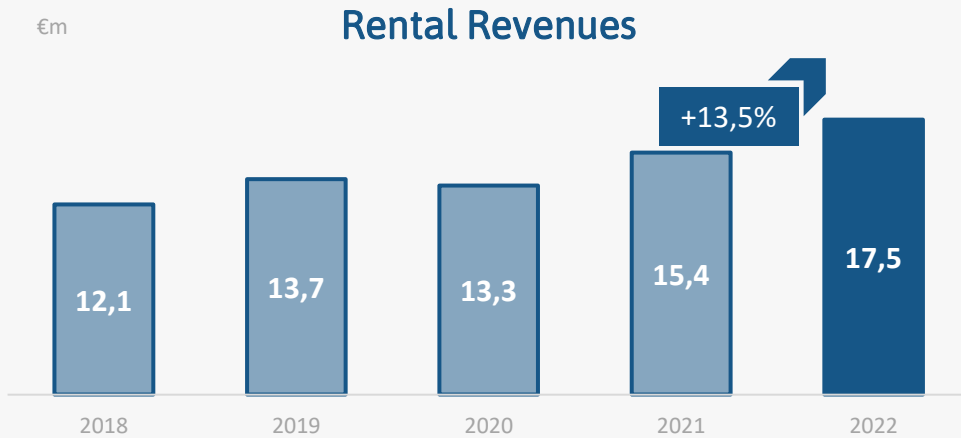
Project in Las Tablas Madrid Nuevo Norte – Madrid
 9,000 sqm of offices
 Planned investment €39m
 Estimated construction start in 1Q23



Business Campus in Valdebebas – Madrid
 36,500 sqm of offices
 Planned investment €95m



RENTALS



- In 2022, **new areas were sold** for a total of 11,158.6 sqm (4,238.0 sqm in 4Q22) and there have been contract terminations of 6,566.8 sqm (930.8 sqm in 4Q22).
- **Occupancy rate** reached 90.4%, +2.7 p.p. vs the rate in 2021, year end and +2.0 p.p. vs 9M22.
- **The annualized rental income** of the contracts in force on 31st December 2022 stood at €18.9m vs €17.5m at the end of 2021 due to the improvement in occupancy and the increase in rental prices.
- **Investment** in 2022 of **€2.1m** allocated to the reform and remodeling of buildings.
- **132,868.8 sqm** of offices, hotels and commercial premises portfolio and **more than 3,000 parking spots**.



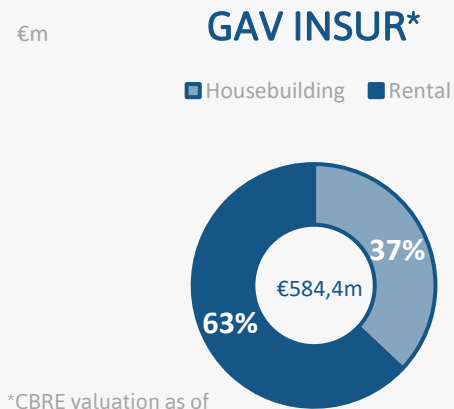
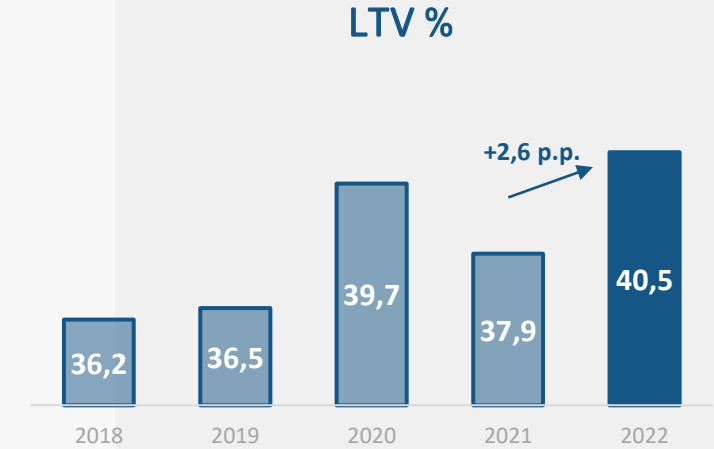
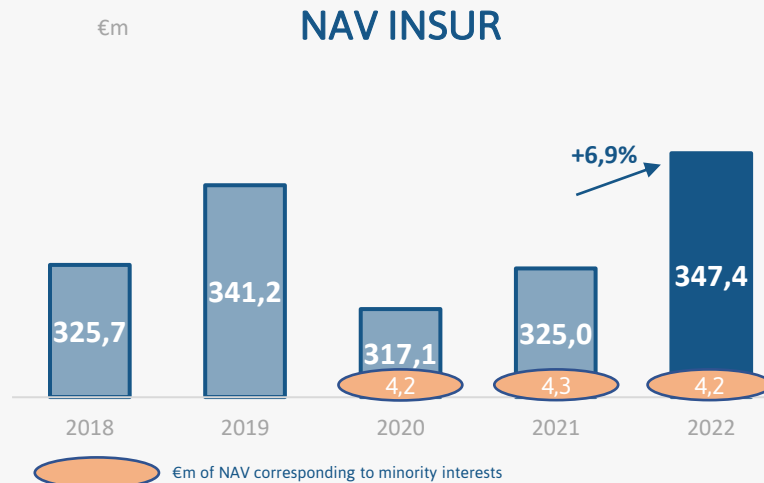
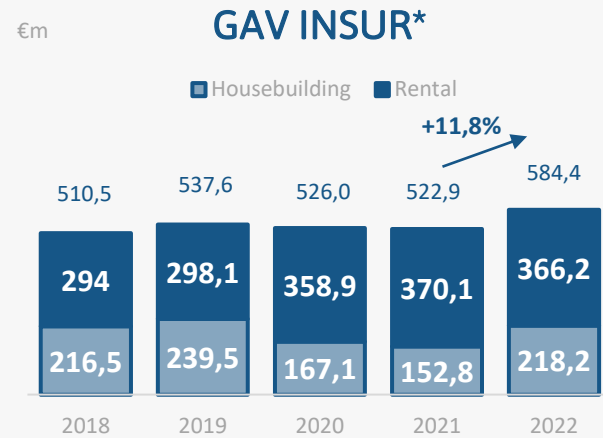
P&L: RENTALS

€m (proportionate)	12.31.2022	12.31.2021	Var %
Rental revenues	17,5	15,4	13,5%
Operating expenses	(2,7)	(2,6)	5,6%
Result on the sale of investment property	2,2	3,8	-42,7%
Ebitda	16,3	15,6	4,3%
Adjusted Ebitda	14,1	11,8	19,2%
% Adjusted Ebitda margin	80,6%	76,7%	+3,9 p.p.
Takeover result	3,2	-	n.s.
Profit before tax	12,8	8,7	47,0%
Net Profit	9,5	6,4	47,4%

- ▶ Solid rental income growth: +13.5%.
- ▶ Improvement in profit before tax due to the improvement in EBITDA and the result from the takeover of DMS.
- ▶ Asset turnover: €2.2 million profit before tax in 2022, within our goal of divestment of non-strategic assets.
- ▶ Investment of €2.1m in maintenance and remodeling of our assets in 2022.

GAV, NAV, LTV and debt

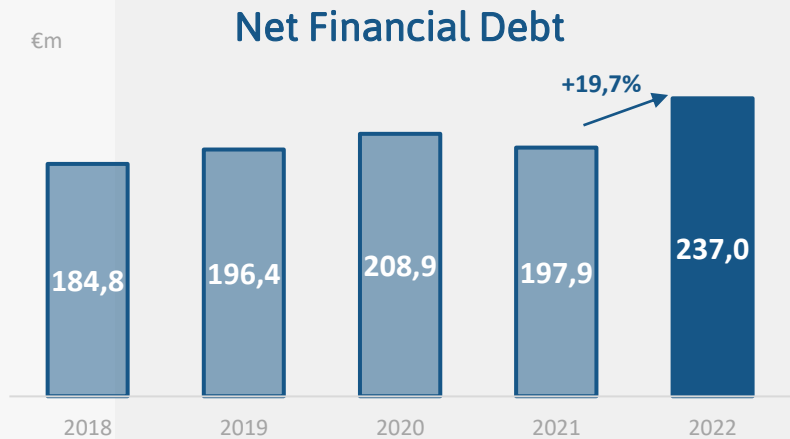
All figures in proportionate



*CBRE valuation as of 12/31/22

2022 NFD increased 19.7% compared to the closing figure for 2021, mainly due to the large investments made in the period in the purchase of plots (€36.8m), the net investment in DMS (€13.7m) and 50% of the gross financial debt of DMS at the date of takeover (€9.7m). 2022 NFD figure has been reduced by 8.4% vs 9M22 figure due to the high volume of deliveries in 4Q22.

NAV per share: €18,4 Discount vs NAV : 61,3%



CONCILIATION BETWEEN EQUITY AND PROPORTIONATE METHOD

CONSOLIDATED P&L €m	FY2022			FY2021		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Revenues	116,5	1,3	117,9	105,4	19,9	125,3
Housebuilding	60,3	21,7	82,0	40,0	43,6	83,6
Rental	17,4	0,1	17,5	15,3	0,1	15,4
Construction	34,7	(19,7)	15,1	44,7	(22,0)	22,7
Asset management	4,0	(0,8)	3,3	5,3	(1,7)	3,6
Result of entities valued by the equity method	1,7	(1,7)	(0,0)	4,3	(4,3)	0,0
EBITDA	22,3	0,9	23,2	24,3	1,9	26,2
Result on the sale of investment properties	2,0	-	2,0	3,8	-	3,8
Adjusted EBITDA	20,3	0,9	21,2	20,6	1,9	22,5
Operating profit	21,2	0,9	22,1	20,1	1,8	21,9
Financial result	(4,8)	(0,4)	(5,2)	(5,1)	(0,4)	(5,5)
Profit before tax	16,4	0,5	16,9	15,0	1,4	16,4
Profit after tax	15,1	-	15,1	12,1	-	12,1
Profit attributable to parent company	15,0	-	15,0	12,0	-	12,0
Profit attributable to minority interest	0,100	-	0,100	0,089	-	0,089

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

	12.31.22			12.31.21		
	Equity method	Adjustments	Proportionate	Equity method	Adjustments	Proportionate
Property, Plant and Equipment	216,3	0,0	216,3	216,8	(0,0)	216,8
Financial investments in JVs	25,4	(25,1)	0,3	38,9	(38,4)	0,5
Inventory	116,5	82,1	198,6	47,6	88,3	135,9
Debtors and other receivables	21,7	(3,7)	18,0	24,6	(6,1)	18,5
Other assets	67,1	(33,6)	33,5	56,4	(25,6)	30,8
Restricted cash MARF bond	17,2	0,0	17,2	30,0	0,0	30,0
Cash and equivalents	32,9	6,3	39,2	49,8	15,1	64,9
TOTAL ASSETS	497,1	25,9	523,0	464,2	33,3	497,5
Net equity	137,3	0,0	137,3	128,3	0,0	128,3
Minority interests	3,1	0,0	3,1	3,2	0,0	3,2
Amounts owed to credit institutions	241,1	16,1	257,3	227,8	18,0	245,8
Other financial liabilities	39,0	0,0	39,0	47,1	0,0	47,1
Trade and other payables	50,5	(8,7)	41,9	35,5	1,9	37,4
Other liabilities	25,9	18,4	44,4	22,3	13,3	35,7
TOTAL EQUITY AND LIABILITIES	497,1	25,9	523,0	464,2	33,3	497,5

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.

2021-2025 Strategic Plan. Figures update

Updating our 2021-2025 targets to reflect the impact of the DMS acquisition and macroeconomic uncertainty

€m (Data based on proportional consolidation method)

	STRATEGIC PLAN	UPDATE	ACCUMULATED 2022		STRATEGIC PLAN	UPDATE	ACCUMULATED 2022
REVENUES	➤ €955,2m	€833 -925m	€243,1m	EBIT	➤ €184,2m	€170 -190m	€44,0m
HOUSEBUILDING REVENUES	➤ €657,1m	€600-675m	€165,6m	EBITDA	➤ €206,0m	€190-205m	€49,4m
RENTAL REVENUES	➤ €87,1m	€87-90m	€32,9m	FINANCIAL RESULT	➤ €31,1m	€40-45m	€10,8m
CONSTRUCTION REVENUES	➤ €184,6m	€130-142m	€37,7m	PROFIT BEFORE TAX	➤ €153,1m	€125-150m	€33,2m
SERVICES REVENUES	➤ €26,4m	€16-18m	€6,9m	NET PROFIT	➤ €112,8m	€94-113m	€27,0m

On the path of fulfilling the plan

- 2021-2025 housing delivery target : ~ 2,500
- Investment in land €220m
25% terciary
- Increase our development activity in Madrid
Up to 27% of total revenues in 2025
- Asset turnover €27m
- Adjusted Ebitda margin improvement by 5 p.p. in
the rental activity

~ 31%

~ 40%

~ 58%

Sale Price +10,7% vs CBRE
valuation

+6.2 p.p.*

* Margin 2022 year end compared to margin 2020 year end.

SUSTAINABILITY. MAIN ACHIVEMENTS IN 2022



ENVIRONMENTAL

- ✓ Measurement of our Carbon Footprint corresponding to corporate and patrimonial activity
- ✓ Obtaining the “BREEAM® In Use” certification for our Capitolio office building, in Seville, and others in process
- ✓ Reduction of electricity, water and paper consumption in all our corporate headquarters



SOCIAL

- ✓ Support for entrepreneurship, with a rise in 2022 of 7.32% compared to 2021, and which has represented approximately 0.5% over/EBITDA/year in the last three years
- ✓ Supply chain approved and evaluated with ESG criteria



GOVERNANCE

- ✓ ESG targets for variable remuneration for Senior Management and Management Team
- ✓ High rate of compliance with CBGC recommendations

2023-2025 SUSTAINABILITY PLAN under development. It will be presented in 2Q23.



Insur Escala (Estepona-Málaga)

Q & A

Annexes

ACQUISITION OF 50% OF DESARROLLOS METROPOLITANOS DEL SUR, S.L.

- On June 16, 2022, it was acquired to Anida Operaciones Singulares, S.A.U. (BBVA Group) the 50% it held on Desarrollos Metropolitanos del Sur, S.L. (hereinafter DMS), with Grupo INSUR reaching a 100% stake and taking control of DMS.

INVESTMENT:

Purchase price of the shares:	€18,2m	
Assignment of certain loans:		€5.6m
- 50% DMS treasury at the time of takeover:	(€10.1m)	
	<hr/>	
Net cash investment:	€13.7m	

- GAV of DMS at the date of taking control amounts to €85.8m.
- IFRS 3 on business combinations (taking control in stages) is applicable to the purchase of the company shares.
- The application of IFRS 3 implies recording the assets and liabilities of DMS in the financial statements of Grupo INSUR at fair value (FV), recording the difference between the assets and liabilities and the cost of the business combination (price paid for the purchase of the shares plus the consolidated value of the stake in DMS prior to taking control) as a profit/loss in the income statement.

Assets - liabilities of DMS at fair value:	€44.7m	
Cost of the business combination:	(€32.2m)	
Takeover result:	€12.5m	
Corporate tax of the takeover:	(€3.1m)	
Net result of takeover:	€9.4m	

- Intragroup benefits eliminated prior to takeover: **€3.9m**
- Difference between fair value and cost of assets: **€8.7m**
- Difference between the 50% equity of DMS on the date of takeover and the price paid: **(€0.07m)**

- As of 2022, year end, €6.1m correspond to revalued assets already delivered.



María Ferrer

Investor Relations

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